# **UDC 33**

# Details of the economic development programs of regions

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# Abstract

Today we live in a period of Anthropocene, that is, a new geological era, which is characterized in that it is formed under the influence of human activity. That is, human has become the dominant engine of environmental change on the planet. This vision also reflects the fact that human civilization has exceeded the permissible load on the earth's natural systems and thus its further development has become fundamentally unstable. Today, exponential population growth, energy consumption, production and consumer behavior exceed the earth's sustainability resources by two to four times. Studies at the Stockholm Resilience Centre have shown that humanity has crossed at least three of the nine major planetary boundaries defined by the centre, critical levels of biodiversity decline, climate change and the balance of the nitrogen cycle of geochemical fluxes. The attempts of leading international organizations and a number of countries have radically revised the existing strategic approaches to economic development are a sign of the partial awareness of society of the global challenges of our time. The development of scientific thought aimed at the greening of economic activity and harmonization of social development is reflected in modern scientific theories, the philosophical aspects of which are embedded in environmental ethics, which has developed as a denial of human ethics – the conqueror of nature, for which the environment and resources are limitless (frontier mentality).

# For citation

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# Keywords

Social requirements, economic security, sustainable development, progress, society.

### Introduction

Environmental economics is a sub-sector of the economy that focuses on environmental problems (pollution, negative externalities, assessments of non-market environmental services) and on the process of efficient allocation of resources for the production of various goods and services. Environmental Economics distinguishes between private and public goods, introduces the concept of external effects to determine the production costs of society as a whole, considers the problems of recovery and irreplaceable resources, performs theoretical and empirical studies of the economic effects of the implementation of environmental policy and offers a system of its tools. The economy of the environment differs from the ecological economy, first of all, by the use of standard neoclassical methods [Antonyan et al., 2011].

## Main part

Russian scientists have a significant reserve in the field of environmental Economics, in particular in the study of the economic nature of the processes of environmental management, the system of economic instruments of environmental policy, the preparation of masters

Environmental Economics considers some theoretical foundations of environmental Economics, but is based on a different approach. As noted by Yu. Yu. Tunica, the subject of environmental Economics is the study of ways to choose rational methods of production of material goods in conditions of limited natural resources, unlimited needs and unstable (dynamic) conditions of the natural living environment.

The scientific and social paradigm of ecological economy is based on the view of the economy as a subsystem that operates within the overall ecosystem of the Earth, that is, natural (biophysical) limiting factors, the recognition of the leading role of natural and human capital along with productive capital. Environmental Economics is not one of the economic areas, and cross-disciplinary scientific approach, which integrates elements of Economics, ecology, thermodynamics, ethics, other natural and social Sciences, to provide an integrated biophysical perspective on environmental-economic relations, aimed at solving environmental problems. This research criticizes the neoclassical school of Economics as closed to new ideas.

Environmental Economics is aimed at studying the interdependence and co-evolution of human economic activity and natural ecosystems. Its goal is a healthy economy in a healthy ecosystem, which provides a high quality of life for all people, because human well-being cannot be achieved if ecosystems are eliminated. Environmental Economics seeks to base economic thinking and practice on physical reality, the laws of physics, and knowledge of biological systems. Improvement of human well-being is achieved through planning of sustainable development of ecosystems and society [Rostokinskii, 2011, 72].

In Russia, despite its isolation in Soviet times from scientific schools of countries with market economies, this trend has developed, and over the years of independence began fruitful cooperation with leading scientific schools in North America and Western Europe. The National forest engineering University of the Russian Federation established the Institute of environmental Economics.

