

## EXPORT-ORIENTED DEVELOPMENT: THE LIMITS OF GROWTH

Serhii V. Kuzminov, Alfred Nobel University, Dnipro (Ukraine). E-mail: kuzminov@duan.edu.ua

Olena V. Makotkina. Alfred Nobel University, Dnipro (Ukraine). E-mail: elmakotkina@gmail.com

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**Key words:** *countries of South-East Asia, export orientation, nominal GDP, export volume.*

The Ukrainian economic growth strategy through stimulating exports has not made our economy a powerful one yet. The only question is whether this problem is inherent exclusively in Ukraine with its corruption, inefficient state and all other disadvantages that are traditionally accepted to complain, or we are dealing with a limited export-oriented strategy in a broader context. To answer this question, comparative studies were carried out on countries that successfully implemented an export-oriented growth strategy, in particular, countries of South-East Asia and the Far East.

The purpose of the article is to investigate the relationship between export volumes and the nominal GDP of export-oriented countries of the Far East and Southeast Asia: Japan, the Republic of Korea, Malaysia, Indonesia and China. The information base includes the data on nominal GDP and the export volumes of these countries for 30 years from 1988 to 2017 inclusive, taken from open sources. Statistical methods of research were used: correlation analysis and trend design using the least squares method.

The methods used have made it possible to draw the following conclusions:

1. On the basis of the analysis it is possible to put forward the hypothesis that exports serve as a stimulus for economic growth only to a certain extent, after which its stimulus effect ceases. In the case of Japan, this half-trillion exports became the limit. After 500 billionth, the stimulating effect of exports ceased and Japanese further growth of export did not lead to an increase in nominal GDP. As the result, trend in two-dimensional model (export-GDP) has two sectors/ initially it is growing and after 500 billion USD it is changed for horizontal.

2. For the Republic of Korea, the trend also has a growing and horizontal segment, which means that the size of the nominal GDP of the Republic of Korea increased proportionately to exports until the volume of Korean exports reached, again, as in Japan, at \$ 500 billion. The nominal GDP at the point of breaking the trend, however, was four times less than the Japanese, about 1000 billion dollars. Nevertheless, after 500 billionth, the stimulating effect of exports ceased and its further growth installed only fluctuating GDP in the range between 1000 and 1600 billion dollars.

3. Throughout all the array of data for Malaysia and Indonesia, the relation between export dynamics and GDP dynamics is direct. That means, exports serve as an incentive to increase nominal GDP. So, there is no horizontal sector. However, after the 150-billionth export breakpoint, the relationship has become less clear, which is displayed by greater deviations of the actual data points from the trend line. The absence of horizontal sector is easily explained by the fact that the exports of these countries does not achieved even the half of the Korean or Japanese turn points of 500 billion dollars.

4. For China, the 500-billionth milestone was not something special. The positive correlation between GDP and exports continues to exist. However, after 2200 billion dollar edge, braking of relationship between export and GDP has already become noticeable. Obviously, despite size is important, but even for such a unique country as China, the limitation of export as an incentive for the development of national manufacture still exists.

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## PECULIARITIES OF SELF-EMPLOYED POPULATION DEVELOPMENT IN UKRAINE

Marianna V. Kutsevolova, Alfred Nobel University, Dnipro (Ukraine). E-mail: mvd.91@ukr.net

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**Key words:** *self-employed sector, self-employed, non-employed, employed, labor market, taxation.*

The peculiarities of self-employed population development in Ukraine were researched in the article. The main indicators of the self-employment sector for 2009-2017 were analyzed. It has been determined that the number of persons belonging to the self-employment sector (employers, self-employed and free-working family members) decreased by 2.8% from the age of 18 to the total employed population, 5% to 15.7%, reaching its maximum value in 2011 for the period under investigation – 19.3%.

