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PROBLEMS OF SOCIAL AND ECONOMIC DEVELOPMENT OF THE IVANO-FRANKIVSK REGION AND WAYS FOR THEIR SOLUTION UNDER DISPROPORTIONS OF ECONOMIC GROWTH

Consider revising of problem. Effective socio-economic development of Ukraine and increase of level of her competitiveness on a world arena envisage active and stable development of her regions. Organization of management socio-economic processes in regions must come true at the terms of combination of national and regional interests; to be based on a perfect legislatively-normative base and functioning of effectively operating executive structures and organs of local self-movement, that is able to conduct economic transformations. Displacement of accents of public policy from the centralized management on a regional level, which is accompanied by delegation of imperious powers to the organs of local self-movement and organs of regional management, opens wide possibilities for providing of the balanced socio-economic development of regions of Ukraine. However, existence of considerable interregional differentiation of terms of such development testifies that they practically are not used today both on state and regional levels [1, p.14].

Existent differences in the levels of socio-economic development of regions have substantial influence not only on the rates of reformation of every region in particular, on terms in that reformation of country comes true on the whole but also at choice strategy of management regional development.

Analysis of the last researches and publications. The most ponderable contribution to the study of modern problems of regional economy and politics, research of features of socio-economic development of regions, existent territorial disproportions was carried out by such scientists, as: Z. Varnaliy, V. Geyets, B. Danilishin, E. Kachan, D. Lukyanenko, A. Mokly, S. Shults and other. However far of questions and until now it remains unsolved, to what considerable disproportions testify in a dynamics and progress of production and consumption trends, and also in the state of affairs of market.

Statement of the problem. Efficiency of functioning of economy of Ukraine largely depends on the level of socio-economic development of her regions. The current factors of the economy growing of regions have considerable limitations, that restrain a construction highly competition national economy close to the economies of the developed countries of the world. However, it should be noted that a modern socio-economic situation at regional level substantially became complicated as a result of influence of world economic crisis [2, p.77].

The aim of this research are a study of features of socio-economic development of the Ivano-Frankivsk area, determination of existent problems and development of complex of the measures sent to their decision and achievement of primary strategic purposes of regional development.

Summary of basic material investigations. The features of socio-economic development of region are conditioned by individual descriptions of territory, it is possible to take to that: progress of region trends presently; variety of historical, natural, socio-economic, political factors; economic specialization; complexity and perspective of development, him competitive edges; a place and value of region are in the system of territorial division of labour, integration processes et cetera. It's worth designating that the strategic aim of our region development is permanent increasing of people's prosperity based on rational use of the available resource potential, establishing the regional effective, socially oriented economic system, favorable conditions for entrepreneurship and ensuring the environmental safety.

There are factors that contribute to the effective development of Ivano-Frankivsk region and facilitate achieving key strategic objectives. They are: a favorable geographical position, which opens great opportunities for the development of inter-regional economic relations and cross-border cooperation, significant reserves of mineral resources, well-developed industrial base, scientific and technical infrastructure, availability of investment sectors, manufacturing plants ability in producing end-use products, high level of competitiveness of petrochemical, wood, textile and machinery products.

The economy of the region has industrial and agricultural character. There were established powerful mining, petrochemical, wood clusters in the industrial sector. Important aspects of industrial activity are also producing electricity (Burshtyn TES, Dobrotvir TES, Kalush TES), machine building, food industry, production of construction materials. It should also be added that during recent years the contribution of the industry in creating GVA field is kept stable at about one-third. Moreover, the regional industry is dominated by private sector, whose share in the total production of more than 96%. However, despite of the existing production capacity, Ivano-Frankivsk region does not play a significant role in formation of the economic potential of Ukraine. Share of the region in the national industrial production is 1.8%

At the present stage of economic development, Ivano-Frankivsk region is characterized by unfavorable structure of GRP, which determined mainly by the production of low value-added, high-energy

and low investment potential of enterprises. The dynamics of the GRP and the gross value added (GVA) per one person in the period from 2007 to 2011 has linear character with the prevailing tendency to increase, that indicates the progressive development of low rates. Reducing of these parameters occurred in 2009 due to the global financial crisis. Keeping current trends in socio-economic development of the region could lead to a general slowdown in economic growth and the rate of growth in living standards in the region.

