

DEFINITION OF THE TERM “SUSTAINABLE DEVELOPMENT OF NATIONAL ECONOMY”

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Summary: At the end of the last century, humanity faced global socio-economic and environmental problems, and the conception of sustainable development was developed and adopted to solve them. The article studies the concepts of economic growth and development. Theoretical points of sustainable development conception are analyzed, its main components are described, the significance of sustainable development of national economy to ensure the fulfillment of the conception of sustainable development is grounded, and the definition of the term sustainable development of national economy is given.

Key words: economic development, economic growth, sustainable development of national economy, sustainable development.

Анотація: В кінці минулого тисячоліття людство зіштовхнулося з глобальними соціально-економічними та екологічними проблемами, для вирішення яких була розроблена та впроваджена концепція сталого розвитку. В статті досліджуються поняття економічного зростання та розвитку. Проведено аналіз теоретичних положень концепції стійкого розвитку, охарактеризовано його основні складові, обґрунтовано значимість сталого розвитку національної економіки для забезпечення виконання концепції сталого розвитку, надано визначення поняттю сталий розвиток національної економіки.

Ключові слова: сталий розвиток, економічне зростання, економічний розвиток, сталий розвиток національної економіки.

Аннотация: В конце прошлого тысячелетия человечество столкнулось с глобальными социально-экономическими и экологическими проблемами, для решения которых была разработана и внедрена концепция устойчивого развития. В статье исследуются понятия экономического роста и развития, а так же понятие устойчивого развития. Проведен анализ теоретических положений концепции устойчивого развития, охарактеризованы его основные составляющие, обоснована значимость устойчивого развития экономики для обеспечения выполнения концепции устойчивого развития, предоставлено определение понятию устойчивого развития национальной экономики.

Ключевые слова: устойчивое развитие, устойчивое развитие национальной экономики, экономический рост, экономическое развитие.

At the beginning of the XXIst century world economy is changing more and more into integration in which different and contradictory processes are forming and taking place. Together with positive tendencies in the world economy's development, there are also negative ones – problems and threats which occur in certain regions are getting global and influence not only specific regions but also the whole world. On the condition of high interdependency of national economies and continuing transformations of socio-economic relations the conceptions targeted to support sustainable economic growth considering social and ecological factor, namely the conceptions of sustainable development are becoming especially important. Efforts of scientists, public authorities and public organizations in most countries are aimed to search the opportunities of ensuring sustainable development of single countries as well as humanity in whole. The problem of

ensuring sustainable development is becoming especially actual for developing countries and transition economies, in which standards of living still remain low, social oriented economy isn't formed, there isn't rational consumption of natural resources. Questions of sustainable development are analyzed in many works of foreign and domestic scientists. In addition, this term is the main correctional addendum almost to all documents, programs and strategies at international and state levels [1, p. 62]. At the given stage of word's development, any country must follow the concept of sustainable development more or less if it wants to be a full partner in the international arena.

There are many definitions of the term sustainable development in the scientific literature, which differ one from another depending on the object and the subject of study, set goals and the level of study.

Efforts of foreign scientists are essentially aimed at the solution to the problems related with ecological and social components of sustainable development. Domestic scientists pay particular attention to studying conceptual frameworks of sustainable development and explanation of its ensuring in different economic sectors (industry, energy sector, agriculture) or researching the models of economic growth. At this rate the need of exact definition for the term sustainable development of national economy and its major components arises.

At first, let's consider the terms of economic development and economic growth that are associated with the development but aren't identical. More often, in domestic and foreign literature economic growth refers to the increases in country's production of goods and services and income per capita [7, p. 9]. In addition to that, the main macroeconomic index, which is used to measure the economic growth, is gross domestic product. Thereby growth defines quality changes in public production and economic capacities to maintain increasing humanity needs in goods and services. Economic development means qualitative transition from one stage to another, in which an extended reproduction is additionally defined by the production of new goods and services using innovations and increase in country's economic health over a long period of time [6, p. 145]. That is economic development is a wider concept against economic growth and can't be defined without it.

