

MAJOR TRENDS OF SOCIAL AND ECONOMIC DEVELOPMENT OF UKRAINE

A. Lubyana¹

Social and economic development should reach such goals as increasing prosperity and population growth. The main problems: the level of competitiveness of the economy, the existence of disparities in the development of Ukraine's regions and unfavorable conditions for the realization of human, intellectual and social capital.

The article aims a study of current trends of social and economic development of Ukraine and coverage of major crises of today.

Social and economic development is a multidimensional process that has to be seen in the light of such a set of social and economic objectives: increasing production and income; increasing welfare, improving health, improving quality of education; creating conditions that promote growth of dignity of citizens; changes in the institutional, social and administrative structure of society; changes in the minds of citizens; changes in traditions and habits. Regional disparities of socio-economic development exist in almost all countries, regardless of size, economic potential, government and political system. They are at all levels of the world economy. In this regard, finding ways to minimize the negative effects of the territorial uneven development, the development of an effective regional policy occupy one of the central places in countries of the world, especially in countries with highly developed economies [2].

There are such main problems of regional economy in Ukraine: a low level of competitiveness of the regional economies; strengthening of the regional development imbalances; unfavorable conditions for the development of human, intellectual and social capital, chaotic investment processes at the regional level; insufficient infrastructure for the effective implementation of the complex structural transformation of the regional economies. This is determined due to the decrease of the innovative capacity of the regions of Ukraine; a raw specialization of the production; the reduction of ability to reproduce capital in the priority areas; strengthening of asymmetries in the regional labor markets; the reduction of the tax base by reducing the volume of activity of enterprises; the reduction in funding for social services; worsening demographic situation. The claim is reasonable that the crisis in Ukraine of 2013-2014 can be interpreted as the renovation and extension of the crisis processes of 2008-2009. So, in 2008 the manifestations of the global crisis intensified, and 2009 year became avalanche for Ukraine. 2010-2012 can only be characterized as a period of "crawling out" of the country from the crisis collapse. Deepening the same economic imbalances in 2013 substantially weakened macroeconomic stability, which ultimately led to the collapse of the new economy of Ukraine in 2014, including owing to external aggression.

We emphasize the global financial crisis of 2008-2009 had devastating impact on Ukraine, especially in the sector of industry, whose production during the autumn-winter period of 2008-2009 after several years of growth fell by half. Post-crisis recovery period of 2010-2011 was not successfully used in Ukraine, the incentives for structural change remained weak and factor "low base" dried up in mid-2011. Therefore it is not surprising that in early 2012 against the backdrop of the European economy inhibition (due to increasing debt difficulties in the EU) negative trends intensified in Ukraine's economy. Thus, although the fall in industrial in 2012-

¹ студ. Кіровоградський національний технічний університет

Науковий керівник: Савіцька І.М., асистент Кіровоградський національний технічний університет

2013 had not shock character, similar to 2008-2009, but losses in the industry inertia continued, and index of industrial production at the end of the first half of 2014 was at the lowest level of 2009 [1, p.15-23].

Permanent crisis manifestations directly affected the structure of GDP, primarily in the displacement of the investment. The lion's share of domestic products is used on consumption, whose level in Ukraine has increased from 77-80% of GDP before the crisis to 90-93% in recent years.

That is, practically all received resources - both households and the state sector - are spent on maintaining the current level of consumption and prosperity.

Under these conditions, strengthening the logical consequences of the crisis processes is the collapse in investments. So, if before the crisis there was a certain "accumulation" of investments, which laid the potential long-term growth, the crisis of 2008-2009 actually destroyed Ukraine's investment capacity. Scampish investment policy of 2010-2013 in fact diverted (domestic and international) investors from Ukraine, resulting in a further leaching investment potential (the share of investment in GDP has remained at 18-19%, which is very little for the implementation of accelerated economic recovery) .With order in crisis of 2013-2014 Ukraine came in an extremely weakened condition with no visible prospects of strengthening of investments. Namely, the best in the coming years what to expect is only a weak recovery of the investment process, which may continue to hold back economic recovery of the country as a whole.

So, the 2014 is the year of Ukraine's major achievements and losses. On the one hand, the Revolution of dignity overthrew the pro-Russian regime of Yanukovich, the regime, which stopped the movement of Ukraine to Europe, that and rapidly degraded and gained the nature of dictatorship. Later it was signed and ratified by Ukraine the Association Agreement with the EU. There were pre-term presidential and parliamentary elections in a democratic manner completed the change of government and strengthened the country's course on construction law, truly European state. On the other hand, the pressure of Russian Federation, its use of trade-economic and energy levers to force Ukraine to join the Eurasian Union escalated into open military aggression and annexation of Ukrainian territories. Russian military support of separatist forces in some Ukrainian regions led to large-scale loss of human lives and it had negative impact on all spheres of life of Ukraine and Ukrainian society. Domestic economy suffered significant losses. However, they are not only the result of external aggression, and above all - accumulated over a long period of systemic strain, lack of basic conditions for sustainable economic development. Aggression and trade sanctions of Russia only accelerated and deepened the economic crisis, which Ukraine has now. However, comprehensive support for Ukraine, including economic and financial support, is given by the EU, the USA, other countries and international organizations.

References

1. Zaitsev J.K. Basic principles of forming concepts and models of socio-economic development of Ukraine in transition [Text] / JK Zaitsev // Economic Development Strategy of Ukraine. - K. , 2003. - Vyp.5 . - p. 15 – 23
2. http://www.razumkov.org.ua/upload/2014_Ekonomika_101114_NNN.pdf