During 1996-1998, there was a decline in GVA of Ivano-Frankivsk region, and only in 1999 started a period of economic stabilization in the region. In 2001 the physical volume of gross value added increased by 7.9% (in general in Ukraine - 13.6%), and in 2003 by 14.4%. In the following years the growth of this indicator is not such a dynamic like before. Thus, in 2005 it increased by 2.7%. As a result of 2008 there was a decline in volumes of GVA by 2.9%, and in 2009 by 8.4% (in the Ukraine - 12.6%), leading to a decrease of the region's share in gross value added Ukraine from 2.2% to 1.8%. In subsequent years, the rate began to increase gradually.

According to the structure of gross value added by sector, the dominant sector of the Ivano-Frankivsk region is a service industry, particularly in 2011, more than half (58.9%) of the gross value added of the region was created in this area. This is largely due to a high share of such activities as trade (15.1%), transport and communications (10.5%), education (8.4%), public administration (6.2%), health care (4.9%), finance (5.1%). Furthermore, in 2011 compared to 2005 GVA of Ivano-Frankivsk region has changed toward declining of share of manufacturing (from 20.6% in 2005 to 10.2% in 2011), the production and distribution of electricity (from 9.2% to 6.4%), agriculture (from 13.7% to 12.7%) and construction (5.8% to 4.3%), which also was accompanied by growth in the share of trade (as from 9.5% to 15.1%), public administration (from 4.2% to 6.2%), education (from 6.3% to 8.4%).

The basic problems of development of industry of the Ivano-Frankivsk area is high degree of dependence of work of separate industries from supplying with goods made on commission (energy materials, oil and products of its distillation, light industry); worsening of a particular branch pattern of industrial production and diminishing of specific gravity of industries which create a considerable value added. So, if in 1990 specific gravity of engineer in the general volume of industrial production of area was 20,5%, in 2012 only 3,2%, woodworking industry according to 13,2% and 7,0%, light – 16,2% and 1,5%. And part of electro energy in an industrial production grew to 34,7% against 10,7% in 1990, chemical and petrochemical to 18,5% against 14,1% accordingly [5].

Table 1

Basic indexes of socio-economic development of the Ivano-Frankivsk area

	Index	Year				
		2007	2008	2009	2010	2011
1	A gross regional product is on a 1 wasp, UAH.	10055	12940	12485	14814	1569
2	Gross value added, million a UAH.	9952	12412	15874	15645	18524
3	Index of industrial production%	95,9	78,5	77,4	100,2	103,8
4	Volume of the realized products in operating prices all, thousand UAH .	11628,5	2413285,6	2537339,0	2962843,9	4302293,1
5	Financial result of enterprises that got a loss, all, thousand UAH	93664,6	867948,3	874833,0	732143,8	604283,5
6	Index of c/g of products	102,7	93,2	103,5	100,6	103,8
7	Volume of investments in the fixed assets in actual prices one 1 wasp, UAH.	2900,4	4314,1	2501,1	3094,3	2602,1
8	Volume of direct foreign investments, all, thousand dollars of the USA	136670,2	480771,7	500446,5	635070,1	512454,0
9	Export of commodities, millions of dollars of the USA	917,1	1005,5	721,7	336,0	507,6
10	Import of commodities, millions of dollars of the USA	703,4	789,0	790,0	256,2	652,0
11	Balance, million dol. of the USA	213,7	216,5	-68,3	79,8	-144,4
12	Introduction is to exploitation of general area of accommodation, thousand m	455,5	516,6	380,6	600,0	580,3
13	Volume of the executed construction-works	127,6	90,0	40,1	53,6	150,2
14	Turn of retail business, million a UAH	7887,3	780,9	867,9	938,6	1217,4
15	Unemployment(on methodology of МОП)rate	8,0	7,9	9,0	8,2	8,7
16	Average monthly salary of one regular worker, UAH	1180	1543	1627	1927	2213

Source: [5]

Another problem of socio-economic development of region are low rates of update of technological base and high level of wearing out of the fixed assets. The investment complex of the Ivano-Frankivsk area needs

serious support in creation of favorable investment environment. The general volume of investments in the fixed assets of both central and local power is insignificant and has a tendency change. So, in 2008 a volume of capital investments due to the state budget was 7,1 %, in 2009 reduced to 3,9%, and in 2011 grew to 6,8% from all capital investments. Due to a local budget in 2008 it was mastered 4,8%, and in 2011 – 3,1% investments in the fixed assets. The own money of enterprises and organizations (in 2011 they were 47,3% general volume of capital investments) and money of population on building of own habitation came forward the basic sources of investing (22,0%). Most investments in the fixed assets in 2011 directionally in development of organizations which carry out operations with the real estate, lease, engineering and grant of services businessmen (40,3%), in industry (19,9%), transport and connection (15,9%) [5]. The insufficient investing of economy of region does not assist development of productive forces to providing of competitiveness of products, does not create necessary terms for an effective reproductive process in the economies of region.

