

**ECONOMIC MECHANISM OF THE NATURE MANAGEMENT:  
INSTITUTIONAL SOIL AND INSTRUMENTAL METHODOLOGICAL  
PROVIDING**

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It is deduced that the economic mechanism of nature management operates the insufficient set of methods, instruments and levers that give an opportunity to promote the complexity of the economic mastering of nature resource potential and strengthen the effectiveness of influence of the sphere of nature management on the rates of socio-economic presentation. Reasonably, that for the forming of modern economic mechanisms of nature management there is the necessity of the creation of institutional soil that will envisage installation in regulatory nature protection architectonics of new institutes-rules able to provide more effective bringing in of natural raw material and ecosystem services in market turnover. It is set that the instrumental methodological providing of economic mechanism of nature management must embrace the wide spectrum of methods, instruments and levers that will give an opportunity to provide budgetary-tax and financial credit influence on the maximum amount of the operations related to the exception of material substance of natural raw material and the usage of raw immaterial usefulness of nature complexes. Researches showed that in a modern economic mechanism nature management must present a wide spectrum of financially economic and administrative-economic methods. Financially economic methods embrace: evaluation, account, programming, planning, prognostication, taxation, budgetary financing, investing, insurance, crediting. To the list of administrative economic methods belong: licensing, examination, certification, regulation, standardization, monitoring, cadaster, limiting, and setting of norms. It is set that the modern economic mechanism of nature management must embrace budgetary, tax,

custom, credit, hypothec-mortgage, fund, investment, insurance instruments, and also instruments that are based on realization of agreements of publicly-private partnership. Reasonably, that in the structure of economic mechanism of nature management two types of levers are distinguished: financially economic stimuli (tax deduction, favorable credits, reliefs from duty, price discounts/raise, cross subsidizing, dating) and financially economic approvals (fines, compensations, indemnifications, financial limitations, and budgetary limits).

**Key words:** economic mechanism of nature management, institutional soil, methods, instruments, levers, public budgets.

**Formulation of the problem.** The involvement of natural raw materials in economic circulation, as well as the commercialization of environmental services, require a coordinated influence on the part of the state and territorial communities on the behavior of users of natural resources, both in terms of extracting the material substance of a natural resource, and in terms of the utilization of used raw materials. Such a coordinated influence will be most effective under the condition of the functioning of a balanced and multifunctional economic mechanism for the use of nature as a logically ordered set of methods, tools and levers of budget-tax, financial-credit and permitting regulation of the processes of development, restoration, reproduction and protection of natural resource potential. Deepening the processes of decentralization and acceleration of European integration require the institutionalization of a wide range of methods, tools and levers of regulatory influence on the processes of using natural resources and environmental protection in order to maximally cover operations related to the economic development of the country's natural wealth.

Moreover, to a decisive extent, the effectiveness of the direct and indirect influence of the economic mechanism of nature use on users depends on the institutionalization of such a mechanism, which in turn is determined by the set and specificity of the application of regulatory steps. Therefore, ensuring the use of a wide variety of methods and tools of budget-tax and financial-credit influence on the users

of natural resources, as well as the formation of an institutional basis adequate to the requirements of the time of the economic mechanism of the use of natural resources are urgent tasks of the domestic economy of the use of natural resources.

**Analysis of the latest scientific research and publications.** The substantiation of promising directions for the formation of the economic mechanism of nature management began at the beginning of the 90s of the last century simultaneously with the introduction of the institution of payment for special nature management. In the 2000s, the existing approaches to the construction of the architecture of the economic mechanism of nature use began to be supplemented with proposals for strengthening the market orientation of regulatory influence on nature users. B. Danylyshyn identified the main trends in the regulation of nature use processes in Ukraine in the 90s of the last century and proved the need to create a comprehensive system of regulatory influence on the behavior of nature users [4]. T. Zagorodnya substantiated the author's approach to improving the tools of the economic mechanism of environmental protection [6]. I. Biletska's approach to improving the economic mechanism of environmental regulation should be considered fundamental. In particular, she states that the main areas of improvement of the economic mechanism of environmental regulation are the modernization of existing regulators, carried out simultaneously with the development and implementation of new market instruments [2]. P. Haman, the content of the economic mechanism of nature use and nature protection activities was revealed [3]. One of the distinctive features of the existing approaches to the formation and structuring of the economic mechanism of nature management is its reduction to a purely financial component. M. Khvesyk and I. Bystryakov consider the financial mechanism of natural resource management as a set of influences on the development, adoption and implementation of decisions regarding the use of natural resources [8, p. 40].

