

“GREEN” BUSINESS AS A TOOL OF ECOLOGIZATION OF UKRAINE'S ECONOMY

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One of the most important issues today is the problem of achieving a balance between social production and the environment. “Green” business is considered a concrete embodiment of adequate coordination of economic, social, and environmental development. Information about the size of the green business in Ukraine is practically absent and very difficult to calculate. First, there are no systems for collecting statistical information on tracking the development of this rapidly evolving innovation sector. Secondly, attempts to investigate the size of the sector are faced with the lack of a proper classification of economic activities. But the main pollutants of the environment are divided into three categories, which include discharges, emissions, and waste generation.

The largest damage to water objects of Ukraine is caused by enterprises of the mining and metallurgical complex and communal economy: the total volume of discharges into water bodies of return water and pollutants was 2080 mln m³ (2018). The main pollutants (in mln m³) of water are Azov steel mine complex (140), PJSC Dniprovsky Steel Plant (71), and PJSC Zaporizhstal (54). The largest enterprises-producers of waste – total pollution is 366 million tons (MT) – are located in four regions: Dnipropetrovsk (30), Donetsk (22), Zaporizhia (9) and Luhansk (6) [2].

Destructive environmental behaviour of companies and individuals is the cause of ecological conflicts and contradictions in the business environment and society. Ecological problems and questions of rational use of natural resources are important considerations for shaping national and international environmental policies. The environment aspect must be integrated into development-related decision-making processes aimed to reduce natural resource losses as the main prerequisite for sustainable development. Strategically important environmental resources such as water, land, forest, bio-resources need to be protected. Of similar importance is the need to improve the policy on rational use of nature through economic and legislative instruments and their coordination at the national and international levels.

The application of economic and legislative tools for ecological conflicts resolution could take the following orientation: a) political (inter-state agreement, arrangements, joint plans/scenarios); b) institutional (specifications, legal and legislative documents, rules, support for “green” business projects); c) technological (norms, standards, limits, new technologies implementation); d) financial and economic (tariffs and non-tariffs measures, re-distribution of

financial flows, financial aid, compensation, subsidies); e) trade (licensing, limitation, restrictions); f) innovative and informational (converging levels of social and economic development, exchange of knowledge, experience and skills, ecological education, access to information, propaganda, consultations); g) social and cultural (common environmental interests, improved quality of life, social support) [3; 4; 5]. Nevertheless, Ukraine's economy has a huge potential for the development of "green" business. The current state of obsolete technologies, the urgent need to reduce the resource and energy dependence of key industries of the country, allow for bold estimates of the potential of green services and technologies in more than €120 billion. Energy-saving / climate change technologies with the projected size are the most significant €199 billion, followed by waste management of €831 million and water treatment equipment from €600 million. Further development of entrepreneurship in Ukraine without sufficient consideration of environmental factors can lead to an even greater burden on the environment. Effective investment and innovation policy in the environmental sector will be an incentive for Ukrainian businesses to carry out environmentally-oriented investments and may intensify the development of the environmental market for goods and services. It is necessary to create an effective system based on the strategically beneficial interaction of natural resources, local authorities, population, and ecologically oriented business.

The main problem of the "green" business is the lack of proper financing. Other obstacles to the development of the green business are the lack of legal frameworks and standards, the lack of compliance with modern system requirements for power systems, the absence of automated systems, ineffective state intervention in the market, that contrary to the tools of state environmental and economic policies. To address these issues, some programs have been developed, such as "Energy Efficiency for 2010-2015". This program served to reduce Ukraine's dependence on imported energy; contributed to the reduction of consumption of natural gas and natural resources. Later, the Government approved the "Energy Strategy of Ukraine until 2030". The authors of the program believe that increased efficiency and structural changes in energy use will reduce Ukraine's external dependence from 54.8 % to 11.7 % by 2030.

"Green" energy can significantly reduce the conflict potential of production and consumption processes. High tariffs for "green" electricity, technological problems of the national energy system (energy system balance) and economically unjustified benefits for "green" projects in Ukraine are risk factors for the development of the "green" energy sector [6]. Currently, there is a growing interest among foreign investors. Significant interest is in renewable energy. The latest project is the construction of a 250 MW wind farm in the Kherson region worth over 350 million euros, which will be built by the Norwegian NBT with the support of the European Bank for Reconstruction and Development and the French

Total Eren. For Ukraine, this means not only an increase in European investment but also entry into the alternative energy market. There are also Canadian, American, and German companies that have already attracted funding for green projects or are at the stage of structuring finance and construction. An example of “green” business in Ukraine is the “Interpipe Steel”. The steel mill is the largest steelmaking complex for the production of round steel in Eastern Europe. The capacity of the new plant is 1.32 million tons of round steel billets per year [1]. The plant envisages the replacement of the production of energy-intensive, outdated, environmentally “dirty” hearth for a progressive method of electric melting of steel production. Thus, it provides for an annual increase in payments to the budget and extrabudgetary funds, reduction of natural gas consumption in the Dnipropetrovsk region, reduction of total emissions of harmful substances into the atmosphere.

An introduction of “green” business in Ukraine is an innovative, profitable, and promising area of economic and entrepreneurial activity. At present, the attraction of cash resources for the formation of this type of activity is possible only if the corresponding financial and legal basis at the state level is created, which will form an appropriate interest from the domestic and foreign investors. In order for the development of ecological business in Ukraine to have a positive impact, it is necessary to develop a phased program for its implementation and to form optimal dependence of three elements such as current state – “green” business – innovation. As a result, the green business development in Ukraine will ensure a competitive recovery of domestic enterprises in the world markets.

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