Financing Sustainable Economic Growth: Evidence from Europe

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Abstract An important part of this article's argument is that environmentally friendly finance and investment practices are becoming increasingly important. To implement the Sustainable Developmental Goals, private sector resources are needed. It's important to develop and execute technologies that help investors make the right decisions. Sustainable finance policy for the European Union is being developed with help from the European Commission's High-Level Expert Group on Sustainable Finance. Sustainability considerations were to be integrated into risk management, among other things, as part of the action plan for sustainable economic growth's goals, as well as promoting transparency and long-term thinking in the financial and economic activity. The adoption of a European Union taxonomy for sustainable development activities was one of the most critical and urgent objectives outlined in the action plan for financing sustainable economic growth. Additionally, the classification method can be freely used by other business owners. To evaluate the utilization of source data and international deals that incorporate financial sustainability, the technique is based on a desk survey. The findings reveal that a great deal of work has been done to ensure financial stability and a great deal of money has been invested in this goal.

Keywords Sustainable development · Economy · Finance · European Union taxonomy · Multidimensionality · Innovation · Green Deal

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1 Introduction

Since the birth of globalization, economic sustainability has been one of the most essential components in stabilizing the numerous facets of social, political, and environmental stability. Sustainability is essential in today's society as well because it affects both economic and political advancements.

Finally, sustainable development is a deliberate effort to reverse the effects of past behavior that have harmed the environment, as evidenced by the increased rate of global warming, diminished ozone layer protection, rising water table levels, desertification, logging-related deforestation, and other indicators. Technology, industrialization, and urbanization have drained our natural resources. Humans and other animals on Earth are now at risk of extinction because of Earth's rapid economic and social development. Due to a lack of focus on environmental sustainability, the ecosystem has been damaged, resulting in an increase in natural disasters such as increased radioactivity, floods, and tsunamis, as well as significant shifts in the climate. There is a danger that we will run out of the planet's natural resources if we don't change our unhealthy lifestyles. As a result, several regulatory policies have been implemented, one of which is sustainable development. Environmental protection law and legislation promoting social and economic stability have both been passed (Chichilnisky, 1997).

The concept of sustainable development has been of essential importance, which has grown with time and with technological advances. However, with political and economic growth, the concept of sustainable development became more diverse. This theoretical theory was principally linked to social advancement. Sustainable development has grown into a number of categories, including environmental sustainability, economic sustainability, corporate sustainability, scientific sustainability, political sustainability, cultural sustainability, and others. Sustainable development has been credited with helping to shape the current global sociocultural scene, and practically every policy decision made by a country—whether at the national or international level—aims to promote sustainable development. A country's social and political dynamics are influenced by economic sustainability, which is one of the most critical characteristics of sustainable development, for example, sustainable development is the ultimate goal of any government program (Parris, 2003).

SDGs emphasize balancing the requirements of the economy and environment in order to achieve socioeconomic and socio-environmental success. Prosperity benefits not only the current but also the future generations. Each of these goals may be broken down into three distinct categories: economic growth, social inclusion, and environmental preservation.

There are three pillars of sustainable development that are being implemented in every area of the economy and society, from agriculture to infrastructure to energy to water to transportation and urbanization. Every organization's financial system is heavily interwoven with sustainable development in order to build a healthy community that adheres to social, economic, and environmental challenges in a long-term strategy. By encouraging the use of cutting-edge technologies and so aiding environmental preservation, it benefits society as a whole and each individual as well. The goal of sustainable development is being pursued by several countries, which are putting in place action plans to safeguard various environmental areas and ensure that resources are being used appropriately. Nine billion people are predicted to be in the world by the year 2050. Developing a plan that ensures that each person may enjoy a substantial quality of life without harming our natural resources is a major challenge in sustainable development. For sustainable development, social justice and equal opportunity, climatic sustainability, conservation of natural resources and biodiversity, and the safeguarding of water bodies, as well as renewable energy, sustainable nutrition and health, controlled population, sustained employment, and sustainable economic growth are all aims (Zdan, 1997).

This is evident from the large number of developmental action plans that have been formulated by the international as well as the national organizations. Some of these plans include the green finance (financial policy), European Union taxonomy (socioeconomic policy), Green Deal (socio-environmental policy), Sustainable Development Goals (socioeconomic and socio-environmental policy), and multidimensionality (socioeconomic policy). There are many others. Sustainable development and the provision of prosperous lives for our future generations are expressly addressed by the implementation of these initiatives.

The aim of the paper is to address the financial sustainable action plans, undertaken by the different organizations on different levels, to assist in environmental sustainability, through improvised investments, which in turn supports the human life. The paper also presents specified evidence on financing of sustainable development and the evidence of sustainable action plans as executed by organizations, thereby giving an insight into the efficacy and effectiveness of these plans, and elaborates the complete sustainable facets, collectively, with pertinent provision of each of the plan, which makes it different from other papers.