**Materials and methods of scientific research.** During the research on the institutional environment of modern land relations, the following generally accepted methods of scientific research were used: theoretical method, monographic method, comparative method, and generalization method.

The purpose of the article is to develop the author's version of the formation of the institutional background and instrumental and methodological support of the economic mechanism of nature use, taking into account the exogenous and endogenous challenges facing the natural resource sector at this stage of the development of society.

**Research results and discussion.** The latest trends in state policy regarding the regulation of nature use processes, caused by the deepening of decentralization and European integration, require the transformation of the economic mechanism of nature use through the institutionalization of additional methods, tools and levers, as well as the choice of a type of this mechanism that will ensure qualitative shifts in the natural resource and nature protection spheres .

One of the main problematic points in the field of research of the essential characteristics of the economic mechanism of nature management is the definition of its structural elements, in particular instrumental and methodological support. It is the set of regulators that ultimately determines the effectiveness of the functioning of the economic mechanism of nature management at different taxonomic levels. B. Danylyshyn, M. Khvesyk and V. Golyan define three blocks as components of the economic mechanism of nature management: the block "Planning of the rational use of natural resources and environmental protection", the block "Financial support of nature management", the block "Stimulation of the rational use of natural resources and environmental protection" [5].

The financial provision itself is the main structural link in the system of environmental finance as a whole, as it ensures the administration of environmental taxes and rents for the special use of natural resources, which go to public budgets of different taxonomic levels. This largely determines the prospects for the formation of special funds for environmental protection and reproduction of natural resource potential.

