## PRACTICAL MEASURE OF POLITICAL ECONOMY

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*O. LETUCHA, Ph.D. in economics, associate professor, associate professor of the department of political economy, National metallurgical academy of Ukraine* 

# ENVIRONMENTAL CHALLENGES OF KEYNESIANISM

In the article analyzes the theoretical and methodological approaches to the determination of the nature and causes of global environmental and economic crisis. The causes and characteristics of ecological and economic crisis in Ukraine, grounded priorities of overcoming its consequences in terms of Keynesianism.

*Key words:* global ecological and economic crises, the causes and characteristics of ecological and economic crisis in Ukraine.

**Formulation of the problem.** At the beginning of the third millennium, humanity is going through a historic period of global awareness of the depletion of the environment. The primary source of all environmental crises is a scientific and technological revolution, which gave people a powerful means of science and technology, to resist that nature can't. The causes of environmental deterioration of the environment determined disparity of development of productive forces and relations of production resources - environmental features of the biosphere, the lack of efficient mechanism of nature and implementation of environmental measures.

The national economy has proved vulnerable to global ecological and economic imbalances caused by rapid growth of economic needs, depletion of natural resources and pollution of the environment. Its current state is the result not only of the impact of global environmental and economic problems, but also internal contradictions accumulated in the past, which leads to the need to review the criteria of the existing economic system, adjustment of ideas about man and society, the formation of the ideology of environmental expansion of post-industrial development that relied b the modern use of existing potential mechanisms for sustainable environmental and economic development of Ukraine. This updates the revival of keynesian paradigm of governance based on the harmonization of the relationship between man, society and nature, to preserve and restore the environment.

Analysis of recent research and publications. In discussions about the environmental and economic crisis, its causes, characteristics, symptoms and consequences is reasonable dominated by economic themes. Theoretical aspects of the impact of environmental factors on the formation and functioning of a modern market system are constantly in the spotlight of world and national economic thought. Balatskiy O.F., Veklich O.O., Vesnin V.R., Hofmann O.G., Nevyerov O.V., Norman E.B., Oldak P.G., Oskorio A.M., Pakhomova N.V., Reimers N.F., Trehobchuk V.M., Khachaturov T.S. in their scientific work stopped on matters relating to the definition, causes aggravation of ecological and economic contradictions and recommendations for improvement of the economic mechanism of nature [1, p.11-18]. These studies revealed the existence of significant differences in determining the causes of the ecological crisis and the tools to overcome its consequences.

The realities suggest that neoclassical theory discredited the lack of universally accepted, a reasonable mechanism for overcoming the consequences of a national ecological crisis that causes a certain fragility of existing theoretical structures [2, p. 4-20]. However, contentious issues remain unresolved and determine the effective mechanism of state regulation of ecological and economic processes, because that state is an economic entity that implements public environmental interests provided safeguard national ecological security. It appeals to work keynesians promote alternative development paradigm of environmental and economic policy in Ukraine.

**Formulation the article purposes.** The purpose of the article is to analyze the problems of improvement of the national mechanism of state regulation of ecological and economic processes from the point of keynesianism.

**Presenting of the main material.** Economic science has accumulated considerable potential approaches to solving environmental problems. The representatives of the classical school of political economy, using formal logic methods, from a position of laissez-faire analyze the nature of the object for unlimited expansion of capital, the source of wealth [3, p. 5-24]. A. Smith and D. Rikardo, based on the theory of labor value and focusing on the fact that the main factor of production, a subject of productive work, the creator of wealth is the person put forward important methodological thesis of alienation from its nature, thereby separating subject from object of study. In their work nature is defined as a set of independent conditions for human existence, influencing the process of social reproduction. Considering the wealth of benefits as a set, the result of the interaction of factors of production, including the use of natural resources (especially land), A. Smith and D. Rikardo created the first environmental study theoretical background of expansion within the theory of efficiency.

Representatives of neoclassical theory, based on the functional relationships between ecological and economic phenomena, principles of efficiency and optimality, profitability and returns, examine the negative externalities. Objects of nature are regarded as public goods, and pollution is considered a problem of economy of resources. Question internalizes negative externalities, natural resource considered in the context of increasing profit economic actors. Some prerequisites for

macroeconomic analysis of ecological and economic systems are reflected in the theories of general economic equilibrium. Synthesizing utility theory, supply and demand L. Valras investigating mechanism and a market balance, the impact of market mechanism to optimize the allocation and use of the resources.

Thus, the economic theories of nature within neoclassicism based on the principle of economic rationality, the study of ecological and economic dynamics reduces to equilibrium analysis. Uncritical perception neoclassical theories of nature, aimed at optimizing behavior of rational actors in a stable ecological and economic systems contributed to the deepening of the raw material orientation of the national economy, its environmental degradation, lack of investment on environmental protection [4, p. 4-20].

Theory and practice of the national economy, in our opinion, can't do without a reasonable mastery of keynesian concepts that demonstrate the growing role of government intervention to improve the efficiency of social production. For keynesian economic thought toward characteristic is to analyze the impact of economic growth on the level of pollution. Environmental problems are seen as a result of anti-ecological process of economic reproduction and sharpness due to their economic growth. According to keynesian theory, the state is an economic entity that implements public environmental interests.

It is designed, firstly, not only to provide an adequate legal regime, but also to influence, both directly and indirectly, on the formation of a civilized market mechanisms in the ecological production; secondly, to create the necessary conditions for the development of effective forms of non-governmental environmental and economic regulation, the subjects of which are public environmental organizations; thirdly, perform an important function of coordination and optimization of market and regulatory mechanisms, finding adequate forms of movement of the objective contradictions between them.