A survey was conducted on the desire to engage in individual activities and highlighted the main reasons that hindered the opening of their own business. According to the results of the survey 85% wanted to work for themselves, 15% already tried to realize this idea and only 8% have their own business. 69% of respondents wish to open their own business in the near future, 31%, however, prefer to work. Highlights of the main reasons for doing business: the ability to work for yourself and control earnings; do your favorite thing; possibility of self-expression and realization of own ideas. But there are some reasons that prevent you from opening your own business. Namely: insufficient funds; self-doubt and indecisiveness; high risk; fear of interaction with the State fiscal service.

The existing taxation system of self-employed persons is investigated, and it is proposed to solve the issue about supporting the sector of the self-employed population, which will lead to an increase of this indicator and will positively affect the state's economy. Among them: 1) to improve the level of society tax culture; 2) to develop a technological platform for each category of persons that will allow easy registration, to find a market for their own products and services; 3) provide acceptable state support through the projects development and the laws adoption on the establishment and settlement of a special legal regime, taking into account the specific nature of the relationship; 4) create a motivational mechanism for supporting the self-employed population on the basis of model formation taking into account the specifics of the labor potential in a particular region.

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## TRANSITIONAL STRATEGIES OF ORGANIZATIONAL CHANGE AND INTEGRATION TRANSFORMATIONS FOR INDUSTRIAL ENTERPRISES

Volodymyr P. Valikov, Alfred Nobel University, Dnipro (Ukraine). E-mail: valikov.v@duan.edu.ua

Viacheslav V. Makedon, Oles Honchar Dnipro National University (Ukraine). E-mail: v\_makedon@ukr.net

Irena G. Kurinnaya, Oles Honchar Dnipro National University (Ukraine). E-mail: kurennaya\_i.g@ukr.net

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**Key words:** *industrial enterprise, production, functional structure, transition strategy, integration transformations, strategic support, enterprise management.*

Defined organizational and economic components of the need to introduce organizational changes in the activities of industrial enterprises. The primary stage of organizational changes and integration transformations is the formation of operational goals for various planning periods: strategic, tactical and operational. The goal of integration transformations is to increase the efficiency of the enterprise.

The necessary and sufficient conditions for the successful flow of organizational changes and integration transformations based on structural, logical, logistic and strategic approaches are highlighted. Within the specified conditions of organizational change and integration transformations, special attention should be paid to the economic, quantitative and qualitative aspects of the analysis. The economic aspect of such changes should reflect the increase in return on invested capital, an increase in profits.

It is proved that the interrelation and interaction of the stages of the formation of the logistics and innovation strategies is the most complex and multidimensional process in creating the organizational and economic system, ensures the adaptation of all its parameters to the external environment during organizational changes.

The substantiation of the types of transitional organizational structures of enterprises during integration transformations has been carried out, and an evaluation field has been introduced for the effectiveness of their use. Organizational structures can turn into each other, depending on the transition strategy defined by the management of the enterprise. Divisional structure can go into a conglomerate or structure with centralized functions. Having a divisional structure, an enterprise can begin acquisitions (integration) of other enterprises that differ in their field of activity. It has been determined that the structures can transform into each other through various transitional strategies discussed earlier, such as joint internal growth, associated diversification, absorption of enterprises of various activities, and taking advantage of the scale of production.

A structure has been developed for conducting strategic planning of organizational changes and integration transformations based on the process approach. When using specific indicators characterizing one or another organizational structure or transitional strategy, it is possible to reasonably determine at which of these levels of development the enterprise is located.

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## FORMATION OF ORGANIZATIONAL AND ECONOMIC MECHANISM OF THE ENTERPRISE RISK-PROTECTION MANAGEMENT

Iryna P. Mykolaichuk, Kyiv National University of Trade and Economics (Ukraine). E-mail: mykirina@ukr.net

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**Key words:** risk, risk-management, enterprise risk-protection, risk-management mechanism, risk map.

The relevance of the research is due to the tendencies of modern practice of crisis management at domestic enterprises, focused on the use of their organizational and economic potential and the use of an effective mechanism for timely and adequate response to risk situations. Creation and functioning of the system of risk-protection at enterprises should be carried out on the basis of an effective organizational and economic mechanism, which synthesizes and integrates the main determinants of the potential of the enterprise, the assessment of which should be based on risk factors.

