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MAIN AREAS OF UKRAINE'S ECONOMY STRUCTURAL CHANGES IN THE TRANSITION PERIOD

K. Nakonechna, *PhD of Economy Sciences*

The dynamic of structural changes of the economy of Ukraine has being analyzed. The system of factors affecting the structural transformation of has being defined. Directions for streamline of the economic structure for their consideration in the development of conceptual and applied principles of formation of the state regional policy have being proposed.

Introduction. The main objective of economic policy of Ukraine is to increase the economic competitiveness of regions. Construction of the optimal structure of regional economies should be conducted only in the context of the overall modernization. Because of the high resource and energy intensity, over extensive development of primary industries, low innovation, the backlog of infrastructure development, isolation from the real financial sector, inefficient operation of the sector, providing social development, the domestic economy is inefficient structure. Factors such as the current uneven levels of technological production, lack of readiness of the Ukrainian economy openness to deepen structural deformation.

Analysis of recent research and publications. Studies of structural changes Ukraine's economy is the subject of research by many scientists and economists, including the significant contribution made V.M. Heyets [1], B.E. Kvasniuk [2] E.M. Libanova, [3] N. Tarnavska [4]

L.I. Fedulova [5] A.A. Chukhno [6] and many other scientists. However, this topic requires further research.

Taking all above mentioned, there is an objective necessity of dynamic analysis of structural changes of the economy. While formation of the state regional policy of Ukraine, it is important to define the factors influencing the structural transformation of the economy of Ukraine, to emphasize certain areas to streamline the structure of the economy Ukraine.

The main material. Ukraine's economy is a complex, differentiated and diversified structure. It is characterized by: predominance of heavy industry; insufficient development sectors and industries atovariv goodsconsumption; nayavnisthaluzey and production thatfor-bezpechuyutnaukovo and technicalprogress and broadening and deepening yavnutrishno and inter-industrial relations [10].

The overwhelming focus on the development of heavy industry in Ukraine distorted structure of the whole economy, so



in the future the drastic structural changes for the accelerated development of consumer goods that promote not only the development of light and food industry, but also the active involvement of engineering and defense systems to the production of goods consumer goods. On sectoral structure of the economy Ukraine affecting various economic and environmental factors, including the existing level of development of the productive forces, the rate of growth (decline) production level of raw materials, fuel and energy resources, the intensity of the implementation of science and technology, the international division of labor, economic integration.

In recent years, industry-sectoral structure of the national economy significantly decreased the share of agriculture, industry, construction, transport and communications. There are most significant increased levels of financial and operations of real estate, as well as social sectors (Table 1). Declining share of the real economy must be accompanied by increased productivity through the introduction of innovative technologies, which is not observed

in Ukraine [10]. The increasing role of the financial sector is not accompanied by adequate improving credit conditions of economy and investment processes. In each of the social sectors has accumulated a number of challenges. Average gross profit is made in favor of financial activities. There are low profitable remain field of information, research and development, education, health care, those economic activities that affect the formation of the defining principles of competitiveness of the national economy.

During the financial crisis of 2008–2009 decline in output in industry was 5.4% in 2008 and 21.9% in 2009. The greatest losses had productive sector, where losses amounted to respectively 6 and 26.5%. Together with an external factor, the reason was internal factor reduction of financial resources in the economy.

That crisis in 2008-2009 worsened the financial situation, and therefore their creditworthiness. In addition, increasing the tax burden on the working of official business and diversion of credit to government borrowing is due to a shortfall in budget revenues due to the considerable

Table 1. Dynamics of structural changes of the economy Ukraine 1997–2012, %

Sectors of economy	Employed Population 1997	Employed Population 2008	Employed Population 2011	Employed Population 2012
Industry	22,1	20	16	16,2
Agriculture	22,1	18	17	17,2
Construction	5,8	5	5	4,4
Transport and communications	5,8	7	7	6,6
Trade, catering, logistics and sales	6,6	20	20	24
Housing and communal services and non-domestic species-servicing	3,6	4	4	4
Health, fitness and social security	6,6	7	6	6

Джерело: http://ukrstat.org/uk/operativ/operativ2013/rp/zn_ed_reg/zn_ed_reg_u/zn_ed_reg_2012_u.htm

shadow, the shadow economy is estimated Economy, raised 29.4% at end-September 2008 to 34.9 % by 2009 [10].

Agriculture was the only economic activity, which demonstrated stability due crisis, in 2008. Provided production growth by 17.1% in 2009 was 1.8% decline the previous year. Decreased specific weight GVA in manufacturing, construction. Meanwhile, shares of the tertiary sector, the financial sector.

The financial and economic crisis has not only led to changes in the volume of industrial production, but also to changes for the whole of its structure. These changes are caused by objective external factors and internal contradictions that have accumulated in the economy. Industries demonstrated significant differences in response to the crisis. Most deep and protracted recession was in mechanical engineering. This industry has undergone profound decrease in 2009 – by 44.9%.

