ANALYSIS OF THE SOCIO-ECONOMIC DEVELOPMENT OF UKRAINIAN REGIONS

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Abstract. For a long period of time from 1991 to 2016, the socio-economic development of Ukrainian regions was characterized by enhanced differentiation and persistent inequality. Permanent preservation of the gap between the maximum and minimum values of indicators of socio-economic development of regions, in particular, the GRP per capita (8.8 times in 2014); disposable income of populace (10.3% in 2015); unemployment rate according to ILO methodology (in 2.8 times in January-September 2016), the volume of realized industrial products (38,9 times in January-September 2016) indicate the persistence of centre-periphery relations between regions in the economic space of the country. This situation reduces the overall efficiency of the economy, which is reflected by the decline of Ukraine's position in the rankings of international organizations. According to the global competitiveness index in 2015, Ukraine has shifted from 76 to 79 place compared with 2014, according to the Index of Human Development, there was a slight increase from 83 to 81 place. To crown it all, taking into account the complexity of modern processes of Ukrainian regions' socio-economic development, the total assessment of determination of Ukrainian regions' levels of socio-economic development is required. *The purpose of the article* implies prompting the research results of determining the problem concerning the consolidated assessment of the socio-economic development of Ukrainian regions. *Methodology.* The article examines the processes of socio-economic development of Ukrainian regions and offers an analytical scheme of identification stage of problematic of the regions' socio-economic development. The article justifies a system of partial indicators and on its basis calculates the integral and generalizing indicators of economic and social development of Ukrainian regions. *Analysis of recent researches and publications.* Issues of spatial development of the country's regions have researched Italo F., Baklanov P., Boyer G., Bramanti A., Grossetti M., Dmytryshyn L., Krugman P., Lappo G., Demyanenko O., Myrdal G., Fujita M., etc. *Statement of the problem.* However, reasoning the topical approach to the determination of the level of socio-economic development of the country's regions requires in-depth development that in its turn determines the relevance of this article.

Key words: socio-economic development of region, irregularity, gross regional product, unemployment rate, migration index, problematic.

JEL Classification: H50, J10

1. Introduction

Socio-economic development of Ukraine is based on the substantial positive changes in the regions. So, transition processes in Ukraine were differently marked on the development of its regions: some of them managed to mobilize their capacity and gradually adapt to difficult economic conditions, while the others, as before, are currently in the state of deep economic stagnation, which has led to an increase in regional inequality.

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2. Literature Review

Modern processes of the socio-economic development of Ukrainian regions' are complex and poorly defined and, therefore, require a detailed analysis to determine the factors of their irregularity.

In the scientific economic literature, there are three main approaches to the survey of socio-economic processes, which are based on: modelling, analytical

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schemes or a combination of both directions together (Piermartini, 2005; Ostashko, Voloschenko-Hold'em, 2011). Each of the abovementioned approaches has certain advantages and disadvantages, which are thoroughly analysed in the work (Tochilina, 2012).

Analysis of a number of studies [5–11], which studied the processes of the regions' socio-economic development, allows offering a certain identification stage of problematic concerning the country's regions socio-economic development.

3. Analysis of the economic development of Ukrainian regions

One of the main indicators determining the economic development level of the country regions is GDP per person. Fig. 1 shows the distribution of Ukrainian regions on this indicator in 2013.

As can be judged from Fig. 1, the leader in the country in terms of GRP per person is the city of Kyiv – 109402 UAH, which is far ahead of the second region in the range, namely, Dnipropetrovsk region – 46333 UAH. The following areas are Kyiv region – 39988 UAH, Poltava region – 39962 UAH, Donetsk region – 37830 UAH, and Kharkiv region – UAH 31128. Outsiders of GRP per person in the country are the following regions: Chernivtsi – 15154 UAH, Ternopil – 16819 UAH, Rivne – UAH 19003 and Kherson – UAH 19311.

