

## Trends in the development of the national economy as a medium for the functioning of Ukrainian organizations

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**Abstract.** The relevance of the research problem is determined by the need to identify perspectives of the functioning of Ukrainian organizations in the conditions of global changes in the world economy and the activation of European integration processes. The purpose of the article was to analyze the trends in the development of the national economy based on the study of the structure of the main indicators, the determination of the degree of their interaction and the assessment of mutual influence on the functioning of Ukrainian organizations. To achieve the goal, the following methods were used: morphological analysis; scientific induction and deduction; dialectical method; system analysis; grouping and comparative analysis; analysis and synthesis, structural-functional approach; content analysis; methods of logical analysis and generalization, descriptive statistics, formalization; graphical and tabular method. The main results of the study are as follows: the need to analyze the causes of the country's economic development, in particular, the dynamics of the nominal and real GDP, its structure and the number and qualification characteristics of the population, which is a stimulating factor of economic development, is substantiated; the expediency of analyzing employment and unemployment indicators, the number of vacancies, the level of entrepreneurial initiative development to assess the economy's ability to provide workers with jobs has been proven; the need to analyze the economic growth of the country in connection with the analysis of the standard of living of the population is indicated, because what reflects positive material changes is an indicator of the development of society; reduction of the population in Ukraine, due to the outflow of its most active part abroad, which negatively affects the quality of the labor and is an obstacle to the growth of production rates; the causes of the outlined trends were identified, such as: the 2014 crisis associated with military operations in the East of Ukraine, political instability, rapid inflation, devaluation of the national currency, and the consequences of the COVID-19 pandemic, which affected the activities of economic entities and individuals due to the growth of unemployment and social restrictions. The practical significance of the obtained results lies in the formation of recommendations for taking into account the development trends of the national economy in the process of identifying prospects and possible problems of the functioning of Ukrainian organizations in the conditions of the country's integration into the European community. Formulated conclusions and recommendations will be useful for managers and business owners seeking to build a competent organization on the way to joining the European economic space

**Keywords:** functioning of the organization, gross domestic product, organizational efficiency, organizational competence, European integration

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### ● INTRODUCTION

The need to study the national economy as an environment for the functioning of Ukrainian organizations is explained by its influence on the life of society through a set of elements that, realizing certain functions, cause it to acquire the status of the most complex subject of management. The result of the functioning of the country's economy is measured by the increase in national wealth, the volume

of goods and services necessary for society, the level of political and social stability, as prerequisites for the formation of favorable conditions for organizations [1]. The goal of the country's economic development, which involves a change in the national economy, its transition from one qualitative state to a higher level, is to increase gross income, the well-being of the population with an

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increase in the material security of state members, and the minimization of public expenses [2]. Economic growth is a component of economic development, its quantitative characteristic, the so-called foundation. The impact of these processes on the functioning of Ukrainian organizations, on the acquisition of the status of competent in the European space, requires the study of the development trends of the country's economy with the analysis of relevant indicators, determination of its trajectory, features at the macro- and meso-levels [1].

The outlined problem is the subject of scientific discussions. N.O. Kukhars'ka with co-authors [3] studied the transformation trends of the national economy, determining the conditionality of its competitiveness by economic, social and political factors that affect the stability of the country's position in the domestic and foreign markets, the ability of product manufacturers to work according to international standards, N. Shpak, O.V. Pyroh with colleagues [1], while investigating the conditions of functioning of modern organizations, emphasized the importance of public-private partnership, understanding by it cooperation between the state and business structures of Ukraine and foreign countries. This is considered a condition for successful integration of the country into the European space, activation of innovative activities of Ukrainian organizations, attraction of investments, which will contribute to the solution of socio-economic problems. E.V. Prushkivs'ka and her co-authors [4] emphasized the factors of the socio-economic development of the country in the conditions of European integration, highlighting the economic activity of people in the environment formed by formal and informal institutions as the most influential. Scientists analyzed the value orientations and socio-psychological guidelines of representatives of our country in comparison with representatives of other countries and recognized the dependence of socio-economic development on the socio-cultural component in the form of informal institutions as one of the main determinants of social progress. O.V. Mostipaka [5] studied the structural changes of the national economy, their causes and consequences for the development of Ukrainian society. In formulating recommendations, the author relies on the results of the analysis of nominal and real GDP, the amount of capital investments and their share in GDP, depreciation of fixed assets, considering their level and dynamics as indicators of the activity of innovative processes as a stimulus for the transformation of the national economy. R.V. Lavrov with co-authors [6] tried to identify the factors restraining the economic growth of Ukraine, conducting a study of the impact of the corona crisis on the prospects of economic development. Scientists assessed its short-term and long-term consequences through a SWOT analysis of the current state of the Ukrainian economy, identifying potential risks and taking them into account when outlining the prospects for the functioning of Ukrainian organizations. The results of the analysis of the dynamics of GDP, its industry structure, and the level of the final indicators of Ukraine's foreign trade became the basis for the conclusions regarding the extent of the damage caused to the world economy. A. Korbutyak [7] gave priority to solving the problems of forming the investment and innovation potential of Ukraine in the context of increasing

the level of its competitiveness in the world market. The author investigated the level of development of scientific, technical and innovative activities in Ukraine, carried out a comparative analysis of the share of new technologies and products in the GDP of Ukraine and developed countries of the world, drawing disappointing conclusions about the first. The main goal was to identify opportunities for the development of innovative activity, which requires painstaking work in the direction of improving the investment climate in the country, as well as the volume and structure of investments.

It is necessary to remember the dynamism and extremely high degree of uncertainty of the national economy of Ukraine provoked by the influence of a large number of various factors, especially during the period of military operations and the corresponding economic and political crises, that is the reason for the rapid loss of relevance formulated conclusions. This determines the need for constant monitoring of the state of the national economy and appropriate consideration of existing and probable trends when determining the prospects for the functioning of Ukrainian organizations, in particular, on one of the world's largest markets for goods and services.

The purpose of the article was to analyze the directions of the development of the national economy based on the study of the structure of the main indicators, the determination of the level of interaction between them and the assessment of the mutual influence on the results of the activities of Ukrainian organizations.