Fully obviously, that in the present state the economy of region is not able to speed-up modernization and reduction of level of differentiation of regional development. On such conditions, level of competitiveness and place of the Ivano-Frankivsk area in the modern socio-economic system of Ukraine the structures of its economy closely associated with transformation on to the innovative investment to basis.

The important strategic resource of region are direct foreign investments the volume of which in 2012 was 618,8 million dol. (449,3 dol. is on one person). By comparison to a previous year this index was increased on 20,7%. The investors of area are nonresidents from 56 countries of the world. To five basic countries-investors on which is 74,8% general volume of direct foreign investments belong: Netherlands – 32,8% (202,6 million dol.), Cyprus – 23,1% (143,1 million dol.), Italy – 6,6% (41,0mln. dol.), Serbia – 6,2% (38,6mln. dol.), Denmark – 6,1% (37,5 million dol.), Poland – 5,9% (36,2 million dol.) [5].

By the near-term users of investments in a region there must be enterprises which did not exhaust potential of development and after the technical descriptions or produced products have prospects of going into an internal and external market, carry out modernization and master the production of new types of products of able to compete not only at the national but also on world, market. So, in 2012 the lion's share of direct foreign investments in the Ivano-Frankivsk area entered processing industry and was 75,5%, from them in chemical and petrochemical industry – 34,4%, food – 18,8%, engineer – 6,7%, light – 3,3%. Part of foreign investments in development of agriculture of region was 13,9%. Priority of investing of chemical and petrochemical industry is determined developed of this sphere of production, possibility of maximization of income on the inlaid capital, real solvent demand and high potential capacity of market. The most ponder-able obstacles of bringing in of foreign investments in the economy of region is imperfection of current legislation, permanent changes in the levels of custom payments, existent tax system and political instability, absence of perspective investment projects.

The attractiveness of region for investors depends also on the size of external economy, which arises up due to development of infrastructure in a region. Regional power which is interested in the receipt of profits must be instrumental in bringing in of capital in re-erecting of a production, transport and social infrastructure, which will provide the display of effect of external economy. At the terms of low rates of development of infrastructure the organs of regional management will not be able to retain a capital [6, p.294].

Another important index which characterizes the level of socio-economic development of the Ivano-Frankivsk area there is employment (unemployment) of population. The effective functioning of regional economy is possible only on condition of achievement of adequate amount and quality of lab our resources, character of production, him to the territorial structure which is represented in the structure of workplaces. The decline of production volumes, financial instability, reducing the number of jobs, resulted in the increase of amount of unoccupied population. If in 2008 a registered unemployment (on methodology of MOP) rate was 7,9%, in 2011 – 8,7%.

It should be noted that a situation with employment of unoccupied population remains sharp enough. Suggestion of lab our force is greater from demand on it. As a result of this loading into one free working place is grows. So, if in 2005 this index made 17 persons, in 2010 he grew to 74 persons, and in 2011 – reduced to 38 persons. Among unemployed persons a greater half (51,9%) is made by women, third (35,9%) young people under age 24 [5].

So, for providing of effective socio-economic development of region, overcoming of existent disproportions, necessary is: government control, legitimate, regional initiative and regional implementation, specific targeted character of measures which are developed systematic approach taking into account all kinds and methods of state support of concrete region, responsibility and control, orientation, focus on program-targeted methods of problem solving in the conditions of transformation public relations.

Moreover, it is necessary to refuse from the mechanism of regional policy with a strong "distributing" priority in behalf of backward and depressed areas. The most effective mechanism for regional development is establishing a legal framework for increasing efficiency of use of domestic capacity by territories for strengthening their competitiveness, and thus, the elimination the backwardness.

Figure 1 shows a diagram of the process of formation and implementation of a set of measures aimed at solving problems of the socio-economic development of the region. The basis of the presented scheme is to develop strategic goals for the region. The content of goals must meet the objectives in solving main problems of regional development. Priority of objectives also predetermined by the possibility of the fastest implementation (getting quick profits, attracting a significant number of the workforce, improving the

living standard of the population). Common resolution of these objectives will primarily allow to achieve certain social and economic indicator of development of the region, promote economic restructuring, business development, reduction of shadow turnover in small and medium-sized businesses, solution of the problems of unemployment and saturation of the market with goods and services, will have a positive impact on ensuring a high level of interaction between all structures of governance, business subjects and people.