In accordance with GRP indicator per person to the average rate within the country, regions were divided as follows (Fig. 2).
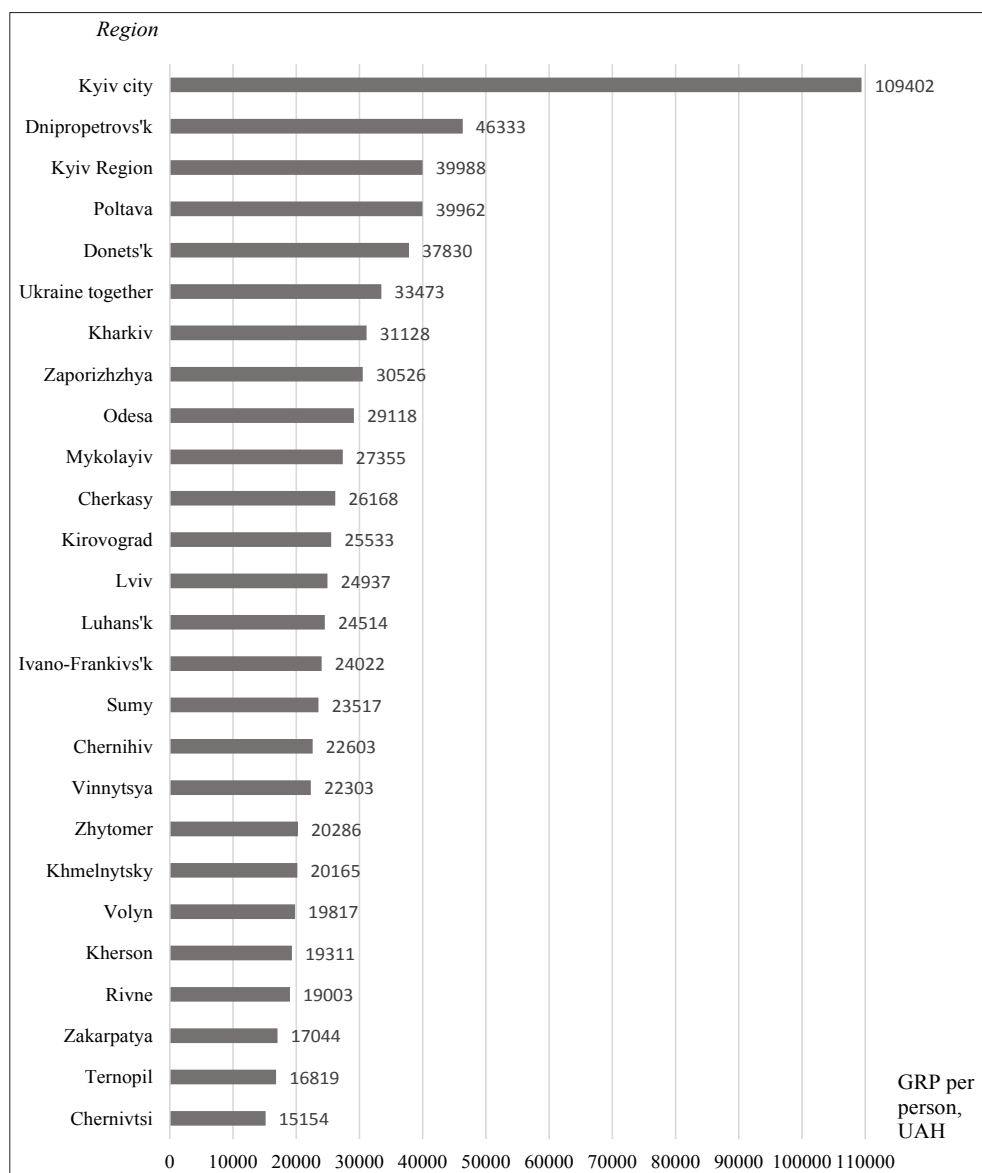

Fig. 1. The diagram of Ukrainian regions division according to the GRP indicator per person (2013)

