

## **ЕКОНОМІКА ПРИРОДОКОРИСТУВАННЯ ТА ОХОРОНИ НАВКОЛИШНЬОГО СЕРЕДОВИЩА**

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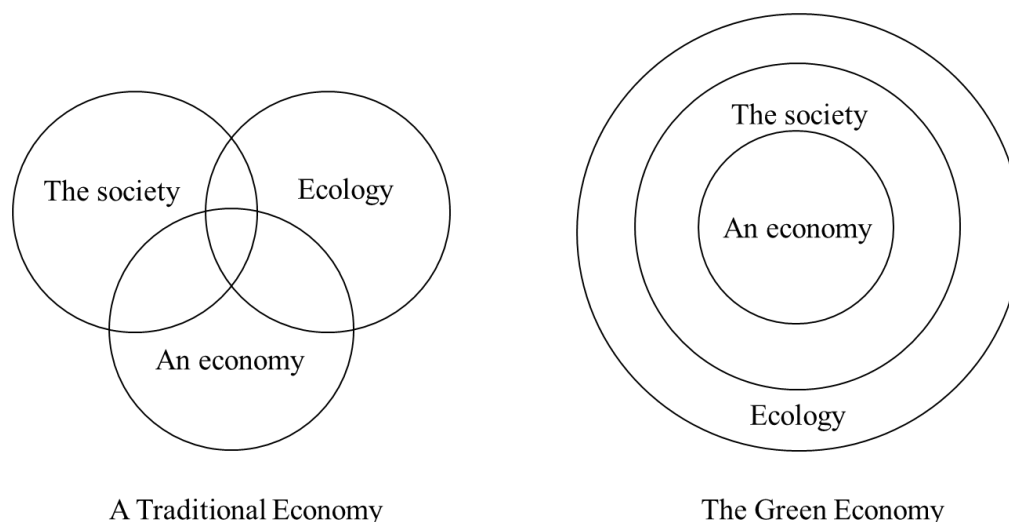
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### **THE FUNCTIONING OF THE GREEN ECONOMY IN THE EUROPEAN UNION**

The first impetus for the development of a «green» economy was the cultural revolution of the 1960s, the ideological basis of which was the R. Carson's book «The Silent Spring» (1962) [1]. This book describes the negative effects of economic growth. A significant share of research in the field of «green» economy is carried out by foreign scientists such as E. Barbier, A. Cameron, A. Markandi, K. Stewart, and D. Piars. The following Ukrainian scientists were engaged in studying this issue: Chmyr O.S. [2], Bublik M.I. [3] and others. Also, international organizations such as the UN and UNEP publish annual directories and statistical compilations, for example, Renewables global status report, Energy Outlook etc.

Environmental economics, Ecological economics, Socialist economics, Feminist ecological economic are the key areas of green economy. Today, the market for green economy is growing rapidly. As well as innovative green technologies, which are based on solar and wind power, geothermal sources, biofuel production, solid household waste, etc. It should be noted that the «green» economy is focused on maintaining sustainable values: recognizing the interdependence of the economy, society and the environment; respect for the integrity of natural systems; recognition and observance of the laws of nature; adherence to the principle of justice; respect for the interests of future generations.

The three-circle model of the concept of a green economy, as we see in fig. 1, indicates that society is within the environment and the economy is part of society. In this context, both society and the economy are dependent on the environment. This is reflected in the values to be followed subjects of «green» areas of the economy, which, as already noted, called persistent values.



**Fig. 1. Comparison of The three-circle model with respect to the traditional and green economy [3]**

Scientists have identified a number of economic instruments for the transition to a green economy, namely:

- environmental taxes and tax breaks;
- public and private investment in green entrepreneurship;
- introduction of subsidies for green production and corresponding cancellation of resource-intensive production;
- removing barriers to trade in goods and services.

In the European countries, as early as the mid-twentieth century, the legal foundations for regulating the green economy were laid, which formed gradually and passed six stages. Today, EU Member States have a common competence in the field of environmental protection, which is enshrined in the Treaty on the Functioning of the European Union (TFEU). The main legal instruments in EU countries in the field of production are environmental agreements, the EU's eco-management and environmental audit (EMAS) system, the use of eco-labeling, often called certification.