The purpose of the research is to substantiate the process of formation and functioning of the organizational and economic mechanism of risk-protection of the enterprise in the conditions of dynamic changes of the environment and market transformation.

Research methods. In the process of research, the methods of logical generalization were used, which made it possible to reach the sequence in presenting the points of the conducted scientific research. The method of synthesis and generalization was used in the study of scientific approaches to the essence of risk management and risk-protection; at the completion of the analysis of the risk management mechanism - the inductive method as the logical path of movement general; in the formation of the organizational and economic mechanism of risk management of the enterprise - a method of system analysis; the method of logical association – under the formalizing of conclusions.

Research results. According to the results of the research, the content of “risk management” as a special type of management activity is grounded, which is aimed at effective protection of the enterprise from unwanted logical or accidental circumstances (events), which in the end can negatively influence the work of the enterprise. The essence and place of the risk management mechanism in the enterprise management system is substantiated. The scientific approaches to the essence and significance of risk-protection of the enterprise are analyzed, which suggests to understand the ability of the system to effectively counteract internal and external threats, adequately and promptly change the internal structure in accordance with their permanent variation.

The organizational and economic mechanism of risk-protection of the enterprise in the conditions of dynamic changes of the environment is formed. It is proposed to mean a well-founded set of structural elements, methods, levers, instruments of influence on the object of management with the corresponding resource provision, which is formed after the practical testing of the enterprise risk management system. The characteristic signs of risk-protection of the enterprise are outlined. The emphasis is on expediency of the risk map of the enterprise’s risk-protection management system. The list of data of initial information for diagnostics of risk-protection of the enterprise, the use of which will promote increase of efficiency of functioning of organizational-economic mechanism of risk-protection of the enterprise is given.

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## ON INCREASE OF THE ROLE OF THE TRADE AND INDUSTRY CHAMBER IN DEVELOPMENT OF EXPORT POTENTIAL OF THE REGION

Halyna A. Ryzhkova, Alfred Nobel University, Dnipro (Ukraine). E-mail: gryzhkova@gmail.com

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**Key words:** *foreign trade, industry, chamber of commerce and industry, export potential.*

From the beginning, the article discloses the role of the Chamber of Commerce and Industry in developing the export potential of the region. The activation of mutually beneficial relations with foreign partners on the basis of the constant increase of the export potential of the Dnipropetrovsk region and the development of investment cooperation is one of the priority directions of development of foreign economic activity in the modern geo-economics' space. The export potential of the region today is realized by the growth of the actual volume of foreign trade, which is a competitive advantage of the region's economy.

At the next stage of the study, the directions of practical assistance to entrepreneurs in the implementation of trade and economic agreements in the domestic and foreign markets are determined. So Export Promotion Centres within the chambers of commerce and industry offer regional entrepreneurs who are planning to enter international markets, take advantage of the necessary tools and qualified services that will facilitate export activities. For example, at the expense of the Export Support Committee at the Dnipropetrovsk Chamber of Commerce, operational consultations on profile issues are carried out.

Also, in the near future, with the help of the Dnipropetrovsk Chamber of Commerce and Industry, local producers will have the opportunity to use the tools and potential of the Enterprise Europe Network. This Enterprise Support Network is the largest business support network in Europe and in the world and has about 600 partner organizations in 66 countries worldwide.

In recent years, the cooperation of enterprises of the Dnipropetrovsk region with the countries of Europe, the CIS, Asia and Africa has intensified significantly. The increase in the volume of export operations when entering the markets of Asia and Africa allowed the active development of the confectionery industry in the region.

