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### **CONTROVERSY OF THE IMPACT OF INTERNATIONAL TRADING RELATIONS ON THE ENVIRONMENTAL COMPONENT OF THE WORLD ECONOMY**

***Abstract.** The article investigates a contradictory influence of international trading relations on the environmental component of the world economy. Characteristic features of the controversy formation are discussed. It is proved that the transformation of the economic system towards the sustainable environmental management requires, above all, resolving conflicts that influence the environmental dimension of the economic development. The basic controversies of the trading cooperation influence on the formation of the global environmental cooperation areas are defined. The steps essential for harmonizing the environmental and economic priorities of the world economy development are justified.*

**Key words:** controversy, controversies, environmental controversies, international trading-environmental cooperation.

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### **СУПЕРЕЧЛИВІСТЬ ВПЛИВУ МІЖНАРОДНИХ ТОРГОВЕЛЬНИХ ВІДНОСИН НА ЕКОЛОГІЧНУ СКЛАДОВУ РОЗВИТКУ СВІТОВОГО ГОСПОДАРСТВА**

***Анотація.** Стаття присвячена дослідженню суперечливості впливу міжнародних торговельних відносин на екологічну складову розвитку світового господарства. Розглянуто особливості формування поняття суперечності. Доведено, що трансформація господарської системи у напрямі сталого природокористування вимагає, насамперед, розв'язання суперечностей, які здійснюють вплив на екологічну складову економічного розвитку. Визначено основні суперечності впливу торговельної співпраці на формування напрямів глобальної екологічної взаємодії. Обґрунтовано заходи, необхідні для узгодження екологічних та торговельно-економічних пріоритетів розвитку світового господарства.*

**Ключові слова:** суперечливість, суперечності, екологічні суперечності, міжнародна торговельно-екологічна співпраця.

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### **ПРОТИВОРЕЧИВОСТЬ ВЛИЯНИЯ МЕЖДУНАРОДНЫХ ТОРГОВЫХ ОТНОШЕНИЙ НА ЭКОЛОГИЧЕСКУЮ СОСТАВЛЯЮЩУЮ РАЗВИТИЯ МИРОВОГО ХОЗЯЙСТВА**

***Аннотация.** Статья посвящена исследованию противоречивости влияния международных торговых отношений на экологическую составляющую развития мирового хозяйства. Рассмотрены особенности формирования понятия противоречия. Доказано, что трансформация хозяйственной системы в направлении устойчивого природопользования требует, прежде всего, решения противоречий, которые оказывают влияние на экологическую составляющую экономического развития. Определены основные противоречия влияния торгового сотрудничества на формирование направлений глобального экологического взаимодействия. Обоснованы меры, необходимые для согласования экологических и торгово-экономических приоритетов развития мирового хозяйства.*

**Ключевые слова:** противоречивость, противоречия, экологические противоречия, международное торгово-экологическое сотрудничество.

**Problem statement.** An important component of the current stage of development of the world economy is the existence of discrepancies between the trading-economical interests and the environmental needs of its parties. The reasons for this should be seen in expanding the intergovernmental trading cooperation along with an increase in the use of relevant transport routes, distribution of international location of production facilities associated with the transfer of industrial capacities that are hazardous for the environment of certain countries, and the overall complexity of the interaction of the economic the environmental potential of the planet. This actualizes the challenge of finding ways to resolve the existing trading - environmental contradictions taking into account the interests and needs of both nature and society.

**Analysis of latest research and publications.** Researches of the essence and nature of the controversy of the economic, including trading, development were the subject of scientific interest of many scientists. Genesis of interaction and the environmentalization of the world economy is reflected in scientific works of scholars such as Anderson K., Daly G., Esty D., Ehrlich P., Walter I., Frankel J. etc. Research works of domestic scientists are dedicated to the justification of certain aspects of forming the foreign trade relations of the international community in the conditions of worsening of the ecological problems. Namely such scientists as Andreyeva N., Veklych O., Kupinets L., Melnyk L., Semenyuk E., Tunytsya Yu., Kharychkova S. et al.

