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## **Економічна дипломатія як державний інструмент захисту національних інтересів у сфері зовнішньоторговельних відносин**

*Сучасна економічна дипломатія характеризується динамікою, значною відкритістю, складними інструментами, багатовимірністю та просторовими конфігураціями, що створюють більш сприятливі можливості для захисту національних інтересів в умовах глобалізації. Вона є важливим важелем для зміцнення міжнародної конкурентоспроможності країни, отримання конкурентних переваг на світовому ринку. Особливу роль економічної дипломатії як інструменту підвищення конкурентоспроможності національної економіки підтверджує зростаюча увага іноземних урядів до цього виду діяльності. Економічна дипломатія сприяє забезпеченню сталого економічного зростання та підвищенню рівня міжнародного іміджу держав. Все це вимагає термінового посилення активності економічної дипломатії, посилення його ролі у популяризації національних економічних інтересів на міжнародній арені, розвитку експорту та інших форм зовнішньоекономічного співробітництва на основі рівноправних та максимальних вигідних умов для держави. У зв'язку з придбанням асоційованого членства в Європейському Союзі та запровадження режиму вільної торгівлі, ефективність економічної дипломатії України набуває особливого значення у забезпеченні послідовної зовнішньої політики з метою зміцнення конкурентоздатності країни та загальнодержавної зовнішньоекономічної стратегії.*

**Ключові слова:** економічна дипломатія, глобалізація, економічне співробітництво, міжнародна конкурентоспроможність.

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## **Экономическая дипломатия как государственный инструмент защиты национальных интересов в сфере внешнеторговых отношений**

*Современная экономическая дипломатия характеризуется динамикой, значительной открытостью, сложными инструментами, многомерностью и пространственными конфигурациями, которые создают благоприятные возможности для защиты национальных интересов в условиях глобализации. Она является важным рычагом для укрепления международной конкурентоспособности страны, получения конкурентных преимуществ на мировом рынке. Особую роль экономической дипломатии как инстру-*

мента повышения конкурентоспособности национальной экономики подтверждает растущее внимание иностранных правительств к этому виду деятельности. Экономическая дипломатия способствует обеспечению устойчивого экономического роста и повышению уровня международного имиджа государств. Все это требует срочного усиления активности экономической дипломатии, повышения ее роли в популяризации национальных экономических интересов на международной арене, развития экспорта и других форм внешнеэкономического сотрудничества на основе равноправных и максимально выгодных условий для государства. В связи с получением ассоциированного членства в Европейском Союзе и введения режима свободной торговли, эффективность экономической дипломатии Украины приобретает особое значение в обеспечении последовательной внешней политики с целью укрепления конкурентоспособности страны и общегосударственной внешнеэкономической стратегии.

**Ключевые слова:** экономическая дипломатия, глобализация, экономическое сотрудничество, международная конкурентоспособность.

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## **Economic diplomacy as a state tool for protection of national interests in the field of foreign trade relations**

*The evolution of world economic diplomacy had briefly discussed in the article. Modern economic diplomacy is characterized by dynamism, offensive character, considerable openness, expansion, complicate tools, multivariateness and spatial configurations that create more favorable opportunities for the effective security of national interests in the face of globalization. Modern economic diplomacy is an important lever for strengthening international competitiveness of the country, gaining competitive advantages in the global market. The special role of economic diplomacy as an instrument for increasing the competitiveness of the national economy is confirmed by the growing attention paid to this type of activity by foreign governments. Economic diplomacy contributes to ensuring sustainable economic growth and raising the level of international image of states. All of this demands urgently the intensification of the activity of economic diplomacy, the strengthening of its role in promoting national economic interests in the international arena, the development of exports and other forms of foreign economic cooperation on the basis of equal and maximum profitable for the state.*