Physical economy. Scientific school of physical economy began French physiocrats in the second half of the XVIII century. With 80-ies of the XIX century it existed as a scientific Russian school. The primacy of physical economy as a component of economic thought and its ideological nature are factors that have a significant impact on other components of not only economic but also humanitarian

knowledge. In the works of La Roche, which is based on the works of V. Vernadsky guided by the principles of physical economy, there was an attempt to offer on their basis geopolitical and macroeconomic solutions to global development problems. Some ideas of physical economy are incorporated in the transdisciplinary approach of environmental Economics. Nirelantamo in this context are the works of one of the founders of ecological Economics Georgescu-of Rogen

Green economy is a direction in economic science formed over the past two decades, which is based on three axioms: a) it is impossible to infinitely expand the sphere of human influence in a limited space; b) it is impossible to demand the satisfaction of ever-growing needs in a limited resource; C) all processes on Earth are interrelated. Her theory contains the ideas of feminist Economics, postmodernism, environmental Economics, environmental Economics, anti-globalization, the theory of international relations and sets the following tasks:

1. To create an economic environment in which social and environmental justice will flourish and benefit all people, other species of the planet.

2. To reform the current economic science into a discipline that does not approve of the fact that a small part of society is rich, and the other has no minimum means of subsistence. As Wellford notes, if we focus on moderation and sufficiency instead of maximizing production, consumption, income and profits, it will have a radical, fundamental impact on the way we live and the way we treat the environment

3. To establish a new discipline, school of scientific thought or ontology in the dominant economic66 in order to ensure that their impact on public life is so significant that it would allow all members of society to participate in the economic process with the same power, rights and influence on decision-making.

The policy course of action to build a green economy, which is declared at the level of the UN and many other international organizations, contains significant differences from the ideology of green economy. The green economy, according to the UNEP definition, is an economy that improves human well-being, ensures social justice, while significantly reducing risks to the environment and the depletion of natural resources [Belitskaya, 2018, 8]. In other words, the green economy internalizes the costs of environmental degradation, and clean and efficient technologies and sustainable agriculture are the main drivers of high economic growth, job creation and poverty reduction. Green development helps to reduce greenhouse gas emissions, slow down climate change and maintain ecological balance. The positive effect of the green economy on climate change and the prevention of loss of ecosystem services is complemented by another, which is that long-term economic growth in the green scenario will not be constrained by the growing scarcity of natural resources.

According to estimates, the scenario of global green development in 5-10 years will provide higher annual rates of economic growth in comparison with the current brown scenario and will increase the reserves of renewable resources necessary for the development of the world economy [Neligan, 2018, 37].

Green economy implies the need for greening in the following areas: a) the development of renewable energy sources (solar, wind, geothermal energy, biogas); b) Greening of the housing sector (green buildings with efficient energy and water supply, the use of green materials in construction, etc.); C) the development of clean transport (planning and expansion of public transport, d) the use of alternative fuels, the widespread use of electric vehicles and other clean vehicles, development and implementation of special programs with alternate use of cars); e) improvement of waste management (recycling, processing of municipal solid waste, restoration of sites with abandoned industrial sites, use of environmentally friendly packaging materials); e) greening in the field of water management (water

purification, water reuse system, rainwater use system); e) greening in the field of land management (e.g. environmentally friendly agriculture, reforestation and afforestation) [Paudel, 2018, 63].

The positive effect of the green scenario is associated with a number of factors:

1. The transition to a green economy will lead to the recovery and expansion of natural capital, the reduction of carbon emissions and the creation of favorable conditions for human life and activities in the long term. Natural assets (forests, lakes, wetlands and river basins) are important components of natural capital at the ecosystem level. They are vital to ensure the stability of the water cycle in nature and its beneficial properties for agriculture and households, the carbon cycle and its role in climate mitigation, increasing soil fertility and its importance for crop production, the local microclimate, create a safe environment for people, fisheries as a source of proteins [Antonyan et al., 2014]. Natural capital contributes to human well-being and provides economies with valuable resources at the gene, species and ecosystem levels.

2. The greening of the economy creates opportunities for the creation of new jobs, a corresponding increase in the welfare of the population (especially the poor) and the achievement of social justice. The transition to a green economy will create at least as many jobs as the brown economy. In particular, in green investment scenarios, employment in agriculture, housing and utilities, forestry and transport will increase faster by 2050 than in the brown economy. World employment in agriculture could exceed projected employment under the brown scenario by 4 per cent. Investment in forest conservation and restoration could provide additional official employment of 20 per cent. Improving the efficiency of energy use in all modes of transport and the transition from private transport to public transport would further enhance employment is approximately 10%.

