Veronika Chala
PhD in Economics, Associate Professor,
Pridniprovska State Academy
of Civil Engineering and Architecture

DOI: https://doi.org/10.36059/978-966-397-285-5-12

CONCEPTUAL MODEL OF GREEN ECONOMY DEVELOPMENT

The conceptual basis of the modern stage of sustainable development and green economy has been forming by the scientists' works of the last forty years. The introduction of the concept of clean production in the late 1970s marked the beginning of fundamental paradigmatic shifts in the system of global social reproduction. That concept was aimed mainly at the prevention of environmental pollution, and not at the development and implementation of technologies to combat them at the final links of global value chains formed in various sectors of the economy.

In particular, since the beginning of the 1980s, in the theoretical discourse of sustainable development, we can see the process of thorough conceptual understanding of organizational, economic and institutional forms of clean production. Already in the 1990s, the latter were clearly qualified by UN experts as the long-term application by economic entities of business strategies integrated with the environment through the prism of the production processes with the aim of increasing the efficiency of their own economic activities and leveling environmental risks for the environment [1].

This concept has got its second life as a result of bringing into its methodological "canvas" the concept of resource efficiency, one of the manifestations of which was the introduction of the related category "ecodesign" into the scientific discourse from the beginning of the 1990s. In this context, we cannot ignore the theoretical and methodological work of eco-economic functionalists, who, qualifying the environment as a specific functional system for meeting human needs, distinguish five stages of sustainable development, namely: green

bleaching; technology and economic regulation; reforming the green economy; fair growth; integrated sustainable development [2].

The outlined green transition Has manifested itself most clearly in the comparison of its conceptual provisions with the criteria for the development of the so-called "brown economy" (Table 1).

Table 1

Dichotomy of conceptual provisions of brown and green economy

Criterion	Brown economy	Green economy
Resource limitations of economic development	Resource-limited economic development	Distinguishing economic growth from the consumption of natural resources
Dominant types of energy resources involved in social reproduction	Fossil energy sources	Renewable energy sources
The level of energy and material intensity of social reproduction	Intensive consumption of natural resources	Energy efficiency, resource saving, circularity
Ecological purity of social production	Emission of greenhouse gases	Environmentally friendly production
Impact of social reproduction on biodiversity and ecosystems	Destruction of biodiversity	Maximum conservation of biodiversity and ecosystems
Degree of asymmetry of socio-economic development	Global socio-economic asymmetry	Equalization of levels of interregional and intercountry asymmetry of socio-economic development
The prevailing model of individual and industrial consumption	Unlimited consumption (overconsumption)	Sustainable consumption
Participation of the corporate sector in the implementation of social and environmental projects	Lack of corporate social responsibility of business and investors	Extended corporate social responsibility of business and investors
The level of social inclusion of society	Weakness of social trust	High level of social inclusion and social trust in institutions of state power

Source: summarized and constructed by the author based on data [3]

As can be seen from the data in the Table 1, the mechanisms of the transition of the national economic system from the brown economy model that dominated the industrial era to the green economy model prevailing in the post-industrial phase of world economic development include, in particular, the tools for overcoming resource limitations of national economic development, diversification of energy resources involved in social reproduction, reduction the level of energy and material intensity of production, increasing the degree of its environmental cleanliness and leveling the negative impact on biodiversity and ecosystems, etc.

And although the data presented in Table 1 are somewhat conditional and do not cover all the transformational changes inherent in the fundamental processes of "greening" of national economic systems in the last forty years, they nevertheless provide a general theoretical understanding of the criterial identification of the green economy, which certainly has significant methodological implications. In support of this thesis, we note the following: even the well-known sociological model of society by M. Weber [4], which prioritizes the bureaucratic, institutional system, now, in the modern conditions of the formation of a global green ecosystem, undergoes drastic changes. These changes are related to the objective necessity of building a qualitatively new model of public management, which is primarily characterized by a dynamic increase in the share of employees in green workplaces.

In other words, exclusively technocratic approaches in the development of management decisions are clearly insufficient today, because in the process of their adoption at the national and international levels, it occurs the necessity to take into account the economic interests of many stakeholders, and even more so – of each individual as a citizen, producer and consumer. We must also realize that, other things being equal, ecologically cleaner production and green economic relations always cause a dynamic net increase in employment, primarily due to a rapid increase in the share of highly qualified workers in the structure of the labor market [5].

The development of national models of the green economy is based, first of all, on the criteria for the efficiency and sustainability of resource consumption, the dominant policy instruments in the states for

the protection of natural capital, resource provision for the development of the green economy, as well as on the mechanisms of social inclusion. The entire palette of this kind of criteria is closely interconnected and interdependent, under which only the organic convergence of strategic priorities for the development of natural ecosystems and inclusive socio-economic growth in their synergistic action can ensure effective development in the global coordinates of the green economy (Figure 1).