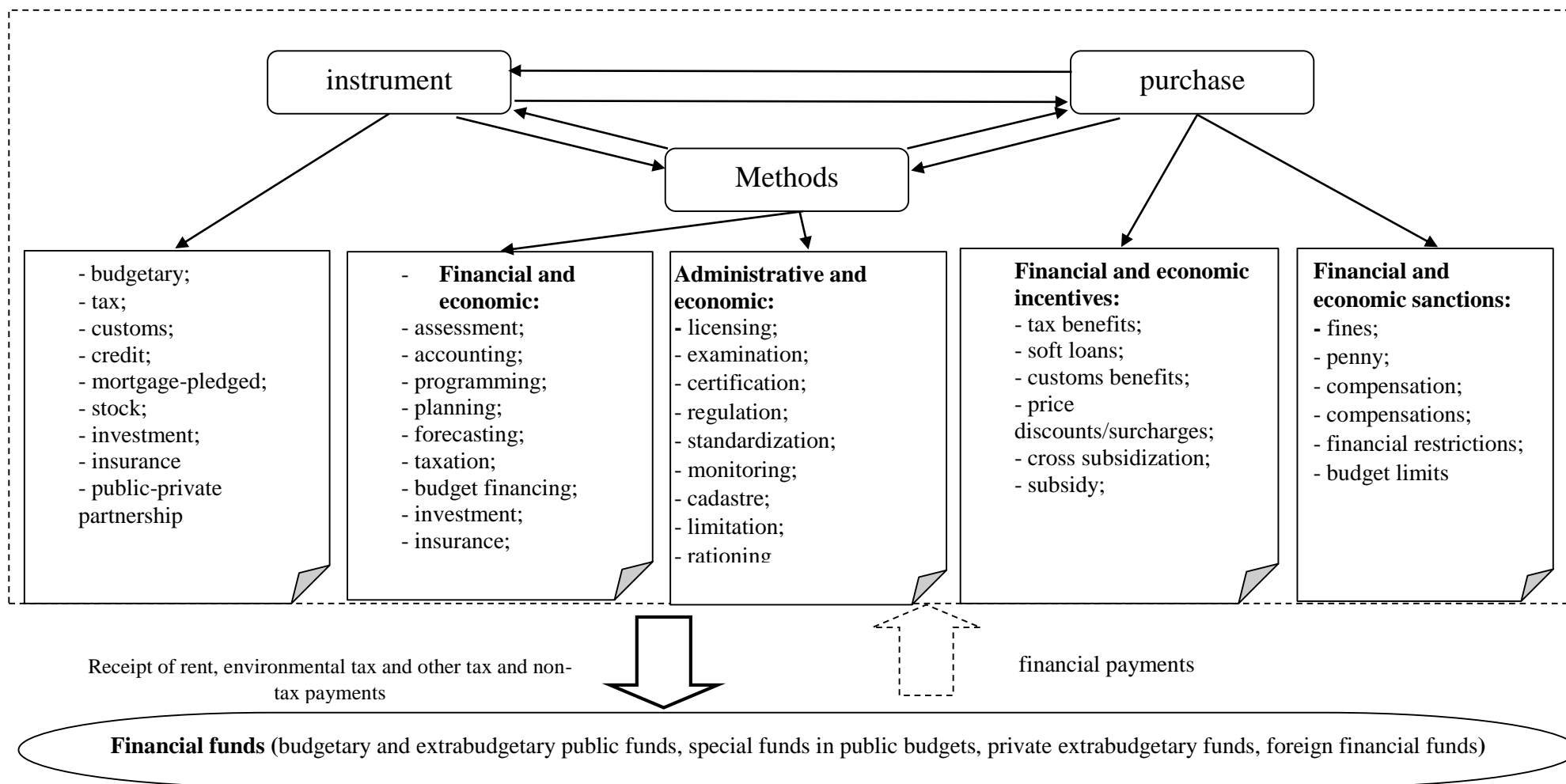
With the current institutional background of the functioning of the economic mechanism of nature management, it is the accumulation of environmental and natural resource payments that provides the opportunity to ensure a certain level of permanence in the preservation and multiplication of natural resource benefits. It is

also worth noting such a component as compensation for damages caused to the environment, since the lack of motivation among direct users of nature to minimize the negative impact is exactly what leads to an increase in violations of environmental legislation.

Due to the institutionalization of mortgage-collateral operations and crediting of nature protection projects, the prospect of overcoming the long-term financial, in particular, investment deficit in the field of nature conservation will become possible. Moreover, at the moment, the complex of nature protection and resource-saving projects is not implemented due to the lack of a proper system of subsidies and subsidies by the state, similar to the positive experience of highly developed countries. Incentives for workers in the natural resource sector are also necessary so that they are interested in providing permanent savings of natural raw materials and ensuring minimal anthropogenic and technogenic impact on the environment.

The deepening of institutional transformations in the natural resource sector, as well as the intensification of international cooperation in the field of nature protection, have significantly expanded the range of methods, tools and levers of the economic mechanism of nature use, both in terms of budgetary and tax, and financial and credit support for the use of natural resources and environmental protection. The problem is that the domestic budget, tax and nature protection legislation did not institutionalize the vast majority of such methods and tools, therefore the domestic economic mechanism of nature management will continue to operate with a limited set of regulatory norms.

An effectively operating economic mechanism of nature management under these conditions should cover a much wider range of methods, tools and levers of financial-credit and budgetary-tax direction (Fig. 1) in order to ensure a higher level of fiscal return of those involved in the economic circulation of natural resources and to strengthen the effectiveness of financing nature protection projects. Moreover, the methods, tools and levers that comprise the economic mechanism of nature management interact with each other, complementing each other and providing proper synergy when applied simultaneously or sequentially.



