

### UKRAINE IN THE SYSTEM OF INTERNATIONAL ECONOMIC RELATIONS

*"The changes taking place in our lives are the result of our choices and our decisions" (The Wisdom of the Ancient East).* The purpose of the prepared abstracts of the report for the III International Scientific and Practical Conference "Business, Innovation, Management" is to present the evolution of political and socio-economic transformations in Ukraine and the leading countries of the world, to establish the main success and failure factors in the implementation of transformation processes in economic systems. In the study of problem situations in the economy, we adhere to approaches based on laws, patterns, trends, i.e. on regular and stable relationships in the quantities, properties and phenomena of the objects of study in the process of their change and development. Considering the problems of socio-economic development over the years of Ukraine's independence, we subconsciously have a desire to draw parallels with certain events that took place in the historical territory with the center in Kiev (Ancient Russ, UNR, Ukrainian SSR). For example, we should not forget that the original 50 members of the UN, along with the leading world powers, were joined by some countries that did not have formal independence, including the Ukrainian SSR, the Byelorussian SSR, Canada, New Zealand, the Union of South Africa, the Philippines and some others.

In our opinion, every person, every country should focus on victories, achievements, and leadership in their life. Long before the signing of the Agreement between Ukraine and the EU, which provided assistance to Ukraine in ensuring a stable, prosperous and democratic future for its citizens, the author prepared an article entitled "Ukraine: if in the EU, then in the lead or outsiders?" [one]. Based on similar approaches, the author decided to analyze the success factors of the world's leading economies over the past hundred years, including the place and role of Ukraine in the global economy (Table 1). To study the development dynamics of the TOP-10 largest economies, 3 fragments were taken in time: 1913 (the most successful year before the First World War), 1990 (on the eve of the collapse of the USSR and the entire socialist camp) and 2020 (taking into account the latest statistical GDP data). The main indicator for comparing the economic potential of the leading countries is GDP. It is known that this indicator reflects the total value of goods and services that were produced in the country for a certain period of time, usually for a year. In other words, GDP reflects economic power, the level of productive forces and industrial relations, economic activity and the quality of life of the country's population.

Table 1 – TOP-10 world economies by GDP (nominal) in 1913, 1990, 2020, \$billion

The country	GDP,1913	Country	GDP, 1990	% to WGP	Country	GDP, 2020	% to WGP
1. Great Britain	986	USA	5979.6	26,3	USA	20937	24,72
2.USA	917	USSR	3659.5	16,1	PRC	14723	17,38
3. Russia	464	Japan	3140.7	13,8	Japan	5058	5,97
4.Germany	440	Germany	1592.7	7,0	Germany	3846	4,54
5.China	428	France	1278.7	5,6	G. Britain	2708	3,10
6.France	299	Italy	1177.1	5,2	India	2623	3,10
7.Austria-Hungary	177	G. Britain	1094.0	4.8	France	2603	3,07
8.Japan	163	Mexico	534.2	2,4	Italy	1886	2,23
9. Italy	162	Brazil	534.0	2,4	Canada	1643	1,94
10.Netherlands	123	Canada	533.1	2,4	R. Korea	1631	1,93
-	-	Ukraine	293.0	1,3	11. Russia	1483	1,75
-	-	-	-	-	55.Ukraine	155	0,18
-	-	World	22699	100	World	84705	100

*Source: compiled by the author based on [2]*

It is not difficult to notice that among the leading countries for not decades, but centuries, there have been no special changes. We are talking about countries that are members of the G7 and G20 groups. After the collapse of the Austro-Hungarian Empire (17.10.1918), Czechoslovakia proclaimed its independence, as well as the State of Slovenes, Croats and Serbs. Countries formerly part of the Austro-Hungarian Empire are now members of the EU (with the exception of Serbia). After the first and second world wars, as well as after a long civil war, China was reborn. Now in terms of GDP, China is second only to the United States, and in terms of production, exports, GDP (PPP) and other indicators, it confidently occupies the No. 1 position in the world.

*"Concordia parvae res crescent, [discordia maximae dilabuntur] (Lat.). – "In harmony, small states (small deeds) grow, [with discord, great ones collapse]"*. The given Latin aphorism refers directly to Ukraine. After the partitions of Poland, the uprising of the Zaporizhzhya Cossacks under the leadership of Bogdan Khmelnytsky, part of the territories of present-day Ukraine after the convocation of the Pereyaslav Rada (1654) became part of

Tsarist Russia. In 1772-1795. Right-bank Ukraine, Volhynia and Podolia were included in the Russian Empire. After the October Revolution (1917), first the UNR was proclaimed, then the UNRS, the Ukrainian SSR. The history of modern Ukraine dates back to the Independence Day (08/24/1991). As of 1990, the Ukrainian SSR's GDP was \$293 billion, or 1.3% of the world's gross domestic product (GDP). After 30 years, in 2020, Ukraine's GDP amounted to 155 billion dollars (0.18% of GDP). According to the World Bank, in the list of countries by GDP (nominal) among 200 countries and territories of the world, Ukraine ranks 55th [2].

