

ECONOMIC INCENTIVES IN THE SYSTEM OF ENVIRONMENTAL-ECONOMIC RELATIONS

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Environmental protection in Iraq suffers from a lack of means allocated by the government. In these conditions improving of economic mechanism of the environmental protection plays a crucial role. The main objective of the economic mechanism is to rich the goals of state environmental policy by economic measures.

The purpose of the research is to define the content, place, and role of economic incentives in the total system of environmental protection measures taking into account the existing level of knowledge about economic methods of natural resources management.

Economic incentives - an objective necessity, and at the same time, an integral form of the industry functioning. Effectiveness of the real sector of economy largely depends on a system of economic incentives. Applied to the field of environmental protection economic incentives means the existence the system of economic levers and instruments in the economic mechanism of environmental protection aimed at ensuring a single economic policy in the environmental protection. Creation of well-functioning mechanism of economic incentives in environmental management is a complex problem. Mechanism of economic stimulus is justified in terms of improving the efficiency of social production in general, and in terms of need to solve practical environmental conflicts that take place due to lack of coordination of economic interests in the environmental field, a sharp increase of the tempo and intensity of the industry impact on the environment, impaired reproduction of environmental elements.

The mechanism of economic incentives in the system of ecological and economic relations objectively reflects specific forms of economic contradictions in this sphere and, as such, is aimed at resolving these contradictions. The degree of effectiveness of this mechanism depends on the character and strength of manifestation of contradictions. Perfection of mechanism of economic incentives depends on the direction and depth of study of environmental contradictions.

Economic incentives mechanism in environmental protection aimed at implementing the following environmental and economic interests:

- creation economic mechanism which allows to combine rational development of production and efficient reproduction of the environment optimally;
- improving the socio-economic efficiency of environmental activities at the national and industry levels and levels of industrial enterprise (economic entity);
- stimulating of a common technical policy in environmental protection;
- creating economic interest of companies in the timely construction, entry into service and modernization of environmental facilities;
- increasing interest of the company in the effective use environmental protection technology;
- increasing material incentives of the employees in environmental protection.

There are two groups of methods of ecological-economic incentives: the methods of positive motivation and methods of negative motivation (Table 1).

Table 1 - Methods of ecological-economic incentives

| Instruments of economic incentives | |
|---|--|
| Positive incentive measures | Negative incentive measures |
| Preferential taxation of environmental kinds of products | Payments for natural resources |
| Preferential crediting and subsidization of ecological projects | Payments for emissions (discharges) of pollutants |
| Subsidies for the purchase of environmental equipment | Payments for waste disposal |
| Accelerated amortization of environmental equipment | Fines for violation of environmental legislation |
| Bonuses based on the results of environmental activities | Reducing subsidies of non-environmental industries |
| | Increased taxation of non-environmental products |

Ability to ensure effective functioning of incentive mechanism in environmental protection is increasingly determined by the perfection of the planning system. However, the incentive mechanism has certain autonomy and has impact on the system of environmental protection planning, presenting to it corresponding requirements.

Thus, the economic incentives in the system of environmental-economic relations, is part of a common economic mechanism of social production, aimed at implementation of environmental and economic interests in the preservation and reproduction of the environment.

Analysis of the existing system of environmental payments in Iraq allows us to conclude following:

- 1) stimulating function of payment is not implemented due to the low level of basic rates;
- 2) payments don't inhibits depletion of natural resources.