Heterodoxal approach of keynesian theory due to the uncertainty of the future [5, p. 4-20]. According to the postkeynesians, solutions implementation of environmental investments are not based on rational calculations, and the effectiveness of the mechanism of environmental risks as a factor reducing the uncertainty of the future.

This contributes to the evolution of institutions connected with the desire of economic agents to reduce environmental risks as a factor of uncertainty in complex economic systems [6, p. 5-14]. Keynesianism focuses on "all-discernment" failure of the market mechanism. [7, p. 7-191]. In his view, the negative environmental effects arise from the inability of the market to provide "limited effectiveness Pareto."

Resource-saving restructuring of the national economy is inextricably linked to its ecological modernization, bureaucratic processes which slowed in Ukraine. Big business stops the low profitability of ecologically capacious industries with huge investment needs, high environmental risk and the discounted economic effect. Reason orientation of Ukrainian business in the rapid enrichment at the expense of long-term development lies not in the lack of management skills, and the "investment myopia", due to the high degree of uncertainty of the future. Method reduce uncertainty in the future of postkeynesian Economics - formal part of the institutional

environment [8, p. 4-18]. The more developed formal institutions and, above all, of such elements as state protection of forward contracts, the more can reduce the uncertainty of the future.

The reality of the national economy argue that unregulated power turns unlimited freedom of arbitrary and focus on profit - a shameless exploitation of nature for the political elite. Now, large corporations acquired such power over the market that they dictate their conditions to him [9, p. 61-70]. The national economy has turned the economy enriching the elite, which is based in the redistribution of natural resources and public goods in order and antisocial in the extreme scale for the purpose of assigning elite.

Consequently, ecological and economic problems of the national economy meet problems of modern keynesianism, based on the changing conditions of capital formation, restriction of spontaneous enrichment, determined not economically and politically, updates politics, implementing state social needs [10, p. 25-51].

The reform of the economic mechanism of environmental regulation in Ukraine, according to the keynesian paradigm aimed at accumulating financial resources for the implementation of environmental programs motivate producers to increase the level of environmental technologies and products. Among the positive results of its action are: formation of a system of paid nature, savings funds in the amount needed to eliminate the effects of environmental pollution.

The realities suggest that achieving resource-saving restructuring and environmental modernization based on scientific and technical process depends, firstly, on the possibilities of revamping and financial support, secondly, by restructuring the economic mechanism, organizational management structures, the consistency and accountability in the conduct of effective global environmental policy of excellence of international environmental legislation.

World experience shows that in today's most effective form of regulation of ecological and economic processes have credit and cash and financial instruments. In our view, credit and monetary regulators should make "a combination of" opposites - financial reorganization and stimulate investment demand to speed up resource-saving restructuring. In this regard, we believe appropriate: loans by commercial banks the most advanced environmental and economic programs under state guarantees; decrease of required reserves and preferential loans for commercial banks to actively finance advanced ecological and economic transformation.

An important focus greening of monetary policy, we believe the use of "ecological debt", which should be understood as defined in cash payable to the nature of society, and interest on that should accrue to ambush not received result of pollution of the environment of global income.

Enhancing the greening of national production is closely linked to the development of environmental funds, which dictated the need for institutional considerations. Their presence and gradual transformation into independent funds guarantee a certain level of environmental investment. The source of their creation can be: environmental fines; to finance eco-innovation programs.

Effective implementation mechanism will contribute to the greening of national production, in our opinion, the use of environmental tax on the use of

assimilative capacity of the environment. The capacity last "resist" the impact of the production, it becomes imperative self-sustainable ecological and economic growth. This tax does not need to increase the overall tax burden, but it will lead to redistribution in the interests of environmentally friendly activities.

It is advisable to become socialization and rental income in the form of environmental tax that directly affects environmental solutions taxpayers. There will recover rental income through tax revenues themselves users of natural wealth, buyers of their products. This method is advantageous taxation and state results for taxed economic activities and not the resources necessary for it.

Within the EU becomes actuality environmental training and advanced training of specialists in the areas: waste management, environmental law, water management and wastewater treatment, soil protection, energy saving, environmental protection enterprises, regional environmental planning, environmental assessment, environmental policy, international aspects protection of natural resources, environmental audits, environmental advice.

The introduction of environmental education is very effective because organic implanting in the analysis of socio-economic conditions of managing political, legal, social, organizational knowledge of regulations and laws functioning supranational environmental system.

The conclusions and recommendations for further research. So retrospective ecological and economic challenges convinced of the need to review traditional ideas about their causes, encourage the development of effective anti-crisis concepts. National policies to overcome the ecological instabilities must respond to global challenges, defined as a common area activities leading countries, as well as the specific features of eco-economic development of Ukraine. This is the Keynesian scenarios for overcoming the crisis, programmed internal logic of ecological and economic system, providing quick access to a new "long wave" of sustainable ecological and economic growth, transformation crisis in a controlled manner, allowing stabilize the situation in certain sectors, speed up implementation the ecological lean technologies. This radically changes the system of state regulation of the economy, optimized strategic environmental and economic planning and directing financial flows.

In summary, we note that in the global environmental crisis increase the effectiveness of the greening of the national economy is a priority. But we must remember that the effectiveness of its instruments determined the specificity and dynamics of national environmental and economic processes. However, according to the peculiarities of national environmental-economic situation should be noted that the most effective is to promote public-civil regulation.

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