*The questions of the effectiveness of Ukrainian economic diplomacy, particular in connection with the acquisition of associate membership in the European Union and the introduction of a free trade regime now have a great importance. A number of factors contribute to the increase of the efficiency of economic diplomacy, the key of which is a consistent foreign policy for strengthening national competitiveness. Among other important factors is the development of a nationwide foreign economic strategy. Great importance is the right balance between the priorities of economic diplomacy, its proper financial, organizational and personnel support. At present, economic diplomacy, as one of the most important functions of the state under globalization, becomes comprehensive, systemic, based on the close interaction of a wide range of state structures, public organizations and business alliances. Thus economic diplomacy and economic security have risen to the top of international policy agenda, driven by a mix of political and economic factors.*

**Keywords:** economic diplomacy, globalization, economic cooperation, international competitiveness

**Problem definition.** In an increasingly globalized world's economy, the national interests of the state underground on effective cooperation in the political, economic, trade, scientific, cultural and other spheres. However, depending on the specific situation and the formation of national interests at one or another stage of country development, emphasis should be placed on a certain type of cooperation. In particular, one of the central places in the diplomatic activity to date is

economic cooperation. The economic situation in the world is very complicated, and the establishment and maintenance of effective economic relations and contacts with foreign states absolutely need support from a professional personnel recruitment service.

In general, the concept of economic diplomacy includes the practical activities of foreign policy, foreign economic departments, in some cases, in conjunction with private companies, in order to achieve

the goals and objectives of «foreign economic policy». Modern economic diplomacy is characterized by dynamism, offensive character, considerable openness, expansion and complication of the used tools, multivariateness and movement of spatial configurations. The various levels of economic diplomacy – multilateral, plurilateral (regional and interregional, integration) and bilateral – are increasingly interacting and complementing each other, while creating more favorable opportunities for the effective provision of national interests in the face of globalization.

Today's economic diplomacy is an important lever for strengthening international competitiveness of the country, gaining competitive advantages in the global market. Therefore, in recent years the most active forms of economic diplomacy have been most widely used, including political and diplomatic support and lobbying for domestic exports, numerous interconnected measures aimed at improving the conditions of access of national companies to foreign markets (first of all, trade and political measures), use Multilateral and regional organizations for the promotion of their own interests, targeted influence on partners with the use of financial, resource and other means of pressure.

The special role of economic diplomacy as an instrument for increasing the competitiveness of the national economy is confirmed by the growing attention paid to this type of activity by foreign governments. Real successes in this direction recently were demonstrated by the new industrialized countries. Economic diplomacy contributes to ensuring sustainable economic growth and raising the level of international image of states. All of this demands urgently the intensification of the activity of economic diplomacy, the strengthening of its role in promoting national economic interests in the international arena, the development of exports and other forms of foreign economic cooperation on the basis of equal and maximum profitable for the state.

At the same time, numerous issues of the functioning of modern economic diplomacy, in connection with the development of globalization processes, require further in-depth analysis to ensure an adequate response to a dynamically changing world reality. These include new trends in multilateral and plurilateral diplomacy, whose institutions are much more modernized and reformed in our time, namely:

- Increasing the level of diplomatic representation and efficiency of their work;

- Significant intensification of cooperative diplomacy, which creates significant competitive advantages for participating countries;

- The rapid growth of the number of bilateral preferential trade agreements, which reflects, in particular, the crisis in the operation of the multilateral trading system;

- Constant modernization of mechanisms and instruments of economic diplomacy, its close crossing with the export promotion policy;

- Attraction of foreign investments;

- Strengthening national competitiveness.

**Aim of study.** Determine the tasks and ways of increasing the effectiveness of the diplomatic mechanism in the field of international trade of Ukraine.

**Analysis of research.**

The question of the effectiveness of Ukrainian economic diplomacy, particular in connection with the acquisition of associate membership in the European Union and the introduction of a free trade regime, needs further analysis in order to provide an adequate response to changes in certain «rules of the game». These include new trends in multilateral and plurilateral diplomacy, whose institutions are much more modernized and reformed in our time, namely:

- Increasing the level of diplomatic representation, and efficiency of their work;

- Significant intensification of integration diplomacy, which creates significant competitive advantages for participating countries;

- The rapid growth of the number of bilateral preferential trade agreements, which reflects, in particular, the crisis in the operation of the multilateral trading system;

- Constant modernization of mechanisms and instruments of economic diplomacy, its close crossing with the export promotion policy;

- Attraction of foreign investments;

- Strengthening national competitiveness.

