The organization of cooperation between the local administration and nature users in the region based on the real price of all the resources should become the major link in the realization of the ecological policy. Within this more attention should be paid to the formation of the ecological infrastructure of every region. This infrastructure should determine the interdependent unity of the elements, which regulate the dynamic balance between the environment, rational usage, renewal of the natural resources and activities of population in region.

Taking into consideration the real ecological situation in region, we suggest the following ways of improving it:

- to use more effectively the economic instruments of improving the condition and protection of environment on all hierarchical levels;
- to reform the institutional basis for the environmental protection and control over thp

natural resources;

- to introduce constantly the policy of waste prevention and revitalization of environment in the whole state as well as in separate regions;
- to develop and realize national, regional, local and sector plans of the environmental protection.

ECOLOGICAL ECONOMICS AS THE ECONOMICS OF SUSTAINABLE DEVELOPMENT

Olena Maslyukivska,
National University of Kyiv-Mohyla Academy, Ukraine

The physical linkage between economics and the environment is an important aspect of sustainable development. Current and future needs can only be fulfilled within relatively hard (bio)physical constraints. However, the contemporary dominant mainstream economic theory gives limited attention to the dependency of economic activity on physical factors. The rate at which natural capital can provide resources and energy to meet human needs depends, apart from human knowledge and state of technology, on physical constraints and therefore requires a physical analysis. In this context it is a logical first step to carry out a physical analysis before attempting to satisfy economic wants.

Resource economics and environmental economics traditional taught at the universities are both subfields of neoclassical economics. They do not consider scale an issue, have no concept of resource throughput, and are focused on efficiency of allocation. Rather they deal efficiency of allocation of labor and capital devoted to extractive industries, concepts of internalizing externalities by Pigouvian taxes or Coasian property rights, which are certainly useful and policy relevant, but their aim is allocative efficiency via right prices, not sustainable scale.

Ecological economics connects resource and environmental economics by connecting depletion with pollution by the concept of throughput. It also pays much more attention to impacts on, and feedbacks from, the rest of the ecosystem induced by economic activities that cause depletion, pollution and entropic degradation, chief among which is the growing scale of the human economy.

In a broader sense, ecological economics is mainly about three issues: allocation of resources, distribution of income, and scale of the economy relative to the ecosystem – especially the third. A good allocation of resources is efficient (Pareto optimal); a good distribution of income or wealth is just (a limited range of acceptable inequality); a good scale does not generate "bads" faster than goods, and is also ecologically sustainable (it could last a long time, although nothing is forever). The third issue of "scale", by which is meant the physical size of the economy relative to the containing ecosystem, is not recognized in standard economics, and has therefore become the differentiating focus of ecological economics.

Ecological economists' pre-analytic vision of the economy as an open subsystem of a larger ecosystem that is finite, non growing, and materially closed (though open with respect to solar energy), immediately suggests several analytical questions regarding scale:

How large is the economic subsystem relative to the earth ecosystem?

How large could it be, i.e., what is its maximum scale?

And most importantly, How large should the subsystem be relative to the ecosystem?

Is there an optimal scale (less than the biophysical maximum) beyond which physical margin than it is worth, in terms of human welfare?

According to Costanza , ecological economics is a transdisciplinary field addressing the relationship between ecological and economic systems in the broadest sense.

Ecological economics does not constitute a new single unified theory for or of sustainable development. The emergence of this field of activity signals, rather, the need for economic, social and natural science analyses to be brought together in new perspectives, responding to the concerns expressed worldwide for ecological, social, economic and political dimensions of sustainability. It represents a new practice of economics responding to a specific problem domain which may legitimately be addressed in a variety of ways.