

UDC 351.82

DOI: 10.35340/2308-104X.2019.85-4-10

**ЕКОЛОГО-
ЕКОНОМІЧНИЙ АСПЕКТ
ГЛОБАЛІЗАЦІЇ:
УЧАСТЬ УКРАЇНИ**

МАЛІЧ Л. А.,
кандидат економічних наук,
доцент, доцент кафедри
менеджменту
зовнішньоекономічної та
інноваційної діяльності,
Донецький державний
університет управління
ТАНЧИК О. І.,
кандидат економічних наук,
в.о.зав.кафедри іноземних
мов
НІКУЛІНА А. С.,
студентка

**ECOLOGICAL AND
ECONOMIC ASPECT OF
GLOBALIZATION:
PARTICIPATION OF UKRAINE**

MALICH L.,
Candidate of Economic Sciences,
Associate Professor, Department
of Management of Foreign
Economic and Innovation Activity,
Donetsk State University of
Management
TANCHYK O.,
Candidate of Economic Sciences,
Head of the Department of
Foreign Languages
NIKULINA A.,
student

У статті проаналізовано сучасні екологічні проблеми, які з'явилися під впливом глобалізації. Розглянуто глобалізацію як процес, який сприяє розвитку міжнародних економічних відносин, що впливає на довкілля. Виявлено причини, які погіршують стан навколишнього середовища, і визначені шляхи вирішення екологічних проблем підприємствами та урядами країн. Проаналізована участь України у вирішенні глобальних економічних проблем в процесі економічного розвитку.

Ключові слова: глобалізація, інвестиції, стійкий розвиток, навколишнє середовище, економічне зростання.

В статье проанализированы современные экологические проблемы, которые появились под влиянием глобализации. Рассмотрена глобализация как процесс, который способствует развитию международных экономических отношений, влияющий на окружающую среду. Выявлены причины, которые ухудшают состояние окружающей среды, и определены пути решения экологических проблем предприятиями и правительствами стран. Проанализировано участие Украины в решении глобальных экономических проблем в процессе экономического развития.

Ключевые слова: глобализация, инвестиции, устойчивое развитие, окружающая среда, экономический рост.

The article analyzes current environmental issues that have emerged under the influence of globalization. Globalization is considered as a process that promotes the international economic relations development affecting the environment. The causes that deteriorate the state of the environment have been identified and the ways of solving environmental issues by enterprises and

governments have been defined. The participation of Ukraine in resolving global economic problems in the process of economic development has been analyzed.

Keywords: *globalization, investments, sustainable development, environment, economic growth.*

Problem statement. In the 21st century, the concept of "globalization" is widespread. The process of globalization like any phenomenon has its advantages and disadvantages. The consequence of globalization is the spread of democracy and human rights awareness, improved political representation, the development of communications networks, the establishment of fair trade and many others. In the economic sphere, globalization has fostered the economic freedom development. It is related to the international trade development and global distribution of production. There are such global international economic institutions as the International Monetary Fund, which provides policy and financing advice, the World Bank lends to developing countries, and the World Trade Organization, which controls and liberalizes international trade [1].

Therefore, globalization makes a significant contribution to human life. However, it also has negative consequences, in particular affecting the state of the environment, because due to globalization there are, for instance, transnational companies whose production process is large-scaled, the environmental pollution and natural resources depletion.

Actual scientific researches and issues analysis. The issues of international economic relations and modern ecological problems were studied by such Ukrainian and foreign scientists as V. Budkin, M. Dudchenko, L. Kistersky, Y. Bazhal, V. Yevtushevskiy, B. Danylyshyn, O. Veklich, V. Tregobchuk, I. Korotun, J. Dunning, R. Vernon, J. Berman, L. Hens, Porter, Harris, Van der Berg, and others.

The research objective. The main purpose of this article is to study the ecological and economic aspect of globalization, to highlight the main causes of environmental degradation, to analyze Ukraine's participation in solving global environmental issues in the economic development condition.

The statement of basic materials. The main tendency of world development is the globalization of international economic relations (IER), and one of the indicative features of the world economy development is its transnationalization. Transnational corporations (TNCs) have become one of the central actors in the global transformation of the world economic space. They have a strong production potential and carry out developments in the scientific and technical field. Thus, according to the United Nations Conference on Trade and Development (UNCTAD), in 2018, the long-term decline in new investment in manufacturing came to an end when the value of the announced projects has increased by 35 percent compared to the low value in 2017. Among developing countries, where investment in manufacturing is a key to industrial development, growth has focused mainly on Asia and has forced high-cost natural resource processing projects.

