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TRANSITION TO GREEN ECONOMY: BASIC PRINCIPLES AND PROBLEMS

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Humanity has made significant progress in the development and spread of globalization. The price of progress is a reduction of exhaustible natural resources. Further economic development without radical changes in the existing economic model will lead to an increase in environmental threats and make sustainable development impossible.

The concept of sustainable development was enshrined at the 1992 UN Conference on Environment and Development. The main idea of it is to ensure the socio-economic development of humanity, without harming future generations. [10, 30] It was defined that the process of finding an effective mechanism for implementing the concept of sustainable development has accelerated significantly since the last economic crisis and returned the attention of scientists to the “green economy”.

A large and growing body of literature has investigated the development of corporate social responsibility over the past ten years. It is an important area, which is associated with many factors: the effect of globalization processes; increasing the transparency of companies; improving the competitiveness of corporations, strengthening integration processes and adapting to the demands of the external environment and potential strategic investors.

Based on the exacerbation of these issues recently in the global socio-political and scientific circles, Shabranska N.I. [23] actively promoted the concept of green economy.

In 2011, the Commission on Global Sustainability of the UN Secretariat published a report entitled “Viable People, a Viable Planet: The Future is Worth Choosing”. However, the publication does not include a clear set of principles of the green economy, but it gives the following characteristics:

- It is a potential driver of sustainable development and stimulates economic growth, necessary to solve the problem of poverty in the world; can provide an integrated approach to sustainable development, developed for a specific country, territory or region depending on the needs and conditions, providing social protection and stability for all segments of the population;
- It is developed for the long term and is a sustainable growth model that can withstand external influences.
- It measures progress beyond GDP.

- It promotes employment, green business and creates green jobs.
- The main emphasis is on the development of technology and innovation, cooperation, and institutionalism. [4, 8, 29]

Despite the variety of principles and characteristics of the green economy, researchers underline some general provisions inherent in all developments. Different interpretations of the green economy are generalizing – a social focus. Table 1 lists the most common of them.

Table 1 – General principles of the green economy [20]

Direction of sustainable development	Principle
Economical	<ol style="list-style-type: none"> 1. Introduction of resource-efficient and cleaner production. 2. Stimulating innovation and more sustainable goods and services through public procurement on the principle of environmental sustainability. 3. Fostering the development of organic agriculture.
Social	<ol style="list-style-type: none"> 4. Providing employment, creating “green jobs”. 5. Improving public administration and providing legislative support. 6. Ensuring equality and justice in relations between countries, within countries and between generations.
Ecological	<ol style="list-style-type: none"> 7. Protecting biodiversity and ecosystems. 8. Achieving resource conservation and energy efficiency.
Other	<ol style="list-style-type: none"> 9. Finding means to achieve sustainable development. 10. Using an integrated approach to decision making.

Moreover, these principles are formed to solve problems to ensure sustainable development, as well as aimed at meeting and complying with institutional requirements, as well as the needs of integration and international cooperation.

We believe that in most countries of the world, the model of “brown economy” is mainly used with significant negative consequences: climate change, biodiversity loss, depletion of natural resources, environmental pollution, inequality of people and countries. In general terms, this model of economy poses a threat to both present and future generations. In this regard, UN experts emphasize the feasibility of transition to a new model of green economy, which through the use of levers of influence of the state and intergovernmental bodies in economic regulation, provided new opportunities for business development based on new green technologies and greening of industrial industries [16].

Table 2 – Definition of concepts of social development [15, 20]

Name	Essence
Brown economy	Economic growth without considering the requirements of environmental safety, the criteria of depletion of available natural resources and environmental pollution.
Sustainability	It is a development that meets the needs of today's society without compromising the ability of future generations to meet their own needs (UNEP Commission).
green economy	An economy that contributes to human well-being and social justice while significantly reducing environmental risks and environmental scarcity (UNEP definition).

According to Semenyuk I.D. [22], the transition to a green economy involves complex changes in all sectors of the economy. The primary sector, which covers agriculture, fisheries, forestry, and mining, requires the most radical changes, as it is here that products are created to meet the basic needs of humanity.