Still the problems of controversies occurrence in the environmentalization development and the world trade are not highlighted, along with the issues of the current development trends in the international trade with regard to the ecological requirements.

**Objective definition.** The objective of the article is to study the controversies of the impact caused by the international trading relations on the environmental component of the world economy and the justification of the priority directions in overcoming them.

**Presentation of the main research material.** Occurrence of the contradictions in the process of economic interaction and its environmental component has deep roots. Even in the early stages of human development there began to emerge some controversies between manufacturing and consumption, which increased in the next centuries. The controversy in the most general terms is a philosophical category, which expresses the internal source of any development, movement, change, or a transition into a new quality [1, p.385]. The research of contradictions in the society emerged back in the ancient times. In particular, Aristotle, considering the law of contradiction, noted that the controversial statements could not be equally true. According to the ancient Greek philosopher Heraclitus, the controversies are present in the nature of existence, and the nature is constantly changing its characteristics. The identity of opposites by Heraclitus means however not their mutual extinguishing, but their struggle. This struggle is the main law of the universe, the cause of any origin. The point is that exactly the presence of contradictions is an indispensable and to some extent even legitimate foundation of the world development. In its turn, Parmenides believed that controversies were mutually exclusive. The understanding of the nature of this category by Socrates seems to be very accurate. According to him, the desire to solve the contradiction appears in the case of internal tensions caused by the presence of controversies with oneself. An important contribution to the study of this category was made by Hegel, who rendered the controversy not only as a kind of anomaly that occurred sporadically. To his point of view it is negative in its essential definition, the principle of any self-motion, which lays in the description of the controversy.

Immanuel Kant believed that the inevitable controversies arise in our mind as the result of the fact that the notions of "an absolute" and "an infinite" are applied to the world of things-in-itself, and are also projected onto the world of experience, the world of phenomena. Instead J. Schelling on the contrary attempted to build a dialectical pattern of natural processes and forms as a product of the interaction of the opposing forces. He saw the essence of the nature as a struggle between opposing and polar forces. On the whole, the essence of controversies as a category, which is the driving force of the phenomena and processes, consists in the presence of the interrelation between the component elements of a certain phenomenon, which together with this condition the availability of differences in their implementation, which cannot simultaneously meet the mutually-beneficial requirements. Accordingly, the current understanding of this category rather lies in the sphere of dialectics. The forms of the economic contradictions' manifestations envisage their gradual change and transformation in the process of the economic cooperation between the entities. In the first stage of the forms of the economic contradictions' manifestations there occurs an identity between the interests of participants of the economic cooperation, which is characterized by the interest of the parties in obtaining some of the benefits from the interaction between them. At the same time it is not possible to eliminate the objective contradiction between the partners, because each of them is constantly influenced by numerous factors, which are adjusting their mutual relations to a certain extent [2, p.116]. However, the compromise reached between the partners satisfies them in general for an agreed time. In the second the differences in economic needs are formed. This means an increase in certain variances in their view points as for the implementation of the terms of cooperation, which within a defined period cannot be fully adjusted to the new needs and interests of the partners.

In the third stage on condition of neglecting the differences that happen at the stage of contradictions' variances, there occurs an antithesis stage in the implementation of the goals. It is characterized by a certain escalation of the relationships between the partners, which cannot be relieved within a specified period of cooperation. Thus the stage the antithesis captures partial satisfaction of the partners from the mutual cooperation. The stage of the controversies' antithesis when it is not solved grows into the fourth stage - an open controversy. It can be characterized, first of all, by the revision of the primary preconditions for cooperation of the stakeholders, which must basically satisfy their economic interests. Secondly, the open controversy in case of failure to reach the compromise in the cooperation between the partners leads to a complete rupture of the relations between them and the cessation of mutual cooperation.

By the nature of the contradictory factors that affect the development of the natural environment it is advisable to underline the following combinations and strategies to influence them. The Resource and technological strategy emphasizes the connection of the environmental problems of the development of global commodity markets with an excess in consumption of natural resources and an excessive technological pressure on the environment. The solution lies in improving the technology of production of goods, limiting the economic growth and consumption. The Resource and technological strategy is outlined in the concept of sustainable development and provides a solution to the problem of environmental pollution, in particular through the environmentalization of industry, transport and trade, i.e. the main factors in the formation of the market system.