TNCs in the top 100 worldwide account for more than a third of R&D in the world. Technology, pharmaceuticals and automotive TNCs are the most significant donors. R&D intensity (sales) in the top 100 developing countries is much lower. International new investments in R&D are considerable and are growing [3].

At the same time, this leads to an increase in the environmental burden, because the production of TNCs has a large material and energy consumption. Therefore, economic growth becomes inversely proportional to economic security [2].

To date, virtually all countries in the world have faced the issue of environmental degradation and the need to prevent the further development of this process.

There are three main reasons for the global ecological crisis on the planet:

rapid economic growth;

increased population and urbanization;

use of outdated technologies that allow for maximum use of natural resources[2].

The overriding priority has to lie in identification of ways where globalization can be successfully used to promote environmental protection, along with other overarching goals rather than environmental degradation. Since these problems are global, they must be solved jointly, that is with each country involvement. It has to be emphasized that environmental issues cannot be effectively addressed if each country is isolated due to the invasion of its national sovereignty by international organizations. People living in one country are increasingly seeking to protect the air, water, forests, and animals not only in their own countries but also in other states. This requires international cooperation. National sovereignty is an impediment to this kind of action, while supranational institutions are potential allies.

The main factors by which globalization can promote environmental protection are: purchasing power, namely the labeling of environmentally-friendly goods and giving consumers the right to choose; international rules and interstate environmental statistics [4].

There are four main factors for implementing environmental policy in companies:

1. Environmental requirements of host governments;

2. “Ecologization” of final demand;

3. Environmental policy of competing companies;

4. Environmental standards of business partners (not clients), including creditors [5].

That is, the modern ecological and economic aspect is that it is a compromise, the essence of which is the continuation of economic growth and environment preservation.

The main reasons for the environmental situation deterioration in Ukraine are the orientation of the economy to resource exhaustion, imperfect legislation and lack of ownership of natural resources, exports of raw materials. The reason is an economic situation in the country, which hinders the possibility of implementing long-term projects, many of which are environmental ones.

It is because of this situation that the concept of sustainable development of society has become widespread worldwide and in Ukraine.

In 2017, the Government presented a report on Sustainable Development Goals: Ukraine, outlining the results of the adaptation of the 17 global targets to be achieved by 2030. Including:

1. Ensuring the availability and rational use of water resources and sanitation for all;

2. Providing access to inexpensive, reliable, sustainable and modern energy sources for all;

3. Ensuring openness, security, sustainability and environmental sustainability of cities and towns;
4. Ensuring transition to rational models of consumption and production;
5. Taking urgent measures to combat climate change and its consequences;
6. Conservation and rational use of oceans, seas and marine resources for sustainable development;
7. Protection and restoration of land ecosystems and promotion of their rational use, rational forest management, combating desertification, halting and reversing the process of land degradation and halting the process of biodiversity loss [6].

In order to achieve these goals, investments that would be involved in environmental protection are necessary to be committed (Tab. 1).

Table 1

Capital investments for environmental protection according to environmental protection measures, (thousand UAH)

Year	Total	Including:				
		air protection and mitigation (1)	sewage treatment (2)	waste management (3)	protection and restoration of soil, groundwater and surface water (4)	other activities (5)
2016	13390477.3	2502805.8	1160029.1	2208676.6	419988.9	7098976.9
2017	11025535.2	2608027.4	1276530.2	2470969.5	1284502.0	3385506.1
2018	10074279.3	3505920.6	1692640.7	1182045.8	1444291.6	2249380.6

Having analyzed the data in the table, the authors can conclude that in the period from 2016 to 2018, capital investments for environmental protection in Ukraine decreased by 25%. However, the distribution in 2016 and 2018 also changed (Fig. 1).

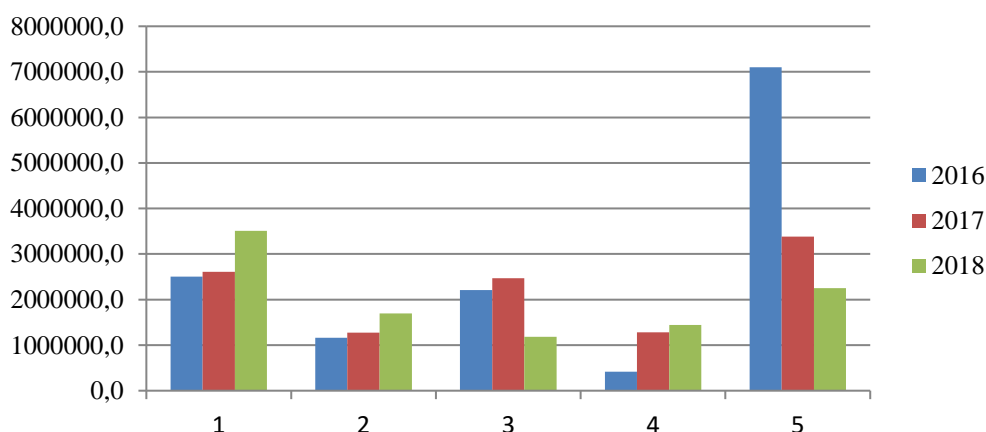


Fig. 1. Distribution of capital investments in the above-mentioned environmental areas