The paper constitutes elaboration of the green fiscal policies, European Union taxonomy, European Green Deal, Sustainable Development Goals (SDGs), significance of sustainable development, and finally conclusion.

2 Green Finance and Financial Policies

Many national and international policies have been included into economic and financial policies, especially after the 2008 global economic crisis, which was inflicted by rising oil and energy costs. New methods for long-term economic growth free of the threat of collapse have been actively sought. Sustainable economic development's primary goal was to minimize the financial exclusion, inefficient redistribution system, pay inequities, and negative financial externalities that caused the financial crisis. As a result, federal and provincial governments across the country and around the world have adopted these principles. Independent bureaus, such as banks and other financial institutions, in addition to governments, implemented these policies, which greatly contributed to the accomplishment of economic sustainability. Economic policies for investments in environmentally friendly businesses have been introduced by several European and American banks and financial institutions, for example, fiscal green finance (Wang, 2016). Increasing money flows from financial institutions, such as insurers and banks, in addition to the public and commercial sectors; "green finance" refers to financing for sustainable development processes. In order to boost long-term investments in sustainable financial initiatives, sustainable finance examines environmental, social, and governance (ESG) challenges and hazards. Internationally, Europe is regarded as a major player in the field. As part of its 2018 action plan on funding sustainable growth, the European Commission has recently termed economic sustainability "green finance." The term "green finance" refers to a type of financial or economic activity whose primary goal is to benefit the environment. Debt, loans, and investments are all included in a hierarchical array that is utilized to safeguard the environment in one way or another. With the help of green finance, environmental impact can be minimized, while development projects move toward a green and sustainable future.

It has thus been implemented into an economic sustainability action plan, which provides environmental protection, financial gains, and economic stability (Taghizadeh-Hesary, 2019). One way to think of green finance is that it's an amalgamation of economic growth with environmental protection and finance that's linked to financing sustainable economic growth. Green money or the Green Deal has been generally recognized and applauded, especially in light of climate change and the rise in global warming. The increase in Earth's surface temperature that accompanied this climatic change and global warming proved harmful to the animals that called it home. As a result, environmental conservation became an urgent priority, and regulations were developed to balance environmental protection with economic development. This led to the development of green funding, which was beneficial to both ends. To achieve social, political, economic, and environmental sustainability, this creative concept has played a crucial role in putting forward some solutions for the flow of private finance to green investment.

Green Finance, which combines financial operations with environmental principles, has proved helpful to businesses, investors, consumers, and financial lenders. Green finance is therefore an arrangement of policies, institutions, and financial infrastructure that directs money to environmentally friendly projects and activities via financing such as loaning and other financial services like insurance and bond issuance (Sachs, 2019).

As the importance of sustainability development initiatives grows, so does recognition of the Green Finance idea. The European Central Bank, the World Economic Forum, and the United Nations have all expressed support for it recently. The United Nations' 17 Sustainable Development Goals (SDG), in particular, will greatly benefit from green finance. As part of UN efforts to apply green funding in investments made by businesses and in other development projects, the UN's environmental committee is closely linked to the UN Economic and Social Council.

Now, a number of public and private universities are working together to ensure that the financial system's future is secure (Zhang, 2019).

A number of environmental projects are being implemented by the United Nations in order to help countries reorganize their business regulations so that green borrowing becomes a requirement for all investments. Beyond green borrowing, the United Nations is directing every country in the world to place a higher priority on producing clean energy through investments in renewable energy sources. In doing so, the globe will be able to implement the 2030 strategic development goals and long-term energy infrastructure. There will be a total shift away from fossil fuels toward renewable ones including solar, wind, and biomass energy as well as hydroelectricity and tidal power. The major projects, incorporated in the developmental scheme of the green finance, are:

- Prevention of pollution, by sustainable control of the polluting factors
- Production of efficient and renewable energy
- Conservation of biodiversity
- Formation of circular economy and implementation of circular financial measures
- Use of sustainable natural reserves and land

Currently, the green finance scheme's development projects receive the bulk of its funding from the United States, China, and France (Barua, 2019). Euro-dominated green debt is currently held by the European Central Bank in order to fund the projects described above. A number of countries have also established their own autonomous boards and national organizations in order to support their green initiatives. For instance, the Green Horizon Summit, a virtual event which was organized in London to promote green finance. If the green finance is sustained effectively, then the environment will be sustained, and the ecosystem will be protected. Moreover, the OECD Centre on Green Finance and Investment is also working for the protective development of the environment. The Green Climate Fund is also supporting the investment in the green finance, with emphasis on climatic sustainability. Hence, this will lead to the achievement of sustainability goals by 2030, as anticipated (Volz, 2018).