Rio de Janeiro Declaration on Environment and Development was adopted by the United Nations Conference on Environment and Development in 1992. One of its main principles in the context of the environmentalization of the global commodity markets should be considered as the following: to better address the problems of environmental degradation, the States parties should cooperate in creating a supportive and open international economic system that would lead to the economic growth and sustainable development in all countries. Activities in the field of the trading policy taken at aim to protect the environment should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction of the international commerce. It is needed to avoid any unilateral actions to address the environmental challenges outside the jurisdiction of the importing country. The activities in the field of the environmental protection, aimed at addressing the transboundary or global environmental problems should, as far as it is possible, be based on the international consensus. It should be noted that the considerable attention it paid to the improvement of production technologies, the transition to a high technology, clean air and wastewater emissions from the industry, establishment of interrelated industries, where the waste products of some industries are used by others (getting the main part of raw materials from the waste, using waste to produce compost and biogas, etc.) [3].

According to the biosphere-ecological strategy, the resistance and self-regulation capabilities of the biosphere are limited to a certain level, it is therefore appropriate to determine the laws of functioning of the biosphere and stick to these laws while developing economic activities in the sphere of goods production. The Social and psychological strategy implies that the ecological crisis is related to the human psychology. Therefore, to overcome this, it is necessary to develop the systematic approaches to the market consumers' understanding of the need in a sustainable attitude to the environment.

Therefore, it is advisable to formulate the system of features for the economic controversies that are the sine qua non of the modern globalized society (Fig. 1):