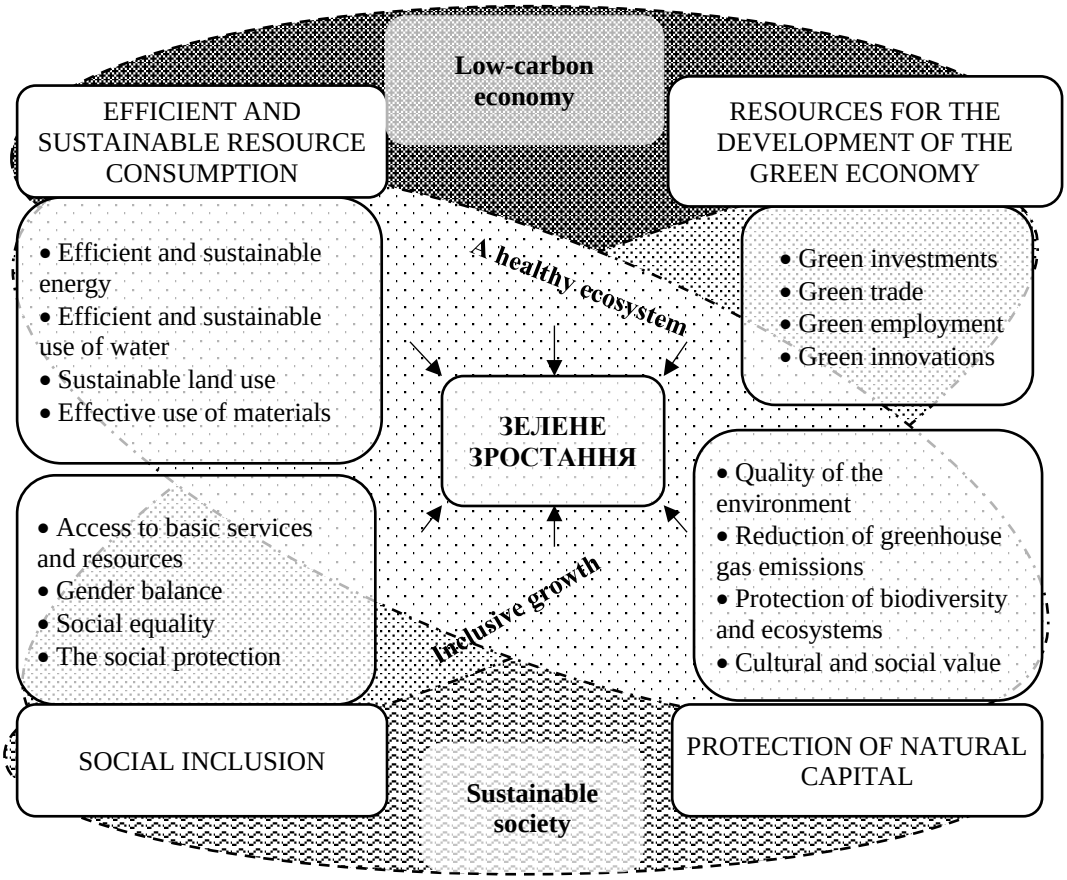

Figure 1. Conceptual model of green economy development

Source: summarized and built by the author based on the data of Green Growth Index-2020 [6]

At the same time, two types of important effects could be ensured. Firstly, resource and institutional opportunities for the development of the green economy together with efficient and sustainable resource consumption are able to form a strong organizational, economic and institutional platform for a low-carbon economy. And secondly, the protection of natural capital together with social inclusion would form the cementing foundation of a sustainable society.

References:

1. Sustainable Consumption & Production Branch: Resource Efficient and Cleaner 894 Production. (2016) UNEP. URL: http://www.unep.fr/scp/cp.

2. Fien J., Macclean R., Park M.-G. (Editors). (2009) Work, learning and sustainable development. Opportunities and challenges. Technical and vocational education and training: Issues, concerns and prospects. UNESCO-UNEVOC Book series. Volume 8.

3. Sulich A., Zema T. (2018) Green jobs, a new measure of public management and sustainable development. *European Journal of Environmental Sciences*.Vol. 8, No. 1. P. 69–75.

4. Вебер М. (2016) Хозяйство и общество: очерки понимающей социологии. Пер. с нем. под ред. Л. Г. Ионина. Москва : Издательский дом высшей школы экономики.

5. Loiseau E., Saikku L., Antikainen R., Droste N., Hansjürgens B. et al. (2016) Green economy and relatedconcepts: an overview. Journal of Cleaner Production. Elsevier. P. 361–371.

6. Green Growth Index 2020: Measuring performance in achieving SDG targets. (2020) GGGI technical report, NO. 16. Global Green Growth Institute. Republic of Korea. URL: https://greengrowthindex.gggi.org/wp-content/uploads/2021/01/2020-Green-Growth-Index.pdf.