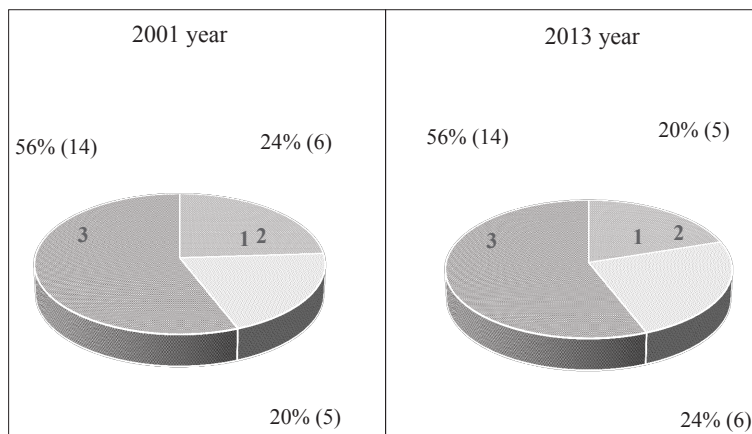*Source: the author's calculations*

Fig. 2. Division of Ukrainian regions in accordance with GRP indicator per person to the average rate within the country in 2001 and 2003:
1 – more than 100%; 2 – from 75% to 99%; 3 – less than 75%
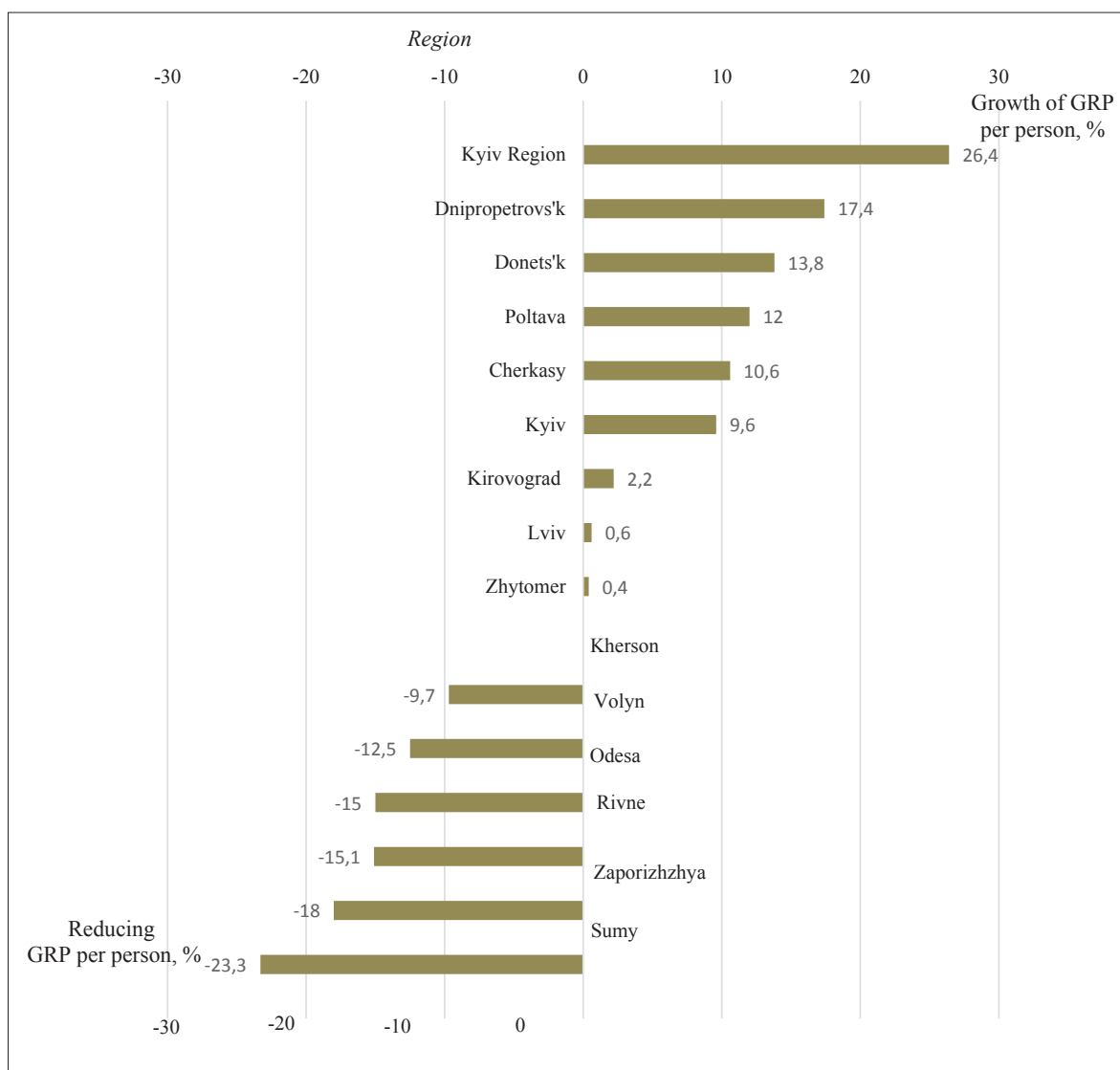
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Fig. 3. The dynamics of GRP changes per person to the average rate within the country in different Ukrainian regions in 2000–2013

Source: the author's calculations

Obviously, the structure of Ukrainian regions according to this indicator has slightly changed. Only Kyiv region was replaced from the second group to the first while Zaporizhzhia and Odesa regions were replaced vice versa, from the first group to the second.