The collapse of the USSR, which in 1990 was No. 2 in the world ranking in terms of economic potential, led some of the 15 former republics to successful development (primarily the Baltic countries), and Ukraine and a number of other post-socialist states to lower rates of economic development. The reasons are different. Among them is the ill-conceived, hasty fascination with the well-known recommendations of the Washington Consensus: privatization of state property, deregulation of the economy, liberalization of foreign trade, access to foreign direct investment, and so on. [3] The key principles in the reform of the economy were the predominance of the role of market mechanisms and a significant weakening of the influence of the state on economic relations. It is impossible not to note such an important reason in the underdevelopment of the economy as the continuation of the military conflict in the east of the country, which during this period caused increased concern. Serious factors that hinder the implementation of socio-economic transformations in the country are: the degradation of traditional industrial sectors (aviation, shipbuilding, automotive industry, machine tool building, instrument making, chemical engineering, etc.); loss of CIS markets; outflow of foreign capital, corruption. The fall and/or growth of the Ukrainian economy is significantly affected by cycles of demand (growth/fall in prices) for the main export positions: agricultural products, ferrous metals, ores.

*"If we stop offering new solutions to keep up with consumer demands and technological advances, we could be forced out of business at any time"* (Jeff Rakes, president of Microsoft's Business Division). For many years, an innovation-investment model of economic development has been declared in Ukraine at all levels. The result is known: the country is increasingly immersed in the role of a raw materials appendage of the EU, the world economy. At the end of 2021, Ukraine carried out foreign trade operations with partners from 235 countries of the world. In the national security strategy, along with NATO and EU member countries, 10 states are designated with which Ukraine intends to develop "comprehensive cooperation" and "strategic partnership." This list of states includes: the USA, Britain, Canada, Germany, France, as well as Azerbaijan, Georgia, Lithuania, Poland, Turkey. The second group includes countries with which it is planned to build "partnerships". This group of countries includes "other states of the Baltic and Northern Europe." "Pragmatic relations" are planned to be established with Moldova and Belarus. "Mutually beneficial economic cooperation" is planned to be built with the states of Asia, the Middle East, Africa and South America.

Unfortunately, it should be noted that there have been no significant changes in the structure of Ukraine's trade balance for many years. The country continues to export products with a low level of processing: iron ore, grain and sunflower oil, metallurgical semi-finished products. We import, first of all, energy carriers (oil, gas, gasoline, etc.), as well as cars (including Europlates), mobile phones, agricultural and computer equipment. At the end of 2021, the structure of exports of goods is as follows: ferrous metals (20.46%); cereals (18.10%); ores, slags and ash (10.45%); fats and sunflower oil (10.33%); electrical machines (4.53%); seeds and fruits (3.58%); wood and wood products (2.74%); animal feed (2.55%); ferrous metal products (1.86%); furniture, bedding 1.54%); other goods (23.18%). In the commodity structure of exports of agricultural products, sunflower oil (25.2%), corn (23%) and wheat (13.9%) are the most important. The main consumers of sunflower oil are the EU countries (Netherlands, Spain, Italy, France, Great Britain) - 32.0%, India - 30.5%, China - 15.3%, Iraq - 5.1%, other countries - 17.1 % [4]. In 2021, Ukraine exported the most goods to China (\$8 billion), Poland (\$5.23 billion) and Turkey (\$4.14 billion). The main commodity items of Ukrainian imports last year were: mineral fuels, oil and products of its distillation (\$14.33 billion), machinery, equipment and mechanisms (\$14.20 billion), products of chemical and related industries (9.74 billion dollars). In 2021, Ukraine imported the most goods from China (\$10.97 billion); Germany (by \$6.28 billion) and the Russian Federation (by \$6.08 billion) [4]. According to the State Statistics Service in 2021 compared to 2020 exports of goods increased by 38.4% to \$68.09 billion, imports - by 34%, to \$72.82 billion. The balance of foreign trade in goods was negative and amounted to \$4.728 billion. In 2020, this figure was also negative and amounted to \$5.144 billion [5].

#### References:

1. Gerasymchuk V.H. Ukraina: yesli v YES, to v lidery ili autsadyry? Management and Engineering'13: Proceedings XI International Conference, Sozopol, Bulgaria, June 23-26, 2013. Vol. II. Sofia, TU-Sofia, 2013. P. 871-880.
2. List of countries with the largest historical GDP. URL: [https://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_largest\\_historical\\_GDP](https://en.wikipedia.org/wiki/List_of_countries_by_largest_historical_GDP)
3. Pakhomov YU.N. Natsional'nyye aspekty restrukturyzatsii global'nogo prostranstva. URL: <https://webcache.googleusercontent.com/search?q=cache:1oFJhjHBkhAJ:https://jrn1.nau.edu.ua/index.php/SR/article/view/4691/4807+&cd=2&hl=ru&ct=clnk&gl=ua>
4. Golovn'ov C. Sirovinna yekonomika. Shcho kupovala i prodavala Ukraïna v 2021 rotsi. URL: [https://biz.censor.net/resonance/3310713/syrovynna\\_ekonomika\\_scho\\_kupuvala\\_i\\_prodavala\\_ukrayina\\_v\\_2021\\_r\\_otsi](https://biz.censor.net/resonance/3310713/syrovynna_ekonomika_scho_kupuvala_i_prodavala_ukrayina_v_2021_r_otsi)
5. State Statistics Service of Ukraine. URL: <http://www.ukrstat.gov.ua/>