

## ABOUT THE ROLE OF ENVIRONMENTAL PROTECTION IN ECONOMIC DEVELOPMENT

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*The article highlights and discusses environmental issues from the point of view of economic development. Emphasis is placed on the need to develop an environmental orientation and an environmental-based structural policy for economic development, as well as to ensure environmental balance, which is reviewed as an important precondition for minimizing the factors limiting the country's economic growth and enhancing the role of environmental protection in sustainable economic development. There is a need to increase the role of environmental protection in the development of the economy by outlining appropriate targeted steps and measures.*

**Key words:** Economic growth, economic development, natural resource, material resource, environmental balance, balanced use of nature, environmental orientation and environmental policy, sustainable development, environmental policy.

Currently, the protection of the natural environment has become, among other sciences, also an issue of the economic study. Continuous growth and development of the public production brings forth the negative environmental alterations. The human society has entered into the age of economic and ecologic alterations peculiar by the increase of the global environmental challenges, enlargement of the exploitation of natural resources, reduction of the recovery capability of the environment, and increase of unfavorable effect of human activity on it. There forms a situation when the society is not able to eliminate its own negative natural after-effects that have a growing significance in respect of the recreation and people's growing demands.

Any economic development is based on the three factors of the economic growth: the capital, the work power and the material resources.

Currently the unrecoverable natural resources are consumed because of their unlimited use by the mankind, and the consumption of the recoverable resources overgrows rapidly, exceeding their capabilities of reproduction and recovery. Thus, on the current stage of society development, the material resources become the limiting factor among the three factors of economic growth<sup>11</sup>.

Today a significant attention is given to the issue of the innovatory economic development, within the framework of which we study the role of human capital in the innovatory economic development<sup>12</sup> and the ecological business as a prospective factor of the innovatory economic development and imperative need for time<sup>13</sup>. According to the recent point of view, the use of the ecological innovations and the means of production organization ensuring the environment protection allow maintenance of the best possible balance in the regional economic development and the environment protection. Persons studying this issue (K. A. Kuznetsova, D. A. Detkina) present the conception of the social and ecological responsibility of enterprises in the modern world, with the following main point: each company that strives for success not only must have an active social

<sup>11</sup> Kotenko A. L., Theoretical basis of resource saving as the key factor of economic development, Bulletin of Astrakhan State Technical University, № 4, Publisher: Astrakhan State Technical University, Astrakhan, 2007, p. 19-22.

<sup>12</sup> Gadieva M. B., The role of human capital in the innovational development of Russia's economy: The challenge of time времени, Bulletin of the Moscow University. Issue 6: Economy. Publisher: Moscow State University named after M. V. Lomonosov" Publishing House (press), № 6, Moscow, 2009, p. 3-14.

<sup>13</sup> Kuznetsova K. A., Detkina D. A., Environmental business as the prospective element of the innovational development of the region's economic, Economic of knowledge: The innovative ecosystem and the new industrialization of the region, Scientific editor V. V. Yermolenko. Publisher: Kuban State University, Krasnodar, 2017, p. 114-112.

responsible position, but also must follow and be in compliance with the legislation of the environment protection and take care of the improvement of the ecological situation<sup>14</sup>.

Currently an urgent issue is also the development of such strategy that is based on the economic development of the society in an ecologically acceptable way. Actually, the necessity of maintenance of environmental balance and addressing the economic problems of the sustainable development conception is emphasized. Regarding the principal issues of economic development, it is defined as a development when the means of production and the level of their use do not endanger the mankind and the nature, both in present and in future. The principles of the sustainable development are stated in the Rio Declaration (1992).