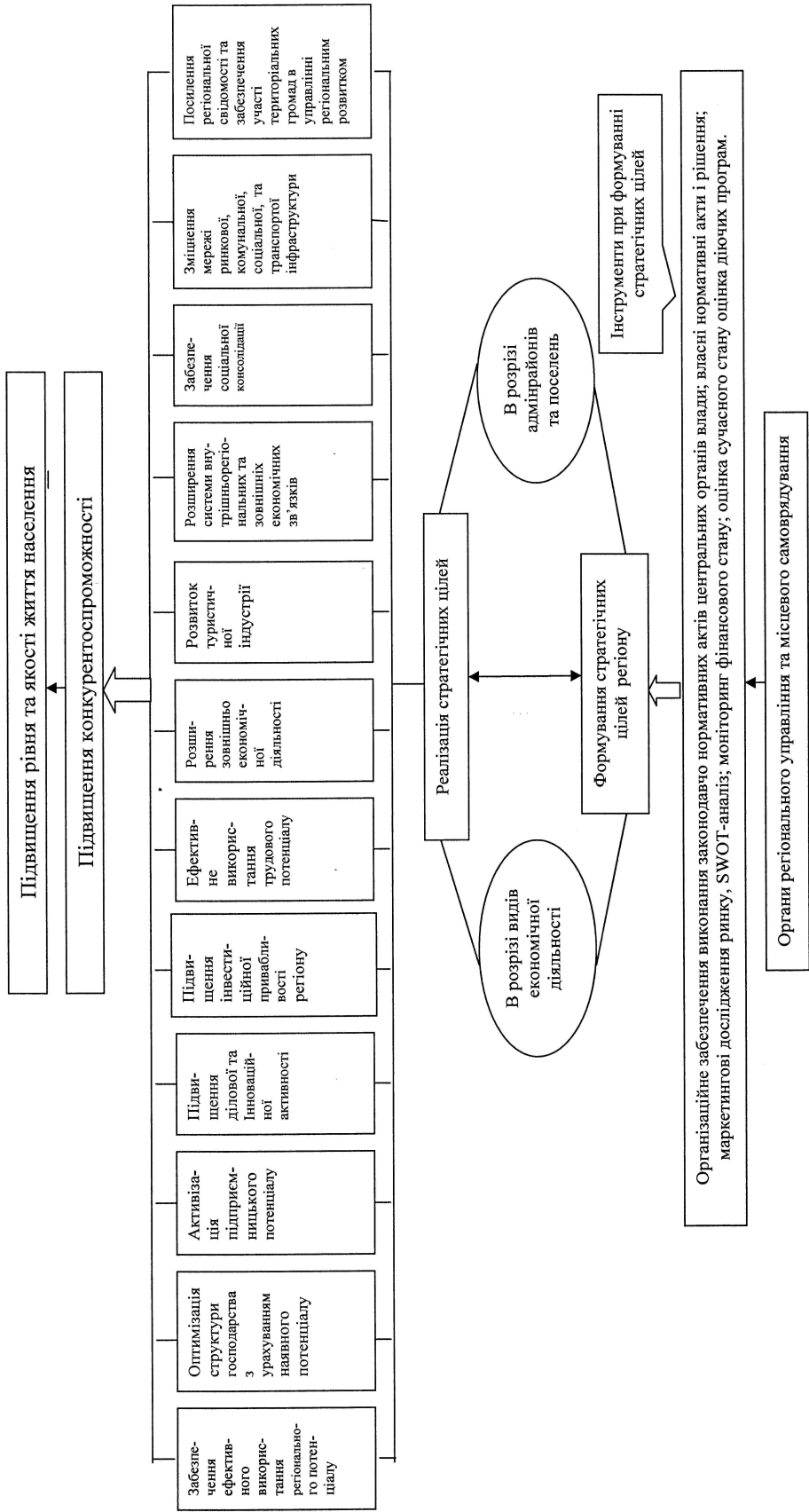


Рис.1. Схема процесу формування та реалізації комплексу заходів при вирішенні проблем соціально-економічного розвитку регіону

It should be added that regional authorities realize organizational implementation of execution of legislative and normative acts of central government, develop regulations and decisions on the regulation of economic relations, conduct market researches of competitors, SWOT-analysis, monitoring the financial condition, etc.