The latter considers ways to help increase the export of Ukrainian goods and increase the export potential of the region. It should be noted that the alternative for the development of the European market by domestic food industry enterprises is the geographical diversification of export of products at the expense of fast-growing markets in Asia and Africa or the orientation towards the domestic market, which should be supplemented by appropriate state measures for its strengthening and development due to increase of real incomes of citizens, application of effective system of food subsidies based on the best world experience, protection of the domestic producer and the defence of the national interests in the further stages of European integration. Developing export potential of the region and expanding its presence on international markets contributes to increasing the competitiveness of Ukrainian products.

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## MODERN APPROACH FOR DEVELOPMENT OF INNOVATIVE STRATEGY AT THE ENTERPRISE

Hanna Ya. Hlukha, Alfred Nobel University, Dnipro (Ukraine). E-mail: gglukha@duan.edu.ua

Anton I. Zimbaliuk, Alfred Nobel University, Dnipro (Ukraine). E-mail: Anton.Tsimbalyuk@heidelbergcement.com

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**Key words:** *innovations, innovative strategy, management, innovation portfolio, strategic development of the company.*

Under the modern conditions of globalization and economic trends change, Ukrainian business environment usually surrenders to most competitive and up-to-date enterprises of foreign origin. The response of Ukrainian enterprises and organizations to such a milestone demand is in the establishment of different kinds of organizational development, which aims to implementation of advanced innovative technologies.

Despite of substantial studies concerning development of innovative management methodology, the issues related to development of a methodical tool for the formation of innovative strategies in modern organizations that carry out activities in terms of informative society remain relevant.

The present of Ukraine is characterized by a difficult macroeconomic state of the economy, a political crisis and social tension. Unfortunately, these factors have a restraining effect on the innovation activity of enterprises.

In addition to the number of investments attracted, where the negative trend is only seen in recent years, Ukraine has suffered a catastrophic loss of its scientific potential since the proclamation of our country's independence in 1991. This is a fundamental problem for the development of the country's economy as a whole and innovation in particular.

In order to improve the innovation level of industry, first of all, strengthening of the positions of the national economy is necessary. This can be achieved through the creation of a modern competitive sector of high-tech manufacturing and knowledge economy along with the modernization of the energy complex. At the same time, the implementation of such a policy determines the transformation of innovative factors in the source of economic breakthrough, growth, human capital growth as the basis for solving social problems, and improving the level and quality of life of the population.

To launch the innovation process, it is necessary to change the philosophy of the state's economic development from the raw material appendage for more developed economies to a country where intellectual property comes to the forefront as the most valuable economic resource to replace such resources as land, labor force and capital.

The purpose of the article is in the improvement of the approach in development of innovative strategy of Ukrainian enterprises, considering modern techniques and tools that are applied in practice by leading companies of the world, for boosting of key performance indicators of business on mid-term and long-term perspectives.

Current article suggests the approach in development of innovative strategy considering latest practices of modern management, which consists of seven stages: recognition of the path of innovation

development, analysis of company's capabilities, definition of an optimal organizational strategy, formation of a special team, integration of the special team in the company's daily activities and selection of the innovative strategy for market entrance.

Implementation of innovative strategy is a complex process, which requires appropriate qualification of company's top management and time for execution. However, modern management provides effective tools for the implementation and further sustainable development of innovation activities. These tools are in the stepwise performance of the strategy through the basic adoption of the philosophy of innovative activities, the analysis of the current conditions of enterprise, the formation of structure, team and portfolio of innovations, and the selection of the innovative strategy for market entrance.

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## CONCEPT OF MANAGEMENT OF RESULTS AS A BASIS FOR PERFORMANCE OF THE ORGANIZATION STRATEGY

*Olha O. Trut*, Lviv University of Trade and Economics (Ukraine). E-mail: olgatrut@ukr.net

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**Key words:** *execution, efficiency, management, organization, planning, development, result, strategy, performance, management.*

Effective and effective development of modern domestic organizations requires management to justify and implement the organization's strategy. Today, the lack of a strategy makes it impossible for a successful business to run in the long run. The key to the success of the strategy is its implementation, which requires managers of all levels of competence in this matter. Without the ownership of the implementation mechanism and the processes necessary for the implementation of the strategy, it is impossible to succeed.