## ● MATERIALS AND METHODS

To solve the tasks outlined in the article, a combination of the following general scientific and special research methods was used:

1) the method of morphological analysis – for substantiating the essence and content of the concepts “economic development” and “economic growth”, identifying their relationship and fundamental differences; disclosure of the essence of the concept of “competency of the organization” to justify the dependence of its general level on the state of the national economy of Ukraine, which forms the environment for the functioning of modern Ukrainian organizations;

2) methods of scientific induction and deduction – to substantiate the expediency of using the results of the analysis of trends in the development of the national economy as an environment for the functioning of modern Ukrainian organizations to identify prospects for their successful activity in the conditions of the intensification of European integration processes;

3) the dialectical method – to substantiate and generalize approaches to the analysis of trends in the development of the national economy and the assessment of the strength of their influence on the conditions of functioning of Ukrainian organizations in order to identify the prospects of their successful activity on the European market of goods and services;

4) the method of system analysis – to study the structure of nominal and real GDP, determine the contribution of various types of economic activity to its total volume, the share of high-tech and science-intensive sectors of the economy, focused on the production of new knowledge and

technologies, in the structure of GDP; to analyze the distribution of GDP by regions of Ukraine, the ratio between the primary, secondary and tertiary sectors of the economy according to the Fisher-Clark model; to determine the size of the existing population of Ukraine, changes in its structure and quality;

5) methods of grouping and comparative analysis – to identify during the analytical period the dynamics of indicators of nominal and real GDP, their growth rates in absolute and relative terms, the volume of GDP per capita, the size of the existing population of Ukraine, the volume of mining and processing industry in the structure of the real GDP of Ukraine, the overall structure of the GDP of Ukraine, shares of the primary, secondary and tertiary sectors of the Ukrainian economy; to analyze the GDP per capita indicator as a characteristic of the quality of life of Ukrainian citizens and an additional tool for comparing the levels of economic development of different countries and, accordingly, the welfare of their population;

6) methods of analysis and synthesis, structural-functional approach – for researching the structure of the national economy of Ukrainian as a basis for analysis, for a detailed description of its components with the aim of clarifying directions for identifying the causes of existing changes in the national economy, assessing the direction and degree of their influence on functioning and development modern Ukrainian organizations, justification of effective methods and tools necessary for this;

7) the method of content analysis – to form a set of indicators for assessing trends in the development of the national economy of Ukrainian, to clarify their essence and content, to identify the difference between the nominal and real GDP of Ukraine and to justify the objective necessity of their combined use for the purpose of analyzing current trends in the national economy of Ukraine;

8) methods of logical analysis and generalization – to determine key indicators for assessing the state of the Ukrainian economy in the context of its influence on the activities of organizations;

9) methods of descriptive statistics – to study the relationship between the level of individual indicators and the general trends of changes in the Ukrainian economy;

10) formalization method and graphic method – for substantiation of formulated conclusions and their visual presentation;

11) tabular method – for systematization of the obtained research results. Modern computer technologies, in particular, the capabilities of the special software and technical tool

MS Excel, were used to process the data, carry out the necessary calculations, and build appropriate diagrams and graphs based on them to present the results of the analysis.

The informational and factual base of the research, the results of which are presented in the article, was formed on the basis of statistical analysis, generalization and systematization of information from the official websites of the State Statistics Service of Ukraine and the World Bank [8; 9], materials of analytical reviews and periodical publications [10-12], works of Ukrainian scientists, etc.

## ● RESULTS AND DISCUSSION

According to experts, the dynamics and sectoral structure of the nominal and real GDP, the increase in the number of the population, in particular, the labor resources of the country with the necessary qualification characteristics, which is an important factor of economic development, should be subject to analysis. However, it must be taken into account here that the effect of population growth directly depends on the ability of the economy to provide new employees with workplaces, therefore, the analysis of the levels of employment and unemployment in the country, the number of available vacancies, which, in turn, is related to the development of entrepreneurial initiative, and, therefore, the creation of new organizations and, consequently, new jobs [2]. The importance of analyzing the indicators, determining their level and possible reasons for their decline is explained, first of all, by the fact that their growth creates prerequisites for attracting a larger amount of investment and capital to the country's economy, which, in turn, will ensure a higher level of production.

The nominal and real value of the country's GDP are generalizing indicators of its economic growth and, therefore, economic development. The value of nominal GDP reflects the total volume of production at current prices at the time of production, however, its growth tendency does not always indicate positive trends in the national economy, which makes it necessary to calculate real GDP, that is, the volume of production at constant, basic prices. For countries with a so-called transition economy, characterized by its significant instability, it is most expedient to measure real GDP at the prices of the previous year. The main difference between the indicated indicators is that the real GDP is affected only by production volumes, or, more precisely, their changes, without taking into account the rise in prices, therefore, it can fairly objectively characterize economic activity in the real sector of the national economy (Table 1).

**Table 1.** Dynamics of nominal and real GDP of Ukraine

Indicators	Nominal GDP (in actual prices), million UAH	Real GDP (in previous year's prices), million UAH	Difference		GDP per capita	
			in absolute terms, million UAH	in relative terms, %	nominal, UAH	real, UAH
Years						
2012	1 404 669,00	1 303 094,00	-101 575,00	-7	30808,7	28580,8
Growth rates (GR), %	8.05	14.5	-	-	8.3	14.8
2013	1 465 198,00	1 404 293,00	-60 905,00	-4	32209,5	30870,6
GR, %	4.3	7.8	-	-	4.6	8.1
2014	1 586 915,00	1 369 190,00	-217 725,00	-14	37050,3	31967,00
GR, %	8.3	-2.5	-	-	15.03	3.6

Table 1, Continued

Indicators	Nominal GDP (in actual prices), million UAH	Real GDP (in previous year's prices), million UAH	Difference		GDP per capita	
			in absolute terms, million UAH	in relative terms, %	nominal, UAH	real, UAH
2015	1 988 544,00	1 431 826,00	-556 718,00	-28	46412,6	33418,8
GR, %	25.3	4.6	-	-	25.3	4.5
2016	2 385 367,00	2 037 084,00	-348 283,00	-15	55899,4	47737,6
GR, %	20.0	42.3	-	-	20.4	41.9
2017	2 983 882,00	2 444 191,00	-539 691,00	-18	70233,0	57530,0
GR, %	25.1	20.0	-	-	25.6	20.5
2018	3 560 596,00	3 085 492,00	-475 104,00	-13	84235,0	72995,2
GR, %	19.3	26.2	-	-	19.9	26.9
2019	3 978 400,00	3 675 300,00	-303 100,00	-8	94661,1	87449,2
GR, %	11.7	19.1	-	-	12.3	19.8
2020	4 222 026,00	3 827 941,00	-394 085,00	-9	101137,6	91697,3
GR, %	6.1	4.1	-	-	6.8	4.9
2021	5 459 574,00	4 363 582,00	-1 095 992,00	-20	131944,4	105457,0
GR, %	29.3	14.0	-	-	30.5	15.0

Source: [8-10]

According to the data provided on the official website of the State Statistics Service of Ukraine [8], Ukrainian's economy has been growing steadily since 2012. Thus, the

nominal GDP during the analyzed period increased by UAH 4,054,905 million; real GDP growth rates were slower – slightly more than 3 times (by UAH 3,060,488 million) (Fig. 1).

