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INCLUSIVE DEVELOPMENT OF THE UKRAINIAN ECONOMY: STRATEGIC ASPECTS

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In modern conditions of fundamental changes, on both domestic and world scales, it is difficult to holistically comprehend and objectively evaluate processes and occurrences in the economic sphere of the state. The escalation of international military and political tension is due to a change of technological systems and age cycles of accumulation, during which there is a profound structural restructuring of the economy on the basis of fundamentally new technologies and mechanisms of the capital reproduction.

The key positions of the neoclassical model of economic growth, provide consideration of scientific and technological progress as the only way to achieve long-term development and recognize endogeneity of accumulation of capital, knowledge and human capital, are also relevant today. This is evidenced by the chosen course of states to ensure sustainable development, which strengthens the role of innovation. However, by this time one of the complex, and even the most debatable problems of developed economies is the problem of so-called secular, that is, «eternal» stagnation [5]. The existence of «failures» in the system of social protection, health care in many countries, the problems of social adaptation and environmental risks, and the restriction of access to goods and services already today characterize the inability of a market economy to solve key social problems.

For the first time, the term of inclusion was applied in the 1970s in the United States, but then only social inclusion was highlighted, which meant the increase in the degree of participation of all citizens in society, when each person as an individual is perceived by society and has the ability to fully participate in society. Differences and deviations are consciously perceived in the context of social integration, but their significance is limited. The right to participate in society is based on social ethics in all spheres of life [3]. Gradually, the concept began to apply to the economy. Severe environmental circumstances as a result of technogenic activities, a number of social and political problems indicate that the evaluation of economic, social or other processes purely from the standpoint of financial and material profitability is, though indicative, but imperfect. Also, the growth of separate country or sector of the economy is not isolated from others due to globalization and technological progress.

Foreign economists J. Robinson and D. Asimoglu consider the economic essence

of the notion of «inclusiveness» as an involvement in the process of everyone, without distinctions and restrictions [1]. According to the domestic scientists A. Bazylyuk and O. Zhulin, inclusion consists in adapting the system to the needs of the person, «... the concept of inclusive development implies that each subject of the economy is important, unique, valuable to society and has the abilities to satisfy it's needs... « [2, c.20].

Inclusive growth is a concept that provides fair opportunities and equal rights for economic actors, accompanied by benefits brought to each sector of the economy and various groups of society. This approach extends traditional models of economic growth and includes focusing on equality of health, human capital, ecological state of the environment, social protection and food security as global security factors in the broad sense [2].

Inclusive growth is fundamentally different from standard economic growth, since it has wider goals than income growth and GDP, and requires the country's government to actively work to achieve these goals, without assuming that positive results will automatically come from growth; shifts the accent on human development and increasing its welfare and reducing poverty and inequality level; aimed at increasing attraction and active participation in the economy, and not only on the results of the distribution. The development of the concept of inclusive development in accordance with the EU Development Strategy up to 2020 is presented in Fig. 1.

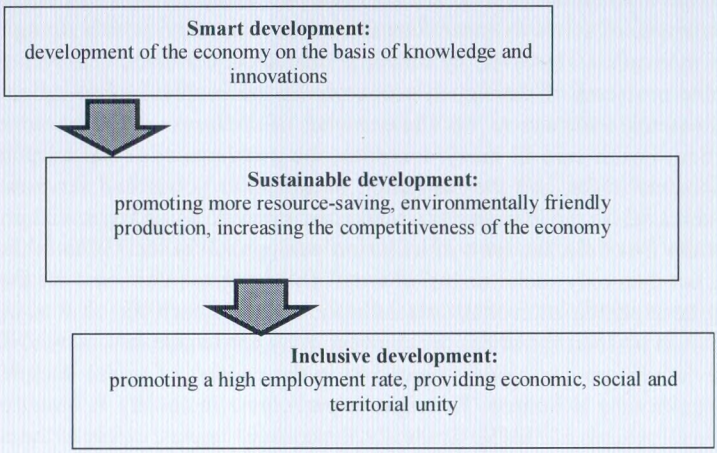

Fig. 1. The place of inclusive development in the system of the main priorities for Europe according to the Development Strategy up to 2020 [4]

The main key aspects of inclusive growth are investment in human capital, creating new jobs, structural transformation, progressive tax policies, social protection, avoidance of discrimination, social integration and participation,

effective institutions.

