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STRATEGIC COURSE OF UKRAINE FOR EUROPEAN INTEGRATION: ACHIEVEMENTS AND UNSOLVED PROBLEMS

Dr. Econ. Sc. Vasyl H. Gerasymchuk, FMMNTUU "Igor Sikorsky Kyiv Polytechnic Institute", Kiev, Ukraine

Abstract - the sources, state and prospects of the strategic course chosen by Ukraine for integration into the European Union are considered. The analysis of disintegration processes associated with the collapse of the Soviet Union and the rupture of traditional economic relations of Ukraine with the CIS countries and the EAEU is presented. The results of the implementation of the economic part of the Association Agreement between Ukraine and the EU are evaluated. Attention is drawn to the need to further deepen trade relations with the EU, simplify customs procedures, strengthen environmental measures, digitalize the economy and introduce an "industrial visa-free regime". In the foreign economic policy of the state, it is recommended to draw lessons from Brexit with an orientation on the use of the principle of cyclicity in the development of socio-economic systems.

Keywords: brexit, crisis processes, economic and monetary union, scenarios of the possible development of integration / disintegration, strategic course, Ukraine's European integration.

Introduction. «*Historia est testis temporum, lux veritatis, vita memoriae, magistra vitae, nuntiatrix futuri*» (Lat.). – *History is the witness of times, the light of truth, the life of memory, the teacher of life, the messenger of antiquity*». At the current stage of its development, Ukraine determines foreign policy priorities and builds a system of strategic partnership relations in three main dimensions: at the level of integration processes with the European Union and NATO member countries, other international organizations; at the level of key countries in world politics and economics (USA, Russia, China); expansion of comprehensive pragmatic cooperation at the regional level (Poland, Belarus, Georgia, Turkey, Lithuania, Latvia, Estonia, etc.). On the eve of Euromaidan (11/21/2013 – 23/02/2014), caused by the suspension of the preparations by the then government for signing an association agreement between Ukraine and the EU, the situation in the country was somewhat different. Ukraine was in a state of «bifurcation of transformation», in a state of choosing the vector of cooperation between the countries «G7» and «E7», between the EU and the CIS, between Brussels and Moscow. When choosing areas of cooperation, the question was raised not only about the forms of cooperation. It was about whether the country, having joined this or that alliance, could become one of the leaders or would it become an outsider in the global economy, remaining the sales market of not domestic, but imported goods and services [1]. The country's leaders, the majority of Ukrainians have chosen the European vector as a priority of the integration strategy.

Main part. Economic disintegration in Ukraine-CIS relations: causes and consequences. «*Concordia parvae res crescit, [discordia maximae dilabuntur]*» (Lat.). – *In harmony, small states (small affairs) are growing, [when contentious, great ones are destroyed]*». 02/07/2003 we initiated the signing of a cooperation agreement between the economic faculties of Kiev (Ukraine) and Brest (Belarus) technical universities. The agreement was signed in Belovezhskaya Pushcha, in Viskuly near Brest. It was the clearest example of integration as a challenge to the example of disintegration. We are talking about signing in Viskuly 12/08/1991 leaders of Russia, Ukraine and Belarus of the Agreement on the collapse of the USSR and the creation of the CIS. Proclaimed intentions in 1991 minimized at the beginning of 2020. According to the WB, the growth rate of GDP (PPP) for the period 1990-2018 in Ukraine amounted to only 11%. This is the lowest rate in the world. If at the start of its independence, Ukraine was a fairly developed state, then at present the state of the economy is at the level of 68% compared with 1991. The low rates of development of the country are evidenced by the dynamics of GDP and industrial production (Fig. 1). Among the causes of degradation is the rupture of traditional economic relations with the CIS countries. A. Rusakovich notes that «the collapse of the single market (in parallel with the incompleteness of market reforms) led to an increase in statism, weakening and lowering the

competitiveness of national economies. For example, the share of CIS countries in world GDP at present, according to various estimates, is about 3%, which does not allow to actively influence global development trends» [2]. Issues in the theory of international economic disintegration require in-depth study. Noteworthy is the typology of the disintegration models of A. Liebmann and B. Heifetz. It is based on two parameters - a comparison of the role of the processes “from above” and “from below” in disintegration and the speed of this process [3].