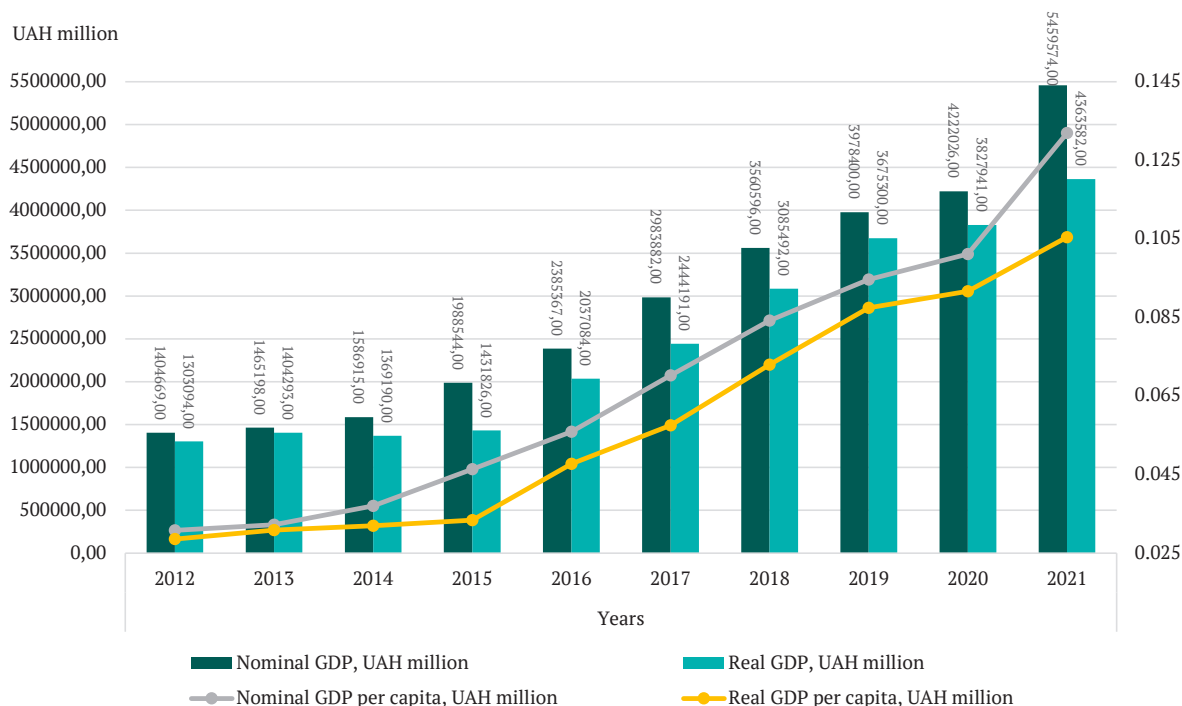


Figure 1. Dynamics of the GDP of Ukraine during 2012-2021

Source: [8-10]

The GDP trend is the main economic indicator traditionally used to characterize the state of national economy, when determining the relative deficit of the state budget, the degree of financial dependence of the country [10]. Taking into account the mentioned trends, it can be said

that there is an improvement in the state of Ukrainian's economy, however, in this case, such unequivocal conclusions cannot be made. The nominal GDP is determined based on current market prices, which reflect the real turnover of the product and determine the incomes of the

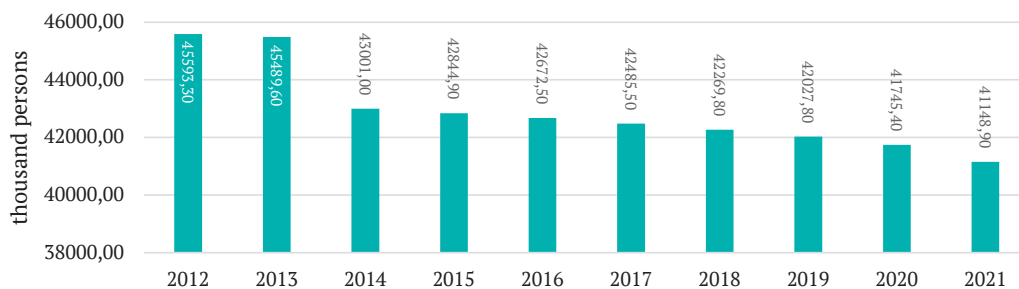
participants in the economic process. Such an assessment provides an opportunity to analyze the sectoral structure of the economy, to determine possible disproportions between consumption and accumulation on other, equally important, macroeconomic relationships. However, due to the dependence of such an assessment on the price level, it is not possible to objectively measure the dynamics of the volumes of produced and used goods and services.

The comparison of physical volumes of macroeconomic indicators of the current period becomes possible under the condition of their revaluation at constant prices that is, by the so-called leveling of the price factor. Turning our attention to the difference between nominal and real GDP (Table 1), it shows an absolute decrease in nominal GDP due to price dynamics, starting from 7% in 2012 and reaching 20% in 2021. The figure 1 clearly shows that the volume of real GDP lags behind its nominal value, which, first of all, indicates the rise in market prices, the deflation of GDP, the excess of the value of the unit price index.

According to scientists, economic growth, which, first of all, reflects positive material and quantitative changes,

is also an indicator of the quality development of society, which determines the relationship between the growth of production levels and the life of the population [3]. This is the improvement of its material well-being, the development of human intelligence, the improvement of its cultural and educational level, the development of social infrastructure sectors, the growth of investments in human capital with the simultaneous creation of safe living and working conditions for people, ensuring the social security of the unemployed and disabled [3]. In view of this, an important indicator of an objective assessment of the functioning of national economy is the growth of GDP per capita, which reflects the quality of life of the country's citizens and, in addition, is a tool for comparing the levels of economic development of different countries and, accordingly, the welfare of their population.