The biggest increase of the GRP indicator per person to the average rate in Ukraine in 2013 in comparison with 2001 was detected in Kyiv region – 26,4%, Dnepropetrovsk region – 17,4%, Donetsk region – 13,8%, and Poltava region – 12,0% (Fig. 3).

Meanwhile, a decrease of the GRP indicator was present in Sumy region– 23,3%, Zaporizhzhia – 18,0%, Rivne region – 15,1%, and Odesa region – 15,0%.

4. Analysis of the regions' social development

While scientists characterize the economic development of the regions by one indicator – the GRP indicator per person, several indicators characterize the social development. Thus, the analysis of some works (Omarov, 2014; Gaiman, 2009; Dobkin, Chernov, Kernes, 2010; Hranberh, 2001; Kuznetsova, 2014; Klebanova, Kizim, 2012) gives an opportunity to offer the following set: the income per capita, the unemployment rate and migration coefficient.

According to the rate of income per capita, Ukrainian regions in 2013 were distributed as follows (Fig. 4).
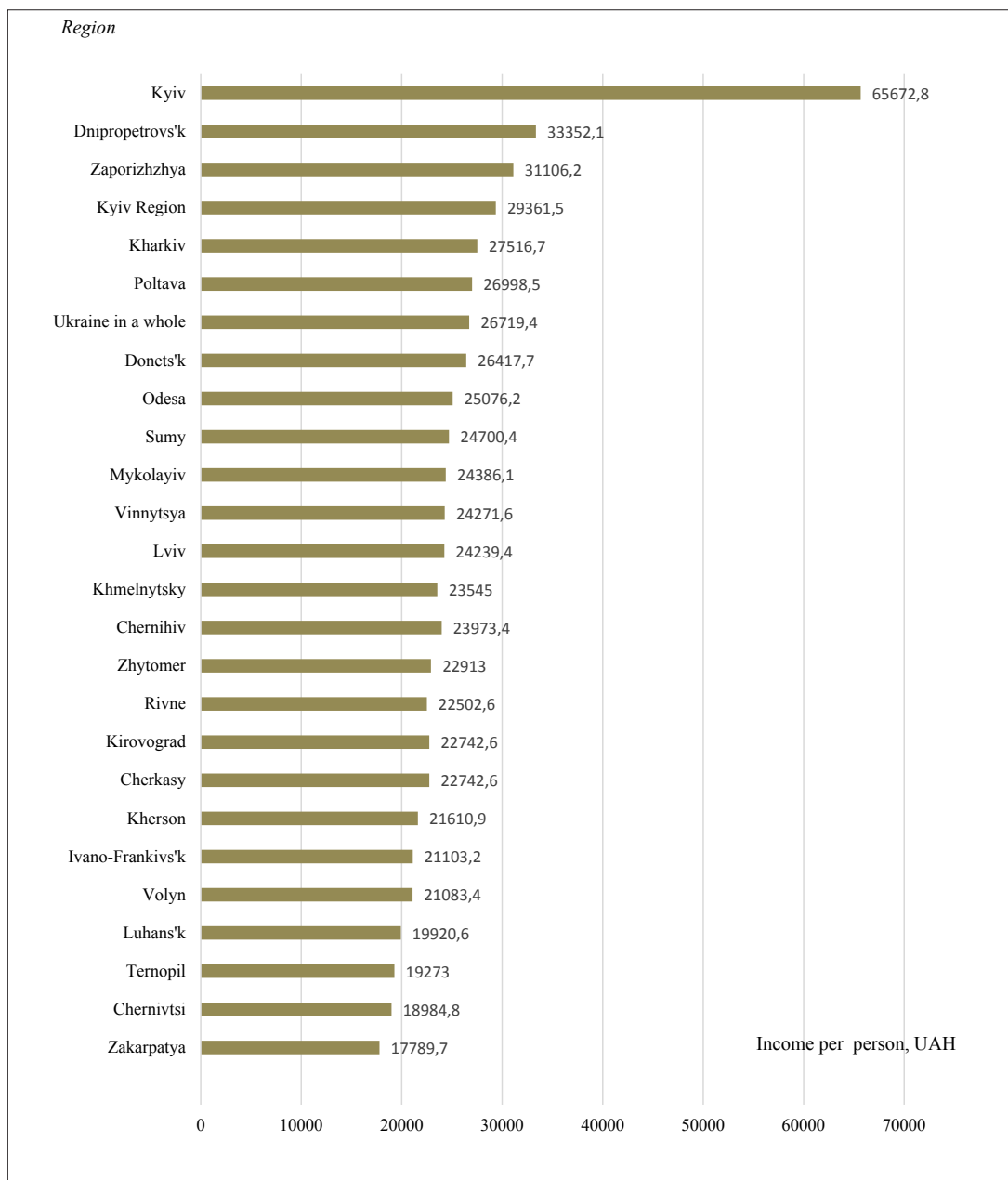