A number of factors contribute to the increase of the efficiency of economic diplomacy, the key of which is a consistent policy implemented by developed and many new industrialized countries, aimed at strengthening national competitiveness. The policy serves as the material basis for successful economic diplomacy. Among other important factors is the development of a nationwide foreign economic strategy. Especially when this strategy, along with the main goals, outlines the methods

of their achievement and defines concrete tasks in relation to significant segments of foreign economic relations, individual regions and markets, provides effective tools for solving the tasks.

Great importance is the right balance between the priorities of economic diplomacy, its proper financial, organizational and personnel support. At present, economic diplomacy, as one of the most important functions of the state under globalization, becomes comprehensive, systemic, based on the close interaction of a wide range of state structures, public organizations and business alliances.

In most cases, even the definition of classical diplomacy is perceived by the wider community as multivariate, which is due to many years of experience in the diplomatic profession and, to a certain extent, with its dual nature, the fact that any action of a diplomat is at the same time a state reaction to certain events, and according to the style of its execution – a personal act. Famous English diplomat and parliamentarian Sir Harold George Nicholson in the «Diplomacy» (1939) made a list of definitions of the term «diplomacy», while losing support for the definition of the Oxford Dictionary (the work or art of the diplomat), which in his opinion «helps to avoid both the loose sands of foreign policy and the mire of international law» [1].

Changes in the strategies of diplomacy after its institutionalization, especially the 1990s of the XX century, have been noticed by Western researchers. Research programs [2 – 10] were proposed based on new approaches that enabled the coverage of all types and sectors of diplomacy in the concept of an institution that operates in a social and economic environment.

Today, the world community has started to improve the mechanisms and institutions of collective regulation of world economic processes [3, 4, 8]. The search for an adequate state and supranational mechanism for regulating global economic processes is under way in the formation of new approaches to development policy, management and functioning, existence and coexistence.

In the context of the traditions of historical and international legal schools, scientists analyze diplomacy as a complex institution, which evolves according to the rules set by the state institutions and in accordance with the laws of the service environment (political, economic, military, and energy).

The emergence of economic diplomacy for some time went in the context of the global economy, eco-

nomical theory and the dynamics of demand for trade representation, marketing positioning of business interests abroad and in line with state economic and political security. It must be admitted that in the scientific literature there has not yet been a clear and meaningful definition or formulation of the concept of «economic diplomacy», so its interpretation is extremely broad. As a result, this scientific direction remains blurred, which can be easily transformed into the subject of economic, political, diplomatic, strategic or other disciplines, for example, such as international relations and foreign policy. Attempts to determine economic diplomacy as a term are now made by many foreign researchers and on various aspects of practical diplomacy, namely, among them, are those where economic diplomacy is considered a scientific direction that studies the complex of trade and economic relations and diplomacy, as well as other factors that interact themselves and have a significant influence on the foreign economic policy of the state.

The economic aspect in foreign policy had its place since its inception. However, implicit economic problems are also contained in the discourse on the history of international economic relations in general and in the study of foreign economic policy and diplomacy more closely related to our study [2].

The Institute of Diplomacy for Economic Purposes was born relatively recently and established in the second half of the twentieth century. It represents the economic results obtained by means of diplomacy, regardless of whether it uses economic levers or not to achieve them. Economic diplomacy can not be considered only in terms of the use of economic mechanisms in international relations. Concessions or sanction the use of more favorable economic position is the only means of pressure and are analogous demonstration of military force, particularly in circumstances where the purpose of the action is the political dimension of relations [5, 7, 8]. These opportunities are manifested in interstate relations in the face of military confrontation. Diplomacy becomes a mechanism for the implementation of foreign policy by the state authorities as a means of beneficial use of information and negotiations based on foreign representatives. Diplomatic service used in the economy in various ways, ranging from the guarantee of freedom of trade routes, opening markets, colonies and zones of influence, preparation of trade agreements.