The study of the content and features of inclusive economic development and the opportunities for its achievement in countries with different levels of social and economic development were at the center of scientific research in many countries and international institutions, including the Organization for Economic Cooperation and Development (OECD), the United Nations Development Program (UNDP), the European Commission, International Monetary Fund (IMF), World Economic Forum (WEF), World Bank, International Center for Inclusive Development Policy. The main areas of this research are the identification of opportunities for ensuring equal access to markets, resources and an unprejudiced regulatory environment for different social groups, the formation of mechanisms for ensuring productive employment, increasing income for alienated groups and combating poverty, developing new approaches to the consumption of scarce resources and achieving inclusive growth in the long run. Inclusiveness, in particular, has been identified as one of the key priorities of the strategy for economic growth "Europe 2020" [4]. According to this strategy, the EU is working hard to resolutely overcome the crisis and create a more competitive economy with higher levels of employment. The Europe 2020 strategy aims to achieve the priorities of smart, sustainable and inclusive growth.

The World Economic Forum in Davos presented the Inclusive Development Index 2018. Ukraine ranked 78th place among 103 countries. The first in the rating is Norway, the last one is Mozambique. At the same time, GDP was and remains the main indicator of the country development. At the same time, this indicator has a number of limitations, such as how much conventional hryvnias or dollars per person according to GDP index, in no way shows how these funds are distributed and what quality of life they provide.

The Inclusive Development Index (IDI) is an expanded estimation of the country's economic development. In addition to the GDP estimation, this Index measures 11 additional parameters. IDI consists of 12 indicators, which are divided into 3 large groups:

1. Growth and development (GDP per capita in US dollars, labor productivity, healthy life expectancy, employment).

2. Inclusiveness (inequality of income, poverty rate, inequality of wealth, median income of dollars per day - for parity purchasing power - per capita).

3. Generational equity and sustainability (net savings, CO2 emissions per unit of GDP, state debt, the ratio of working-age population to disabled).

For convenience of comparison, the country's ranking is divided into two sectors: developed (30 countries) and developing countries (79 countries), including Ukraine. Ukraine ranks 47th place in its sector. For comparison: Moldova – 31st, Russia – 19th, Poland – 5th, Turkey – 16th. In the first group we have a problem with employment – 51st place.

In the group responsible for inclusiveness, we have rather high rates - the total 17th and the first place among developing countries according to the index of

income inequality and poverty.

At the same time, according to the index of wealth inequality, Ukraine ranks one of the last places (73rd out of 79). This may mean that even with the concentration of wealth in the hands of a few families, it does not work on them and does not generate sufficient income to influence income inequality. Another likely explanation is that there are some problems with the collection of used data.

For stability, Ukraine has negative indicators: the total place is 75th out of 79. One is more or less positive, is the ratio of the working-age population to disabled (10th out of 79).

Global changes in conditions of the world economy inclusive development, particularly in the employment sector, which are reflected in the analytical conclusions of leading HR agencies around the world, indicate a possible disappearance of about 66% of traditional professions over the coming years. A significant number of people who are working today will be replaced by technologies, machines that have been spreading over the last time. This means that for successful activity only narrowly professional characteristics are not enough. The modern economy and the labor market place absolutely new demands not for fulfillment of the set goals, but for how the tasks are carried out, the problems are solved, how quickly a person guides and adapts to changing business environment. It must possess a whole range of personal, psycho physiological, moral and aesthetic, emotional, volitional qualities necessary for the successful development of its own potential. In addition, the ability to effectively co-operate, build communication channels, critically think and predict the effects of its actions are necessary components of a fully developed personality to succeed. People in the 21st century are exposed to the environment characterized by diversity and interconnectedness. The constant influence of economic, digital, cultural, demographic and ecological factors on human life is caused by constant intercultural collisions. It requires the development of skills related to global competence, which focuses on the development of global and intercultural human world view. Strengthening of global competence is essential for the prosperity of people in a rapidly changing world, as well as for progress in conditions of the world economy inclusive development. Therefore, it should be noted that today there is a need not only for the skills needed to be competitive and ready for labor market challenges, but also to develop capacity for analyzing and understanding global and intercultural issues.

In Ukraine there are enough speeches by both scientists and politicians and government officials who see a single opportunity «to move from «raw drift» and «debt hole», depending on international financial institutions to ... the European level of well-being» in the transition «from the extractive to the inclusive economy, when economic processes will involve the broad groups of population, which can freely demonstrate their talents and entrepreneurial initiative». Some of them consider the key mechanisms for this is cooperative movement and programs like ESOP operating in the United States and Europe, believing that «this is a real way

to «soft deoligarization» and an inclusive economy».