Fig. 4. Diagram of Ukrainian regions' distribution according to income per person in 2013

Source: the author's calculations

As can be judged from Fig. 5, the leader in terms of the income rate per person in the country is Kyiv city – UAH 65672,8 which is far ahead of the second value of Dnepropetrovsk region – UAH 33352,1.

At the following places are Zaporizhzhia region – 31106,2 UAH, Kyiv region – 29361,5 UAH, Kharkiv region – UAH 27516,7 and Poltava region – 26998,5 UAH. Outsiders by income per person in the country are Zakarpattia region – 17789,7 UAH, Chernivtsi region – 18984,8 UAH, Ternopil region – UAH 19273,0 and Luhansk region – UAH 19920,6.

The unemployment rate of Ukrainian regions' population in 2013 was as follows (Fig. 5).

Subject to Fig. 5, the leaders of the unemployment rate in the country are Kyiv city – 6,7%, Odesa – 6,7%, and Kharkiv region – 7,8%, while the outsiders are Zhytomyr – 11,5%, Poltava – 11,5%, and Luhansk – 11,4% regions.

According to migration coefficient, Ukrainian regions in 2013 were distributed as follows (Fig. 6).

As can be judged from Fig. 6, the biggest positive migration coefficient has Kyiv region – 6,4%, Kyiv city – 6,0%, and Kharkiv region – 3,0%, while the negative migration coefficient has Luhansk region (–3,6%) and Donetsk region (–2,5%).
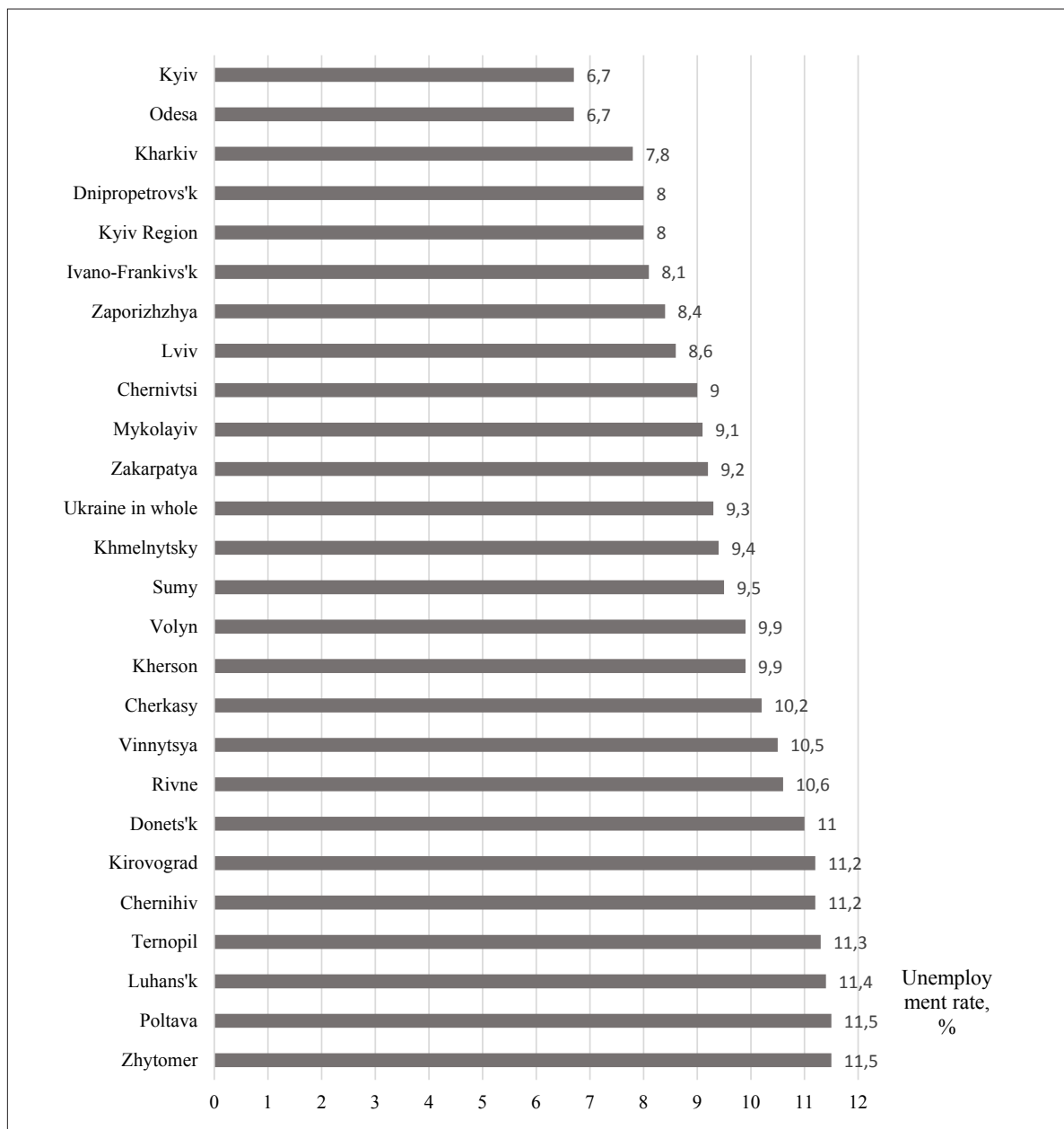

