

SECTION 1.

ECONOMIC THEORY, MACRO- AND REGIONAL ECONOMY

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CIRCULAR ECONOMY AS A STRATEGIC TOOL OF A SUCCESSFUL STATE

In recent years environmental threats related to global climate change and environmental degradation has taken the first positions among the risks of world development. Climate changes manifested in the increase in the number intensity and duration of natural disasters the deterioration of the ecological situation and therefore the health of the population due to the intensive use of environmentally "dirty" production technologies the gradual depletion of non-renewable natural resources and the further increase in energy prices in high energy intensity of the economy all these challenges which are acutely facing the world community today require the fastest transition of countries to a circular economy.

In the near future the circular economy will determine the competitiveness of countries. Already today the world's leading countries are actively increasing their potential in this direction.

Circular economy is a closed loop economy. Almost any waste must be reused in the production of new products. This reduces the negative impact on the environment and allows efficient use of limited natural resources.

The circular economy which is also called the economy of a closed cycle is a new model of economic development that involves recovery, reuse and rational consumption of resources and allows for the creation of additional value. The circular economy is primarily aimed at energy conservation, economically clean production and consumption.

The circular model of the economy is the opposite of the traditional linear model. While the linear economy implies "take, make and discard", the circular economy is to "take, make, recycle, restore, reuse, reduce waste, minimize costs and switch to renewable energy sources"[3].

That is the economy of a closed cycle involves the formation of new approaches to the economy and focuses mainly on those products and services that allow you to minimize waste and other types of pollution.

The closed loop economy is based on the following principles: recovery of resources, recycling of secondary raw materials and transition to renewable energy sources (energy of the Sun, wind, water).

It is worth noting that the circular economy is based on the principles of sustainable development and its main tools should be ecological innovations and "green technologies".

In many international documents the concept of circular economy is based on the application of the principles of "3R" (reduce, reuse, recycle), namely, reduction of consumption, reuse and recycling [1].

It is important to note that this concept not only corresponds to the 17 UN Sustainable Development Goals, but also encourages countries and businesses to innovate. And today, most EU countries, the USA, China, Japan, South Korea and other countries have prioritized the development of the circular economy in their long-term strategies.

Today, the circular economy is one of the main priorities of EU policy which determines its global leadership in its implementation.

In particular, Germany having a powerful industrial economy formed the basis of the circular economy through material flows and the availability of materials and the Netherlands on innovations in materials and business models. Finland is the first country in the world to develop a national road map for the transition to a circular economy. Scotland has become the first country to join the Circular Economy 100 (CE100) club created by the Ellen MacArthur Foundation to stimulate collaboration and innovation for the development of the circular economy.

Large EU countries such as Germany, Great Britain and France as a rule have higher indicators of the number of investments, patents and jobs in the circular economy sectors which allow them to occupy leading positions in assessments of the development of the circular economy.

In the 2018 circular economy ranking Germany ranks first in the number of patents related to the circular economy more than twice ahead of France which is in second place (1,260 patents versus 542). Great Britain and Germany are leaders in "circular" investments significantly ahead of other countries of the European Union [2].

That is the circular impulse is gaining momentum in countries with a market economy.

A systemic strategic vision for the development of the circular economy is still being formed in Ukraine. There were only general declarative provisions, for example, increasing resource efficiency, stimulating innovation and implementing provisions of the circular economy increasing effective waste management.

In Ukraine the main circular economy program documents are the following:

- National waste management strategy until 2030;
- National waste management plan until 2030;
- Strategy of the state environmental policy of Ukraine for the period until 2030;
- Concept of implementation of state policy in the field of climate change for the period up to 2030 and its implementation plan;
- Low-carbon development strategy of Ukraine until 2050 etc.

Despite the large number of adopted program documents Ukraine has not yet formed a coherent system of support for the development of the circular economy. The state of development of the branches of the "closed cycle" economy is still at a low level.

Economically expedient and rational handling of waste in Ukraine does not involve the use of high technologies therefore the practice and experience of Europeans effective implementation of reforms and completion of existing projects can promote awareness of the growth of a new raw material industry and give impetus to the development of a circular economy.

The circular economy manifests itself at all levels of socio-economic relations and is a component of state policy. The main prerequisites for the transition to a circular economy in Ukraine are characterized by the presence of problems, namely:

- The problem of resources (distribution, consumption, use, reduction of stocks);
- The problem of environmental pollution (waste, ecology, climate);
- The problem of the linear type of production (raw materials-products-wastes).

Therefore, the priority direction is sustainable development the goal of which is the introduction of a circular economy. Also for the implementation of state policy in the implementation of the circular economy it is necessary to take into account the interests of all interested parties. Effective interaction between the state and business is a mechanism for economic growth and social well-being.

The development of the circular economy will allow Ukraine to provide solutions to problems that will correspond to the national policy of the state, namely, the goals of its development.

In general the policy of Ukraine in the sphere of circular economy should be formed and implemented comprehensively, taking into account global trends, focusing on local problems.

References:

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