The introduction of resource-saving technologies and increase of efficiency of resource consumption by minimizing the waste and recycling has been considered as a temporary solution for the issue of ensuring the ecologically acceptable economic development. The main steps of this course have been revealed on the UN World Summit on Sustainable Development (RIO + 10, August, 26 – September 4, 2002). The leaders of 179 countries worldwide accept the unprecedented global program-plan for the XXI century's activities within the scope of the sustainable development, and the common strategy for the environmental, economic and social issues. According to this agenda, the issues of the fight against poverty, protection of the atmosphere, water resources and biodiversity, support of agricultural sustainability and a number of other issues of sustainable development.

These issues include prevention and minimizing of waste, recycling of resources, as well as use of alternative ecological net materials. Implementation of these steps includes participation of the governments and all the interested parties, in order to minimize the negative effects on the environment and to increase the efficiency of resources.

Taking into consideration the abovementioned facts, within the frameworks of this study, we have tried to review the role of the environment protection for the economic development and to indicate the courses for improvement of the rational use of natural resources, particularly emphasizing the need for development of a structural policy ensuring environmental oriented and environment-based economic development and ensuring the environmental balance.

From the point of view of the economic development the urgency of the research regarding the main issues of the environment protection is conditional on the severity of these problems, as far as the traditional approach in development of economy and society creates a number of global issues in respect of the nature and environment, including ecological issues. It is typical that all these main issues are interlaced with the issues related to the other elements of the sustainable development and require complex and combined management, review of the strategic programs and improvement of the policy. Besides, from the point of view of the sustainability of economic development, the definition of the role of environment, distinction of the priorities and regulation thereof, within the scope of the economic and environmental changes, is the issue of a great urgency in which not only the main governmental bodies and the local self-governed bodies of the republic are interested, but also the public organizations having activities in this field.

In the sphere of environment protection the policy of the given country depends on the level of its social and economic development, however the environmental policy must anyway provide solutions for a number of complex issues that are common for all countries, regardless their political structure. These issues are related to the pollution of the natural environment (water, atmosphere, soil, etc.). The data obtained are processed, and that allows estimation of the type and level of pollution of the territory or region during the use of nature and production, and defines criteria of those priorities that will make possible to maintain the environment in its natural condition, to develop environment protection programs and to recover and improve the environment.

The environment protection programs are drafted similar to the development and consumption programs. Their development must take into consideration the predictable reasonable costs that shall be linked to the annual, complex and prospective budgets of the local, regional and national level.

The higher is the national income, the bigger is the sum that can be provided for the environment protection measures.

The implementation of environment protection programs is connected with the priority issue of how much financial resources the government possesses for this purpose, what are its capabilities in

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<sup>14</sup> Kuznetsova K. A., Detkina D. A., Environmental business as the prospective element of the innovational development of the region's economic, Economic of knowledge: The innovative ecosystem and the new industrialization of the region, Scientific editor V. V. Yermolenko. Publisher: Kuban State University, Krasnodar, 2017, p. 104.

development of effective and financially beneficial laws and normative acts in environmental policy. The latter includes multiple regulative and economic methods connected to the reconstruction of economy that can be highly beneficial. For example, in the last decade the government significantly reduced financial support to the industry and agriculture that resulted in energy saving and, as a result of this, reducing the air emission of hazardous substances affecting the health of people.

Gradually, with the purpose of energy saving, it becomes necessary to introduce advanced technologies. The profitability of investments and risk assessment and, as a result of it, ensuring and safeguarding the environmental situation in the country become priority issues. Implementation of these measures is rather connected with lack of the financial resources and absence of organizational arrangements than with the peculiarities of the certain environmental problems or seeking opportunities for their solution.

The transition of the Republic of Armenia from the centrally-planned to market economy is to improve not only the economic condition of the country, but also to benefit the sustainability of ecological conditions of its natural environment in short, medium and long term. The important fact to be considered that the market economy includes such a system of laws, financial investments, taxes, fines and penalties that may prevent or minimize the misuse and illicit exploitation of natural resources and preserve the natural environment from the human and technical pollution creating healthy living conditions for people. Solution for these priorities is necessary not only for the current population but also for the future generations who are under the real threat of environmental crisis<sup>15</sup>.