The leading source of decline in engineering is the production of vehicles and equipment, which fell by over 60%. The growth of foreign demand for domestic products of export-oriented industries provides positive dynamics rise of the quantity of profitable industry. Due to the growth in domestic demand fastest developing food processing, wood processing and pulp and paper industry, manufacture of other non-metallic mineral products [10]. Thus, the financial crisis has accelerated the pace dramatically reducing the manufacturing sector, especially in the sphere of material production. Depreciation of fixed assets was growing steadily in the Ukrainian economy, from 43.7% in 2000 to 60% in 2012. The most difficult situation is in the transport and communication (in 2012 the degree of deterioration was 90%), and manufacturing (70%), production and distribution of electricity, gas and water

(70%). On a very low level in Ukraine is depreciation costs which are intended to form 70% of capital investment. In the Ukraine there is no effective control over the expenditure of depreciation, which allows businesses to spend it for purposes not related to investments in fixed assets. High consumption of materials in the production of Ukrainian housekeeper due to low technological level of production (3 and 4) high prices for raw materials, fuel and energy resources, the lack of effective measures for resource conservation. Ukrainian economy is characterized by very high energy intensity [4].

Branches intermediates exert price pressure on branches of the production of finished products that operate in low profitability and cannot generate resources expanded reproduction. In particular, in 2008–2012 the highest level of profitability of operational activity among industrial activities had extractive industry (23.5% in 2008 and 14.8% in 2012). However, low levels of profitability were engineering (respectively 2.9 and 6.6%), light industry (-1.6 and 2.5%), food industry (1.9 and 4.5%) [10]. The main priority of the national economy today is raising people's living standards, which can be achieved primarily through a high level of consumer goods, including food.

According to the theory of "growth poles" F. Perry [8], and guided by international experience, neither country, even the most developed, cannot aim at achieving effective competition for all range of products produced by it. Priority is given only to those sectors that have the conditions for obtaining a competitive advantage in the global market. According to this resource should be allocated capacity of the state and individual industries. This means not only improve the efficiency of economic use of resources, which in itself is important, but also to ensure the forma-



tion of an effective structure of industrial production.

According to CMU on August 14, 2013 p. № 843-p. [9], the priority sectors of economy of Ukraine are the following:

1. Agriculture of the following areas of production and storage of food, including baby food and biofuel production-oriented import substitution. It should be noted that Ukraine is among the countries with the lowest public support for agriculture. In the 2014 state budget provides about 1 billion, which is 7 times less than in 2008.

2. Housing and communal complex following directions: the creation of waste treatment facilities (domestic, industrial and waste formed as a result of the extraction and processing of minerals and production of electricity and heating); construction, reconstruction and technical re-equipment in the field of heating, water supply and sewerage.

3. Mechanical engineering areas for production and import-substituting new types of computer, electronic and optical products, machinery and equipment, electrical equipment, motor and other vehicles.

4. Transport infrastructure for the areas of construction, reconstruction and technical re-equipment in transport infrastructure.

5. Resort and recreation, tourism areas for construction of resort and recreational facilities and tourist infrastructure facilities.

6. Processing industry in the direction of import-substituting steel making.

Formation backward economic structure is the result of the weakness of state institutions, lack of strategy in the country restructuring of a clearly formulated vision of future structural benchmarks and effective scientific technological policies unfavorable business environment and investment, including foreign investment. Harmonization of structural proportions

of the economy through more efficient allocation of available resources is essential to improve productivity and expand the base of economic growth transitional economies.

Conclusions

Significant loss of national economies Ukraine caused not only due to the global financial crisis, but also because of inefficient, overloaded structure of the economy and low technology exports.

Open domestic economy today depends on global fluctuations in a narrow group of Ukrainian export of raw and semi-finished goods direction that in the increasingly price competitive on world commodity markets pose a threat to falling international competitiveness of Ukrainian goods and reduces potential counter Ukraine's economy to external shocks.

The main structural imbalances in production include: low gross value added in total output of goods and services; faster growth in prices of intermediate production compared with the prices of final products, which affects the development of commodity export industries producing goods with high added value; significant share of raw materials and low-tech products in exports.

Important factors that affect the economic growth is the high level of depreciation of fixed assets in the Ukrainian economy, high consumption of materials production.

In Ukraine formed inefficient economic structure and high resource energy intensity of production, excessive extensive development of the mining industry, the agricultural sector retardation, low innovative production backlog of infrastructure development, financial sector isolation from the real economy, inefficient operation of the sector, providing social development.

Література

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АННОТАЦІЯ

Наконечная К.В. Основные направления структурных сдвигов экономики Украины в переходный период // Биоресурсы и природопользование. — 2014. — 6, № 3–4. — С. 168–172.

Проанализирована динамика структурных сдвигов в экономике Украины. Определена система факторов влияния на ее структурную трансформацию. Определены направления упорядочения структуры экономики Украины с целью их учета при разработке концептуальных и прикладных основ формирования государственной региональной политики.

SUMMARY

Наконечна К.В. Основні напрями структурних зрушень економіки України у перехідний період // Біоресурси і природокористування. — 2014. — 6, № 3–4. — С. 168–172.

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