3 European Union Taxonomy

Besides the financial and economic policies, several other strategic plans have been implemented for the sustainable development action plan, which incorporate the mechanisms for environmental protection, for instance, the European Union taxonomy. The EU taxonomy is the result of an international effort that has been principally embraced by the European Commission. For the progress of sustainable development, the EU taxonomy's goal is to help investors analyze their financial decisions so that they can divert capital toward the creation of sustainable businesses and technologies that will be safe for our environment. It is imperative for the international corporations and markets that conduct business in the European

Union (EU) to be knowledgeable of the implications of the taxonomy (Rancan, 2020). The taxonomy is a list of financial operations with enforcement guidelines to evaluate the contribution of these international companies toward six environmental objectives: In order to ensure the long-term sustainability of water and marine resources, we must address climate change mitigation, adaptation, and transformation of our economy to a circular one. According to a press release, the new taxonomy is expected to improve the amount of capital invested in environmentally friendly businesses across a wide range of industries. 93.5% of the greenhouse gas emissions in the European Union are a result of the activities of these corporate units.

To begin with, the European Commission developed the EU taxonomy in light of the escalating effects of climate change and the accompanying global warming. It was adopted to achieve a sustainable climate and environment by 2030, which will not only benefit economic growth but also safeguard the environment from various threats. The EU Taxonomy Climate Delegated Act, the Corporate Sustainability Reporting Directive, and other delegated acts are the primary components of this EU taxonomy, which aims to promote both financial and environmental sustainability. The Climate Delegated Act of the European Union encourages long-term investments that benefit both Europe's economy and the planet. Taxonomy developed by the European Union as part of this legislation instructs businesses, investors, and politicians on how to engage in economic activities that support long-term environmental stability. Companies and investors benefit from this since it protects them from environmental threats that could have a significant impact on their business and also from greenwashing. Investing in projects that benefit both the economy and the environment is a win-win situation for investors and companies alike. These companies are also able to be environmentally and climate-friendly because of this. Similarly, the Corporate Sustainability Reporting Directive (CSRD) is formulated to convey the knowledge and information of sustainable development and its significance to the business community including manufacturers, investors, and consumers. This enables the companies to evaluate and assess the provisions of sustainable development before investing, helping them to make the right decision and financing in the economic growth and environmental stability. Other delegated Acts, which are reported to be six, are formulated to ensure that the financial institutions incorporate the provisions of sustainable development in their financial procedures, which will also protect climate and environment (Esposito, 2021). These delegated acts are binding rules for the investors and companies that they must imply while making an investment or undertaking a business plan.

4 Green Deal

As part of the European Union taxonomy, the European Green Deal has been designed to help finance sustainable economic growth and other development goals. To help European citizens and enhance their health, the Green Deal has been developed as a development strategy that emphasizes a healthy environment and a healthy climate while conserving natural resources and biodiversity. According to the Green Deal, the major goal is to achieve the anticipated results of Europe's climate-neutral policy by 2050 in order to prevent global warming and stabilize the climate. Companies must therefore establish and implement a framework to support sustainable development as part of this agreement. Traditional company trends might be changed, and current business methods that ensure long-term growth could be substituted.

Toward a climate-neutral Europe by 2050, the European Green Deal aims to increase the well-being and health of its citizens while also protecting and enhancing the EU's natural resources and biodiversity. As a result, the Green Deal's essential goals cannot be realized without the explicit involvement of manufacturers and investors, who may greatly boost the deal's trustworthiness. There is a strong connection between the Green Deal and the aforementioned delegated acts, as each of them establishes a uniform set of criteria that corporations can apply when making project investments to ensure that their money is being put to good use. The European Green deal's main policy areas are as follows:

- Improving environmental sustainability and climate stability in accordance with the EU's 2030 and 2050 environmental plans:
  - To eliminate all pollutants and create a toxic-free environment
  - To ensure a safe and healthy living environment for the general public
  - To preserve the ecosystem's biodiversity that serves this purpose
- Improving the economy by making it easier and more efficient for businesses to operate
- Supporting the development of environmentally friendly and efficient sources of energy and encouraging new ideas and research

While other continents may still be dealing with climatic and environmental challenges, Europe will be the first to achieve climate neutrality by 2050, thanks to the European Green Deal. It includes the complete transformation of the existing trends to the sustainable development. The anticipated outcome of the Green Deal in the transformation of the transportation industry is that by 2050, emission of carbon dioxide will be reduced by 55% from cars and by 50% from vans. And by 2050, the carbon dioxide emission will eliminate (Fig. 1).

Similarly, Green Deal will be of substantial importance for the industrial revolution, as it is expected that by 2030, approximately 35 million buildings would be renovated in Europe and 160,000 new jobs will be created in the construction industry, as a result of the sustainable development action plan. The development of sustainable and efficient energy sources is also an integral part of the Green Deal, and it is expected that 40% of new renewable energy will be produced by 2030. Final and primary energy consumption will be improved by 36–39% by 2030, paving the way for more sustainable energy sources (Fig. 2).