**Fig. 1. Structural characteristics of the economic mechanism of nature management**

(Note. Built by the author)

An important component of the regulatory set of the modern economic mechanism of nature management is the diversification of the set of methods. The methods should cover two types: financial and economic and managerial and economic. It is the synergy of these types of methods that can give the highest effect, since effective fiscal regulation and modern financial and credit support is possible if the methods of determining the real value and value of specific types of natural assets are institutionalized.

In the spectrum of financial and economic methods, considerable importance is attached to the assessment of natural reserves and their value expression, so that it is possible to properly understand what reserves of the relevant components of natural wealth are possessed by the country or the relevant territorial community.

In recent years, a significant range of methodological approaches to the assessment of the natural component of natural wealth has been proposed. But most of them are clearly based on effective, cost-effective and reproducible approaches. Methodical support for assessment, which takes into account the objective prerequisites for the availability of natural resources, the possibility of their industrial development, as well as processing, is the basis for the use of such methods as planning and forecasting, both in terms of the use of material and physical substance of a natural resource, and in terms of its capitalization and commercialization.

Adequate use of the above methods is a guarantee of the equivalent use of such a method as taxation or fiscal regulation of the special use of natural resources, which, on the one hand, should ensure the maximization of the receipts of natural resource and environmental payments to public budgets, and on the other - form a reliable basis for financial support processes of preservation and multiplication of natural resources. Despite the incorporation of a complex of market relations into the domestic field of nature management, budget financing remains one of the main methods of the economic mechanism of nature management in the current conditions, since private sources of funding in the field of ecology are weakly activated today. The high level of operation of the main nature protection funds and the excessive uniformity of the sources of financing their renewal and modernization require the activation of the

investment processes of objects of natural and economic and nature protection infrastructure. The high level of influence of natural and climatic factors on the process of nature management actualizes the problem of further institutionalization of environmental insurance.

At the same time, the listed financial and economic methods should be synchronized with managerial and economic methods, which include licensing of natural economic and environmental protection activities for the preservation and increase of biodiversity; expert assessment of the possible man-made impact of the natural and economic object on the surrounding natural environment; certification of natural and economic assets in accordance with international requirements and norms; regulation and standardization of technologies for economic development and reproduction of specific types of natural raw materials.

It is especially important to develop a complex of environmental quality standards in order to build a system of clear criteria for the behavior of nature users, both in terms of attracting flows of natural raw materials to economic circulation, and in terms of the generation of waste and emissions and discharges. O. Savchenko claims that the organization of rational nature management requires, first of all, the development of scientifically based norms that would make it possible to determine the quality of the environment, the limits of permissible emissions of harmful substances by individual industries, as well as norms of state, civil and criminal law [7, p. 68]. This problem became even more relevant in recent years, when the entire global environmental protection architecture was transformed and the requirements for national countries increased significantly, in particular in terms of minimizing the negative impact on climate change.

Moreover, as advanced foreign practice shows, the application of the listed management and economic methods should be based on an effective system of resource and environmental monitoring, as well as data from natural resource inventories. In the conditions of natural resource and ecological limitations, the necessary methods of the economic mechanism of nature management should be limiting and regulating the use of natural raw materials in order to prevent the manifestation of wasteful and



unbalanced nature management. The variety of methods of the economic mechanism of nature management directly and indirectly affects the specification of instruments of regulatory influence, where, as in previous periods, budgetary and tax instruments dominate. Budgetary instruments are not marked by a high level of effectiveness due to the insufficient volume of budgetary funding of the nature protection sphere, since natural resource and environmental payments in recent years have been sent to the general funds of the respective budgets and, accordingly, are not marked by target orientation. Diversification of the set of tax instruments of the economic mechanism of nature use should be based on the main directions of transformation of tax systems, first of all the countries of the post-socialist camp, which did not follow the path of mass implementation of the experience of highly developed countries, but formed their own model of tax regulation taking into account the instability of the institutional environment of the development of the national economy and the lack of formation of institutions financial support of nature exploitation and nature protection activities.