- availability of the clear system of administrative subdivisions, which influence on determination the conditions of regional functioning ;
- attraction to the proceedings of managing all the subjects of ménage and the community;
- coordination of economical interaction of the state and the region to ensure the regional development interests;
- revitalization of the usage of communication resources of the society.

The conclusion of this research. The availability of problems in economic and social development of the region requires the improve of public policy in the sphere of regional development, its appropriate legal, organizational, economical mechanism, determination of a long-term strategy of the economic and social development of the region and the development of the system of measures:

- providing an effective using the regional potential based on its real valuation, that will let to neutralize weak sides of the economic and social development and intensify the strong ones;
- optimization of the regional economy structure considering the local resources of raw materials and the available industrial potential and working out the conditions to arrange the manufacture in the economically retarded regions, that will provide constant development;
- intensification of the entrepreneurial potential and the creation of the financial supporting of enterprising structures system development;
- improving the businesslike and innovative activity based on an interaction of the municipal government, industrial enterprises and active economic population, that will promote the development infrastructure of the region, goods market and securities;
- increasing an investment attractiveness of the region that will promote the introduction of innovative technologies and the methods of solving the economic and social development problems of the region;
- efficient usage of labor potential by stimulation the employment on the primary labor market and in unconventional activities;
- expansion of the foreign economic regional activity;
- development of the tourism industry based on an effective usage of natural and recreational potential;
- strengthening of the commercial, municipal, social and transport infrastructure on purpose of providing comfortable vital environment;
- providing with social consolidation for the purpose of minimization of social effects of restructuring of the regional economy;
- strengthening of the regional consciousness of the population, that will give an opportunity to actualize its potential and provide a part of the territorial community in the management of regional development.

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Simkiv L.E., Kliveta N.A., Kliuba E.Ya. PROBLEMS OF SOCIAL AND ECONOMIC DEVELOPMENT OF THE IVANO-FRANKIVSK REGION AND WAYS FOR THEIR SOLUTION UNDER DISPROPORTIONS OF ECONOMIC GROWTH

Purpose. The aim of the article is to study the peculiarities of social and economic development of the Ivano-Frankivsk region, definition of existing problems and the elaboration of the set of measures, directed to their deciding and attainment of the main strategic objectives of regional development.

Methodology of research. The following methods of economic studies were used according to the assigned goal: analysis and synthesis, abstract and logical, dialectic and system analysis – for processing the theoretical and methodological regulations; summing up of the literary sources, forming conclusions; economical and statistical analysis – for analysis of social and economic development of the region in the dynamic of identifying the trends, factors of influence on effective regional development and the attainment of the main strategic objectives; monographic – for the detailed study of phenomena, processes, leading practice; comparative analysis – for estimate of the economic efficiency of the region branches functioning.

Findings: The conducted analysis of the features the social and economical development of the Ivano-Frankivsk region has allowed to identify the main problems of the economics progress associated with a high degree of dependence the work of some branches from supply of customer's loaned raw materials; the deterioration the branches structure of industrial production and a decrease a unit weight of branches that create significant added value, low rate of upgrade the technological base and a high level of depreciation of fixed assets; unfavorable investment environment. Having problems in social and economical development of the region requires improving of public policy in the area of regional development, its applicable legal, organizational and economic mechanisms, determining the long-term strategy for the social and economical development and the development of a set of measures.

Studies show that at the present state the economy of the region is unable to rapid the modernization and reduce the level of differentiation of the regional development. According to these conditions, the level of competitiveness and place of Ivano-Frankivsk region in the current social and economical system of Ukraine are closely related to the transformation of the structure of its economy on innovating and investment basis.

Originality. Conceptual foundations and recommendations for implementing a set of measures for solving the problems of the social and economic development of the region have been elaborated, the reduction of existing territorial disparities, aimed at further development of theoretical and practical principles for managing by the innovation and investment processes of regional development and the achievement of the main strategic objectives.

Practical value. The main provisions of the research can be applied in the practical work of regional administrations and the local self-government. These measures and conceptual provisions may support the implementation of innovative solutions that are necessary for ensure effectiveness in attainment the objectives and tasks of regional development.

Key words: social and economic development, regional development, regional potential, investment potential, strategy of management, strategic objectives.