According to the preliminary analysis, it can be said that in Ukraine during 2012-2021 economic growth is observed against the background of a steady trend of reduction in the total population from 45,593.3 thousand people in 2012 to 41,148.9 thousand people in 2021, that is, by almost 5 million people (about 10%) [8; 9] (Fig. 2).



**Figure 2.** Dynamics of the available population of Ukraine during 2012-2021

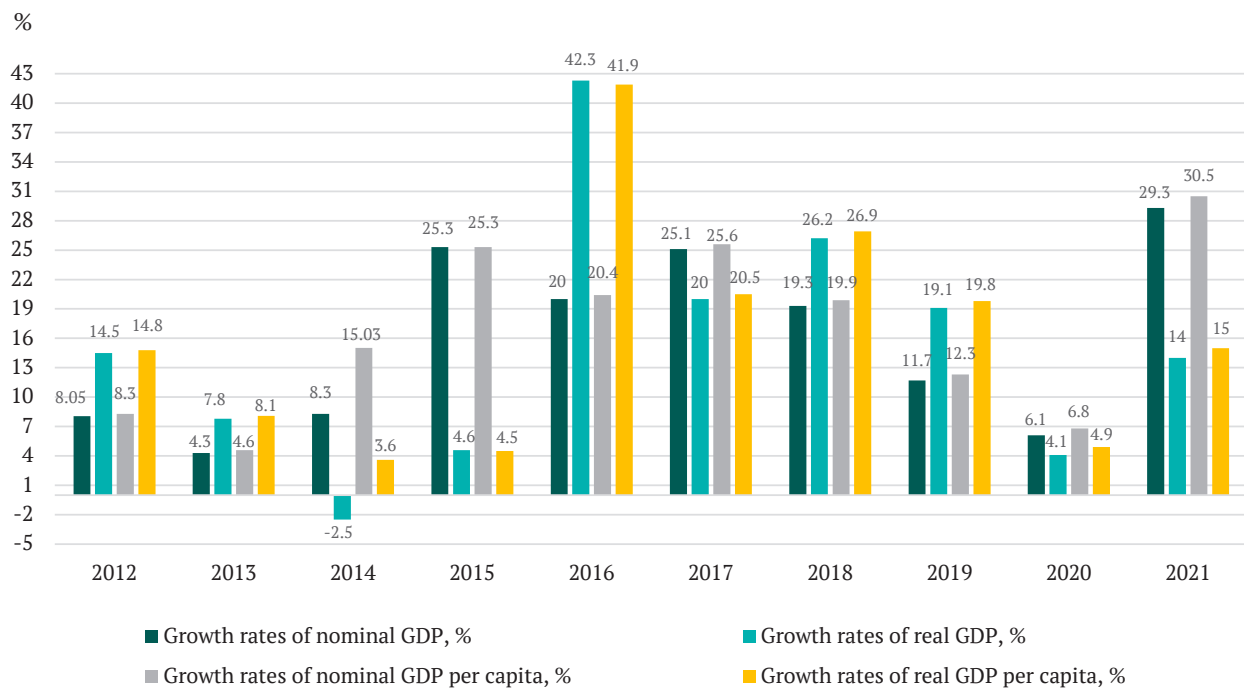
Source: [8]

The growth of real GDP per capita varies between 3-5% in 2014-2015 and 2020 and exceeds 40% in 2016. If you analyze the indicator of the size of the existing population of Ukraine, you can understand that such fluctuations are explained not only by the growth of GDP, but also by the decrease in the size of the population: by almost 6% and by about 1.5% in 2014 and 2021, respectively. The exception was 2016, when the population decreased by only 0.4% with a significant increase in real GDP per capita. However, it should be noted about the negative point of reducing the number of the existing population in Ukraine, because it is not always due to the natural consequences of the excess of mortality over birth, very often the explanation lies in the outflow of the most active part of the population abroad, which has an extremely negative effect on the quality of the labor. Active labor migration, which provokes a mass outflow of personnel, is an obstacle to the growth of production rates, first of all, in such critical sectors as construction, industry, agriculture, transport and communication.

This causes a threatening shortage of highly qualified personnel in strategically important areas of the economy in Ukraine.

The value of the GDP per capita indicator in Ukraine, which characterizes the resilience of the national economy to negative internal and external influences, is also significantly lower than its average level in developed countries. So, for example, in 2012, the GDP of Ukraine per capita in terms of US dollars amounted to USD 3.58 thousand, in 2021 its level reached USD 3.89 thousand, that is why it can be noted an insignificant increase while maintaining a lower level than in countries of the European Union, where it reaches almost USD 35 thousand [9].

Additional conclusions about the development or decline of the economy, their rates, about fluctuations in the economic situation, the degree of influence of certain factors on the Ukrainian's economy, can be made by evaluating the dynamics of the growth rates of these indicators (Fig. 3) [11].



**Figure 3.** Growth rates of Ukraine's GDP during 2012-2021

Source: [8]

Figure 3 demonstrates the unstable nature of changes in both nominal and real GDP. The nominal GDP growth rate, fluctuating within 10% in 2012-2014 and 2019-2020, reaches 20-30% in 2015-2018 and 2021. As for the volume of real GDP, 2014 showed a negative growth rate of -2.5%, and 2016 showed a maximum growth rate of about 42%. Such trends always have objective reasons [11]. Thus, the crisis of 2014 caused, first of all, by the military actions in the East of Ukraine and the corresponding political instability in the country, which led to an increase in inflation rates, a significant devaluation of the national currency and expected negative sentiments in society [11].

As for the significant decrease in indicators in 2020, this is a consequence of the COVID-19 pandemic, which is still relevant, because the time limits for its solution do not have specific values, and the consequences for the socio-economic sphere are difficult to predict [6; 11]. The pandemic has affected the activities of every business entity, which had to adapt to the new rules, however, the reduction of the number of employees or the complete closure of many organizations could not be avoided. The changes also affected individuals, who felt the increase in unemployment and a number of social restrictions. Due to the instability of national economy and social sphere, the constant deficit of the state budget, the coronavirus pandemic has had a significant impact on Ukraine. Compared to the first wave (spring-summer 2020), which did not result significant negative trends, because unlike European countries, Ukraine had a smaller number of patients and there was no overload of the medical sector, the second

wave of the coronavirus, starting from October 2020, was more dangerous for the economy, based on social attitudes and the previous allocation of budget funds to fight the coronavirus. According to the UN study, 80% of Ukrainian households lost income due to the pandemic, and in more than 40% of households at least one family member lost a job [12]. It is clear that these trends could not help but have an impact on GDP dynamics in Ukraine.