By 2030, it is predicted that 3% of all buildings' total floor area will be refurbished and 49% of structures will have created renewable energy sources, as

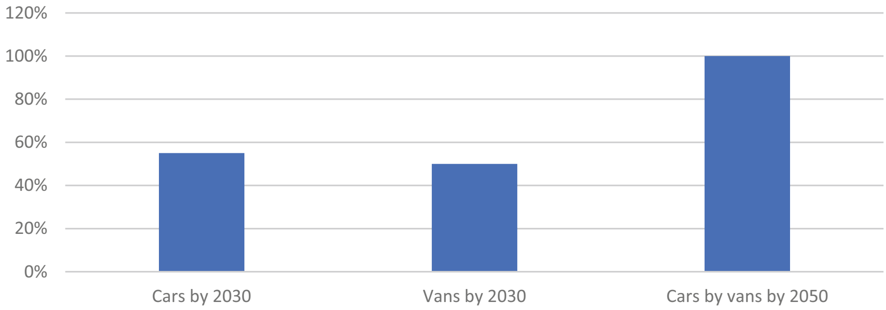

Fig. 1 Reduction in emission of carbon dioxide. Source: (Rosenow, 2013)

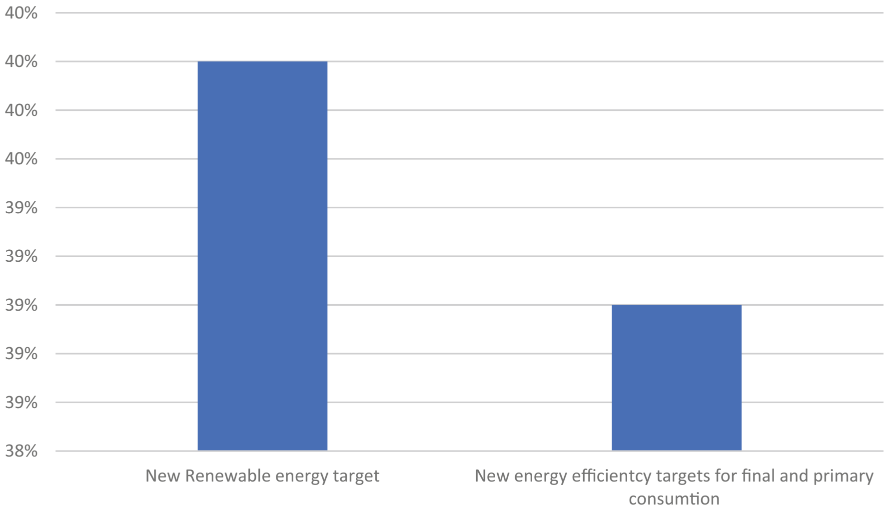

Fig. 2 Development of sustainable energy sources by 2030. Source: (Pettifor, 2015)

part of the effort to create greener lives. To top it all off, the Green Deal calls for an annual rise in renewable energy heating and cooling use of 1.1% until 2030.

Sustainable development of nature is also a major part of the Green Deal, as the environmental sustainability is directly related to the nature. As a part of the developmental program, the deal is aimed at improving living conditions, maintaining a healthy environment. Therefore, efforts are made for this purpose, which is evident from the rise in the carbon sinks. At the start of the Green Deal, the carbon sinks were only 230 m, which increased to 268 m in 2020, and are expected to increase to 310 m by 2030 (Fig. 3).

Hence, this shows the significance of the Green Deal in the sustainable development, which is directly following the European Union taxonomy, the financing of sustainable development of both economies and the environment, enabling the organizations and individuals to take such financial actions as to ensure

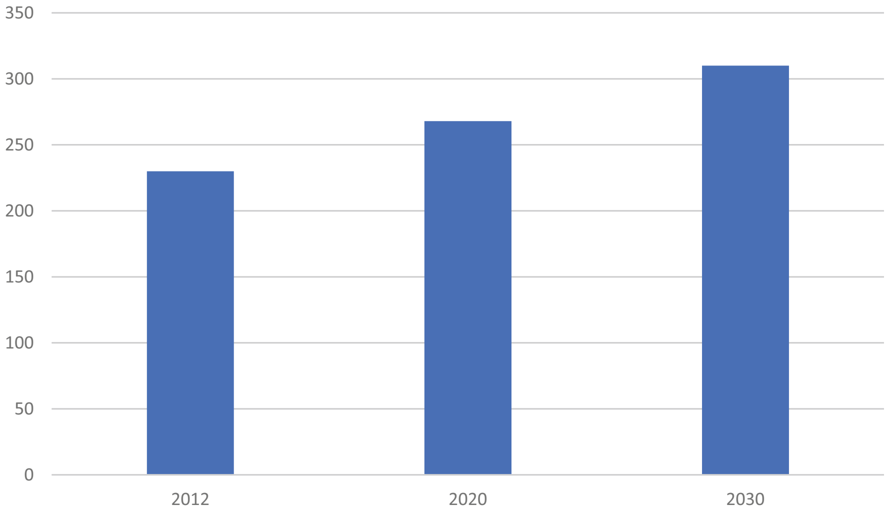

Fig. 3 Sustainable development of carbon sinks over the years by increasing deposition in meters. Source: (Siddi, 2020)

environmental protection and economic growth. And as a part of environmental protection, the Green Deal is associated with the protection of nature, biodiversity, ecosystem, as well as climate while ensuring that capital is invested for their sustainable development, thereby improving the living conditions for humans and other species of the planet. EU climate change strategy began in 2020 and aims to achieve net-zero emissions of greenhouse gases by 2050 and to demonstrate that Europe's economy would grow without extending their consumption of resources. In order to ensure that countries that formerly relied on fossil fuels do not fall behind in adopting more efficient energy sources, such as renewable energy, the Green Deal has a set of guiding rules.

