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STRATEGY OF GREEN BUSINESS' DEVELOPMENT THROUGH THE WATER MANAGEMENT IN UKRAINE

Problem statement. The dominant economic system, as part of the socio-ecological-economic development is not perfect, but it gave some results in improving the living standards of humanity in general, and especially its individual groups. However, the negative consequences are very significant: the environmental problems (climate change, desertification, loss of biodiversity), depletion of natural capital, large-scale poverty, lack of fresh water, food, energy, inequality of people and countries.

Proof of the negative dynamics is the fact that today, for example, the EU spends on environmental protection (EP) almost the fifth part of its budget. Therefore, strategy implementation of „green” economy is very topical and undeniable. According to UNEP the „green economy” - is „economy, directed on increasing the welfare, using the natural resources effectively and at the same time reducing the environmental risks” [1].

Analysis of the latest research and publications. Problems and prospects of the green economy' development are researched by many domestic scientists as Halushkina T., Melnik L., Burkinskyi B., Reutov V., Boruschak M., Stechenko D., Semenov V. etc. They are, during the study of market reforms, paying attention to the necessity of forming the concepts of regional and administrative territorial development based on «sustainable development», meaning the reproducibility of ecologically economy [1 - 4, 7]. In particular, the estimation of ecosystem services both at the national and international lever is considered, ensure of employment through the creation of "green" and other places is examined.

Becoming increasingly common problems are related with rational water use, water complex management as a component of all economic sectors, natural monopoly.

Problems of water management, structure, management mechanisms and evaluation of water complex are underlined by domestic scientists as Holian V., Golovynskyi I., Granovska L., Zakorchevna N., Palamarchuk A., Stashuk V., Hvesyk M., Yarotska A., Yatsyk A. and others [5 - 7].

Perspective directions for reforming the water management system and improving the mechanisms of water use regulation are proposed. But, the methodological bases and innovative aspects of water service are needed some correction in forming the water management as a holistic system in the structure of nature use, environmental protection and quality of life.

Task statement. The strategy priority of forming the „green” business in Ukraine through the prism of water management is the ecological transformation of water management and all associated industries. The main factors of forming the „green” business are divided into exogenous and endogenous. Exogenous factors of ecological transformation of water management complex are related with the external influences on it (enter to the Ukrainian market of foreign investors who are used to do the „green” business and forced to make changes to the regulatory framework; the development of alternative energy sources and so on). Endogenous factors include reduction of water use and discharge of pollutants, the production of organic agricultural products, „green” tourism etc.

The basic principles of ecologically safe and economically feasible water management include:

- 1) modernization of the regulatory framework for water use;
- 2) improvement of the organizational management mechanism;
- 3) reorganization of the economic mechanism of rational water use;
- 4) development of complex monitoring the water objects and automated data processing systems;
- 5) increase of decisions' justification regarding the water management systems.

The aim of the article is to form the basic foundations of „green” economy in Ukraine considering the implementation, rational use and conservation of water resources.

Green growth strategy is based on strengthening the economic and ecological policy. Strategy considers the value of natural capital as a factor of production and its role in the growth; the cost-effective ways of easing the pressure on water resources to influence the transition to new growth schemes, not stepping over critical regional and global environmental thresholds are emphasized.

The main material. The international experience shows that countries use different tools of „green economy” in their national policies and strategies development. Investment in environmental protection is an important element of stimulating measures of the economy. The largest volume of „green” investments within ecologically-oriented measures aiming at the economic recovery is accounted for China (22300 million euro), Japan (12300 million euro), Korea (9300 million euro), France (5700 million euro), Denmark (700 million euro), Belgium (118,8 million euro) [4].

Considering the European vector, Ukraine's economy should take into account such European directives and laws of Ukraine as: the Concept of the national environmental policy of Ukraine till 2020, the State regional development strategy for the period until 2020, the water strategy of Ukraine for the period 2011 - 2020, the comprehensive national energy conservation program of Ukraine, the Law of Ukraine „On

environmental protection”, Water code, the code of subsoil concept of the national programs for the conservation of biodiversity in the 2005 – 2025 and others.

Today, researchers are determined the ten sectors for „greening” the economy, namely agriculture, heating and lighting of buildings, energy, fisheries, forestry and industry, including measures of improving the energy efficiency, tourism, transport, waste management and water management [1]. Thus, we believe that the objectives and goals of environmental policy are the priority decisions shown in table 1.

At the same time the green business – is a commercial activity aimed at earning profits.