There are several stages of formation of diplomacy and its economic specialization. From the end of the Middle Ages to the Renaissance (XIV–XVI centuries), international life was regulated by the governments of such large shopping centers as Venice, Genoa, Vienna, Cologne, Danzig, Riga. The main economic doctrine (the totality of public attitudes of that time) served mercantilism. Governments acted in line with the logic of increasing their economic and political power by supporting exports and not contributing to the development of imports. In conditions where the state regulated and acted within the limits of the possibility of coercion (export ban, import monopolies, military actions, the plunder of new open territories) there was no great need for diplomacy. The results of these actions led Spain to the economic and political crisis and the negative changes in its international status in the world at that time.

Specificity of the XVII century was the task of obtaining the maximum active balance of trade balance in the conditions of the emergence of new industries under the jurisdiction and support of royal people in the form of granting monopoly authority for the production of export products and thus protected from competition. The state industrial policy was aimed at expanding the export range.

At the same time, the requirements of prospective development of industry and trade formed certain state interests, where diplomacy opportunities could be used. Diplomatic way of establishing economic relations between states is trade agreements, financial agreements and currency conventions. However, these diplomatic measures still demanded the reinforcement of the authority of military force. In the XVIII century there are agreements based on the policy of international exchange and reflect the economic power of the signatory states. Thus, as a result of diplomatic maneuvers, an agreement was signed in Methune in 1703, according to which the UK received access to the markets of Portuguese possessions in South America, Africa and Asia. In the same century, the first permanent embassies and customs offices were established, which are important attributes of the state and nowadays.

The industrial revolution gave an impetus to trade expansion in the form of the acquisition of increasingly larger markets, which was observed over 130 years (1750–1870's). This need was met by colonial possessions, the abolition of customs barriers. Already there were real opportunities for in-

roducing free trade principles. It was in France in the writings of Francois Quesnay that physiocracy was conceptualized as a philosophy of free movement of goods: proclaimed the principles of natural freedom, the right to an independent solution to their economic problems.

Adam Smith in his work, «The Exploration of Nature and the Causes of the Wealth of Nations» (1776), proved that international trade is successful when there is protection against state pressure. Entrepreneurs find ways to effectively use resources optimize and specialize in production and sales. In such conditions, the whole economy wins: state and entrepreneurship in particular.

In the XVIII century, the practice of negotiating was changed. Colonies were the subject to diplomatic bargaining. The Utrecht Treaty of 1713 was the first treaty taking into account the interests of the colonies in the ratio of forces between the great powers. Thus, the Spanish King Philip II under the pressure of international circumstances and diplomats had to leave the territorial concessions in Europe and satisfy commercial requirements of Great Britain in Spanish America. Later, the Paris Treaty of 1763 put an end to the Seven Years' War and the monopoly of France in West Indies and Canada, captured by England. At the Congress of Vienna, when continental diplomacy was still occupied by a status issues, insular diplomacy Britain, understanding the importance of the ocean and overseas territories in trade, defended the right to Tobago, Saint Lucia to Netherlands Antilles, Ile de France, Rodriguez, Seychelles Indian Ocean Cape Province and part of Guiana. Thanks to the experience of colonial diplomatic negotiations in the nineteenth century at the Paris Congress, which marked the end of the Crimean War, had worked out the principle of freedom of navigation of the seas and in particular on the Danube.

At this time, diplomacy, like the rest of the scientific world, received support in the theory of international trade and the relative advantages of David Ricardo (Principles of Political Economy and Taxation, 1817). The classical economic theory completed by John Stuart Mill's work «Principles of Political Economy», which introduced the notion of «terms of trade», according to which the prices of exported and imported goods could fluctuate, which had a positive or negative effect on the specialization of the state.