Transformation of the strategy into results is impossible without strictly adhering to the decisions taken and without implementing actions that determine the implementation of strategic plans. Implementation of the strategy - this is not a small part of the management work; performance determines the very essence of this work. Implementation of the strategy is a key task for all managers, which cannot be transferred to other employees and forget about it.

We share the scientific views of scientists and practitioners who say that the planning and implementation of the strategy are interdependent. Despite the fact that in reality the tasks of planning and implementation can be divided, these two processes are interconnected. Planning influences the implementation of a strategy, which in turn leads to a change in strategic plans over time.

Successful strategic outcomes are achieved when those responsible for implementation take an active part in the process of planning or developing a strategy. For a successful application of the strategy, synchronous perception of planning and execution is required. In our opinion, it is precisely the performance management methodology that helps to correctly and comprehensively describe the strategy of the organization, and then match the personal goals and objectives of each unit with it. despite the fact that many domestic managers do not see the benefits of a direct remuneration link with strategic priorities, they recognize that information on strategy and goal definition greatly contributes to better understanding and approval of the staff of the overall concept of the organization's strategy.

The proven benefits of a performance management system are the integration planning process, resource allocation and budgeting, which is based on a balanced system of indicators.

Knowledge of the sources of danger (capabilities) to implement the strategy is necessary, but one of this knowledge is not enough. A successful implementation of a strategy requires a model or set of guidelines that determine the whole process and the interconnection of key decisions and measures. A roadmap is needed to help managers in the event of problems determine the decision-making process and take advantage of new opportunities. Such a conceptual model of management is very important for success, and we share the scientific views of scientists who recognize the role of such a model, which allows for the achievement of positive results, management effectiveness of the organization.

The key issues and barriers to implementing a strategy for managing managers identified during the study can be overcome by integrating the performance management methodology into a new system of strategic management. The organization's performance management system is the driving mechanism and integrative system of strategic management and day-to-day operations of personnel.

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## MATRIX METHOD OF THE EFFICIENCY LEVEL EVALUATION OF THE MARKETING COMMUNICATIONS COMPLEX OF AN AIRCRAFT

Svitlana A Serhiienko, National Aviation University, Kyiv (Ukraine). E-mail: unisv@ukr.net

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**Key words:** *analysis of communication activities, matrix approach, estimation of the advertising efficiency, marketing communication complexes, matrices of marketing communication complexes.*

Matrix approach to estimation of efficiency of the marketing communications complex, which providing with efficiency estimation of the structure and of order and of ratio to variations of use the elements of communication circulation and the amount of effort and resources expended. Matrix approach of estimation of efficiency is investigated in aviation and applied by the airline and taking into account the features of the use of marketing communications in this area. Evaluation of each element of the advertising appeal is analyzed for impact and effectiveness in relation to the entire complex of marketing communications of the airline. This method also makes it possible to assess its importance relative to the remaining elements of marketing communications, and makes it possible to calculate the overall impact not only on the company's image, but also on the awareness of existing consumers and future customers of the airline. The proposed method can calculate the necessary costs relative to the effectiveness of the use of a certain set of marketing impact tools on the consumer. The use of the proposed methodology allows to optimize the effectiveness of forming a complex of marketing communications and increase the indicators of image and awareness of consumers, as well as calculate the increase in profit and optimize the data based on recommendations for a specific allocation of funds.

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## ECONOMIC DEVELOPMENT OF SUDAN

*Oxana Ie. Chorna*, Modern College of Business and Science, Muscat (Sultanate of Oman). E-mail: ksu.black@gmail.com

*Saida Al-Naamani*, Modern College of Business and Science, Muscat (Sultanate of Oman). E-mail: ksu.black@gmail.com

*Sundus Al-Maskari*, Modern College of Business and Science, Muscat (Sultanate of Oman). E-mail: ksu.black@gmail.com

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**Key words:** *KOF Globalization Index, Political Globalization, Economic Globalization, Social Globalization, GDP, Export, Import, Population, Unemployment, Foreign Direct Investment, Inflation, Tax.*

The article presents the descriptive analysis of level of economic, political and social development of Sudan according to the global trends. An analysis of the country's development trends and the dependence of the national market on the global movements of the world economy will provide an important channel for formulating forecasts for the development of the economy of Sudan.

