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Assessment of the economic situation in the regions of Ukraine

The article analyzes the state of the regional economy by such macroeconomic indicators as: Gross regional product per person; capital investments per person; number of persons employed in economic activity and their disposable income per person. The analysis showed that there is asymmetry across regions by all indicators. The analysis shows that the largest differentiation is observed in terms of capital investment per person. The data presented for Gross Regional Product by Region in 2010-2017 suggests that asymmetry in this indicator across regions tends to increase. It is proved that overcoming the asymmetric of the regional economy development requires modernization of the productive forces of the regions.

Keywords: modernization, development problems, regional economy, region, economic development of regions, endogenous factors.

Problem statement. The transitive conditions, under the influence of which the regions of Ukraine are developing today, determine the requirements for the economy of the regions, respectively, to respond quickly to globalization changes. At the same time, the influence of external factors on the region’s economy is becoming stronger and more tangible taking into account the integration processes taking place in the states. This and other require increasing the competitiveness of the economy of the regions, which is possible under the conditions of its modernization. However, in recent years the asymmetry of development of regional economies in Ukraine has been increasing. This situation requires the determination of the factors that influence to the deepening of the asymmetry.

Analysis of recent research and publications. Modernization aspects of the development of economic systems have been studied by such scholars as: G. Alexander, J. Bailey, G. Markowitz, M. Miller, F. Modigliani, M. Friedman, W. Sharp,

J. Schumpeter and others. Among the authors who have focused their attention on the problems of development of the regional economy and its driving forces should be noted: J. Budville, A. Weber, M. Kolosovsky, V. Kristaller, V. Launhardt, V. Leontiev, A. Losch, V. Petty, F. Perru, W. Reilly, D. Ricardo, A. Smith, J. Thunen and other scholars.

Among the domestic scientists dealing with the problems of modernization of the economy of the regions, the following should be noted: O. Amosha, B. Burkinsky, M. Butko, S. Vovkanych, A. Vlasyuk, V. Heitz, B. Danylyshyn, M. Dolishny, I. Dunaev, V. Kulishov, P. Lyubchenko, Y. Makogon, M. Mikhalchenko, M. Pashkevich, S. Pyrozhkov, S. Romanyuk, V. Sidenko, V. Symonenko, I. Storonyanska, R. Tulchinskiy, S. Tulchynska, V. Chuzhikov, S. Stefan, S. Schultz and many others [1; 2; 3; 6; 7; 8].

However, it should be noted that issues related to the modernization of the regional economy are extremely relevant and require further exploration in this area.

Formulating the goals of the article. The purpose of this study is to substantiate the need to modernize the regional economy.

In order to achieve this goal, the article was:

- determined the asymmetry of regional development by such macroeconomic indicators as: Gross regional product, capital investment, number of persons employed in economic activity and disposable income;
- the asymmetry of Gross regional product per one person in the long run is ascertained.

Outline of the main research material. Modernization of the regional economy is a priority area of regional economic policy, as it is able to:

- provide a more optimal vector for the development of the regional economy;
- to smooth out cyclical economic fluctuations and reduce recession;
- to promote the growth of the well-being of the population and meet its needs, etc.

The purpose of modernizing the regional economy is to achieve the goals of sustainable development of the regions and the state as a whole by improving the efficiency and competitiveness of the regional economy.

In our opinion, it is necessary to investigate the asymmetry of macroeconomic indicators for regions to justify the need of modernization of the regional economy.

Table 1 presents macroeconomic indicators for the development of Ukrainian regions in 2017.