In terms of diversification of tax instruments, as well as increasing their effectiveness in terms of filling budgets of different taxonomic levels and stimulating environmental protection activities, the approach of V. Bardas regarding the reasonableness of rent rates for the special use of natural resources and environmental tax rates for environmental pollution is interesting. The essence of V. Bardasya's methodological approach to improving the fiscal regulation of nature use is to achieve Laffer's fiscal optimum, which is a prerequisite for carrying out ecological and labor reform and increasing the fiscal return of the involvement of natural resources in the reproductive process and increasing the effectiveness of compensation for damage caused to the environment [1].

Customs instruments, which should have stimulated the mass importation of environmental protection and resource-saving equipment into Ukraine, were not and are not used, which inhibits business activity in terms of economic development of natural resource potential and environmental protection.

Investment instruments are used extremely sluggishly both at the national, regional and local levels, which does not provide an opportunity to diversify the forms of financing capital investments and start the flywheel of financial investment. Therefore, the level of

operation of the main nature protection funds will continue to be observed, and modern means of natural economic and nature protection infrastructure will be slowly introduced.

There is a need to increase the level of effectiveness of the use of insurance tools, since insurance companies are reluctant to implement insurance agreements regarding natural-resource and natural-economic objects, which inhibits business activity in the natural-resource sector due to the high level of risks due to the direct influence of natural-climatic factors. Public-private forms of nature management, given that the state and communal sectors in natural-resource relations are represented quite powerfully, are used in isolated cases, which does not make it possible to use all the advantages of public-private partnership agreements to increase the efficiency of natural-economy and nature-protection activities .

A necessary condition for increasing the effectiveness of the use of the listed tools is the use of a set of levers. In the domestic economic literature, there is no proper classification of the levers of the economic mechanism of nature management. Some approaches do not even make a clear distinction between tools and levers. Some scientists call levers regulators, which in their essence are tools. In particular, M. Khvesyk and I. Bystryakov are convinced that it is necessary to promote the active use of the following financial levers in the field of nature management: loan rates, rent, financial sanctions, economic special purpose funds, equity contributions, portfolio investments, dividends, etc. Outputs and connections with other systems should provide external support for projects of sustainable development of territories through various forms of public and private financing, lending, insurance, leasing, li Based on the conducted research, it can be stated that the levers of the economic mechanism of nature management are represented by financial and economic incentives and financial and economic sanctions. These two types of levers can be characterized by a high level of effectiveness under certain circumstances.

In the spectrum of financial and economic incentives, tax benefits and preferential loans have become the most widespread. In the conditions of the domestic reality, where the ethics of the administration of certain types of taxes are quite distorted, tax benefits in the field of nature use have not acquired a sufficient level of effectiveness and do not exert an appropriate stimulating effect on direct nature users. Preferential loans in the field of

environmental protection are also cultivated only in isolated cases due to the low level of concentration of domestic banking capital, as well as due to the high level of acquisition of natural economic and natural resource assets that are used by state enterprises.

Due to the presence of numerous restrictions, the subjects of public natural and economic entrepreneurship do not have the opportunity to diversify their production and economic activities at an accelerated pace, therefore they very rarely use such a lever as cross-subsidization. A large number of subjects of natural resource entrepreneurship do not use their potential in terms of increasing production volumes of various types of biofuel due to the lack of a certain range of subsidies from the state, which would make it profitable to dispose of non-standard, in particular, secondary natural raw materials. censing, expertise [8].

In the short-term perspective, it is necessary to transform the system of financial and economic sanctions that apply to subjects of natural-resource and environmental entrepreneurship, in particular in terms of increasing the effectiveness of the use of fines, compensations, compensations, as well as the introduction of financial restrictions and the establishment of financial limits for state enterprises and budget organizations

Despite the fact that over the past 10 years, natural resource, budget and tax legislation has undergone numerous changes in terms of regulatory influence on nature users, the economic mechanism of nature use operates with an insufficient set of methods, tools and levers that would make it possible to increase the complexity of the economic development of natural resources potential and strengthen the effectiveness of the influence of the field of nature management on the pace of socio-economic development.