5 Sustainable Development Goal

In addition to the Green Deal, a number of other programs have been launched to ensure the long-term financial viability of the environment. As part of the United Nations' 2030 Agenda for Sustainable Development, SDGs are one of the most significant programs. For the Sustainable Development Targets (SDGs), developed and developing countries alike were given an action plan by the United Nations, which includes 17 goals aimed at protecting the environment and economy (Gaffney, 2015). The major purpose of these goals is to increase the flow of money toward sustainable development, which can benefit both the economy and the environment.

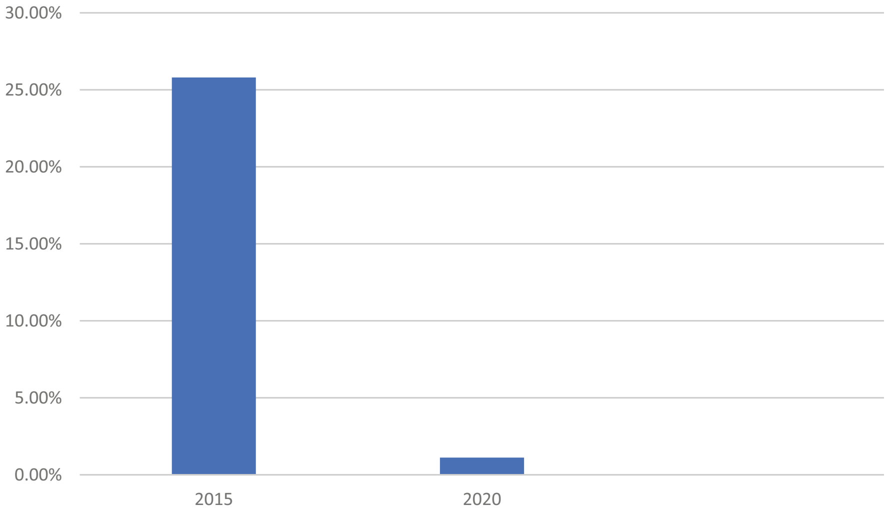

Fig. 4 Number of people living under extreme poverty. Source: (Robert, 2005)

They're all intertwined, with each of them being part of a broader picture of sustainable development. In order to achieve these goals, the United Nations has taken a number of steps. Aside from directing nations worldwide to take specific actions to safeguard environmental resources and ecosystems, the United Nations has also issued directives aimed at preserving biodiversity and the climate. And besides these factors leading to environmental sustainability, there are several other factors leading to sustainable development, for instance, the social sustainability, including equality, social justice, peace, women empowerment, technological sustainability, industrial sustainability, and infrastructural sustainability. Hence, all of the set targets of the Sustainable Development Goals are aimed at financing the sustainable development programs, which can ultimately lead to the betterment of the Earth in different socioeconomic and sociocultural ways.

The United Nations, to check out the progress, undertaken by the goals has set up monitoring indicators, which include numerous tools that indicate and visualize the progress made to achieve each of the goals. If we track down the success of each of these goals, it has been evaluated that SDG has been quite successful. Considering the poverty, it is found that in 2015, the year in which Sustainable Development Goals were adopted, approximately 1.9 billion people were living in extreme poverty, which reduced to 88 million people living in extreme poverty in 2020, while it is predicted that only 359 billion people will be poor by 2030.This clearly demonstrates the success of the SDG (Fig. 4).

Similarly, if we consider hunger in the world, it was estimated that 795 million people went to bed hungry in 2015, but that number is expected to drop to 150 million by 2021, proving that one of the Sustainable Development Goals has been met (Fig. 5).

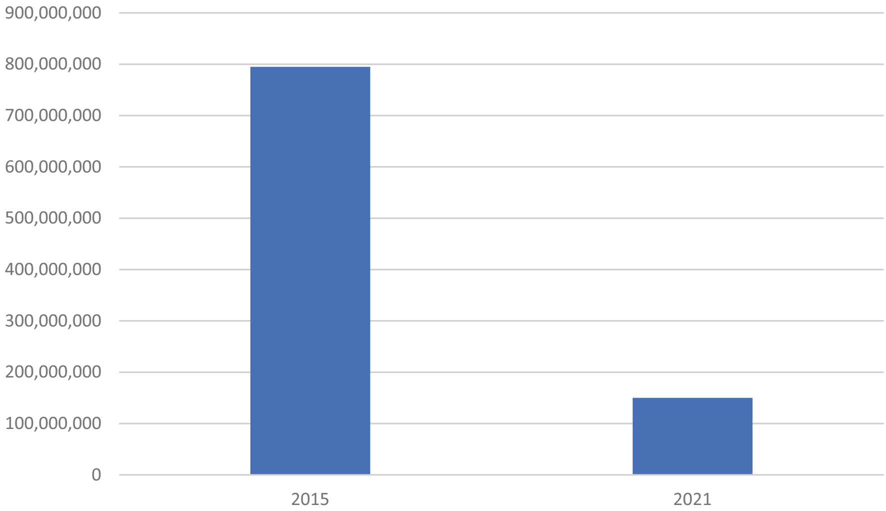

Fig. 5 People sleeping hungry in the world. Source: (Stafford-Smith, 2017)