Table 1

Macroeconomic indicators of the development of Ukrainian regions in 2017

Region	GRP per person, UAH.	in% to volume	Capital investment, per person, UAH	in% to volume	Number of persons engaged in economic activity, thousand persons	in% to volume	Disposable income per one person, UAH.	in% to volume
Ukraine	70233	100,0	10598,0	100,0	16156,4	100,0	45762,7	100,0
Crimea	...	...	...	...	...	...	...	...
Vinnitsia region	58384	3,7	7451,8	3,2	640,9	4,0	43725,0	4,0
Volyn region	49987	3,2	6790,8	2,9	366,0	2,3	38068,7	3,5
Dnipropetrovsk region	97137	6,2	13294,8	5,7	1390,9	8,6	54215,4	4,9
Donetsk region	39411	2,5	4102,5	1,8	734,3	4,5	24947,5	2,3
Zhytomyr region	49737	3,1	6244,4	2,7	510,6	3,2	41786,6	3,8
Transcarpathian region	34202	2,2	4478,7	1,9	496,3	3,1	33281,7	3,0
Zaporizhzhia region	75306	4,8	9176,2	3,9	719,7	4,5	52726,9	4,8
Iv-Frankivsk region	46312	2,9	7055,2	3,0	559,0	3,5	39325,5	3,6
Kiev region	90027	5,7	19840,4	8,5	741,1	4,6	50320,5	4,6
Kirovograd region	55183	3,5	7669,2	3,3	376,8	2,3	40877,2	3,7
Lugansk region	13883	0,9	1529,6	0,7	292,1	1,8	16468,2	1,5
Lviv region	58221	3,7	9590,8	4,1	1050,8	6,5	44194,2	4,0
Mykolaiv region	60549	3,8	9762,3	4,2	489,7	3,0	43851,8	4,0
Odessa region	62701	4,0	9394,4	4,0	986,6	6,1	48473,7	4,4
Poltava	106248	6,7	11225,3	4,8	575,0	3,6	47075,3	4,3
Rivne region	42038	2,7	5278,8	2,3	460,2	2,8	38881,8	3,5
Sumy region	51419	3,3	6331,6	2,7	481,4	3,0	44323,3	4,0
Ternopil region	38593	2,4	6793,9	2,9	399,1	2,5	35211,2	3,2
Kharkiv region	69489	4,4	7219,2	3,1	1247,1	7,7	46789,7	4,3
Kherson region	45532	2,9	7012,4	3,0	442,2	2,7	40242,6	3,7
Khmelnysky region	49916	3,2	8224,4	3,5	516,0	3,2	42349,6	3,9
Cherkasy region	59697	3,8	6663,8	2,9	518,4	3,2	40589,0	3,7
Chernivtsi region	31509	2,0	3308,6	1,4	379,3	2,3	35403,4	3,2
Chernihiv region	55198	3,5	7219,7	3,1	426,1	2,6	41320,7	3,8
m. Kyiv	238622	15,1	47093,3	20,2	1356,8	8,4	112704,7	10,3
the city of Sevastopol	...	...	...	...	...	...	...	...

Source: compiled by the author based on statistics of the State Statistics Service of Ukraine [4; 5]

Data are presented in table. 1 gives an opportunity to see inequality in macroeconomic indicators for regions. Thus, if we take the Gross Regional Product indicator by region, then 15,1% of the total amount is in Kyiv. At the same time in Lugansk region in 2017 accounted for 0,9%, that is the difference 16 times. The largest volume of GRP per person falls on the city is in Kyiv city (15,1 %), Poltava (6,7 %), Dnipropetrovsk (6,2 %) and Kiev (5,7 %) regions. The four regions and the Kyiv city account for 33,7 % of the total GRP in the country. At the same time, such regions as Transcarpathian (2,2 %), Luhansk (0,9 %), Rivne (2,7 %), Ternopil (2,4 %) and Chernivtsi (2,0%) account for 12,6 %.

If we analyze the capital investment per person, it should be noted that its differentiation is even more important than the GRP per person. Thus, in 2017 the city of Kyiv accounted for 20,2 % of the total, and for the Luhansk region – 0,7 %. That is, in terms of capital investment, asymmetry is almost 29 times. The largest capital investments per person in 2017 were in Kyiv city (20,2 %), Kyiv regions (8,5 %) and Dnipropetrovsk (5,7 %), that is Kyiv city and two regions (34,4 %). And in such three regions as Lugansk (0,7 %), Chernivtsi (1,4 %) and Donetsk (1,8 %), they account for 3,9 %.

In terms of the number of people employed in the economy, asymmetry is also observed in the regional context, but is less than other macroeconomic indicators. Thus, in 2017, employment in the Kyiv region was 8,5 % of the total, and in the Luhansk region – 0,7 %.

Analyzing the disposable income per person, the largest amount is in Kyiv city (10,3 %) and the smallest is in the Luhansk region (1,5 %).

The data in Table 1 show that there is an asymmetry between regions for all macroeconomic indicators selected for analysis. The highest asymmetry between the regions is observed in terms of capital investment per person, and the lowest in the number of employed economic activities.

To analyze the asymmetry of regional development, we will present changes in the Gross Regional Product indicator over time (see Figure 1).

