

Integration of natural resources into the market in the context of green economy development

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Abstract. *The publication explores the possibilities of communication between natural resources and the market environment. An algorithm for integrating natural resources into the market sphere has been formed, and the features of the process have been appointed. It is shown that natural resources, in continuation to raw materials, also have market properties. Attention is focused on the prospects for the development of entrepreneurial activity in the field of nature management, which will cooperate to the development of new businesses, the formation of new jobs, and the generation of tax revenues for local budgets.*

Keywords: *natural resources, market, integration, green economy.*

In modern conditions, the global landscape is formed by processes that are localized within different poles of influence and pursue opposing interests. The global trend is the spread and formation of post-industrial formations, trends in the information economy, its integration into the vast majority of areas of development.

These processes, given their potential and rapid spread, also apply to natural resources, which to some extent have been sidelined and have shown no interest in maintaining current trends. However, it should be noted that modern approaches and technologies provide the basis for such interactions and it is already possible to identify several successful cases. Similar is the possibility of interaction between natural resources and the market, which provide to formation of a green economy.

Under these conditions, the natural resource, using a system of tools, can be gradually integrated (incorporated) into the area of market influence. An important prerequisite for this stage is high rates of capitalization and activity of financial and economic regulation.

With the penetration of natural resources in the zone of influence of the market first important step in a business activity other algorithm stages as follows: market development of natural resource assets → positioning of natural resources as an asset market economy → distribution platform markets.

Note that the passage of these stages is a natural resource to expand their functional properties by reducing commodity positions and gradually updating the market. For land resources, raw materials include the satisfaction of consumer needs in agricultural products, land as a space for the activities of agricultural industries, and others. This approach has largely led to excessive pressure on natural resources and environmental issues.

Market positions can be specified by strengthening the cost characteristics; building cooperation with the business sector (the possibility of entering the sphere of influence of private companies); formation of financial flows; using new regulatory tools (payments for ecosystem services). In general, research shows that land resources can strengthen and implement market positions and are a valuable asset that can be effectively integrated into market processes and generate cash flows.

After the change (expansion of functional positions), the natural resource is gradually integrated (incorporated) into the zone of the market influence. And this stage ensures the direct inclusion of natural resources in market processes.

The incorporation processes for the current stage of development in Ukraine are quite problematic, due to the influence of several processes. There are reasons, as the low level of economic development, the functioning of the institutional environment, the lack of tools, and the low level of state support. This is confirmed by the low global ratings of the state. According to the rating of ease of doing business (Doing Business⁶ 2020), Ukraine in 2020 took 64th place [1], according to the study of the level of innovation processes (Global Innovation Index 2020), the state took 45th position [2]. But, at the same time, there is a strong request from the business to carry out these procedures. Also, the positive foreign experience shows that the incorporation processes are promising and the states have already passed and resolved these issues.

After passing the stage of incorporation, the natural resource enters the market environment. Entrepreneurial activity is an important prerequisite and factor for its implementation in this environment. The purpose of development is to position the natural resource in the market environment, expanding the boundaries of its operation. Besides, a list of new competencies will be gradually formed.

Entrepreneurial activity is associated with the possibility of forming a market for natural resource assets, which means natural resources that are included in economic activity (circulation), can generate cash flows and form economic benefits (income).

Natural resources as an asset of a market economy. Further integration of the natural resource into the market environment reveals its new features and properties. With the development of entrepreneurial activity and the establishment of the market of natural resource assets, the resource gradually forms the features of the market economy asset. It is important to note that the natural resource asset retained the natural resource base (origin), although, with the strengthening of market positions, the natural resource as an asset of a market economy makes a “separation” from these positions. It is more integrated into the market and acquires the features of a certain independent “player”. Such phenomena are characteristic of countries with a high level of development, with established post-industrial formations. The study of this experience is useful to understand possible changes in the properties of natural resources and their participation in economic activities. The participation of natural resources in the activities of investment funds, exchanges can lead to the formation of these formations.

Provided that such formations of natural resources appear, the question of the “place” of their functioning, the disclosure of potential and arises. A similar place may be the platform market. We can say that the platform market is an institutional basis for unlocking the potential of various forms of natural resources.

The platform market operates taking into account not only the technical component but also others. In particular, platforms (for example, exchanges) worked for the industrial era in the absence of modern information technologies. The platform is not only in the modern sense, but there were examples from the past, there the basis was different. Today the basis is mostly informational.

References

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