Table 1

Tasks and final goals of state policy in green sectors of economy

	Sector of economy	Directions of greening the sector	Final goals
1	Sustainable transport	Transition to low-carbon fuel. Investing into the energy-efficient modes of transport, electrification, railway transport. Planning a green city infrastructure for transport.	Reducing the fuel consumption by global fleet of cars until 2050 at 50%, preventing the annually emissions of CO ₂ by 2 gigaton ¹⁹ , creating 3,8 million of new jobs in the world, <i>the development of water transport.</i>
2	Sustainable energy	Investing the intelligent power distribution systems such as «smart grids», in the infrastructure, renewable energy, use of renewable energy technologies	Over 20 million of new jobs: 2,1 million in wind power, 6,3 in heliofoto-electric field, 12 million in agriculture and industry related with the production of biofuel. Reducing carbon emissions
3	Sustainable agriculture	Investing the sustainable agriculture, including the organic land cultivation. Payments by the developed countries of the stimulus packages in favor of developing countries.	By 2050, according to forecasts, one hectare of Earth ought to feed from 6,1 to 6,4 persons against 4,5 persons in 2005. Creation by 30% more jobs. <i>Labeling the HACCP products, environmental and economic assessment of irrigation projects, optimization of irrigation standards and ecological certification of agricultural land.</i>
4	Water management	<i>Investing the infrastructure of providing the pure water, environmental audit of water basins, including the Dnipro river basin, certification of state standards of Ukraine 190 and ISO 14000 quality system at enterprises, certification basins, improving the legal framework and the standards' development that regulate water management activity</i>	By 2015, to reduce the number of people without sustainable access to safe water and basic sanitation in twice. Global winnings in \$ 38 billion, <i>environmental certification water management basins, rural tourism, sustainable water management in large river basins</i>
5	Environmental infrastructure	Investing the healthy ecosystems: water intake basins, river systems, wetlands, soils, forests, oceans and coral reefs, which provide important economic services.	Creating the significant number of additional jobs (from 10% to 40% of total investments). Reducing the natural resources use. <i>Organic production</i>

**additions of authors are in italic*

In the short term, the creation of added value will always have higher priority than the priorities of reducing the environmental impact and optimizing the water resources use. But, the feature of „green” and environmental technologies is a long-term projects that consider the prospects of expanding markets for ecological goods and services, the possibility of introducing and reducing the cost of new eco efficient technology, reducing the price of energy from renewable and alternative sources, public-private and public programs, self-financing on a regional basis with privileges for business. In stimulation of these processes the important role is played by national governments through the implementation of relevant standards and regulatory documents, the expansion of financial resources volume for research, development and demonstration of new technologies advantages' [4].

Funds that are available to new green business companies and those that are transformed into more efficient and environmentally-oriented can be divided into three groups: methods and instruments of promoting the resource efficient and purer production (REPP), the introduction of green technologies, investments in the green technologies, environmental infrastructure and modernization of production. The environmental management focuses on control of wastes and emissions of pollutants according to the international standard ISO 14000. In the field of environmental management the new ISO standard 50000 is developed. The important role of improving the corporate social responsibility for environmental pollution by industry is development of standard in administrative management ISO 26000. Ukraine is realized the concept of environmental certification. But for further implementation of the economy ecologization should be used "Vision-2050" of World Business Council. It forecasts through realizing the low-carbon resource-efficient projects to expand the capabilities of business activity in different business segments to 3-10 trillion USD in 2050 [5].

The state can provide only limited quantity of investments needed to support the development of green business and green technology. Among such special tools of the financial market to solve the sustainable functioning of water management are: state programs with the business participation and allocation the percentages of profits; creation the investment funds of financing the green business companies; loans on financing the environmental programs; tenders; environmental insurance and risk insurance of natural disasters and climate change.

Development of theoretical, methodological and practical approaches to water management within the green economy includes assertions that shown in fig. 1 [4].

