# The concept of sustainable economic development of Ukraine on the basis of "green" economy

Andriana Mazur<sup>1</sup>, Inna Muzychuk<sup>2</sup>

1. Department of Finance, Lviv Polytechnic National University, UKRAINE, Lviv, S. Bandery street 12, E-mail: andriana.v.mazur@lpnu.ua

2. Student, Department of Finance, Lviv Polytechnic National University, UKRAINE, Lviv, S. Bandery street 12

Abstract – The research objective of the article is defining the peculiarities of the development of "green" economy in Ukraine. The study object is the sustainable economic development in Ukraine on the basis of "green" economy. During the research there were used such methods as: structural and logical analysis – to develop theoretical and methodological principles of the implementation of sustainable economic transformations based on the concept of a "green" economy in Ukraine. New directions of "grenning" different economic sectors of Ukraine and main tools of transition to "green" economy are systematized.

Keywords – sustainable economic development, "green" economy, sustainable economic transitions.

# I. Introduction

All countries are looking for development, stability and security. Sustainable development involves stabilization, preservation «status quo». The main problem that hasn't been solved for twenty years was that most countries do not want to stay in the socio-economic situation in which they now reside. Because only 1 of 8 billion earthlings are satisfied with their standard of living. So long as during the global economic crisis were not formulated the principles of "green" economy as a mechanism for implementing the strategy for sustainable development of all types of political system and level of economic development.

### II. The concept of "green" economy

According to the report "Our common future" by Ms. Harlem Brundtland, sustainable development is defined as "the development that serves needs of today's generations and does not place possibilities for their usage by future generations under the threat" [3].

Such economically developed countries like Germany, Japan and the United States have moved significantly towards sustainable development. Other countries in this still very far, unfortunately, Ukraine is among them.

That's why the main issue of this work is to research general ways how to facilitate Ukraine to continue its own way of transition to sustainable economic development and to find a solution of major problem that delay this difficult process.

It is necessary to mention, that Ukraine has already done such important steps to accelerate the transition to sustainable development. Ukraine joined the UN Framework Document "Agenda for the XXI century", taking on international obligations, including the development of concepts and strategies for sustainable development, institutionalization and coordination with the public and business.

Ukraine has already adopted the Strategy for Sustainable Development "Ukraine 2020". Ukraine is a member of the United Nations Framework Convention on Climate Change, introducing the main provisions of the Kyoto Protocol and ratified the Paris agreement governing the transition to sustainable development [6-7].

The strategy of sustainable development involves a combination of economic efficiency, social stability and environmental safety.

The concept of "green" economy does not replace the concept of sustainable development, but now increasingly widespread recognition that the achievement of sustainable development depends almost entirely on creating the right economics. Sustainable development is an important long-term goal, but to achieve it we need to make our economy "green" [4].

The green economy is defined as an economy that aims at reducing environmental risks and ecological scarcities, and that aims for sustainable development without degrading the environment.

# III. The inclusion of Ukraine into the global process of social and economic activity greening

To elaborate, the developed world focus of green economy includes increasing resource efficiency, using technologies that reduce carbon footprints, reduce GHG and pollution emissions, promote energy conservation in buildings and industrial processes, sustainable transport, water conservation, and advanced waste management on the 3Rs (reuse, recycling, reduce) pattern. In developing countries, the focus is more on the need to include existing natural resources based livelihoods, promote green jobs, address concerns relating to food security, livelihood security and poverty alleviation, development of indigenous people and local communities, their cultural heritage and traditional knowledge, including those of ethnic groups, maintenance and improvement of the ecosystem services and enhancement of inter and intra-generational equity.

Facilitating innovative collaborations between business, government and civil society (like public private partnerships, business value chain engagements and collaboration with academia and consumers) and their collective action could be another step in the direction. These collaborations can be used to step up education efforts that can bring about the required changes in the mindsets and behavioral aspects needed to drive the required innovations in the direction of a green economy. Their collective action can further help develop the required skills for green jobs and capacity for policy reforms [2].

One of the most significant reason for ineffective process of the implementation of sustainable development and green economy in Ukraine is outdated post-Soviet industrial economy. There is also the problem of outdated equipment and technology in factories and industries that are not only ineffective, but also pollute the environment. Ukraine is rich in natural resources, it is only necessary to learn to use them effectively.

