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**D**epressive status threatens the political and economical unity of regions; it causes the differentiation of population as to its living conditions. To be economically stable for Ukraine means, first of all, to intensify the creation of highly developed economic structures at the regional level. One of the distinctive features of the politics of regional development in Ukraine is the different level of the region social and economic status.

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## **DEPRESSION OF REGIONS IN UKRAINE AND POSSIBILITIES OF ITS OVERCOMING**

Territory of Ukraine is characterized by a huge disproportion, namely: extremely high economically and ecologically groundless level of productive (in the first place, agricultural) exploration of territories, huge squares and low density of constructions, small part of territories with environmental-serving, health-resort, historical and cultural prescription, existence of large territories, the use of which is legislatively limited and needs a special protective regime (territories of radioactivity pollution in account of accident CHNES). The most significant inequality is in the indexes of Gross Regional Products: the share of Kyiv City is 18%, Donetsk and Dnipropetrovsk regions have 11 and 12% accordingly, and parts of others 24 regions is much less.

An inequality has objective causes – natural conditions, resources and productive potential.

Therefore, a distinctive approach is requested to different regions in working out of policy of their development.

In turn, regional differentiation makes especially acute some regional problems that are common for the whole country and that makes particular regions depressive. Depressed regions create tensions in the state and therefore, must be eliminated.

In this connection it is necessary account and use the different methods in regional policy together with the common approaches. Working out the policy for the regional development as to the transfer of Ukrainian territories from the depressed state should be taken into consideration in order to find out the optimal combination of national and local interests.

Aforesaid lets us to stress out two basic moments: the criteria to define a depressed territory and procedure for improvement of these territories.

Depression territory is the territory, where legislatively defined criteria (such as indexes of economic development – gross regional product per capita, investment sources per capita, unemployment rate) are considerably lower than country average.

Depressed region is an economically developed region, which crisis status displays the structural crisis of economy and the inequality of production in branches.

The total image of depression could be formulated on the basis of integral indexes such as GDP (Gross Regional Product) and GDP per capita. In 2009 this indicator was higher than average only in eight of twenty-seven regions

in Ukraine (see table 1). It was an indication of large unevenness in population's supply with public goods. Also, the number of unemployed persons and rate of unemployment indicate different social and economic development of regions. Table 1 shows indexes of regional development.

In measuring the region's depression not only the contemporary level of their social and economic development should be considered, but also, preliminary conditions of the transfer into market economy which define the possibilities and rates of adaptation to the market. After all, the market transformation leads to declination of regions with stable development (such as Donetsk, Lugansk, Dnipropetrovsk regions and to reduction of Gross Regional Product).

Unproper regional policy doesn't allow taking away the huge disproportion of regional development. As the result, the economic separatism may appear. A determination of the region's aim and the branch priorities of the latter should become an integral part of the further regional development.

The main purpose is aimed to solve the problem of regional self-security that means the ability to perform independently a full set of functions, which are defined by their status. As the main element of regional development conception we can distinguish a grounding of possible ways to stabilize the regional situations.

Less developed regions filled a little influence of crisis 2008-2009 because of weak integration in the world economy, insufficient level of market transformation.

The problem to choose the priorities of territorial development for economically stable regions is not so much complicated as for economically less developed regions.

Table 1

Indexes of Regional Development in Ukraine

Ukraine and regions	Gross Regional Product (GRP), mln UAH	Share of region in total GRP, %	GRP per capita, UAH	Investment per capita, UAH	Unemployment rate, %
Ukraine	913345	100.00	19832	1827.9	8.0
AR Crimea	27396	2.99	13933	1464.2	6.1
Vinnitsya	20104	2.20	12145	1130.2	9.9
Volyn	12225	1.34	11796	1129.2	8.4
Dnipropetrovsk	93331	10.22	27737	2256.6	7.0
Donetsk	103739	11.36	23137	1483.4	8.7
Zhytomir	14731	1.61	11419	1348.6	9.7
Zakarpattia	12542	1.37	10081	971.7	8.9
Zaporizhzhya	37446	4.10	20614	2786.6	7.2
Ivano-Frankivsk	17241	1.89	12485	1788.2	8.1
Kyiv region	37548	4.11	21769	3456.3	7.3
Kirovograd	13389	1.47	13096	1224.3	9.1
Lugansk	38451	4.21	16562	1007.6	7.1
Lviv	35955	3.94	14093	1776.9	7.8
Mykolaiv	20336	2.23	17050	1455.9	8.2
Odessa	48647	5.33	20341	1951.8	5.8
Poltava	33629	3.68	22337	2659.9	9.5
Rivne	13469	1.48	11699	1160.2	11.3
Sumy	16060	1.76	13631	1075.1	10.5
Ternopil	11173	1.22	10240	985.7	10.2
Kharkiv	58923	6.45	21228	1486.0	7.0
Kherson	13436	1.47	12256	874.8	8.8
Khmelnytski	15758	1.73	11780	1327.9	8.5
Cherkasy	18707	2.05	14393	1202.2	10.0
Chernivtsi	8484	0.93	9383	1138.7	8.4
Chernigiv	14636	1.60	13121	860.1	10.1
Kyiv (city)	169537	18.56	61088	5159.7	5.5
Sevastopol	6452	0.71	16966	1946.0	5.7

Source: Data of the State Office of Statistics of Ukraine, www.ukrstat.gov.ua

Foreign orientation of developed regions is obvious due to the fact that in contemporary conditions they possess a huge export potential, occupy a profitable geographic location, have diverse production structure etc. All these factors create the possibility for these regions to achieve the high level of economic and financial capacity.

One of the directions for enhancing the economy development in depressed regions is strengthening the role of State in supporting those regions by sufficient investment resources.

It is necessary to establish the special regime of investment in depressed regions, which makes obligatory taking into account the priority of development of particular branches (and even enterprises), peculiarities of reproductive processes, readiness to renovate an economic potential, effectiveness of possible costs in long-term period.

The most important directions of investment activity regulation in depressed regions are: agriculture, high-tech projects, alternative sources of energy, ecologically safe products, new working places, and market and bank infrastructure.

It is necessary to clarify the authority functions between branches of administration. The state authorities at the regional level should include: the estimation of local territorial conditions, determination of the regions required State support, working out and financing the directed regional and interregional programs for certain territories, updating the State strategy for regions in Ukraine. This must be based on

the principles of giving the special status to these territories in order to receive an additional support from the State.

Public administration of regional development should be spread on those spheres of activities which are in the competence of the state namely: interregional infrastructural projects, ecological projects, social security, public defense, productivity of public goods. One of the primary tasks for regional policy is an efficient mechanism of work potential reproduction, preventing the social conflicts, taking off the tension in regions of increased social emergency.

Anything else should be the responsibility of local authority. Specificity of regions defines the expediency of using in every separate case its own set of economic tools and methods. It implies the creation of conditions by State, formation and effective use of economic mechanism as the responsibility of regional executive bodies.

World experience shows us that regional policy based on tax privileges and state grants is not enough efficient. Appeals to increase the State support to less developed regions are transformed into the creation of condition for regional economies to discover their own internal potential, use their own resources, and stimulate their own productive activity.

Depressed territories are under threat of economic and political unity of country, and cause social tensions as well. Besides, depression strengthens the objective differentiation of regions. Thesis introduces the model showing how to decrease territorial depression in Ukraine, basing on combination of both State and regional interests. ■