GDP growth in Ukraine, in 2015-2018 and 2021, can be explained by the relative stabilization of the economy of Ukraine compared to previous years, due to the decrease in the activity of military operations in the East, the decrease in the strength of the manifestation of the COVID-19, and, therefore, the gradual recovery of the economy, the development of new sales markets by Ukrainian producers of goods and services, the activation of the country's activities on the international stock market by selling state securities [13].

The need to understand the objective reasons for modern trends in the development of the national economy requires an analysis of the structure of GDP, because the quality of economic growth is evidenced by the contribution of various types of economic activity to GDP. Ukraine is distinguished by a high and stable level of specialization of basic industries and regions in the national economy, which is characterized by a raw material orientation and, accordingly, a small share of high-tech and knowledge-intensive industries focused on the production of new knowledge and technologies about 3% in the structure of GDP compared to almost 15% of extractive and processing industry (Fig. 4) [11].

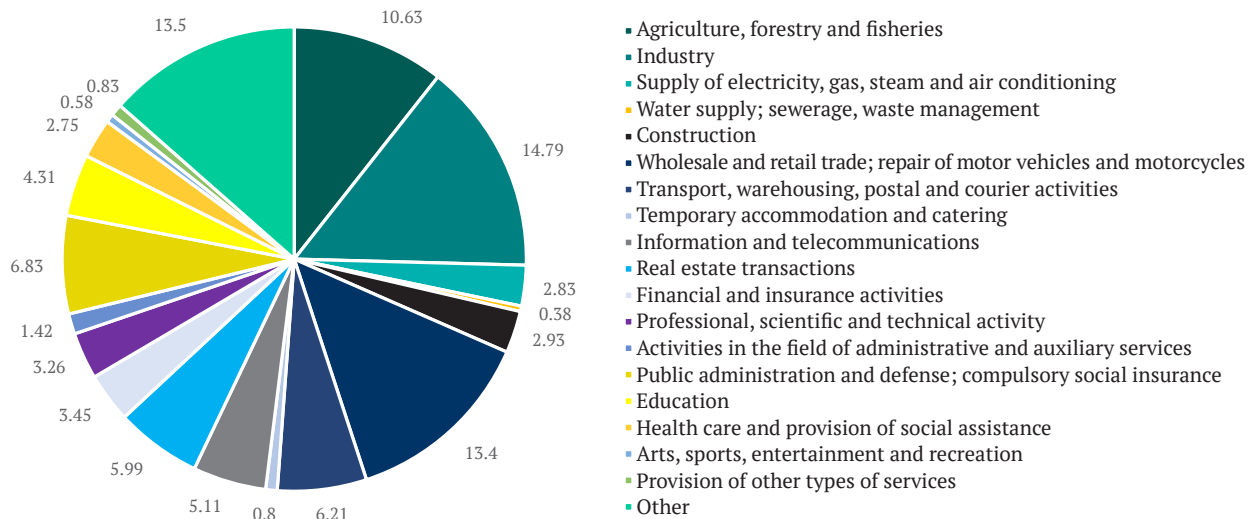


Figure 4. Structural distribution of real GDP of Ukraine in 2021, %

Source: [8]

The majority of experts, considering this a serious restraining factor of economic growth and a precondition for the formation of a regressive sectoral structure of the economy, explain it by the historical features of the development of the regions, not always favourable investment climate and the lack of effective institutional reforms in Ukraine [11]. Therefore, scientists who are engaged in the search for effective ways of developing the national economy insist on the need to increase the share of high-tech industries with high added value, rationalize the sectoral structure of the economy on the basis of this, and accordingly reduce its dependence on raw materials.

For a long time, the high rates of growth of the gross regional product in the leading regions of industrial development, such as the city of Kyiv, Dnipropetrovsk, Kharkiv,

and Zaporizhia regions, were traditionally considered a positive trend and a prerequisite for building up the country's industrial capacity [3]. However, their focus, mainly on the exploitation of mineral resources of local origin, has weak long-term prospects due to their natural limitations and the significant dependence of resource- and energy-intensive industries on chaotic fluctuations of world prices for energy carriers and raw materials. Given this, we can conclude that excessive dependence on raw materials is undesirable for the further development of national economy [4].

In the structure of the real GDP of Ukraine, the share of industry is the largest – about 15%, therefore, its chaotic change during the analyzed period and negative values of growth rates during certain periods practically exclude stable economic growth (Fig. 5).