Intellectual weapons of diplomats grew in the transition from economic to autonomous from political, which contributed to the creation of objective grounds for the participation of economic diplomacy in negotiations on tariff policies, privileges and guarantees for domestic commerce abroad.

In 1870–1914, the era of development of investment institutes (banks, states) continued. At the Berlin Conference, which was held with the participation of diplomats from 14 leading states in 1884–1885 under the chairmanship of Bismarck, although not all interests were taken into account, but the mechanism of entry into the de facto was developed. In accordance with the agreement, the participating countries should refrain from aggressive actions and occupation of territories without notifying other concerned about their claims. In addition, open door and co-operative use of the Congo River, including free trade, was agreed upon.

At the Madrid (1880) and Alchejsar (1906) conferences was an attempt to address the problems of the combined use of natural resources of Morocco. Thus, the problems of colonial possessions in the second half of the nineteenth century become overly regulated and burdened by treaties, which slowed the process of conflict resolution. International life required new ways of acting to change colonial strategies. Such a new strategy for that time was the organization of zones of influence, which consisted in obtaining concessions for the development and lease of territories. Diplomacy supported entrepreneurs in obtaining rights to extraction of minerals, commercial privileges or contracts of cooperation with local authorities in the field of water supply, extraction and delivery to consumers of gas and electricity, projects for the construction of canals, ports, railways, roads, etc.

British diplomacy was leading in the specialization of providing a monopoly of world trade in coal, and later on oil. Since 1889, she has begun to play one of the key roles in the extraction of fuel and energy resources of Burma, Egypt, Trinidad, Persia and Iraq.

In everyday international life, European states have often used economic leverage, their position of creditors to strengthen their influence on less developed countries. The practice of international financial relations has developed a mechanism according to which at the time of economic troubles the country offered financial incentives. In the process of servicing a loan, the state became a debt-

or and could not recover funds in time, on which the creditor state reacted by diplomatic protests and threats of financial and military sanctions, as well as the introduction of monitoring, in particular over customs revenues, which simplified control and provided a certain level of safety of the future Investment and contract execution. Such maintenance of expenses and incomes, and often control of the activities of the central bank of the creditor country, provided the lender with the role of a monopolist in the domestic market of the debtor. In this scenario, with minor variations, Western countries operated in Egypt in 1876, Turkey in 1881 and 1901, Tunisia in 1886, and Greece in 1898. In 1913, China also suffered a classical fate of bad debtors: over its financial control of the international banking consortium was established, which enabled the lenders to make profitable operations on the Chinese market.

The US government has used in America the so-called «dollar diplomacy» as an upgraded version of getting a decisive influence on foreign exchange through solid creditor positions and the ability to cover all debts. The protection of creditors from careless debtors has strengthened the commercial reputation of the US financial system and contributed to its economic expansion in all areas of American business: railways, roads, electricity generation, mining, petroleum industries, banana plantations, sugar and cocoa. Mexico, Central America (Colombia, Nicaragua, Honduras), the Caribbean (Cuba, San Domingo, Haiti) felt the consequences of a close interweaving of the political and economic interests of US diplomacy.

Thus, economic mechanisms and instruments of diplomacy provided governments with economic security and promotion of the strategic tasks of national companies in international markets. The diplomatic arsenal of economic means of influence included actions, financial assistance, customs privileges, sanctions, manifestations of open hostility in the form of a customs war, the introduction of an embargo and an economic blockade.

The customs tariff served as a means of pressure since its introduction. The high duties set by Colbert in 1664–1667 were directed against the interests of Great Britain and Holland (which led to the war with Holland), and the Walpole rate of 1720–1723, respectively, against France. The list of customs wars contains the practice of embargo, be-

cause it represents a complete cessation of trade relations. Until the 20th century, in the practice of international economic relations, only blockades were used: the continental blockade by Napoleon's initiative in 1806, the French blockade of the Chinese coast during 1884–1885, and Siam in 1893.