From the point of view of aggravation of environmental problems under the influence of globalization, the connection between the environment and international trade is also important, namely the impact of environmental regulation on trade flows and export competitiveness. In developed countries, which have a rigorous environmental policy, environmental polluting products are taxed. Therefore, their price

is higher than the price of environmentally-friendly goods. Consequently, the goods are manufactured in developing countries polluting the environment. However, environmental problems that emerge as a result of international activity are not just a national problem, as it has been noted. The majority of people are concerned about the competitiveness of goods, and therefore the country, in the world market. Since environmental requirements for production increase costs, the competitiveness of products is accordingly reduced. According to Porter's hypothesis, strengthening environmental controls in the country initially reduces the competitiveness of polluting goods in their production, but it stimulates investment flow into the country, contributing to long-term productivity and export growth [8].

Based on Porter's research and the fact that in Ukraine the government is now trying to increase the economy while introducing tougher environmental regulation, the following is an analysis of changes in foreign economic operations and direct investment, both in EU countries and others (Fig. 2 and Fig. 3).

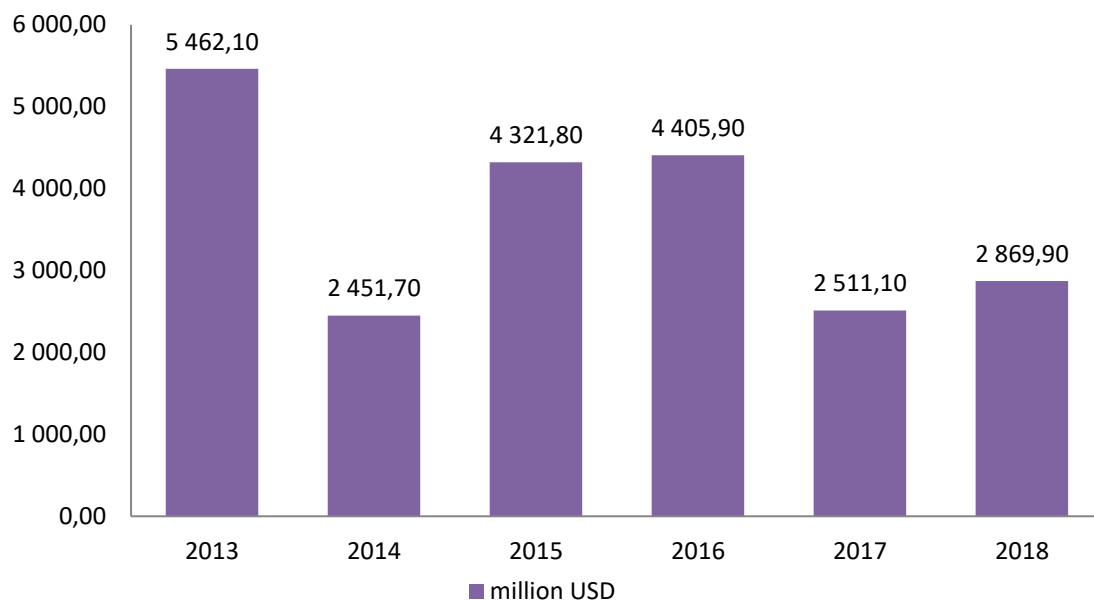


Fig. 2. Direct investment in the economy of Ukraine during 2013-2018

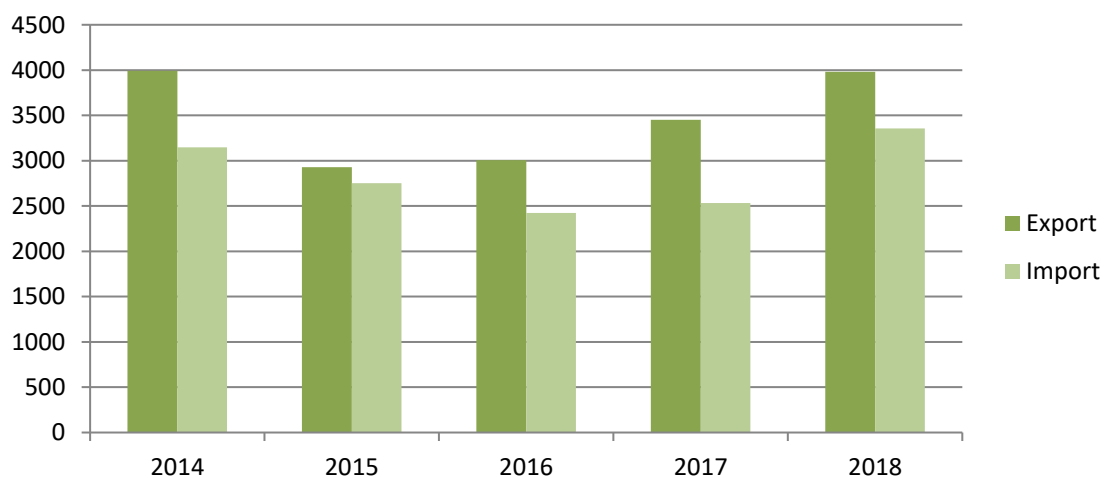


Fig. 3. Ukraine's export and import operations with the EU during 2014-2018 (million USD)

In 2014, there was a significant decline in investment in Ukraine, as well as in 2017. The situation with investments in Ukraine is unstable and unpredictable. As Ukraine is on a sustainable development path and is enhancing environmental regulation, there have to be a significant inflow of investment according to Porter's hypothesis. Nevertheless the country is generally in unstable economic situation, which can also affect investment attractiveness [9], [10].