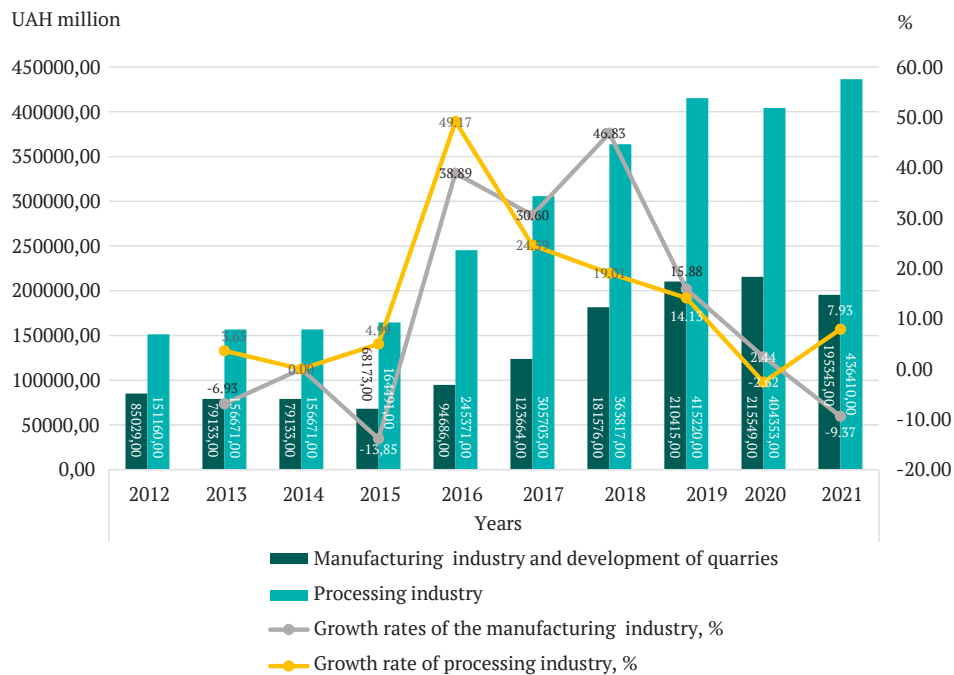


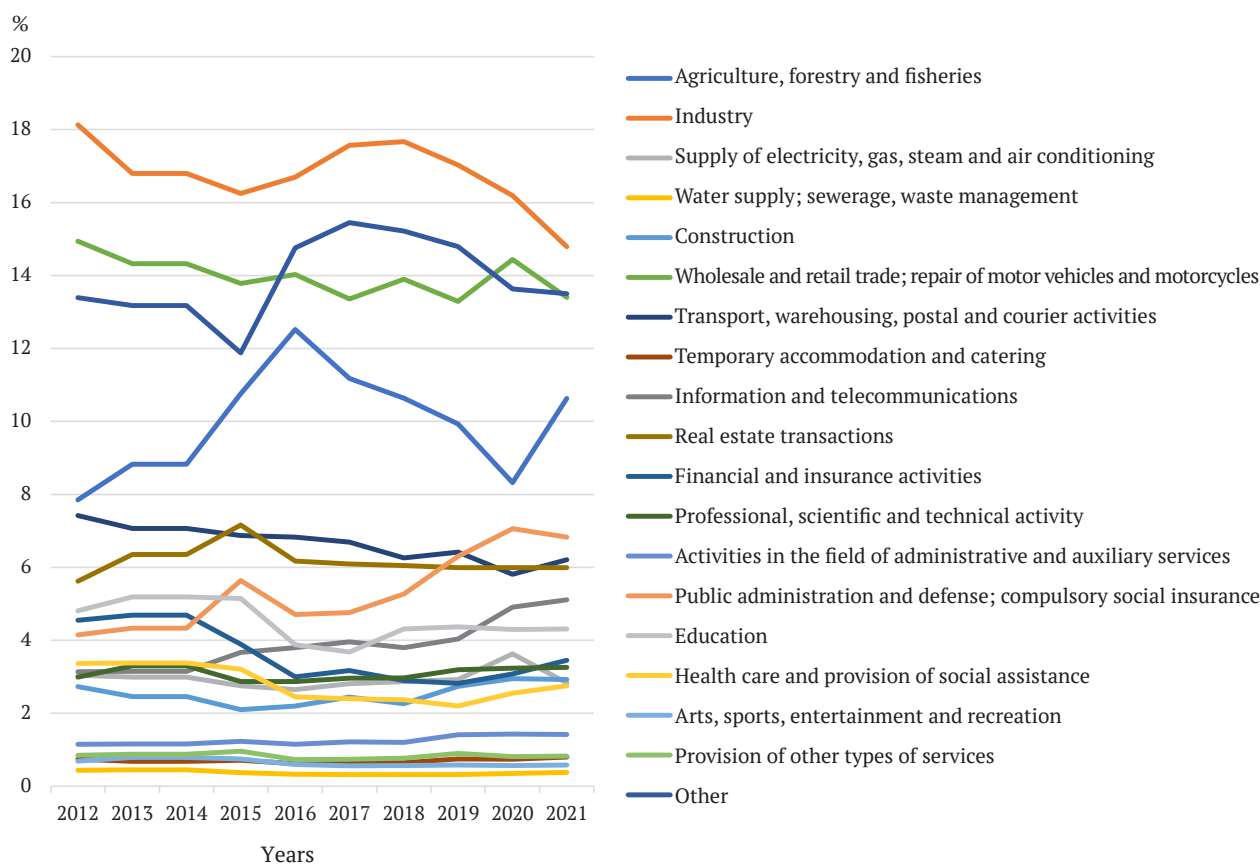
Figure 5. Dynamics of volumes of extractive and processing industry in the structure of real GDP of Ukraine in 2012-2021

Source: [8]

Industrial production, according to experts [3], directly or indirectly shapes the dynamics of the economy as a whole due to its determining influence on other industries (transport, construction). The loss more than 20% of industrial production due to the occupation of the industrial part of Donbas in 2014 led to a decrease in the share of the manufacturing industry in the total volume of GDP by almost 1%. The coronavirus pandemic in 2020 reduced the value added share by a feather 1.15% and the value added share by 0.56%, together with their general focus on energy-intensive, import-dependent energy carriers, negatively affected the efficiency of the economy as a whole due to its significant dependence from the specified sectors of the economy [11].

Experts claim that the gradual slowdown in the rate of growth of the share of industry in the GDP of Ukraine should not be considered exclusively as a negative phenomenon [14]. Changes in the economy of the most developed countries of the world have long been evidence of a gradual transition to the post-industrial stage of their development with a characteristic decrease in the share of industrial and material production against the background of the active development of the information and services sector [11], thereby determining the primacy of the service sector as the main element of the formation of a post-industrial society [10].

It should be noted that the general trends in the structure of GDP of Ukraine, during 2012-2021, also reflect its significant change (Fig. 6) [11].



**Figure 6.** Dynamics of the GDP structure of Ukraine in 2012-2021

Source: [8]

There are an increase in the share of such activities as: agriculture (by 2.46%), public administration and defence is obvious; mandatory social insurance (by 2.68%), information and telecommunications (by almost 2%), real estate transactions (by 0.37%), professional, scientific and technical activities and activities in the field of administrative and auxiliary services (by 0.27%), with a simultaneous decrease in the shares of the manufacturing and processing industry – by 2.05 and 1.6%, respectively, and the almost absence of any positive changes in the construction sector for 10 years – a stable downward trend until 2018 (by 0.47%) with insignificant growth over the next three years (Fig. 6). A similar

trend towards an increase in the share of the service sector in the GDP structure combined with a decrease in the share of industry, which is called in the literature deindustrialization [10], fully corresponds to the trends in the development of the economy of highly developed countries of the world.