Fig. 5. Diagram of Ukrainian regions' distribution according to the unemployment rate in 2013

Source: the author's calculations

The results of integral estimation of Ukrainian regions' social development index (IC), which is offered in the work (Omarov, 2014), are described in Fig. 7.

According to Fig. 7, the city of Kyiv (1,0) is significantly ahead of other regions of the country subject to the integral indicator of social development. Kyiv region is in the second place – 0,6346, it is followed by Odesa region– 0,5065, Kharkiv region – 0,4338, and Dnipropetrovsk region – 0,3725.

It should be stressed that the above-mentioned indicators of Ukrainian regions' social and economic development have different nature and have no

threshold, which could identify their problematic, and the need for the state support.

5. Conclusions

A significant number of half-peripheral and peripheral regions requires support from the state, aimed at aligning trends of the socio-economic development of top regions and problem regions, as well as the introduction of a mechanism to promote economic activities in the growth poles. The implementation of these measures requires regional support from the state, aimed at
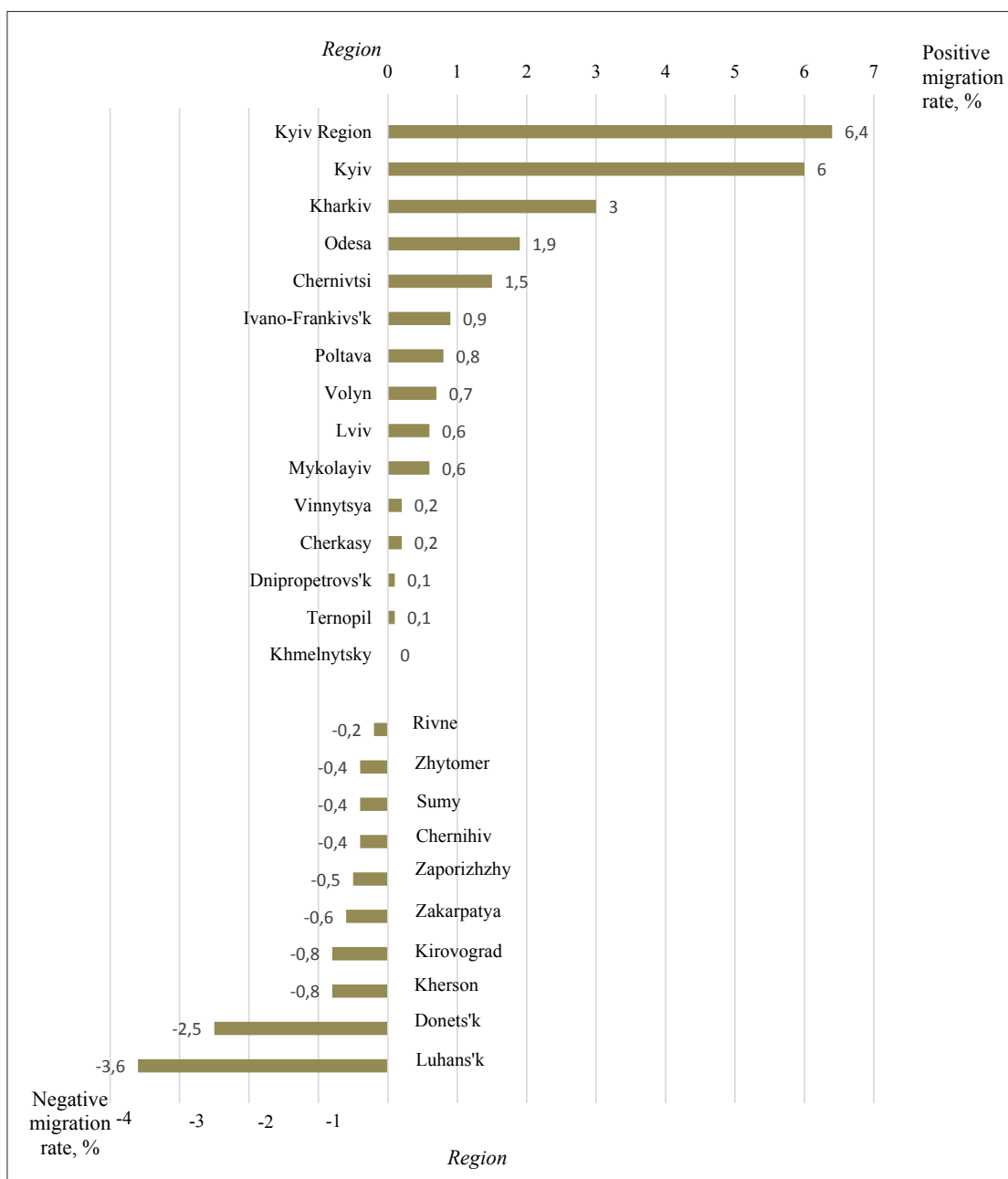

Fig. 6. Diagram of Ukrainian regions' distribution according to migration coefficient

Source: the author's calculations

aligning trends of the socio-economic development of the regions.