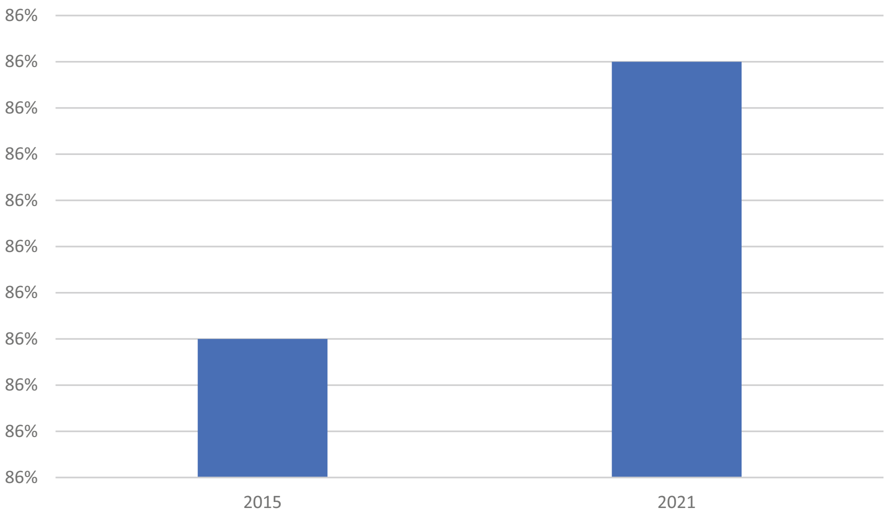

Fig. 6 Literate people of the world. Source: (Nilsson, 2016)

For educational sustainability, approximately 86% of the world's population was estimated to be literate in 2015, which grew to 86.3% in 2021, showing only a small amount of progress. It is a serious problem, though, and substantial efforts are being made to address it (Fig. 6).

The quality of life has also been somehow sustainable, with the advancement in the technology and infrastructure. People are now less vulnerable to social injustices and discrimination. Women are now more empowered and more independent.

Hence, we can say that Sustainable Development Goals are on the successful way, leading to social, political, cultural, environmental, industrial, and technological sustainability.

6 Significance of Financial Sustainability

Sustainability as mentioned earlier is evaluated in three broad categories: environmental, economic, and social. And among these three categories, the economic sustainability is considered the most significant, as the environmental and social sustainability are largely dependent on it. Economic sustainability, according to economists, is a key stepping stone to social and environmental well-being and progress. As a result, states should prioritize economic sustainability above all else, both internationally and nationally. Different economists have characterized financial sustainability in different ways. This ability to implement financial policies in a manner which ensures debt is eliminated and investment is enhanced has been viewed by some. The ability of a government, organization, or individual to ensure that capital is used in a way that leads to increased investment and revenue, which in turn leads to social stability, economic advancement, and environmental protection, has been defined by some economists as financial sustainability (Quayes, 2012).

A country's social, political, environmental, diplomatic, and geographic systems are all dependent on the financial system's strategic framework, which has long been considered the backbone of the country's national policy. Financial sustainability also strengthens the economy to ensuring that investments are made in the proper direction, leading to innovation as well as stability and long-term growth. We're talking about sustainable development here, so financial sustainability is important because it encourages environmental sustainability by investing in business projects that protect the environment from various threats (such as pollution) and thus ensure the economic development of the business as a whole.

The United Nations has formulated a committee, which comprises of specialists, having experience in the finance, environment, climate, and conservation, which enables them to act together, in the correct direction, leading to long-term growth and prosperity (Tehulu, 2013). This is, in fact, the collaboration of the policymakers and the financial regulators, which work together for the shift of the economy to a low-carbon economy. There are three fundamental aspects of this sustainable fiscal policy, which include:

1. Investment in the low-carbon economy and other sustainable sectors
2. To support modern research and innovation, by financing researchers and scientists
3. By investing in the right investing opportunities

The flow of cash into projects that lead to a green ecological economy based on the sustainable development of society and the environment is what is meant by investing in a low-carbon economy, since it ensures that the environment is protected in all the possible, leading to maximum conservation and minimum pollution. To support modern research and innovation refers to the upbringing of the modern ideas and innovative research which leads to the protection of the environment, thereby leading to socioeconomic stability and environmental sustainability. Similarly, the right investment opportunity refers to all the developmental projects, which can lead to sustainable development in all sectors, of industry, infrastructure, agriculture, energy production, transportation, and others.