Association Agreement between Ukraine and the European Union: intentions and their implementation. “*Non est loquendum, sed gubernandum (Lat.) – We need not talk, but control (the ship). (We must not speak, but act)*”. The legal basis for relations between Ukraine and the EU is the Partnership and Cooperation Agreement (PCA) of 06/14/1994. The document defines the areas of cooperation on a wide range of political, trade, economic and humanitarian issues. After the Revolution of Dignity 03/21/2014 in Brussels, the political block of the Ukraine-EU Association Agreement (AA) was signed, and on June 27, 2014 – its economic part. From 01/01/2016 The Agreement on the Establishment of the Deepened and Comprehensive Free Trade Zone (DCFTA) has partially entered into force. At the same time, the Russian side suspended the agreement on the FTA CIS in relation to Ukraine. To achieve the opportunity to integrate into the internal EU market, Ukraine should pay special attention to simplifying customs procedures, strengthening environmental measures, digitalizing the economy and introducing an «industrial visa-free regime». AA provides for monitoring and evaluation of its implementation. According to the annual report of the Government Office for the Coordination of European and Euro-Atlantic Integration, the overall implementation of the AA for the period 2014-2018 accounted for 42% of the planned. The low pace of the AA implementation process indicates the presence of a high probability of disruption of the action program on time. This poses a real threat to the fulfillment of the task of applying for EU membership in 2024 [4].

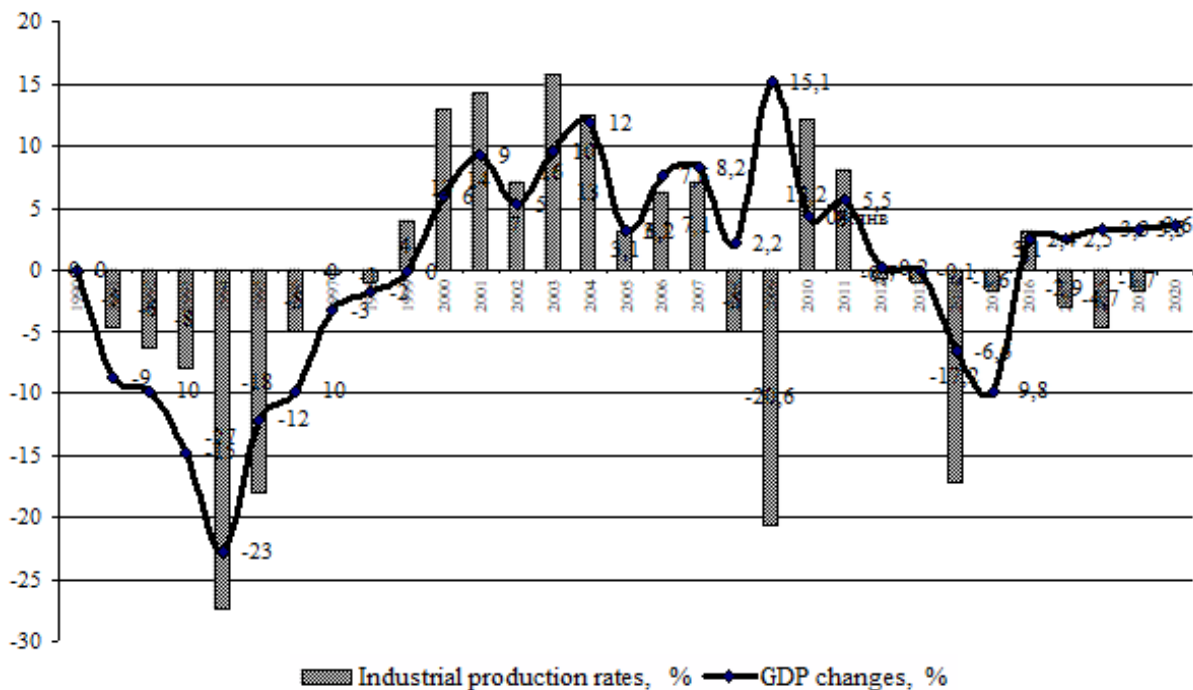


Figure 1 – GDP and industrial production dynamics, %, 1990-2020

Brexit: notes for EU accession candidates. “*Argentum accepi, imperim vendidi (Lat.) – He took the money, sold the independence*”. In Brussels, on the eve of the British official exit from the European Union (01/31/2020), the flags of the United Kingdom were removed from the buildings of EU institutions. Among the basic principles that guided the British government in the negotiations on Brexit were the following: restoration of sovereignty; control over the laws of the country; control over immigration and others. London did not like the centralization of power in Brussels. The British believe that they lose more from EU membership, being its donor, damaging their well-being and restraining the country's development.