We consider that agriculture should refocus on the production of organic products (without the use of chemical additives).

The introduction of the green economy technologies will change the approach to doing business in agriculture through the introduction of “landscaping”, namely: the cultivation of organic products, energy crops and the economical use of fertile soils.

As far as we know, the secondary sector of the economy, which includes industry and construction, is also in dire need of new technologies with economical use of natural resources. In this context, the transition to a green economy for the country's industry is a priority; furthermore, it should be due to deep technological modernization. Besides, the greening of the economy involves the revitalization of the waste processing industry. [13, 29]

Bhowmik, D. [3] stated that the introduction of processing technologies, on the one hand, can be used to increase the competitiveness of production by reducing the cost of raw materials and their reuse, and on the other hand, to reduce the risk of human-made disasters.

Data from several sources have identified that improving energy efficiency is of great importance for Ukraine. “State Targeted Economic Program for Energy Efficiency and Development of Energy Production from Renewable Energy Sources and Alternative Fuels for 2015-2020” provides for a 20% reduction in energy intensity compared to 2010 and the approximation of relevant indicators to EU standards. To accomplish this task, it is necessary, first, to increase the level of security of energy supply, reduce Ukrainian dependence on unstable imports of energy and combustible minerals, reduce production costs and energy costs. It is

necessary to develop policy programs and norms for their practical implementation, to achieve energy efficiency goals. [28, 19]

Thus far, there is an urgent need for energy efficiency measures in the regions and municipalities. Ukraine has already identified the potential for energy savings and energy efficiency, as well as implemented many appropriate energy-saving measures. Overall, well-designed regulatory system can define rights and create incentives to boost the transition to a green economy, as well as remove barriers to green investment. Green investment is an essential tool for sustainable economic development in any country. After all, its absence may exacerbate the country's difficult environmental situation. Despite the gradual increase of the ecological tax for environmental pollution, the financial motivation of polluters to reduce emissions is insufficient. It is more profitable for heat generation companies to pay taxes than to invest in ecological measures. In view of all that has been mentioned so far, one may suppose that Ukraine urgently needs to implement a national system for accounting for emissions and removals of greenhouse gases. We consider that the priority areas for the development of the green investment instrument are the following:

- detailing the accounting system to the level of individual stationary sources of emissions;
- formation of an accounting system of greenhouse gas emissions in transport, based on data on the consumption of motor fuels and modes of transport and applied technologies;
- direct monitoring with the use of geographic information and satellite technologies on emissions and removals in agriculture and forestry;
- consideration of regular monitoring in the accounting system based on direct measurements of greenhouse gas concentrations and the scheme of verification findings.

Analyzing the above, we conclude that the role of the green economy in Ukrainian industries should be implemented because a developed economy is the economy of use of available resources. After all, right now, countries with developed economies are already forming neo-industrial policies. As a result of the analysis and existing trends, we found that the main problems that limit the transition to a green economy are:

- high energy and environmental intensity of the economy;
- the use of obsolete production technologies, which causes an increase in the level of environmental pollution and anthropogenic pressure on the natural economic system;
- low share of resources that are reused in the production process and disposed of production and consumption waste;
- lack of existing institutional and financial support for measures to transition to a green economy.

Table 3 – Necessary steps of managing green economy transition

Step	Description
1. Checks on environmental issues	<ol style="list-style-type: none"> 1. Implementation of ecological norms at the legislative level. 2. Identification and analysis of the environmental factor of omissions. 3. Drawing up a work plan for the greening of production.
2. Development of funds for greening	<ol style="list-style-type: none"> 1. Allocation of funds from the regional budget. 2. Financing of production in accordance with the plan formed during the audit. 3. Improving environmental saving performance.
3. Limiting pollution	<ol style="list-style-type: none"> 1. Increasing the level of environmental safety of the enterprise by introducing environmentally friendly technologies. 2. Directions of funds for nature conservation activities.

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