To achieve the proposed aim it is necessary to implement an environment-based structural policy as an important prerequisite for minimization of the factors restraining the economic growth of the country and increase of the role of environment protection in the issue of economic development. This will include such an implementation system, which will ensure development of the industry in the field of high-tech and science and technology that will be given the priority for introduction of resource and energy saving technologies in the industry ensuring purity and safety of products and production.

Developing the model of expenses provided for the level of the environment protection measures, it is necessary to take into consideration the following social and economic and natural criteria:

- minimal proved level of the basic environmental and economic funds,
- reducing of costs for maintenance of reproduction and growth rates of the products of plant cultivation, cattle-breeding and livestock farming,
- productivity improvement due to enhancement of the workers' health, minimizing the days missed due to occupational disease,
- improvement of the profitability rate of the secondary production owing to production residues,
- development of the price system in the field of the use of nature,
- improvement of the level of provision for the funds and energy for the environment protection measures, and organization of cooperation of the environment protection measures of the regional enterprises,
- Volume of industrial waste clean-up,
- cost price of cleaned-up water in the water supply circulation,
- specific rate of oxygen reproduction in the forested areas of the region,
- the level of effect of the other regions on the condition of the natural environment of the given region, etc.<sup>16</sup>

Accounting of the listed criteria gives an opportunity to create a model of environmental and economic system in the form of linear interlinks of nature-using economy that allows revelation of changes of environmental and economic system.

Currently the possible full and effective use of the industrial, agricultural and domestic waste is an important resource for the production. This implies the creation of the organizational and economic methods and technological procedures that ensure the best possible and full use of these materials. Recently in the mining, as well as in the processing industry a large amount of waste and residues is

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<sup>15</sup> Babayan E. A., Economic priorities of the use of nature and environment protection in the RA, Yerevan, 2006, p. 7-9.

<sup>16</sup> Babayan E. A., Economic priorities of the use of nature and environment protection in the RA, p. 13.

accumulated and keeps accumulating, and this amount is growing concurrently with the growth of the industry.

It is very important that the issues of the use of secondary raw materials have the most significant part in the long-term programs.

Nowadays the business life and the necessity of economic analysis emanating from this are increasing. Currently the great importance is given to the main issue of the quality of so called “unrecoverable” natural values, including the atmosphere, rivers, lakes and coastal waters, landscapes and terrain of the seas, flora, etc., the natural characteristics of which “designate” the most significant material limitations. These must be implemented by means of certain economic forms, ensuring a common whole demand for the appropriate natural values. “The natural environment characteristics such as the integrity of the single parts of its elements, their links with the biosphere and their unity are significantly different from their ordinary commodity values, addressing the people’s requirements in response to their effective demand. The demand for the environmental values cannot be a personal consumption demand. Based on the public characteristics of the natural values, a single combined demand is necessary in respect of them”<sup>17</sup>.

Certainly, the study of the economic procedures emanating directly from the scope of the production (and for this reason it is not always presented in the documents, and often is of a subtle nature) is not an end in itself and is not aimed on the solution of the recognition issues only. In respect of the real economic relations any objective information, as well as the investigation results of other procedures, finally must be also formed like the practical measures regulating the activities of managing subjects.

Thus, development of the economy of the RA significantly depends on the effective use of resources, based on the modern mechanisms of management of environment protection and use of the nature. Based on the requirements in respect of the environment protection, with the purpose of its effective management, it is necessary to reveal its main criteria, the environmental oriented structural policy, and also the natural materials, powers and factors that affect the human life and lifestyle and are called the natural resources, and the role of their protection in the development of economy is significant. Therefore it is necessary to designate and develop a conception of enhancement to the highest possible level of the role of environment protection in the issue of development of economy by indicating the appropriate steps and measures.