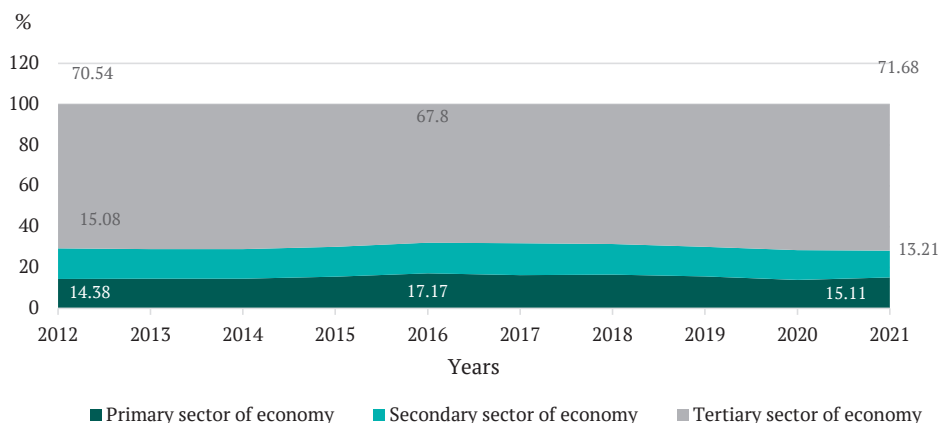
The famous scientist A. Fisher and K. Clark, developing a typology of economic sectors, highlighted (Fig. 7) [15]:

- the primary sector, including activities related to obtaining primary resources: agriculture, forestry and fisheries, extractive industry and quarry development;
- the secondary, which unites processing activities, and therefore includes branches of the processing industry;



supply of electricity, gas, steam and air conditioning; water supply; sewerage, waste management;

- the tertiary, covering the sphere of services, construction and certain types of repair activities.



**Figure 7.** Dynamics of Ukrainian economic sectors according to the Fisher-Clark typology

Source: [8; 15]

Figure 7 generally reflects the structure of the national economy, which corresponds to the trends of the transition of developed countries to a post-industrial society with a characteristic significant advantage of the service sector (more than 70%) [11; 14]. Insignificant growth of the primary sector is mainly explained by positive development trends in agriculture, the secondary sector shows an insignificant but stable tendency to decrease its share in the structure of the real GDP of Ukraine.

The Fisher-Clark typology was formed against the background of the industrial revolution, and subsequent technological and organizational revolutions led to a significant demarcation of the secondary and tertiary sectors and, as a result, the selection of types of services that received the characteristics of the so-called intermediate factors of production and became important components in the production material transformations of the secondary sector – registration of patents, financial services of enterprises, human resources management, advertising, labor organization [16-18]. At the same time, in terms of their essential characteristics, they are closer to the traditional sectors of the tertiary sector aimed at serving the population – trade, education, medicine, especially since some of them are provided to legal entities and individuals by the same organizations (banking and advocacy organizations, etc.).

Under the existing structure of the national economy and the traditional management model, the task of ensuring balanced development and GDP growth at an accelerated pace becomes more difficult. Therefore, it is important, to take into account the potential advantages of Ukraine, the main of which are human capital, geographical location and natural resources, to determine the most powerful factors of the future qualitative leap [11]. Bearing in mind that promising competitive advantages are created in Ukrainian markets, they can become sectors of the economy, types of economic activity and, accordingly, Ukrainian organizations capable of creating innovatively high-quality products and services with a high share of added value and in demand on international markets [11; 19-21].

It would not be an exaggeration to say that the issue of economic development in the context of European

integration has been a concern of scientists in most countries of the world for a long period of time. Scientists such as N.F. Campos, F. Coricelli, L. Moretti [23] tried to investigate the impact of European integration on the economic growth of the country by assessing the state of the countries that joined the EU, choosing for analysis a rather long period of time (1973-2004). Scientists have thoroughly proven the existence of a positive effect of EU membership in almost all countries except Greece, putting forward as an argument the growth of income per capita by an average of 10%. At the same time, only one country, Greece, experienced a smaller decline in GDP and labor productivity. This allowed scientists to justify the need to analyze the cause-and-effect relationships of changes in the state of economies of the world by using the method of synthetic control, which will allow to develop an effective solution to avoid possible problems on the country's path to the EU and during the first ten years after accession. Scientists in [24], having formed a research base from 28 countries of the European Union, tried to analyze the real process of economic convergence in 2004-2018. Assessing the damage caused to it by the financial crisis of 2008-2009, scientists econometrically tested the relationship between the growth rates of GDP per capita and macroeconomic variables and came to a rather unexpected conclusion, the main meaning of which was that the growth rates of poor countries exceeded the rates of similar index of rich countries. The result of the study was also a statement about the positive impact on the economic development of countries seeking EU membership, such factors as the openness of the economy, inflation and the integrity of the government. The authors in [25], trying to understand the factors of GDP growth of EU member states, studied the correlation between state expenditures of various types and the value of GDP. Among the factors of statistically significant, persistent negative impact, scientists singled out expenditures on social protection and general state expenditures, expenditures on public order protection, education, and health care exert a strong positive influence. This made it possible to single out certain types of public expenditures with an accelerating effect on the economic growth of the

country, but with a delayed effect, which can be used in the process of forecasting and achieving the desired level of GDP. In [26], the results of the study of the impact of EU enlargement on the socio-economic development of the member countries are presented. This happens by increasing labor productivity, increasing economic government spending, optimizing the industrial structure, and increasing the population. The conclusion about the heterogeneity of the economic impact of EU expansion has practical significance for determining the future prospects of both participating countries and those that are only on the way to joining the European space, because it is more stimulating for developed countries than for developing countries. Scientists also insisted on the positive role of European integration in promoting regional economic growth, increasing the production efficiency of member countries and releasing their potential. The concept of the siphon effect of developed and central regions on remote and developing regions introduced by the authors [26] determines the feasibility of taking effective measures for new EU member states aimed at avoiding the outflow of labor, capital and other factors of production.

Despite the increased attention among foreign scientists to the level of macroeconomic indicators as indicators of the economic development of European countries, almost none of their representatives connected the achieved level of indicators directly with the effectiveness of the functioning of organizations and internal organizational factors of its growth. Analysis of the state and development trends of the national economy in the context of its influence on the formation of a high level of competence of Ukrainian organizations is almost absent in the scientific literature. In addition, the use of the formulated conclusions in the practice of Ukrainian organizations is associated with serious methodological difficulties, mainly due to the heterogeneity of countries, significant differences between them, specific features of management, and the mentality of citizens.