**Conclusions.** Studies have shown that the complications of market relations in the field of economic development of natural resource potential and environmental protection require the formation of a modern institutional basis and instrumental and methodological support for the economic mechanism of nature use, which will make it possible to strengthen the effectiveness of regulatory influence on nature users as part of more effective extraction of material and material substance natural raw materials, as well as their more efficient use in processing links of food chains. The institutional background includes a set of changes to legislative acts that will make it possible to install new institutions-rules in the field of nature use, which will provide a fundamentally new model

of regulatory influence on nature users. In general, a promising model of the economic mechanism of nature management covers a complex of tools, methods and levers. The methods are divided into financial and economic and managerial and economic. Levers cover two types: financial and economic incentives and financial and economic sanctions. The effectiveness of the functioning of the economic mechanism of nature management depends on the synergy created by interactions between methods, tools and levers. It is their combination that directly and indirectly affects the functioning of financial funds, in particular budgetary and extra-budgetary public funds, special funds in public budgets, private extra-budgetary funds, foreign financial funds in terms of accumulation of eco-resource payments and financing of environmental protection projects.

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**Мединська Н.В.**

## **ЕКОНОМІЧНИЙ МЕХАНІЗМ ПРИРОДОКОРИСТУВАННЯ: ІНСТИТУЦІОНАЛЬНЕ ПІДґРУНТЯ ТА ІНСТРУМЕНТАЛЬНО- МЕТОДОЛОГІЧНЕ ЗАБЕЗПЕЧЕННЯ**

*Виявлено, що економічний механізм природокористування оперує недостатнім набором методів, інструментів та важелів, які дали б можливість підвищити комплексність господарського освоєння природно-ресурсного потенціалу та посилити дієвість впливу сфери природокористування на темпи соціально-економічного піднесення. Обґрунтовано, що для формування сучасного економічного механізму природокористування необхідним є створення інституціонального підґрунтя,*

яке передбачатиме умонтування в регуляторну природоохоронну архітектоніку нових інститутів-правил, здатних забезпечити ефективніше залучення природної сировини та екосистемних послуг у ринковий обіг. Встановлено, що інструментально-методологічне забезпечення економічного механізму природокористування має охоплювати широкий спектр методів, інструментів та важелів, що дасть можливість забезпечити бюджетно-податковий та фінансово-кредитний вплив на максимальну кількість операцій, пов'язаних з вилученням матеріально-речової субстанції природної сировини та використанням несировинних корисностей природних комплексів. Дослідження показали, що в сучасному економічному механізмі природокористування має бути присутній широкий спектр фінансово-економічних та управлінсько-економічних методів. Фінансово-економічні методи охоплюють: оцінювання, облік, програмування, планування, прогнозування, оподаткування, бюджетне фінансування, інвестування, страхування, кредитування. До переліку управлінсько-економічних методів відносяться: ліцензування, експертиза, сертифікація, регламентація, стандартизація, моніторинг, кадастр, лімітування, нормування. Встановлено, що сучасний економічний механізм природокористування має охоплювати бюджетні, податкові, митні, кредитні, іпотечно-заставні, фондові, інвестиційні, страхові інструменти, а також інструменти, які базуються на реалізації угод публічно-приватного партнерства. Обґрунтовано, що в структурі економічного механізму природокористування виокремлюються два типи важелів: фінансово-економічні стимули (податкові пільги, пільгові кредити, митні пільги, цінові знижки/надбавки, перехресне субсидування, дотування) та фінансово-економічні санкції (штрафи, пені, відшкодування, компенсації, фінансові обмеження, бюджетні ліміти).

**Ключові слова:** економічний механізм природокористування, інституціональне підґрунтя, методи, інструменти, важелі, публічні бюджети.