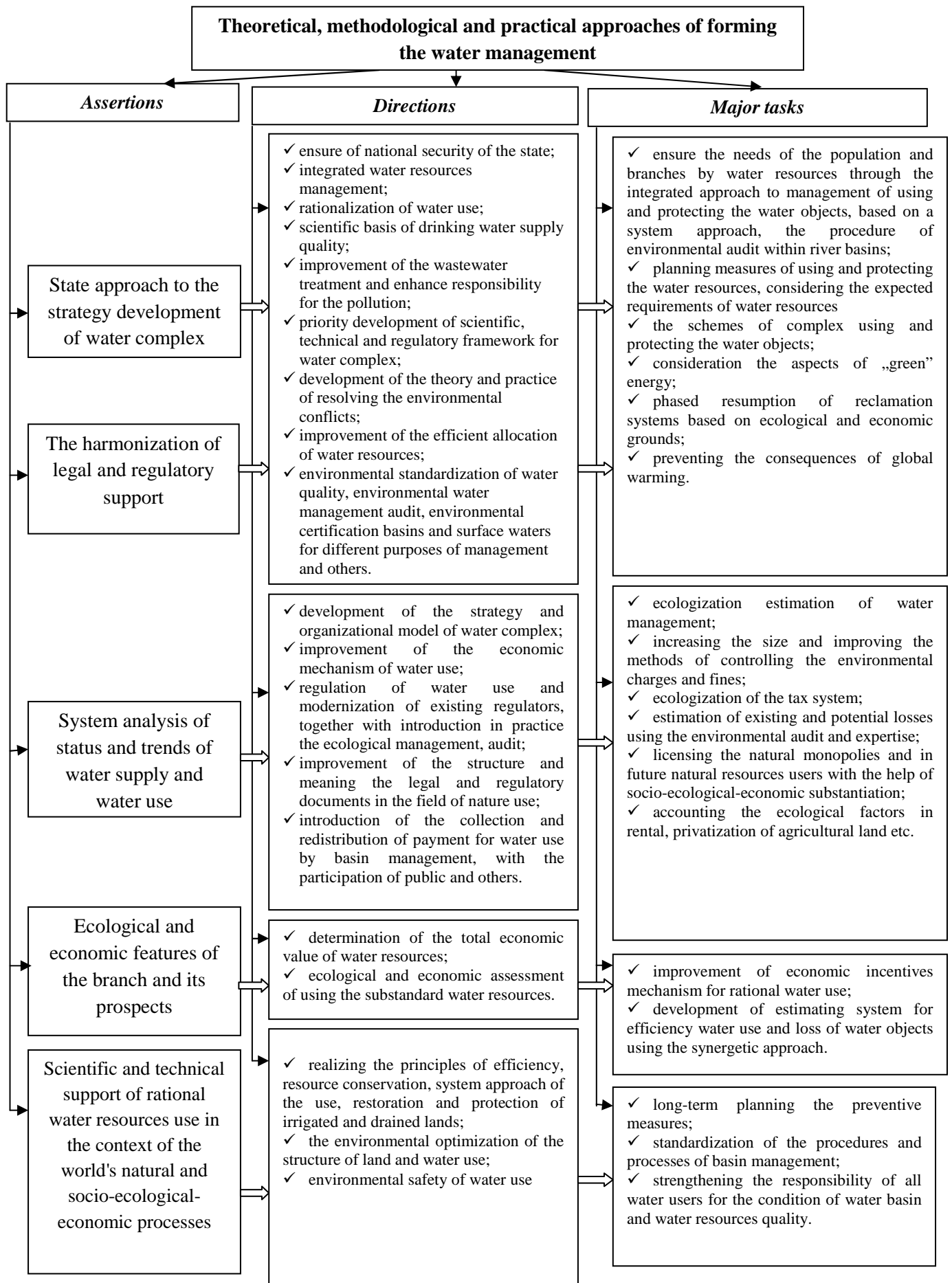


Fig. 1. Major assertions of forming the water management in Ukraine

Conclusions and further research. National policy of investments' promotion in green economy, particularly in water complex, should include not only the creation of conditions for realizing the business opportunities, investor protection and coordination of foreign investments with national development strategies, but also implementation of the industrial policy (the creation of clusters in green sectors for better use of labor and natural resources, dissemination of technologies by strengthening ties of MNCs with local companies).

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Skrypchuk P., Suduk O. STRATEGY OF THE DEVELOPMENT OF GREEN BUSINESS THROUGH THE WATER MANAGEMENT IN UKRAINE

Purpose. The purpose of the article is to form the fundamental principles of "green" economy in Ukraine according to the providing of water resources, their rational use and preservation.

Methodology of research. Problems of the development of water management, structure, governance mechanisms and evaluation of water complex are researched by many domestic scholars. However, methodological bases and innovative aspects of water management development are required of adjustments in forming the water management as a holistic system in the structure of nature use, environmental protection and quality of life.

The article is used the morphological, abstract and logical methods for analyzing and summarizing the scientific theories in water management; statistical method for forming the practical recommendations and for using the proposed solutions.

Findings. National policy of promoting the investments in the green economy, particularly in water complex, should include not only the creation of framework conditions for realizing the business opportunities, protecting the investors and coordinating the foreign investments with the national development strategies, but also should include the implementation of relevant industrial policy, namely the creating clusters in green sectors for better use of labor and natural resources, spreading the technologies through strengthening ties of multinationals with the local companies.

Originality. Originality of research is to ground the modern theoretical and practical preconditions of social and ecological economic development the water management in Ukraine sphere and to develop the directions of water resources rational use in the context of global social and economic processes.

Practical value. Practical value of the article is to use the results of research for realizing the strategic positions in the state regulation system of water management in Ukraine.

Keywords: green economy, natural capital, ecologyization.