However, in Ukraine today, there is already a legislative initiative that can be considered as a step towards an inclusive economy, involving the broad groups of population, solving social and economic, demographic, and environmental problems in rural areas and Ukrainian agriculture. The conviction that the «proper» launch of the land market should lead to the improvement of all processes that took place during the 15-year moratorium on the sale of agricultural land, and the leveling of distortions in the Ukrainian agrarian model caused by these restrictions, are not shared by all involved in decision-making in this area. Moreover, this is a decisive resistance, and not only about «not being worse». Sale of agricultural land in the version proposed by the government (the Ministry of Agrarian Policy of Ukraine) opens the market for ordinary peasants, but excludes large «players» (primarily agroholdings) from this process.

Ukraine has made some important steps towards increasing level of inclusive growth and development. At the current stage, a national plan for the practical implementation of sustainable development ideas is in effect (National Report «Sustainable Development Goals: Ukraine»).

As practice in other countries shows [6], the development of projects of inclusive market involves large numbers of low-income population as producers, small businesses, customers and consumers. The development of inclusive markets in Ukraine should be an important step in implementation of a holistic concept of the system of population social protection, focusing on reducing social risks for the poor and vulnerable, creating conditions for reducing poverty, helping to form active employment policies and reduce unemployment, including:

a) organization of public works;

b) development of an automated system of information from local labor markets, primarily through the bank of vacancies, and the organization of information exchange, at least within neighboring administrative districts;

c) professional training and retraining of unemployed on the basis of tripartite agreements between employment services, employers and educational institutions, etc.

For this purpose, it is necessary to consider inclusive business models as an element of a common business strategy aimed at attracting vulnerable groups of population to the business activities of various sectors of the national economy.

Despite the controversy about the feasibility of using the inclusive development index in statistics, the concept of inclusion itself is quite rational for Ukraine (Table 1).

The concept of inclusive economic growth arose because financial profitability cannot be the only criterion in a number of aspects of the social sphere, in environmental issues, etc. Inclusive growth is aimed to provide fair opportunities for economic actors in the economic growth and equality of sectors of the economy and groups of population, and also focuses on equality of health, human capital, ecological state of the environment, social protection and food security.

Table 1

The main advantages and disadvantages of implementing the concept of inclusive growth for Ukraine

Disadvantages	Advantages
Lack of legal framework	Gives impetus to economic recovery without using tough measures
Does not underestimate the problem of the country's external debt	Pays attention to the diversification of the economy (tourism, intellectual development, etc.)
Requires financial investment upon startup	Takes into account the problems of ecology and social injustice
	Increases employment level

In the system of qualitative indicators of inclusive growth, based on its theoretical essence, and taking into account the example of the functioning and implementation of the European model of inclusive development, it is necessary to allocate the employment level of population and creation of work places with the income that exceeds the poverty line. In the process of seeking a national strategy for inclusive economic growth, it is important to outline the priorities that reflect the achievement of the strategic goal - high level of population welfare and living standards. Increasing employment and diversity of its types as the basis of inclusive development will promote the activation of entrepreneurial activity, especially in rural areas, reducing seasonality of production, full use of endogenous potential of territories. Opportunities to adapt to the European model with the elements of «inclusive growth» should be provided, based on at least two key conditions:

1) business development and business availability to financial resources within the framework of new institutional approaches;

2) formation of the European integration of the economy.

Therefore, the active participation of the population in the development of rural entrepreneurship, the effective distribution of public goods and the attraction of capital will promote the modernization of agrarian production, technological improvements, increase of labor productivity, and thus creation of conditions for inclusive growth.

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INTERNATIONAL LABOR MIGRATION AS AN INSTRUMENT FOR ENSURING THE NATIONAL ECONOMY COMPETITIVENESS ON THE WORLD MARKET

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The modern global economic system has emerged as a result of the international division and specialization of labor and the further development of trade in goods, services and production factors between countries. The share of trade in world GDP has almost tripled from 1960 to 2017 from 24.12% to 57.85% [1]. Such a sharp jump was possible because of the deepening the specialization and the better use by the countries of their competitive advantages.

N. Gruschinskaya [4] notes that similar geographic, climatic, resource and other conditions enforce individual competition between different countries for creating better conditions for producers. Also, N. Grushchinskaya [5] points to the existence of geoeconomic competition, which is conditioned by the similarity of the factor conditions of neighboring countries, which contributes to their specialization in certain sectors. D. Yatskov [6] notes that selecting the enterprise location requires the analysis of the country's factor conditions in order to determine minimum production costs location to ensures the competitiveness of the company and its products in the world market.

N. Krivenko also agree with such view and admit that global producers that create major part of world GDP, on its side, allocate its capabilities in order to get better business conditions with lower manufacturing costs [2].

We focus on manufacturing costs as one of the factors that determines the