Additionally, there are a number of socioeconomic elements that have a direct impact on sustainable development, as well. The Financial Stability Plan is one of the most important aspects in this socioeconomic development. First developed in the United States, the Financial Stability Plan has since been implemented by a number of countries. After the global financial crisis of 2008, which resulted in the largest economic loss before the pandemic, the Financial Sustainability Plans were developed. Financial institutions around the world have collapsed due to a complex set of factors that were in place before to this global crisis. Governments throughout the world implemented a variety of measures to safeguard banking institutions and economies in other organizations once the crisis began. The rehabilitation process involved the implementation and enactment of strategic measures, primarily fiscal and monetary policies, to avert a future financial system collapse. These monetary policies included the Financial Sustainability Plans. The world has felt the need for a sustainable economy, with strong and autonomous financial institutions and banks, with decreased debts, and with increased investment. And these were the primary motive behind these plans (Tarasenko, 2020).

The Financial Sustainability Plans were not an independent policy, but they are a complete set of provisions that monitor the financial system of the government, regulating how the government should spend its treasury and how it should respond to any future crises. And hence, the FSPs helped the world to deal with the financial bankruptcy inflicted by the COVID-19. The Financial Sustainability Plans collaborated with several countries, which made a strategic alliance to cope with the poverty, unemployment, corporate failure, and other problems (Kremen, 2019). Moreover, under the FSPs, these countries also helped other countries to cope with the economic crises, which is evident from the strategic alliance of the countries during the pandemic. And hence, this plan was an important plan of the general fiscal stimulus policy, enabling the governments to function effectively and respond actively during financial problems.

And this has led to the economic stabilization of several countries, which are constantly paving their ways to economic superiority, including the United States, Russia, China, Japan, Germany, the United Kingdom, and India. Economic sustainability is directly linked to social stability and environmental sustainability, which leads to the improvement of people's socio-ecological well-being. Hence, financial, social, and environmental sustainability are interdependent and are the most substantial indicators of the prosperity (Lupu, 2015). Moreover, financial sustainability is now the most fundamental factor for a country, especially because of the technological revolution and the globalization, which have digitalized the whole world.

7 Multidimensionality in Sustainable Development

The concept of multidimensionality in sustainable development is a relatively new one. Ecological sustainability is about integrating many social, economic, and environmental variables in order to solve different challenges encountered by people throughout the world. This is called multidimensionality in sustainability. To ensure that people have the basics of life, such as food, shelter, education, clothes, and health care, the multidimensionality of multidimensional sustainable development has been designed primarily for their socioeconomic advancement. As a result, the multidimensionality has been defined as the improvement of an individual's social, economic, and environmental well-being. Multidimensionality supports a person's financial well-being by taking into account their economic integration, allowing them to obtain the necessities of life, such as food, shelter, and clothing. As a concept, multidimensional social integration refers to a person's right to social rights regardless of his or her race or gender or ethnicity or color of caste or religion, social justice, freedom, liberty, freedom of speech, and choice within the bounds of the law in a society that is both sustainable and just. When it comes to the multidimensional approach to sustainable development, one of its most important components is environmental integration, which is concerned with the protection of an individual's environment. In other words, multidimensionality is all about helping people, and the planet grows in three different ways: socially, economically, and environmentally (Harris, 2000).

Many sustainable development programs have included multidimensionality. There are 17 SDGs, all of which have to do with improving people's economic well-being, and this is one of those goals. Many socioeconomic issues and advancements can be attributed to poverty, which is sometimes referred to as the underlying cause of poverty. Inequality in education, health care, safety, and living conditions, for example, can all be traced back to a lack of financial resources. A multidimensional challenge and the greatest hurdle to sustainable development, it is said, have been identified as poverty. The SDGs include an overarching objective to reduce poverty and the proportion of the population living in poverty. Fighting poverty requires a system developed by the United Nations to ensure that investments are made for the benefit of people's financial security. Nearly half of those living in extreme poverty are predicted to be lifted out of poverty by 2030, and by 2050, the entire population will be economically advanced, and poverty will be a thing of the past. As a result, the United Nations has devised an MPI (Multidimensional Poverty Index) to keep tabs on people's economic improvement and the rate at which it has progressed (Omer, 2008).

The MPI has been hailed as the most effective measure made thus far in helping people meet their basic requirements and improve their quality of life. A multifaceted approach to poverty is used to examine how poverty is linked to socioeconomic and environmental issues. Every country is required by the UN to report its national MPIs to the worldwide MPI, documenting the progress made. It is also useful since it supports the 2030 Agenda and other 16 Sustainable Development Goals by offering a three-dimensional perspective that will allow governments to foresee socioeconomic development in a detailed and three-dimensional way.