However, the problems of reducing the inequality among socio-economic development of the Ukrainian regions, grounding of the current concepts of socio-economic development of the country's regions require in-depth development. The main purpose of this article is to analyse the processes of socio-economic development of Ukrainian regions. The system of fractional indicators is justified and, on its basis, the integral and generalizing indicators of economic and social development of the regions of Ukraine are calculated.
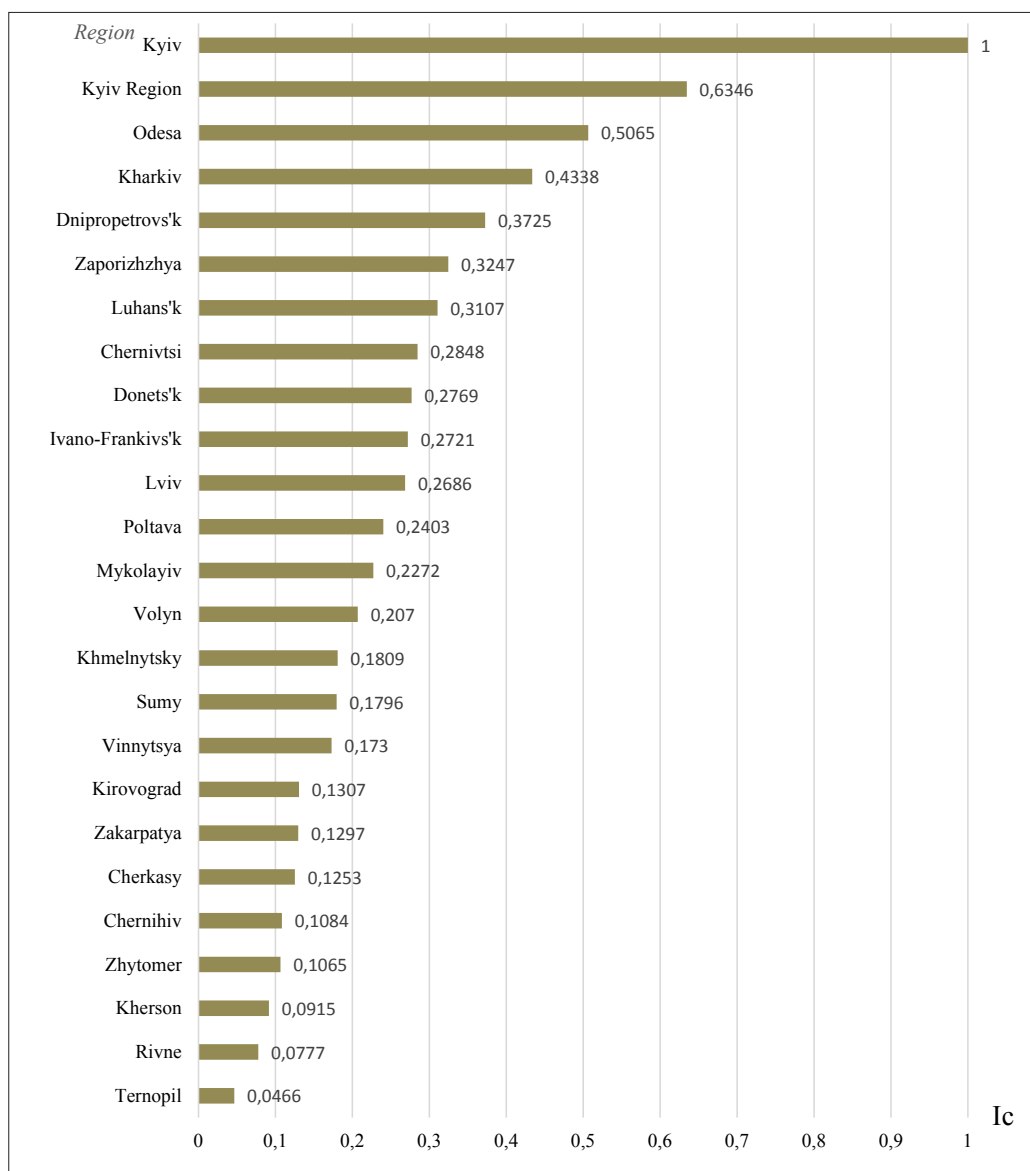

Fig. 7. Diagram of Ukrainian regions' distribution subject to the integral indicator of social development in 2013

Source: the author's calculations

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АНАЛИЗ СОЦИАЛЬНО-ЭКОНОМИЧЕСКОГО РАЗВИТИЯ РЕГИОНОВ УКРАИНЫ

Аннотация. В течение длительного периода времени с 1991 по 2016 год социально-экономическое развитие регионов Украины характеризовалось усилением дифференциации и сохраняющегося неравенства. Постоянное сохранение разрыва между максимальными и минимальными значениями показателей социально-экономического развития регионов, в частности ВРП на душу населения (в 8,8 раза в 2014 году); доходов населения (10,3% в 2015 году); уровня безработицы согласно методологии МОТ (в 2,8 раза в январе-сентябре 2016 года), объема реализованной промышленной продукции (38,9 раза в январе-сентябре 2016 года) свидетельствуют о сохранении центр-периферийных