3. The green economy will help to reduce the dependence of economic growth on the availability of natural resources and ensure the transition to a resource-efficient and sustainable economy. Currently, there are signs of restraining the pace of economic growth due to the depletion of natural resources and its impact on the environment (for example, lack of raw materials, rising prices for raw materials) [Potanina, 2014, 172]. Therefore, the main task to ensure sustainable long-term growth is to minimize the dependence of economic growth on the consumption of materials and energy resources. From the green economy scenario, it is expected that: 1) the Green economy will contribute to improving the efficiency of the use of resource use in these sectors and will become an important factor in ensuring world food security; 3) the Transition to a green economy will eliminate the direct dependence of the amount of waste on economic growth and, as a consequence, will facilitate the transition to a resource-efficient economy.

Greening of certain sectors of the economy will contribute to the efficiency of the economy as a whole. Also important is the possible synergistic effect of the transition to the green rails of the key sectors that will drive long-term growth which will solve the problem of shortage of resources. After all, policies that focus only on specific sectors do not allow the use of linkages between them. Reducing energy consumption and greenhouse gas emissions is a good example of how increased use of renewable energy contributes to energy efficiency measures in key sectors such as construction and utilities, transport and manufacturing. The increase in forest area can have a positive impact on agricultural production and quality of life in rural areas by improving soil quality and improving the microclimate [Rostokinskii, 2014, 43]. The combination of waste management and the production of secondary raw materials can reduce the need for new facilities for recycling and thus allow investment in this sector, for example., to generate electricity from waste.

Overall, the above estimates suggest that the validity of necessity of transition to green economy,

as in global scale, green investments will allow to achieve higher growth rates, increasing at the same time, stocks of renewable resources required for the development of the world economy.

The construction of socially desirable development scenarios is always based on state policy. Public policy is often interpreted as intervention at the national level and emphasis is placed on instruments that the state can use. According to this interpretation, environmental policy is exclusively the responsibility of the environmental protection agencies. This approach is somewhat narrowly focused, as it is difficult to draw a line between environmental policy, its instruments and other policies [Ma Xiaojun, 2018, 210]. Yes, agricultural policy is to some extent environmentally friendly, the same applies to transport policy. According to P. Soderbaum, the term policy of environmental sustainability today, more reflects the essence of the state policy in the sphere of environmental protection than the term environmental policy. The approaches of the environmental economy to economic policy make it necessary to reform it in the environmental and economic policy, or, if we proceed from its goal – in the policy of sustainable development. On the basis of generalizations of sources and own researches we offer to allocate the following principles of formation of policy of sustainable development.

The use of independent political instruments to achieve political objectives. The economic problem usually lies in the need to achieve mutually restrictive goals, and each of which must be achieved at a certain level. Environmental and economic policy has three main objectives: sustainable scale, equitable distribution and efficient allocation. Nobel laureate Jan Tinbergen expressed the principle: for each independent political goal, an independent political tool is needed. Since the environmental economy requires the implementation of three main goals, which are independent, but at the same time not isolated (they are all part of a single economic system), then to achieve the common goal it is necessary to use at least three basic tools [Mesa, 2019, 119].

Prevention. Considering the projected effects of irreversible anthropogenic impacts on the environment, policies should act to prevent undesirable effects. The burden should be on those whose activities have the potential to harm the environment.

Responsibility for decisions. Access to policy decisions on the environment and natural resources places the responsibility of policy makers to ensure environmental stability, economic efficiency and social justice.

Adequacy to the needs of solving real problems. Policies must be based on real historical assumptions. Its goal should be close to the problems of the real state of the world and modern institutions – adequately transformed. Modern institutions should be changed for the sake of a more harmonious combination of the advantages of the market system and private property with state property and state regulation [Öztürk, 2018, 88].