Ukraine must take into account the lessons of Brexit. On the path to European integration, it should adhere to the principles that led to the success of the Western country: the source of sovereignty is the people, the principle of separation of powers, the protection of human rights and freedoms, freedom of speech, and the inviolability of the right to private property. The guideline should not be the replenishment of the EU as an outsider, the recipient [5], [6].

Conclusion. After Euromaidan Ukraine headed for European integration. Under implementation is a set of measures provided for by the main provisions of the AA. Their implementation is far from perfect. This emphasizes the need for better implementation of the planned reforms in all spheres of the life of the state. This is especially true for economic integration issues. Ukraine should not slide into the role of the raw materials appendage of the EU, turning into an exporter of agricultural products and ferrous metals. Efficiency needs a change management mechanism. It is necessary to

strengthen the moral, administrative and material responsibility of managers and performers for the implementation of measures taken at all levels of government.

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REGIONAL DEVELOPMENT AND POLICY IN ESTONIA: TO WHAT EXTENT?

Dr. Econ. Sc. Tatjana Põlajeva, Euroacademy, Tallinn, Estonia

Abstract - the main purpose of the article is to analyze the regional development and policy in Estonia. The key place in the regional development in Estonia is held by the development of centers and making better use of regional differences. This new regional development strategy harmonizes the state's general framework for regional development, its goals and a plan for its implementation. This strategy will guide each ministry in the framing of their long-term plans - the ministries' specific functions are enumerated in the strategy's implementation plan. The new regional development strategy is also one of the foundations for the adoption of euro-money in years to come.

Keywords: regional development, policy, government functions, Estonia.

Introduction. This new regional development strategy pays closer attention to the uniqueness of each area and brings out four major regions of growth along with their needs and opportunities for development. Each region should focus on developing certain advantages for areas of enterprise which have the greatest potential for growth, which should not at the same time weaken the flexibility or diversity of the entrepreneurial structure of the region. Each year a big amount of regional development support programs and schemes are financed from the state budget. As some of them are aimed at supporting only specific regions, the rest cover the whole country. At the same time, they all aim to guide the national regional development and improve the preconditions for the development of various regions in Estonia (Regional development and policy).

Regional development and policy: goals and action plans. Main strategic goals are divided into four major groups: An environment for life and enterprise in the active regions, which supports their wholeness and competitiveness. In order to shape a balance against the draw of larger urban centers with stronger active regions across Estonia, having improved environments for living and entrepreneurship as well as diverse work, service and activity opportunities. An environment in major cities that promotes competitiveness in the international economy. In order to increase the importance of our urban areas as centers of growth for innovative and science-intensive economy with the help of an increasingly attractive living environment. Exploiting region-specific resources with greater skill. This promotes specialization in growing areas of competence and enterprise according to region-specific conditions, and an increasing clarity in the uniqueness of different areas. Greater connectedness and ability to grow. For regions to achieve a stronger ability to develop by greater inter-regional connectivity and increasing efficiency in regional cooperation and capacity for growth. (Regional development and policy). Estonia's regional policy goal is to use the potential specific to each region; it has so far failed to counter the increasing concentration of economic activities around Tallinn and Tartu. Estonia's regional development is affected by trends like automation and artificial intelligence applications, dispersed energy production and spreading of new forms of work, stricter environmental standards and change in consumer preferences, as well as urbanization and counter-urbanization, and increasing values of several mineral and natural resources. (Regionaalsemajandusearendus)

There are different characteristics describing government functions. Government does exist for two main functions: establish property rights and set the rules for income and wealth redistribution (rule and law based); provide mechanism to allocate scarce resources, when market economy fails to do so. Without government interfere companies might start to produce too much of same goods and services (Parkin 2008). Government also deals with economic problems like antitrust laws and regulations of monopolies, externalities, provision of public goods, the use of common sources and income redistribution, improvement and education of workforce etc. It is clear that all the mentioned functions are important for society's well-being. Government sets preconditions for growth. For economy to work, government has to give people right incentives, government creates the space within households and firms can operate and make transactions