7.1 Monitoring of the Progress

The Multidimensional Poverty Index is used to monitor the poverty in the world, as well as the progress achieved in eradicating the poverty. It is monitored through a strategized mechanism, in which the governments of different countries send their national MPIs to the UN, which evaluates the extent of poverty by comparing it with the MPIs of other regions. Moreover, national MPIs are used by the national governments to evaluate the poorest and the least poor regions and hence undertake developmental programs accordingly.

7.2 Formulation of an Integrated and Coordinated Policy

The MPIs had been considered significant for the policymakers, which assist them to formulate regional and national policy, considering the extent of the socioeconomic development. Moreover, it also enables the policymakers to evaluate the impact of their policies in each region and hence to execute future policies effectively.

7.3 Equal Development of Rural and Urban Areas

The monitoring of the socioeconomic development achieved by the MPI had been of significant importance, as it allows the government to ensure that every region of the country is equally developed, including the rural as well as urban areas. Another strategy to ensure that all residents, regardless of ethnicity or religion, are promoted socially and monetarily is to implement this policy (Barua, 2019).

As a result, MPI can play a critical role in advancing people’s socioeconomic status. The development of the environment will occur as a result of people’s social and economic progress, which will lead to the advancement of communities and societies. As a result, multifaceted sustainable growth will be possible (Jabareen, 2008).

8 Conclusion

Every state action, whether national or international, is a strategic doorway to sustainable development, according to its relevance, and sustainable development has played an essential part in the modern sociocultural globe of the world. Social, environmental, and economic aspects of sustainable development (SED) are addressed in every aspect of development, from agriculture and infrastructure to energy and water use, transportation, and building and manufacturing.

The three pillars of economic growth, social equity, and environmental protection must all be strengthened in order to ensure long-term sustainability. To promote social and environmental well-being, the economy is employed through the sustainable system. Social justice and equal opportunity are included in this socio-environmental advancement. Climate sustainability and the protection of natural resources are also included. The conservation of biodiversity, the preservation of water bodies and land, and the production of efficient sources of energy, the renewable energy, are all included in this socio-environmental advancement (Gaffney, 2015).

As a result, policies at the national and international levels incorporate sustainable economic and financial policies to help fund sustainable development. With the goal of ensuring long-term economic stability, it was implemented in order to eradicate the financial exclusion and inefficient redistribution system. The financial sustainability action approach incorporates these financial policies, which are effective essential mechanisms of financing, to assure environmental protection, financial profit, and financial stability. There are a few policies that fall under this category, including Green Finance. In the same way, EU taxonomy has been a joint effort at the international level, as the European Commission has primarily confirmed. The EU taxonomy's goal is to help investors plan their financial decisions in a way that would encourage sustainable development. They are able to do this by making it easier for them to invest in environmentally friendly businesses and technologies. Companies, investors, and politicians are encouraged by the EU taxonomy, which specifies that businesses that contribute to the development of a sustainable or green environment should be encouraged. Green Deal aims to mitigate global warming and to stabilize the environment and climate by achieving expected results of European carbon-neutral policy by 2050, executed by EU taxonomy. As a result of the Green Deal, humans and other animals will have better access to resources for their long-term well-being and survival, including natural resources, biodiversity, ecosystems, and the climate (Jabareen, 2008).

Additionally, the United Nations has adopted the Sustainable Development Goals (SDGs) as part of the 2030 Agenda for Sustainable Development. These goals are carried out in order to enable the flow of money toward long-term, sustainable development.

Financial sustainability is defined by the national receptacle of a country's financial stability, which in turn influences the country's social, political, environmental, diplomatic, and geographical systems. Additionally, the importance of financial sustainability is highlighted in the context of multidimensionality. To ensure that people have access to the basic essentials of life, such as food, shelter, education, clothes, and health care, the multidimensionality of multidimensional sustainable development has been created. To protect one's environment, environmental integration is an important part of multifaceted sustainable development: a balanced and stabilized environment with long-term ecosystem and climate. Communities and societies will benefit from the advancement of people's social and economic standing, which in turn will lead to improvements in the environment. As a result, multifaceted sustainable development will be achieved, and multidimensionality is all about ensuring the social, economic, and environmental well-being of all people on the planet. (Dince, 1999). And hence it will eventually lead to the prosperity and advancement of Earth, with enhanced quality of life and better living conditions for our present as well as our future generations.

However, in order to enhance the sustainable development, specified provisions can be taken to enhance the efficiency and efficacy of the programs pertained to the attainment of sustainability. Some of these recommendations are as follows:

- When it comes to implementing the Sustainable Development Goals (SDGs), the EU and United Nations should work together more closely to ensure that all of the SDGs are implemented on an international, regional, and domestic level so that all of the SDGs can be achieved efficiently and with the best possible results.
- We need an action plan from the UN and EU to include all nations in implementing sustainability and improving financial integration for environmental benefit.
- The corporate should be considered more, with increased emphasis, as the sustainable and environmentally friendly business would be the more efficient mechanism and will lead to increased sustainability and increased financing of sustainable development.

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