Economic diplomacy, demonstrating its successes, was established as a mechanism cheaper and more effective compared to military action. By the XVIII century, the art of diplomats was the ability to give the appropriate form to all that came from the equilibrium of the military forces, in order to obtain the most possible benefits from the articles of treaties. Political and anticipation played a role, as evidenced by the potential of the Westphalian agreements and the Final Act of the Vienna Congress. However, the position and, accordingly, the international system, enshrined in these documents, were determined, first of all, by the ratio of military potential. Diplomacy gained independence in the process of complicating the level of interaction between international actors and actors in the international market since the 19th century, when the country's economic power and the adequacy of its foreign policy becomes its strategic asset in advancing national interests and national security. Economic interests became more and more important, and the history of economic diplomacy was the history of the penetration of the economy into inter-state relations. It was the country's economic potential that made it possible to establish certain correlation between their possible impact on negotiations or when editing articles of the treaty of a political nature.

The protection of compatriots remains the main task of diplomats, but this has already happened in the world more civilized, with greater respect for the norms of international law. Access to markets remains an important practice in diplomacy, but this is happening in the measure of ensuring the freedom of trade and administrative control over markets in the area of compliance with the rules of competition and the resolution of commercial collisions. Trade contracts are concluded more regularly and in the form they become multilateral, and on the content of financial and currency. Although diplomats always supported domestic entrepreneurs, however, in a situation where businessmen are increasingly independent of the state, the form and content of their business is complicated and

the experience of their communication with a foreign partner reaches a certain level of competence of the diplomats themselves, the form of relations on the line of the state – the diplomat – the entrepreneur become a mutually beneficial cooperation.

In the first half of the XIX century the world market was formed as a subsystem of the economy, connected with the exchange of goods outside the national economy and the monetary and financial support of such an exchange. It has become a form of established links between national markets, which, thanks to the success of transport, especially railway, in the construction of roads finally established itself as an integral part of the global market economy system. Foreign trade has become world-wide. World credit and currency markets were formed. Mass migration of labor resources testified to the emergence of the international labor market. Consequently, a system of international economic relations has developed as a result of the interaction of the entire set of world economic ties. The main factors of this process were the development of a large machine industry, the formation of a colonial system, an international division of labor, which divided the world into industrialized developed and economically backward countries.

The level of legal support of international activity has also increased. In the world, there was an extensive system of international and national law regulating relations between states and governments. The Hague Conventions of 1899 and 1907 on the peaceful settlement of international disputes were agreed and worked. All this in aggregate proved imperfect, but created the basis for finding a fair solution to problems.

However, at the beginning of the twentieth century the phenomena that accompanied the industrial stage of the development of the leading European countries resulted in a global crisis. The material basis of this crisis was the modernization, namely, the rapid development of market relations on the basis of industrial production and technological progress. This, on the one hand, allowed the leading powers to make a sharp leap forward, on the other hand, exacerbated social, national and other problems in society and caused the phenomena that threatened Western civilization with rebirth. With the development of industrial progress, along with the filling of markets by goods and services, moral and humanistic values, in particular, were increasingly inferior to the corpo-

rate, technocratic, totalitarian mass consciousness. This trend not only manifested itself in the spiritual sphere, but also contributed to the unprecedented strengthening of the role of the state, which turned into a bearer of a nationwide idea, which gradually replaced the ideas of democracy.

The Germans called this new era of imperial rivalry «Weltpolitik». Europe was divided into two hostile blocs of states – the Entente and the Triple Alliance. The most irreconcilable were the interests of Germany and England.

The world at that time witnessed the development of the Anglo–German conflict in many directions. First of all, contradictions between England and Germany arose in the field of industrial competition. The German bourgeoisie with the help of military indemnities and labor created the people before the beginning of the XX century. Advanced industry in terms of industrial production, Germany overtook England and ranked first in Europe. In the European market, German goods were increasingly displacing English. While in Europe markets Germany sold 76% of its exports, England only 38%. In addition, in England itself, the German capitalists sold 11% of their exports.