The main reasons for the slow-pace inclusion of Ukraine into the global process of social activity greening are:

- the priority of economic purposes over ecological ones;
- the inefficient, industrial use of natural resources;
- the low level of scientific and technical progress;
- the imperfection of mechanisms for the attraction of the general public to the ecological information.

Below there are new directions of grenning different economic sectors of Ukraine:

1. Energetic sector: – hydropower; – wind power industry; – solar power industry;- bioenergy.

2. Food sector: - the development of organic agriculture.

3. Social sector: – adaptation of economy and population to climate change; – energy efficiency of housing; – formation of a system of sustainable consumption.

4. Industrial sector: – "green" building, energy saving technologies and materials produced from minimized damage to the environment; -the development of "green" tourism; – the introduction of "green" technologies.

5. Transport – the development of "green" transport - trolleybuses, trams, electric cars, bicycles.

Greening the economy, the social sector (education, science, culture, health) of geopolitics and competent defense national environmental interests requires coordinated action by the interconnected state, businesses, and communities.

There are a wide range of tools to go to the "green" economy:

- the introduction of the policy of "green" rates, which implies a rejection of inefficient subsidies, imposing additional taxes on polluters;
- public procurement policies that encourage the production of environmentally production and use of relevant principles of sustainable production methods;
- reforming the system of "ecological" tax, which means the transition from tax on labor to taxes on pollution;
- increase public investment in infrastructure environment (public transport, renewable energy, energy efficient construction) and natural capital;
- targeted government support for research and development associated with the creation and introduction of environmentally friendly technologies;
- social reforms in order to ensure coherence between social and economic spheres of society [3].

It is necessary to mention, that the government of Ukraine have already done a lot of the most important steps to change Ukrainian society and economy in "green" way. For example, adoption of Program to promote green modernization of the Ukrainian economy 2014-2018 and State policy of sustainable development based on "green"economy. All of these factors mean that we are on a right way.

# Conclusion

Today, the main objective for Ukraine to achieve a reasonable combination of economic and environmental interests, to change our industrial using of resource into green approach. But first of all, we need to change the type of ecological consciousness of Ukrainian society, which reflects the currently existing ideas about the relationship between human and nature.

Nowadays, the formation of "green" economy is a new way to provide security economic state. Serious problems require attention to poverty reduction, controlling the use of natural resources, increasing the number of jobs. The use of market mechanisms recommended combined with national and international regulation of economic processes. Improving the environmental situation ceases to be a string of expenses of the state budget, and is in fact the essence of the new economic system. Thus the state creates new economic business conditions that attract investment is the development of new "green" industries and environmental transformation traditional economy.

# References

- [1] O.V. Balueva (2014), "Methodology for managing sustainable development of the city on ecology and economics basics", D.Sc. Thesis, Economics of Natural Resources and Environment Protection, State Higher Educational Institution «National Mining University», Dnipropetrovsk, Ukraine.
- [2] Building a green economy. Online. Available at: http://www.teriin.org/index.php?Option=com\_feature article&task=details&sid=747&Itemid=157
- [3] B.V. Burkyns'kyj, T.P. Halushkina, V.Ye. Reutov (2011), «Zelena» ekonomika kriz' pryzmu transformatsijnykh zrushen' v Ukraini ["Green" economy in the light of the transformational shifts in Ukraine], IPREED NAN Ukrainy, PP «Pidpryiemstvo Fieniks», Odesa – Saky, Ukraine
- [4] Green economy in action. Online. Available at: http://www.un.org/waterforlifedecade/pdf/green\_eco nomy\_in\_action\_eng.pdf
- [5] T.I. Gritsuk, T. V. Vasilenko"Strategic priorities of development of "green economy" at countries of the world", Electronic scientific edition "Efektyvna ekonomika". No 5. Online. Available at: http://www.economy.nayka.com.ua/?op=1&z=3081
- [6] UN Framework Document Agenda for the XXI century. Online. Available at: https://sustainabledevelopment.un.org/content/docum ents/Agenda21.pdf
- [7] Kyoto Protocol. *The United Nations Framework Conventionon Climate Change*. Online. Available at: http://unfccc.int/kyoto\_protocol/items/ 3145.php.

#### 336 INTERNATIONAL YOUTH SCIENCE FORUM "LITTERIS ET ARTIBUS", 23-25 NOVEMBER 2017, LVIV, UKRAINE