Summing up, it can be noted that the relevance and expediency of an objective assessment of the prospects of the functioning of Ukrainian organizations in today's conditions, their acquisition of a high level of competence on the European market in close relationship with the assessment of the current state of the national economy. The intensification of globalization processes and the formation of a single information space, providing many opportunities to Ukrainian organizations, simultaneously threaten the loss of the stability of their competitive advantages. The ability of the organization to form a permanent competitive advantage on the market through the effective use of acquired knowledge and skills is becoming extremely important today. This is achieved through the formation and development of general organizational competence, which significantly complicates the task of managers, because, firstly, despite the presence of a sufficiently developed theoretical basis for the study of the competence of both managers and work executors, almost no attention is paid in scientific circles to the formation and development of competence at the level of the organization as a whole; secondly, the presence of the first problem reduces the probability of correctly determining the current composition of the organization's competence due to the lack of relevant

knowledge and abilities; thirdly, managers must clearly understand the basis for building a strategy for future activities, and this, in turn, requires an analysis of the environment, forecasting its changes in order to flexibly respond to the influence of dynamic environmental factors. In addition, the described research results are incomplete without an attempt to determine the possible consequences of the shock state in which the economy of Ukraine found itself today due to the full-scale military invasion of the Russian Federation, which inflicted a blow that was difficult to predict in terms of impact on all the links of the country's economic system without exception. According to the Center for the Development of Innovations, together with the Office for the Development of Entrepreneurship and Export, as well as the National Project for the Development of Entrepreneurship and Export Diia. Business [22], it is almost impossible to estimate the amount of damage caused during the continuation of hostilities, but they unanimously state a significantly greater loss of Ukrainian business in the months of the war than in the two years of the pandemic. Considering the fact that Ukrainian organizations adapt quite quickly, which is confirmed by the analysis of publicly available information on the registration of new businesses in Ukraine, the study of the environment of their operation to identify opportunities or potential threats is extremely important and timely, moreover, it needs to be continued due to its exceptional relevance.

## ● CONCLUSIONS

Organizations of various levels, including sectoral and inter-sectoral complexes, enterprises, households, entrepreneurial structures and the state, united by means of certain economic relations in the form of single system, participating in the social division of labor through the performance of separate functions for production of goods and services, form the basis of the national economy, they are the main subjects with inherent self-interests subordinated to the state-wide interests of national security.

An equally important catalyst for a qualitative jump of the national economy is human capital, that is, highly educated employees of organizations with their own list of necessary knowledge and skills, united by the realization of a common goal and effective management, which contribute to the transformation of Ukraine into a country of balanced development.

Promoting the development of entrepreneurial activity, which successfully solves a range of complex tasks in rather difficult conditions, ensures the formation of an effective market national economic system. Acting as the basis of structural economic shifts, entrepreneurial activity creates an environment for the development of effective competition, ensures the rational use of resources and the emergence of effective incentives for productive work. Taking into account the interpretation of entrepreneurship and its special function in the economy, which aims to renew the economic system through the rational transformation of traditional structures, and thus create an innovative environment, entrepreneurship can be considered as the main factor in accelerating the movement of the economy on the path of efficiency, rationalization, frugality and continuous renewal in the conditions of the modern globalization system.

Determining the prerequisites and possible problems on the way to the formation and ensuring the functioning of organizations competent in European markets, which are an important factor in increasing Ukraine's competitiveness and strengthening its position in the world, requires a thorough study of the current state, existing trends

and future prospects for the development of Ukrainian organizations in the context of integration into of the European community, tracking the dynamics of their regional and sectoral distribution, evaluating the financial results of activities on the Ukrainian and foreign markets, which acquires the status of a priority task of future research.

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## Тенденції розвитку національної економіки як середовища функціонування українських організацій

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**Анотація.** Актуальність проблеми дослідження обумовлена необхідністю виявлення перспектив функціонування українських організацій в умовах глобальних змін світового господарства та активізації євроінтеграційних процесів. Метою статті було проведення аналізу тенденцій розвитку національної економіки на підставі дослідження структури основних показників, визначення ступеня їх взаємодії та оцінки взаємного впливу на функціонування українських організацій. Для досягнення мети використано методи: морфологічного аналізу; наукової індукції та дедукції; діалектичного методу; системного аналізу; групування та порівняльного аналізу; аналізу та синтезу, структурно-функціональний підхід; контент-аналізу; методів логічного аналізу й узагальнення, описової статистики, формалізації; графічний та табличний метод. Основні результати дослідження полягають у такому: обґрунтовано необхідність аналізу причин економічного розвитку країни, зокрема, динаміки номінального і реального ВВП, його структури; кількості та кваліфікаційних характеристик населення, що є стимулюючим чинником економічного розвитку; доведено доцільність аналізу показників зайнятості та безробіття, кількості вакансій, рівня розвитку підприємницької ініціативи для оцінки спроможності економіки забезпечити працівників робочими місцями; зазначено про необхідність аналізу економічного зростання країни у зв'язку із аналізом рівня життя населення, адже те, що відображує позитивні матеріально-речові зміни, є індикатором розвитку суспільства; виявлено скорочення чисельності населення в Україні, спровоковане відтоком найактивнішої його частини за кордон, що негативно позначається на якості робочої сили, є перешкодою зростанню темпів виробництва; виявлено причини окреслених тенденцій, як то: криза 2014 р., пов'язана з військовими діями на Сході України, політичною нестабільністю, стрімкою інфляцією, девальвацією національної валюти, та наслідки пандемії вірусу Covid-19, що відбулася на діяльності суб'єктів господарювання й фізичних осіб через зростання безробіття й соціальних обмежень. Практична значущість отриманих результатів полягає у формуванні рекомендацій щодо врахування тенденцій розвитку національної економіки у процесі виявлення перспектив та можливих проблем функціонування українських організацій в умовах інтеграції країни до європейського співтовариства. Сформульовані висновки та рекомендації будуть корисними для керівників та власників бізнесу, що прагнуть до побудови організації, компетентної на шляху приєднання до європейського економічного простору

**Ключові слова:** функціонування організації, валовий внутрішній продукт, організаційна ефективність, організаційна компетентність, євроінтеграція