Thus, after the Second World War, there appeared a number of specialties of economic diplomacy: «food diplomacy», «financial diplomacy» and «energy diplomacy». Such inclusion in the concept of economic diplomacy of more narrow branch components is evidence that the true meaning of this activity may not be the task of expanding mutually beneficial economic cooperation, but the use of national resources for foreign policy purposes, or to obtain benefits at the expense of trading partners, pressure in the form of the application of «Power failure». Such versatility of economic diplomacy has given rise to a special scientific discourse.

Thus, economic diplomacy is a state instrument of an institutional nature, the use of which should be aimed at protecting national security and national interests, in particular in the field of foreign trade relations. From a scientific point of view, an institutional approach to understanding foreign policy and the economy can explain the process of implementing decisions. It is a foreign mechanism of foreign policy (foreign affairs government structure), which is understood by the state institutions responsible for the formation and implementation of foreign policy, and also contribute to the foreign economy.

In order to substantially improve the situation in the field of foreign trade, a mechanism for preventing destructive processes should be put in place in its management. It is impossible to do without timely adoption and implementation of managerial decisions on the systematic coherence of tax, financial, investment, structural, scientific and technical, industrial, agricultural, customs, tariff and other components of economic policy in order to subordinate them to the achievement of strategic goals of foreign economic activity and constant control over The status of the foreign trade sphere. Necessary search for new approaches to the role and place of the state in the management of foreign trade processes, in the definition and implementation of current and future interests.

### Conclusions

In view of the continuation of the liberalization process of foreign economic activity, it is logical to expect further strengthening of competitive pressure on the national economy in the short term, limiting export opportunities. In doing so, particular attention should be paid to internal factors that have an impact on the structure and development of the foreign economic sector in Ukraine.

The most important domestic factors that have influenced the structure and development of foreign trade in Ukraine are as follows:

- unfavorable macroeconomic conditions in the state of national economy, which caused permanent political crisis and military conflict with Russia (2013–2017);
- the structure of national production, the level of its integration into the regional and world economic systems;
- the quality and competitiveness of domestic products, the level of its certification and compliance with international standards;
- the volume of national production of specific types of products and the correspondence to their needs of domestic and foreign markets;
- the ineffectiveness of the state's economic policy, its non-compliance with the objectives of sustainable development and structural adjustment of the national economy;
- imperfect tax and monetary and fiscal policy of the state;
- unfavorable investment climate of the country in caused by current cyclic stages of development, which limits the possibility of expanded reproduction;



- instability of the national currency and strengthening of inflation processes;
- the ineffectiveness of national policy for attracting investments to promote restructuring of economy and increase production to increased demand for products;
- the ineffectiveness measures aimed at the improvement of quality and degree of processing of raw materials, production expansion and i export innovative products;
- the ineffectiveness of export promotion policy and import regulation, improvement of its structure, and support national exporters with export of products and commodities on the external and the internal market;
- the ineffectiveness of the system and structure of the management of foreign trade relations;
- inefficiency of customs–tariff regulation, which leads to imports' increase;
- geopolitical factors.

Taking into account the above factors, the occurrence of which depends largely on the actions of government, is essential for effective regulation productive structure, protection of domestic producers from competitiveness and improvement of stimulating advantageous for the interests of the state foreign economic contacts.

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## Фактори економічного зростання в Україні в сучасних умовах

*У статті проаналізовано негативний вплив значних макроекономічних дисбалансів на динаміку економічних процесів в Україні.*

*Визначено, що:* • перевищення темпів зростання реальної заробітної плати та реальних доходів над реальними темпами зростання продуктивності праці, • суттєвий рівень безробіття, • надмірна девальвація національної грошової одиниці по відношенню до вільно конвертованих іноземних валют пригнічують темпи зростання та рівень конкурентоспроможності української економіки.