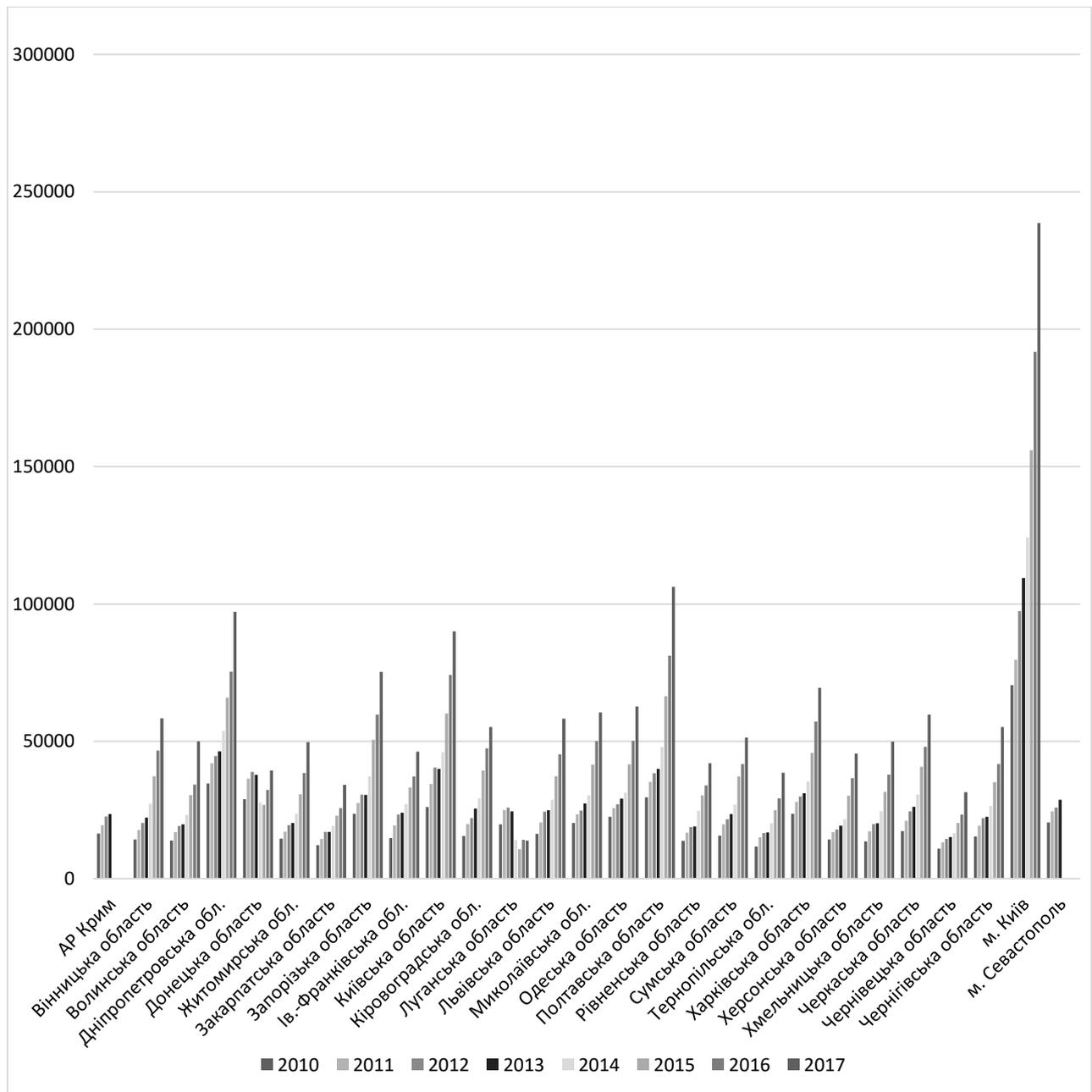


Fig. 1. Dynamics of GRP changes per person in 2010-2017, UAH.

Source: constructed by the author based on statistics of the State Statistics Service of Ukraine [4].

Figure 1 shows the dynamics of GRP changes per person in 2010-2017. This figure makes it possible to visualize the asymmetry in this macroeconomic indicator by region, as well as to state that GRP per person is increasing over the study period, but this may be is connected not only with the growth of production volumes, but also with the increase in the prices of manufactured products. It can also be observed that for the period from 2010 to 2017, there is a marked increase in differentiation by this indicator between regions.

There are principles, approaches, tools, methods for implementing the modernization of the regional economy, as well as problems for all regions of Ukraine. However, each region, focusing on its own resources and potential, should modernize the economy of each region, using and increasing its own unique capabilities, based on endogenous factors of economic regional development

Conclusions. Therefore, the analysis was conducted on such macroeconomic indicators as: Gross regional product per person; capital investments per person; the number of persons employed in economic activity and the disposable income per person showed that there is asymmetry across the regions. The largest differentiation in terms of 2017 is observed in the indicator of capital investment per person, which is almost 29 times between Kyiv city and Lugansk region. The data presented for Gross Regional Product by Region in 2010-2017 suggests that asymmetry in this indicator across regions tends to increase. The increase of asymmetry between regions, which is confirmed by the values of macroeconomic indicators, is caused by a number of existing problems. Overcoming the asymmetric development of the regional economy requires modernization of the productive forces of the regions.

Further scientific inquiries require the activation of endogenous factors of the regions in order to modernize the economy of the regions.

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