

## THE INCOME-POLLUTION RELATIONSHIPS IN THE SUSTAINABLE DEVELOPMENT

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There is an old debate about the relationships between economic growth and the environmental quality.

One of an ambiguous questions of an Environmental Economics is how to treat the increase in countries well being. That is we need to clarify whether economic growth positively or negatively influences the environmental quality.

The recent studies conducted in the area of Environmental Economics suggest inverted U-shape relationship between pollution and per capita income.

*The sustainable economic development is achieved when economic growth is associated with decline in the total level of pollution, and there are available resources for future generations to meet their own needs. The first problem about the relations and of economic growth and pollution is discussed in this paper.* The bell-shaped link between pollution and income is known as *Environmental Kuznets Curve (EKC)*; after Simon Kuznets, who in 1955 showed that at the early stages of a country's development the gap between poor and rich increases, while later when the country becomes wealthier the inequality gap decreases. The EKC pattern suggest that on the first stages of country's development there is a negative link between pollution and growth, but later when people become wealthier more attention is paid to the pollution, and as a result environmental quality improves.

The pollution-income relationship was specified in the usual way as quadratic relationship for Ukraine. The emission data set failed to support the usual form of EKC, however showed a sustainable plateau in pollution in the range of UAN 1000-15000 (in 2007 prices). It suggests that the automobile pollution should start to decline in Ukraine beyond income level of UAH15000. In terms of sustainable economics it means that Ukraine is on yet on the path of sustainable development due to overall pollution, which is constantly increasing.