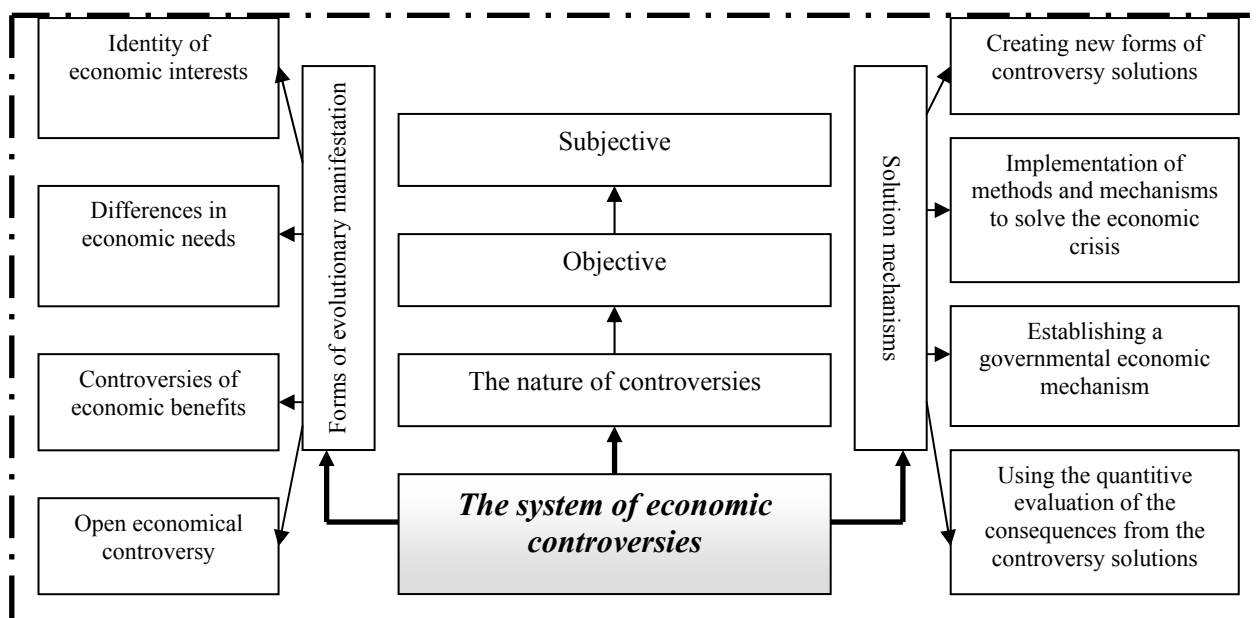


Figure 1. The system of economic controversies

In the most general terms, certain contradictions are contained in the theories the international trade. Thus, an early mercantilism is characterized by an attempt to sell more, and buy less; the late mercantilism theory is characterized by a promotion of export along with import restrictions; the theory of absolute benefits involves specialization in terms of free trade, which in itself is a contradiction; the theory of comparative benefit as one of the postulates involves a different level of absolute benefits in the world; a factorial approach involves the differences in correlation between the factors of production and high technology specialization model – the presence of inconsistency in the degree of specialization depending on the level of economic development; a later theory of competitive benefits implies the existence of contradictory trends in the levels of specialization depending on the level of the economic development, etc [4, p.82].

An important controversy of the world trading, accompanied by an increase in consumption, along with the creation of the environmental goods and services, is the introduction of genetically modified organisms. Biotechnologies promise to solve many problems of health care, give totally new possibilities in the fight against hunger, create new products, improve the ecological state as a result of the refusal from pesticides etc [5]. But at the same time they provoke new controversies and, in particular, are related to how healthy and safe are products derived from the application of biotechnology for the consumers of worldwide markets; will the humanity face the remote consequences of their use; what are the moral and ethical limits of intervention in the biological development; what will be the economic effect from the production of genetically modified products on those who are focused the consumption of natural products.

Because of this, the distribution of GMOs potentially leads to a range of social, economic and political conflicts, including the ones at the global level, thus impacting the development of the trade relations.

The effective maintenance of ecological safety of trade should take place within the WTO, as when one country unilaterally introduces ecological restrictions, often it suffers economic losses. When this introduction happens in harmony with other countries, the losses can be avoided. The cooperation within the WTO is appropriate for the countries in the world as it helps them reduce the uncertainty in the international trade. WTO is a mutually beneficial system in which countries agree to follow policies and mutual obligations. However, there is a possibility to win at the expense of the other side, finding a way to protect domestic producers, which creates controversies of the environmentalization factor interactions with the development of the world trade [6]. The introduction of the environmental standards and restrictions can serve this way. On the other hand, some WTO rules require the countries to support the environmental degradation, providing a market for products made in an environmentally harmful way. The main priorities for overcoming such controversies could be the following: prohibition on trade of some commodities; consideration of the environmental damage in the price on the world market; certification of the goods by the place and method of manufacturing; creating a market for the environmentally friendly products; free trade of environmentally friendly technologies; ensure optimal distribution of global the production; reducing the dependence on natural resources in the countries with low levels of economic development by providing them with the access to the world market; trade liberalization should not undermine the national and international efforts to protect the environment; to mainstream the profits from the liberalization of trade including the environmental protection, in particular compensation for the damage from liberalization; taking into account the difference in the relative cost of the environmental measures in the developed countries and the developing countries.

Among the main factors escalating the environmental crisis are: quantitative and qualitative increase of social productive forces; development of scientific and technological progress without considering the environmental requirements and restrictions; dominance of a model of the environmentally dangerous economic growth with a focus on increasing of the consumption of material goods; population growth; militarization of the national economies [7, p.23].

The study of the internal causes of escalating the ecological crisis does not diminish the role of the immediate factors affecting the nature while forming the modern contradictions in the nature use. While being not a direct source of these contradictions, they, however, are catalysts that contribute to escalating the antithesis and their movement towards aggravation. Consequently, the environmental factors are among the key ones in the formation and functioning of the international economic relations, including trade.

**Conclusion.** Formation of the international trade relations taking into account the inconsistency of their impact on the environmental factors are accompanied not only by the diversification of trade flows and processes of liberalization of the foreign cooperation, but also by the manifestation of external effects of both positive and negative nature, resulting from the combination of the controversial effects on the environment. Therefore, the development of the trade relations between the countries of the international community should take into account the efficiency of integration of the environmental resources and the specific features of their functioning, and resolving the controversial issues of the global commodity flows' environmentalization lies in the use of legal and economic measures of a multifaceted impact.

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