Sudan is the least developed country in the world, but it stands out among low-income countries in terms of available domestic resources. Sudan is much better off than all other post conflict cases in recent history with a predicted result of over \$185 per capita in Southern Sudan in 2007, compared with Afghanistan (\$5) or Timor Leste (\$22). Despite strong economic growth, the country still faces huge economic problems, as it starts at a level of deep poverty, unemployment and fluctuating exchange rate. With few linkages to other productive sectors of the economy, growth in the oil sector will not raise incomes for the many poor, while pro-poor spending is very low, standing at 3% of GDP compared with an average of 7.5% in Africa.

The economic development of Sudan shows a big fluctuation last twenty years. This is primarily due to the unstable political situation, long military conflicts and serious economic problems. Twenty-year trends show a serious deterioration in the mid-90s despite the presence of large oil fields. Oil production allowed Sudan to increase foreign direct investment in 2012 to more than \$ 2 billion and stabilize inflation at 11%. At the same time, the level of a country's political and economic globalization differs significantly from social globalization. According to the KOF globalization index, Sudan ranks 186 out of 208 countries, being at the very bottom of the list of countries with strict conditions for regulating the social life.

Sudan joined the Arab League in January 19th 1956, after ten days from Anglo-Egyptian rule independence, in 2012 when South Sudan seceded was given the option to join Arab league. The economic situation improved starting from 1961 in Sudan four years after it joined Arab league as GDP shows that it has increased from \$1.307 billion in 1961 to \$117.488 billion in 2017. The inflation rate has dropped with a little of fluctuating from 12.472% in 1981 to 2.192% in 2017. After the independence from the British-Egyptian rule and the joining in Arab League and Council of Arab Economic Unity Sudan government started to work on oil as a major part of income generation which helped in the improvement of the economic situation.

Sudan is developing its significant oil resources. The country's oil exports have increased rapidly since the construction of a major oil-export pipeline in 1999. Exports of hydrocarbon account for 70% of total export revenues. Sudan's energy consumption mix was dominated by oil (93%), with the remainder coming from hydroelectricity (7%). Despite the current difficult political and economic situation, Sudan has been showing stable economic growth over the past five years. Real GDP growth is kept at more than 4%, which is higher than most countries in the region.

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## OVERCOMING OF IMPORT DEPENDENCE AS A STRATEGIC OBJECTIVE OF UKRAINE

Oleksandr A. Zadoia, Alfred Nobel University, Dnipro (Ukraine). E-mail: o.zadoia@duan.edu.ua

Viktoriya S. Kuschova, Alfred Nobel University, Dnipro (Ukraine). E-mail: kviktoriya2@yandex.ua

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**Key words:** *export, import, trade balance, import dependence, import substitution, critical import.*

The article is devoted to the analysis of the scale, threats and ways of overcoming the import dependence of the Ukrainian economy. It is revealed that the negative consequences of excessive import dependence are shown in the following:

1. A large part of domestic demand is met at the expense of imports, which adversely affects the development of domestic production, exacerbates the problem of unemployment and reduces the rate of economic growth.

2. Excessive demand in foreign currency for the purchase of imported goods with limited revenues from exports poses a threat to the stability of the national currency and provokes foreign currency borrowing.

3. The dynamics of the Ukrainian economy directly depends on the dynamics of prices for the main export and import goods. Since they are beyond national influence, it can be argued that the country's development is almost entirely dependent on external factors. This is especially dangerous in the context of the expected global financial and economic crisis.

4. Since net exports are one component of the calculation of GDP by income, its negative value directly reduces gross domestic product, worsening and other macroeconomic indicators.

The problem of import dependence should be solved in three interrelated ways:

- The refusal of non-critical import and its replacement by national production.