Since 2016, the foreign trade turnover of Ukraine with the EU has been increasing, so the inflow of foreign investments has to be observed for the economy development. This condition is important for further trade cooperation with the Western countries, providing Ukrainian goods with competitiveness on the European market and at the same time introduction of environmental standards, which are also important for Ukraine's integration with the EU [11].

According to the State Statistics Service of Ukraine by commodity structure, the Ukrainian economy specializes in the production of ferrous metals and cereals. Such industries pollute and exhaust the soil and soil-depleting correspondingly. Deforestation of Ukrainian forests for export is also significant. As has been noted above, Ukraine's environmental problems are related to the raw material nature of production [11], [12].

Although global environmental problems are created at the national level, they can only be solved by bringing together communities or governments from all over the world. Therefore, the establishment of environmental organizations at national and international levels is devoted to addressing these issues (Fig. 4).

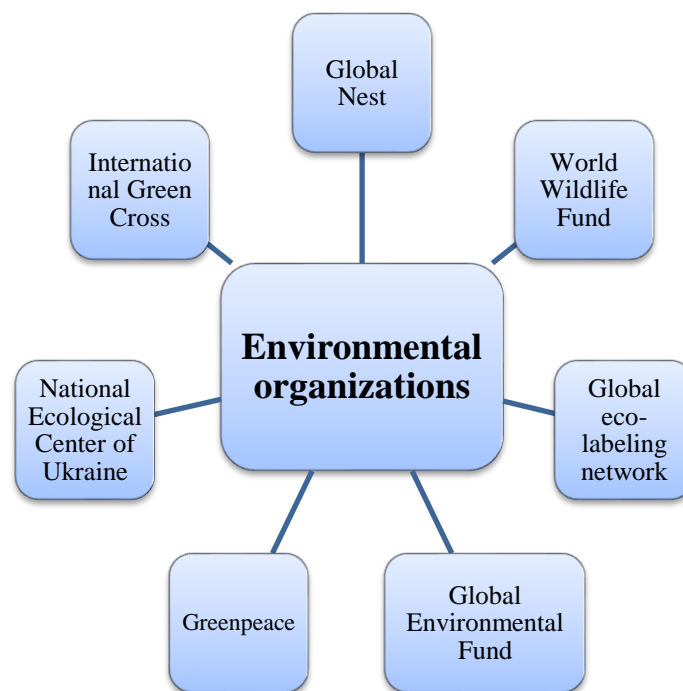


Fig. 4. Environmental organizations [13]

Ukraine cooperates with the World Wildlife Fund and the Global Environment Facility through joint environmental projects; has membership of GEN eco-labeling program and GENICES certification obtained in 2011 [14], [15].

Ukrainian scientists participate in GlobalNest conferences [16]. The National Environmental Center of Ukraine is a member of the International Union for Conservation of Nature (IUCN) and the CEE Bankwatch Network, which monitors the

international financial institutions of Central and Eastern Europe, influences the decisions of the banks towards energy development projects and campaign for the protection of human rights and the environment [17].