From the point of view of the environmental priorities of sustainable economic development, the following must be outlined:

- in the terms of sustainable use of resources: the need for introduction of the modern methods of assessment of the nature’s reproductive capabilities, in order to ensure interacting balanced condition between the rate of economic development and the ecological and environmental regulations in our country.

- in the basis of the RA CB state strategy a priority must be given to the strengthening of the environmental element of economy which is necessary to combine with harmonization of the public environmental and economic interests.

- Basing on the capacities of the natural resources in our country, the number of the organizations using these resources in the national economic structures, and the current condition of the recoverable and unrecoverable natural resources, we propose to use as a guide the example of the “Balanced use of nature” within the scope of sustainable development of the economy as the primary element of the effective environment management system.

- Within the scope of the sustainable development the policy and strategy of our country must have tendency to promote the improvement of economy and natural environment protection, as well as to the creation of mutually regulating links between ecological approaches and measures aimed on the recovery and maintenance of the environment in the condition close to the natural, the correct and permanent management of which will make possible to ensure the harmonized social, economic and environmental development in our country.

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<sup>17</sup> Bartov V. F., Sedov V. V., The conception of interaction of the economy and the nature, Moscow, “Mysl”, 1984, p. 159.

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## ՏՆՏԵՍՈՒԹՅԱՆ ԶԱՐԳԱՑՄԱՆ ԳՈՐԾՈՒՄ ՇՐՋԱԿԱ ՄԻՋԱՎԱՅՐԻ ՊԱՀՊԱՆՈՒԹՅԱՆ ԴԵՐԻ ՄԱՍԻՆ

### Դ.Կ. Պողոսյան

*Շուշիի տեխնոլոգիական համալսարան*

Հոդվածում կարևորվում է շրջակա միջավայրի պահպանության հիմնահարցերը՝ տնտեսության զարգացման տեսանկյունից: Շեշտադրվում է տնտեսական զարգացման բնապահպանակողմնորոշիչ և բնապահպանահենք կառուցվածքային քաղաքականություն մշակելու, ինչպես նաև բնապահպանական հավասարակշռություն ապահովելու անհրաժեշտությունը, որը դիտարկվում է որպես երկրի տնտեսական աճը սահմանափակող գործոնները նվազագույնի հասցնելու և տնտեսական կայուն զարգացման գործում շրջակա միջավայրի պահպանության դերը բարձրացնելու կարևոր նախապայման: Առաջադրվում է տնտեսության զարգացման գործում շրջակա միջավայրի պահպանության դերի բարձրացման անհրաժեշտությունը՝ համապատասխան նպատակային քայլերի և միջոցառումների նախանշմամբ:

**Բանալի բառեր.** Տնտեսական աճ, տնտեսական զարգացում, բնական ռեսուրս, նյութական ռեսուրս, բնապահպանական հավասարակշռություն, հաշվեկշռված բնօգտագործում, բնապահպանակողմնորոշիչ և բնապահպանահենք կառուցվածքային քաղաքականություն, կայուն զարգացում, բնապահպանական քաղաքականություն:

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## О РОЛИ ОХРАНЫ ОКРУЖАЮЩЕЙ СРЕДЫ В ЭКОНОМИЧЕСКОМ РАЗВИТИИ

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В статье обсуждаются экологические проблемы с точки зрения экономического развития. Подчеркиваются необходимости разработки экологической направленности и экономической политики для экономического развития, а также обеспечения экологического баланса, что рассматривается в качестве важной предпосылки минимизации факторов, ограничивающих экономический рост страны, и повышения роли защиты окружающей среды в устойчивом экономическом развитии. Необходимо повысить роль охраны окружающей среды в развитии экономики путем определения соответствующих целевых шагов и мер.

**Ключевые слова:** Экономический рост, экономическое развитие, природный ресурс, материальный ресурс, экологический баланс, сбалансированное использование природы, экологическая направленность и экологическая политика, устойчивое развитие, экологическая политика.

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