

CRITICAL CONCERNS FACING MODERN ECONOMICS

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Modern economics is filled with issues that still remain unresolved. Their peculiarity lies in the fact that they are relevant for the whole world, and not just individual countries.

Scientists of the 21st century are concerned about the world's limited non-renewable energy resources. Over the past decades, lots of renewable energy projects have been developed using solar, wind, hydro,

and geothermal sources, for example Gansu Wind Farm in China or The Geysers Geothermal Complex in the USA. Belarus is also keeping up with the development of renewable energy sources. By the end of 2022, their share was 8.1%. The most significant facilities are considered Rechitsa photovoltaic plant, Vitebsk and Polotsk hydroelectric power plants.

Unfortunately, such projects are not widespread enough to have a global impact, and it is also worth bearing in mind that only developed countries tend to be concerned with environmental issues, while undeveloped and developing countries are preoccupied with the domestic economy. As industry has developed, the world economy has become totally dependent on non-renewable raw materials. Resources are being depleted every year, but the rate of consumption is only increasing, and a full-fledged alternative has not yet been presented.

According to the U.S. Energy Information Administration (EIA), the world has proven reserves equivalent to 46.6 times its annual consumption levels, which means we have only 47 years of oil left (at current consumption levels and excluding unproven reserves) [1]. Over time oil production will gradually start to decline, never reaching the same levels again. Resource prices will skyrocket because of shortages, forcing the global industry to switch to alternative energy sources. It is unlikely that these processes will begin in the next decade, but most likely we will catch these global changes in our lifetime.

Other global issue economics has to deal with is poverty. Poverty is a state of an individual who lacks the financial means to cover basic living expenses [2]. It is not only a social problem, but also an economic one. Poverty creates many economic costs in terms of the opportunity cost of lost output, the cost of welfare provision, and the private and external costs associated with exclusion from normal economic activity [3]. These costs include the costs of unemployment, crime, and poor health. Also, people living below the poverty line cannot spend large amounts of money to create meaningful profits for businesses and entrepreneurs, or create jobs for others.

The world attempts to fight poverty through all kinds of foundations and government programs to help the poor. One of the most successful programs, Social Security, was created in the United States, it provides protection against the loss of earnings due to retirement, death, or disability [4]. For Belarus, the problem is no less urgent. Over the past 15 years the number of people living below the poverty line has been reduced 8-fold. In addition, the Republic of Belarus has been able to reduce poverty at a much faster rate than other countries in the Europe and Central Asia region.

In conclusion, today's economic system faces a host of challenges that cannot be fully solved. However, attempts are being made to improve the situation and prevent new problems from arising.

References

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