In 2018, the Ministry of Nature of Ukraine developed projects in the fields of industrial pollution, air quality, climate change and ozone protection and civil security [18].

Conclusions and prospects for further research. Globalization has many aspects that can improve the life of mankind. This is both economic development and the spread of human rights, and many other examples. However, if one looks at its economic aspect, it becomes apparent that the scale of natural resource use is global, with some consequences. It is therefore important that environmental awareness and environmental values exist in society. Governments and companies have to implement a strategy for sustainable development, a balanced use of natural resources and environmental requirements preferably in all directions.

References:

1. Globalization. *Council of Europe*. URL: <https://www.coe.int/uk/web/compass/globalisation>.
2. Proxorova M. E. Transnacional'ni korporacii ta ekolohichni aspekty ekonomichnoho zrostantnja pryjmajučyx krajijn: avtoref. dys... kand. ekon. nauk: 08.05.01. Kyjiv, 2001. 19 c.
3. World investment report: United Nations Conference on trade and development, 2019. URL: https://unctad.org/en/PublicationsLibrary/wir2019_overview_en.pdf.
4. Jeffrey A. Frankel. The environment and globalization. National bureau of economic research, 2003. 40 pages. URL: <https://www.nber.org/papers/w10090.pdf>.
5. Herasymchuk Y. Экологическая практика транснациональных корпораций. Всемирный фонд дикий природы (WWF), 2007. 92 c. URL: <https://wwf.ru/upload/iblock/b28/gerasimchuk.pdf>.
6. Tsili staloho rozvytku 2016-2030. United Nations Ukraine, 2017. URL: <http://www.un.org.ua/ua/tsili-rozvytku-tysiacholittia/tsili-staloho-rozvytku>.
7. Kapitalni investytsii na okhoronu navkolyshnoho pryrodnoho seredovyscha za vydamy pryrodookhoronnykh zakhodiv. Derzhavna sluzhba statystyky Ukrainy: veb-sait. URL: <http://www.ukrstat.gov.ua>
8. Iusupova A. A. Analiz podkhodov k yzmerenyiu vzaymosviazny mezhdu ekologicheskym rehulyrovanyem y konkurentosposobnostiu na myrovom rynke. Kontsept. 2013. № 8. URL: <https://e-koncept.ru/2013/13167.htm>.
9. Priami investytsii (aktsionernyi kapital) v ekonomitsi Ukrainy/z Ukrainy. Derzhavna sluzhba statystyky Ukrainy: veb-sait. URL: <http://www.ukrstat.gov.ua>.
10. Zovnishnia torhivlia Ukrainy tovaramy z krainamy YeS. Derzhavna sluzhba statystyky Ukrainy: veb-sait. URL: <http://www.ukrstat.gov.ua>.
11. Экологическое воздействие на экспорт: о чем нельзя забывать правительству. Европейская правда: veb-sait. 2018. URL: <https://www.eurointegration.com.ua/rus/experts/2018/01/11/7075845/>
12. Tovarna struktura zovnishnoi torhivli z krainamy YeS. Derzhavna sluzhba statystyky Ukrainy. URL: <http://www.ukrstat.gov.ua>.

13. Ekolohichni orhanizatsii. Kyivskyi natsionalnyi torhovelno-ekonomichnyi universytet: veb-sait. URL: <https://knute.edu.ua/blog/read/?pid=5104&uk>.
14. Misiiia WWF. WWF-Ukraina: veb-sait. URL: http://wwf.ua/about_wwf/history_wwf2/
15. Hlobalnyi Ekolohichniy Fond. *Ministerstvo enerhetyky ta zakhystu dovkillia*: veb-sait. 2017. URL: <https://menr.gov.ua/content/globalniy-ekologichniy-fond.html>.
16. International Conference on Environmental Science and Technology. *GlobalNest*: веб-сайт. URL: <https://cest2019.gnest.org/conference-program>.
17. Natsionalnyi ekolohichniy tsentr Ukrainy. Vikipediia: veb-sait. 2019. URL: https://uk.wikipedia.org/wiki/Національний_екологічний_центр_України#Партнери.
18. Navkolyshnie pryrodne seredovyshche ta tsyvilnyi zakhyst: Zvit pro vykonannya uhody pro assotsiatsiia mizh Ukrainoiu ta Yevropeiskym Soiuzom u 2018 rotsi. 2019. URL: <https://eu-ua.org/sites/default/files/inline/files/association-agreement-implementation-report-2018.pdf>.