Policies must be flexible, able to adapt to changing conditions. Human influence on ecosystems is the reason for the actualization of old and new problems. Ecosystems also change significantly over time. Thanks to the development of science, humanity considers previously unknown threats and, as a result, offers new ways to solve emerging problems. The economic system is also constantly changing, so policies that work effectively now may not be effective in the future.

The process of developing and implementing policy decisions should have feedback, that is, policy theory should be improved based on its results.

Subsidiarity. The scope of the politic elements should be the appropriate set of causes and effects of the problem to which the policy is aimed. That is, the idea is to divide the problem into the smallest components within which it can be solved. It is impossible to try to solve a global problem at the local level [McKinley, 2018].

Scale match. Policy needs to solve the economic problems not on the basis of the traditional

principle of economic growth and from the point of view of rational beliefs about the permanence, sufficiency, equity and efficiency. There are three main economic problems – location, distribution and scale, each of which is a separate problem.

Neither economic theory nor politics have traditionally recognized the problem of scale. This is an objective for which no effective policy tool has been developed. The scale of the economy is understood as its physical scale, or the relative measure of the human presence in the ecosystem. As with economic growth, the size of the ecosystem will remain constant, over time, the scale of the economy on the ecosystem inevitably increases. Physical exchange, which occurs within the entire ecological system and economic subsystem, is the essence of ecological macroeconomics. These flows need to be considered in dynamics.

The maximum scale value is limited by the absorbing capacity of the ecosystem. Scale has an optimum-a point beyond which the cost of further growth is greater than the possible benefits. It has been scientifically proven that we have already crossed the border of the optimal scale of the economy as an open subsystem of a larger, certainly incapable of ecosystem growth.

Policy decisions on forests as a component of the natural environment should: a) be related to the institutional level, which maximizes the improvement of its condition; b) ensure the flow of information between the institutional levels; C) consider all stakeholders and all forms of ownership; d) internalize all costs and benefits [Voskoboynikova, 2018, 8].

Focus on achieving the right level with minimal restrictions on freedom and instability at the macro level. In practice, this principle means choosing constraints at the macro level in order to achieve the objective at the micro level. Markets are efficient to ensure sustainability at the macro level, but they are unable to provide control at the macro level.

Allocation of all expenses. All internal and external costs and benefits, including social and environmental, as well as alternative solutions for environmental resources, should be identified and considered. If necessary, the market should be regulated.

Stakeholder participation. All stakeholders should be involved in the formulation and implementation of decisions on resources and the environment. Their awareness contributes to the adoption of coordinated and balanced decisions.

## Conclusion

In the study of G. Costanza, G. Daly and J. Bartholomew has been proposed to improve the use of policy instruments there is a need to use diverse instruments, such as regulatory rules and regulations, ownership, permits, market permits, payments, subsidies and bonds, to ensure sustainability. Criteria for the use of policy instruments are: equity, efficiency, scientific validity, consensus, and environmental effectiveness of the proposals of the ecologists and economists to the implementation of regulatory reforms with the aim of promoting the appropriate use of financial, legislative and social incentives are particularly relevant in the forestry sector.

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## Детали программ экономического развития регионов

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#### Аннотация

На сегодняшний день мы живем в период антропоцена, то есть в новую геологическую эру, которая характеризуется тем, что она формируется под влиянием человеческой деятельности. Человек стал главным двигателем экологических изменений на планете. Человеческая цивилизация превысила допустимую нагрузку на природные системы Земли и ее дальнейшее развитие стало принципиально нестабильным. Сегодня такие факторы, как экспоненциальный рост населения, потребление энергии, производство и поведение потребителей превышают ресурсы устойчивости Земли в два-четыре раза, утверждает автор данной статьи. Развитие научной мысли, направленной на экологизацию экономической деятельности и гармонизацию общественного развития, отражено в современных научных теориях, философские аспекты которых заложены в этике, ориентированной на сохранение окружающей среды.

#### Для цитирования в научных исследованиях

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#### Ключевые слова

Социальные требования, экономическая безопасность, устойчивое развитие, прогресс, общество.

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