- Ensuring the rational use of critical import goods through its comprehensive economy and structural adjustment of the economy.

- Development of domestic production at a faster pace, which will reduce the share of imports in GDP and reduce its dependence on external factors.

The problem of overcoming import dependence, which is threatening the Ukrainian economy, requires an integrated approach to the development of an appropriate state program of action. It cannot be solved in a short period of time, because it requires a system of measures related to changes in legislation (rules of the game), practices of its application, and certain changes at the value level. At the same time, the combination of two distinct areas of activity (import substitution of non-critical imports and rational use of critical import goods) can bring tangible results in a year or two.

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## EVALUATION OF THE STATE OF LABOR MIGRATION OF UKRAINIANS

*Iryna S. Shkura*, Alfred Nobel University, Dnipro (Ukraine). E-mail: i.shkura@duan.edu.ua

*Tetiana O. Scherbinina*, Alfred Nobel University, Dnipro (Ukraine). E-mail: tanyatanyasherbinina@gmail.com

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**Key words:** *international migration, migratory processes, structure of migratory movement.*

Ukraine is one of the ten countries with the fastest population decline. According to the EU forecast, by 2050 the population of Europe will be sharply reduced. The population of Bulgaria, Latvia, Moldova, Ukraine, Croatia, Lithuania, Romania, Serbia, Poland and Hungary is estimated to decline by more than 15%. That is, they are mainly Eastern European countries (with several in Central and Northern Europe).

The number of arrivals and departures over the 2010 to 2017 period in Ukraine was analyzed. In 2012, it's could be seen a sharp increase in the number of immigrants to the country. They were mostly immigrants from Russia, who moved to live in Ukraine. The next group of immigrants are the Ukrainians who were looking for a better life in the country of the Eastern neighbor, but decided to return. Another group of immigrants are citizens of the United States and Western Europe, who brought their employees in connection with the entrance to the national market of a large number of foreign companies, as well as representatives of international organizations. The increase in the number of departures and arrivals from (to) Ukraine has been happening since 2016, due to political instability in the country.

Poland is the most favorable and the most popular country for legal employment of Ukrainian citizens among neighboring countries over the past three years. The second place was taken by Russia, the third – Hungary. The intentions of Ukrainian citizens changed in 2017.

The number of Ukrainians working in Poland decreased from 36% to 22%, while the number of people wishing to work in Germany increased to 23%, the number of people wishing to work in Russia decreased from 25% to 6%.

The majority of labour migrants aged 25–49 are those who already have some work experience and qualifications and, last but not least, they maintain a high level of productivity.

We draw attention to the fact that men begin to be involved in labor migration earlier, namely from the age of 25, while women from the age of 35. On the other hand, if men at the age of 50 sharply reduce migration activity, among women in the pre-retirement and younger retirement age there is a fairly high level of participation in labor migration. The reason for this is that male migrants are predominantly engaged in heavy physical work, while women are engaged in jobs that do not require significant physical effort.

The short-term labor migrants are dominated among the categories of migrants, accounting for 631.8 thousand persons. The number of labor migrants who returned to Ukraine is 562.8 thousand persons, and the number of emigrant workers who worked abroad for 12 months or more, was 108.7 thousand persons. Among the categories of migrants in the host country, the number of short-term migrants in Poland is 45,2%, in the Russian Federation – 35,4% – the number of migrant workers who returned to Ukraine, emigrant workers are dominated in Italy (44,1%), the short – term migrant workers are dominated in the Czech Republic, accounting for 12,1%.

Thus, external labour migration can be characterized as follows:

- labour migration by age structure is more common among men;
- the short-term labor migrants (631.8 thousand people) are dominated among the categories of migrants;
- the largest destination countries of the domestic labor force are Poland (38.9%), Czech Republic (9.4%), Italy (11.3%) and Russian Federation (26.3%)
- there is uneven development of regions of Ukraine (69.4% of the economically active population is involved in labor migration in the West, while in other regions less than 10%).



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