It is essential to note that when researching economic development and studying its models, the development is mainly considered as unlimited process and human-nature cooperation isn't taken into account. The first person who doubted unboundedness of human development was the English scientist Thomas Robert Malthus. He supposed that population is rising in geometric progression while means of subsistence are increasing in arithmetic progression. It follows that population increase will be restricted by wars, epidemics and famines. Thus, the theory of limited natural resources was founded, but Malthus's ideas didn't get necessary attention at that time.

At the end of the XIXth and at the beginning of the 20th century the theory of noosphere appeared and scientists' attention to the problems of human-nature cooperation raised, but changes in human development, targeted to conservation of natural resources, didn't occur.

The characteristic of the last century was irresistible human desire for ensuring economic development and technological progress. The success was measured by an increase in gross domestic product. It was considered, that it would lead to welfare and considerable rise in standards of living automatically [4, p.180].

The progress almost always was ensured by cruel exploitation of natural resources and, as a result, at the end of the XIXth and at the beginning of the XXth century the world faced global ecological problems, increase in poverty and regional and interethnic conflicts. Such changes made the community and nongovernmental organizations draw attention to limited resources and the need of adoption the new human the development conception – conception of sustainable development.

For the first time the exact definition of sustainable development was given by the World Commission on Environment and Development in their report *Our Common Future* in 1987. According to this definition, sustainable development is development, which meets the needs of the present without compromising the ability of future generations to meet their own needs. The idea, formed at the report *Our Common Future*, received the official recognition only in 1992 at United Nations Conference on Environment and Development (UNCED), Rio de Janeiro. Following the result of the conference a new conception of human development – the conception of sustainable development was accepted. Due to the fact that the above mentioned definition is very general and contains only the idea and doesn't contain certain decisions or tools for implementation of sustainable development this definition is constantly supplemented and specified.

Thus, the International Institute for Sustainable Development gives the following definition to the term: sustainable development means consolidation of single environment, economic efficiency and welfare.

In Russia, at the legislative level, sustainable development is considered as development which ensures balanced solution to social and economic tasks and problems of conservation favorable environmental as well as natural potential for the purpose of meeting needs of the present and future generations [1, p. 3].

V.V. Kazakov and A.S. Li define sustainable development as the development under which the quality of life increases at the expense of innovation economy, which first of all focuses on ecology-oriented production (the development of scientific and technical potential) while decreasing anthropogenic pressure to ecosystems, which allows to save natural resources for future generations [2, p. 2].

Onufryk I.P. and Tabachuk define sustainable development as the economic growth in which the most important life support system problems are solved in the most efficient way without depletion, degradation and environmental pollution [4, p. 3].

In Ukraine the term sustainable development is legally approved, the Project of Ukrainian conception of sustainable development, in particular, defines it as a process of state extension on the basis of agreement and harmonization of

social, economic and ecological components with the purpose to meet present and future generation needs.

Thus, all definitions of sustainable development are based on harmonization of economic, ecological and social subsystems with the purpose to meet present and future generation needs. Notably, three component of such a development i.e. economic, social and environmental are recognized.

Economic component means producing goods and services on a continuing basis, maintenance manageable levels of government and external debt, and avoiding extreme sectoral imbalances which damage agricultural or industrial production.

Environmental component must maintain a stable resource base, avoiding over-exploitation of renewable resource systems, and depleting non-renewable resources only to the extent that investment is made in adequate substitutes.

Social component means achievement distributional equity, adequate provision of social services including health and education, gender equity, and political accountability and participation [6, p. 5-6].

To ensure environmentally and socially stable subsystems means to create economic stability and growth, as a rational use of resources. Implementation of resource-saving technologies and satisfactory level of social services are impossible in unstable and unfavorable macroeconomic environment. It proves again the need of ensuring sustainable development of national economy to secure fulfillment of the conception of sustainable development. Specific approaches to its ensuring differ in different countries and regions, but they all must be based on general principles and consensus on the main conceptions of sustainable development. It is necessary that such a conception should be considered not as the achievement of specified values of economic activity indexes, but as a direction in which society and national economies must move.

To sum up, sustainable development of the national economy must be considered as a process which is characterized by quantity transformation from one stage of the economy to another and under which the quality of life improves and social justice at the expense of innovative economy, which focuses on rational consumption and conservation of natural resources is granted.

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