

REVIEW OF PRINCIPLES OF ECONOMIC DEVELOPMENT- WILL THIS BE ENOUGH TO REVERSE THE ENVIRONMENTAL LOSS?

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Hardly anyone doubts the fact that the world of today undergoes dramatic changes - the further the faster. We keep losing health as well as filling our pockets. So why would the harm we cause outweigh the benefits we bring? Surely, the voice from the television screen will provide numerous theses just to calm us down and to reassure that things are not that bad. Unfortunately, most of us are apt to believe since it feels much safer to neglect problems rather than fight them. It is easier to destroy than to create and it is more difficult to think of the future of the humankind as a whole instead of yourself only.



It can be hardly argued that due to unstoppable globalization trend the borders are becoming more relative, the cultural differences are slowly fading away, our goals and desires are getting more of a material and less of a moral kind, aren't they?

Economic integration and development of industry has shown itself so active in the causing destruction of our nature that everything that has been done as for conservation of endangered species, so for fixing somehow the harm which has been made, is completely insignificant in comparison - seems that our only weapon in the fight for healthy environment is

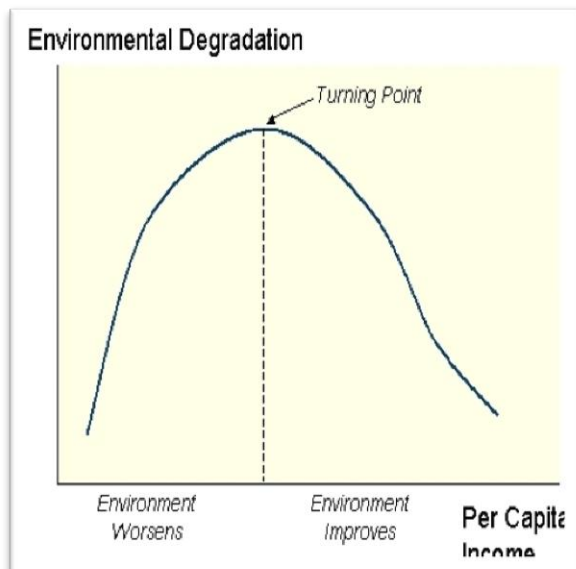
prevention.

In fact, this should be the spur for realizing and dealing with the fact that we will have to spend much more money to restore than that we have earned while ruining. Although the question raised is mostly discussed from a theoretical point of view, only analysis of the ecology crisis related data is able to enlighten the way and clarify possible solution.

With the help of some statistical methods we would be able to discover factors which from the first sight have nothing to do with environmental issues, but in fact have a strong influence on the overall situation. As a result, the conclusions we draw will be more realistic and concrete.

Not to sound unfounded, I would like to present the environmental Kuznets curve. It illustrates how per capita income affects the level of environmental degradation.

On the other hand, as long as the main target of economics is to reach the top GDP rates, the problem of a closed circle is likely. The higher the GDP of a country the greater is the life expectancy, which as a result leads to the ever growing need for products and resources. The higher



the demand is, the more recourses we are going to lack, for more alternative ways (including anti-ecofriendly) will we opt.

Another interesting fact is that according to the OECD investigations held in 65 there is "a significant negative relationship between the money countries extract from national resources and the knowledge and skills of their high school population".

All in all, we expect integration of sustainable development principles into state policies to force governments be more accurate in their prediction of adverse effects the further progress may possibly bring. At the same time we believe that ecology alone, deprived from economic research and analysis, is unlikely to cope with environmental problems on its own the same as international economics without environmental restriction and limitations will probably lead to complete devastation and destruction.