отношений между регионами в экономическом пространстве страны. Такая ситуация снижает общую эффективность экономики, что отражается в снижении позиций Украины в рейтингах международных организаций. В соответствии с глобальным индексом конкурентоспособности в 2015 году Украина переместилась с 76 на 79 место по сравнению с 2014 годом. Поэтому, учитывая сложность современных процессов социально-экономического развития регионов Украины, необходима общая оценка уровня их социально-экономического развития. *Цель статьи* – обосновать результаты исследований интегральной оценки социально-экономического развития регионов Украины. *Методология.* В статье рассматриваются процессы социально-экономического развития регионов Украины и предлагается аналитическая схема выявления проблемных вопросов социально-экономического развития регионов. В статье обоснована система частных показателей и на ее основе вычисляются интегральные и обобщающие показатели экономического и социального развития регионов Украины. *Анализ последних исследований и публикаций.* Вопросы пространственного развития регионов страны исследовали Итало Ф., Бакланов П., Бойер Г., Браманти А., Гроссетти М., Дмитришин Л., Кругман П., Лаппо Г., Демьяненко О., Мюрдаль Г., Фуджита М. и др. *Постановка проблемы.* Однако обоснование актуального подхода к определению уровня социально-экономического развития регионов страны требует углубленного анализа, что в свою очередь определяет актуальность данной статьи.