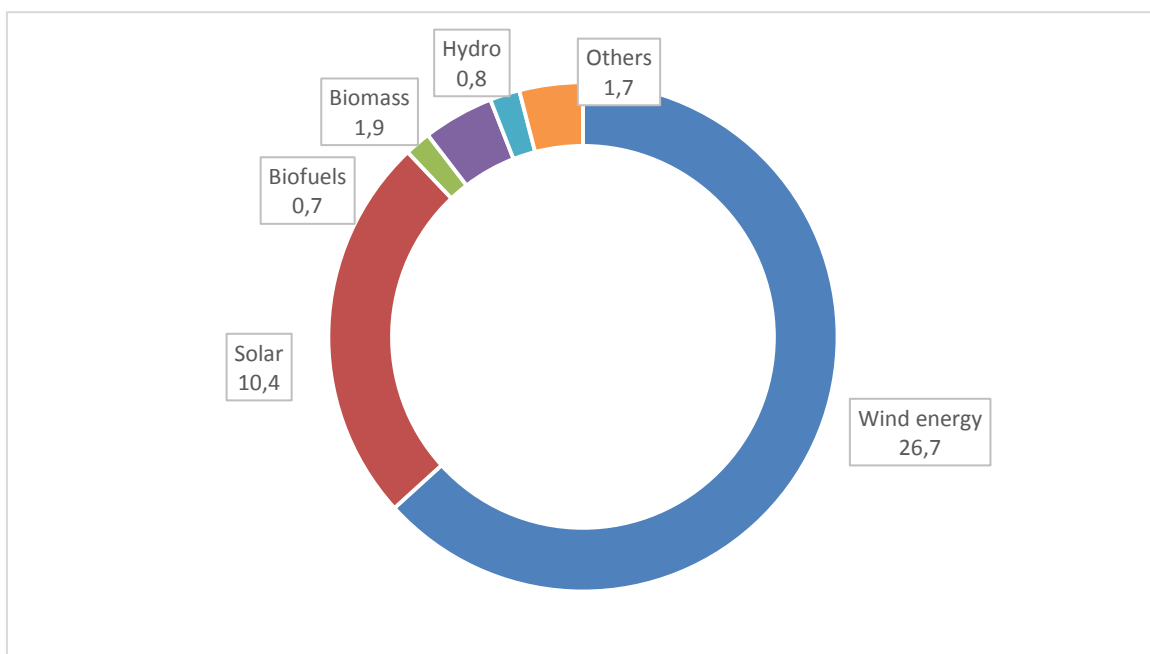
The EU's most popular environmental information resources are the European Environment Agency and the European Emission Inventory, which provide public access to information on the current state of the environment.

The most commonly used economic instruments to stimulate «green modernization» are the following:

- instruments of state regulation (environmental taxes and privileges, pollution payments, fines, accelerated depreciation, subsidies, grants, government programs);

– market instruments (license trading, pollution trading, green bond issuance, environmental funds, «green» banks).

Now in all countries of the European Union, environmental taxes are encouraging national producers to reduce the negative impact of industrial activity on the environment through the use of clean production technologies, the introduction of eco-innovations, reducing the number of environmentally hazardous industries and the use of alternative energy sources. In recent decades, to ensure national security, the energy infrastructure of all EU countries has focused solely on the transition to «green» energy. Wind energy accounted for 63% of Europe’s investments in renewable energy in 2018, compared to 52% in 2017 (fig. 2).



**Fig. 2. Renewable energy investments in 2018 (€bn) [4]**

The successful development of a «green» economy in all EU countries also depends on specific measures, which include:

- public investment and spending on programs that stimulate the green economy;
- increased use of environmental taxes and market instruments;
- rejection of budget subsidies and state support for sectors that have a negative impact on the external environment;
- increasing state support for enterprises involved in the production and use of clean energy, clean technologies, renewable energy and biomass.

Thus, in recent years, significant progress has been made by the European Union countries towards developing a green economy. The prospects for the

further development of a green economy depend on many factors, including overcoming existing obstacles and continuing state incentives.

### **References:**

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