

UDC 316.422(477):316.323.7(4/5)

**Miroshnichenko T.E.**,  
*PhD, Senior Researcher,  
Institute of World Economy and International Relations,  
National Academy of Sciences of Ukraine*

**Androsyuk A.V.**,  
*Junior Research Fellow,  
Institute of World Economy and International Relations,  
National Academy of Sciences of Ukraine*

## **SOCIO-ECONOMIC TRANSFORMATION OF POST-SOCIALIST COUNTRIES OF EURASIA IN THE CONTEXT OF NATIONAL DEVELOPMENT PRIORITIES OF UKRAINE**

In this article revealed especially socio-economic transformations in post-socialist countries of the Eurasian region including globalization. Determine the impact of these processes on Ukraine in the context of national development priorities.

**Keywords:** transformation, postsocialist countries, globalization, social and economic development, geoeconomics.

**The problem statement.** At the turn of XX-XXI century started sweeping and yet unique socio-economic and political changes associated with the transformation of the entire European and geopolitical space, in which is the formation and consolidation of new institutions, norms, economic relations, which, in turn, cause a significant impact on the pace and quality further economic development. Implemented forming new of contractual relations and property relations together with the restructuring of the existing and establishment of new technical, industrial and financial institutions, public organizations.

New trends in the global economic system connected with its globalization, deepening inequalities between the developed countries and the rest of the world, restructured global economy, which is determined by the strengthening of new centers of power and change institutions world economic order, growing shortages of energy and, consequently, their value increased role infrastructural factors in the socio-economic development, increasingly stringent conditions of international competition, which includes not only the commodities markets, but market capital, technology and labor.

**The aim** of the article is to outline the characteristics of the socio-economic transformation of post-socialist countries of Eurasia in the context of Ukraine's national interests.

Analysis of the latest investigations and published works. Socio-economic processes in national economies as a result of stages of changes in their research work examines Yu. Pahomov, V. Budkin, L. Antonyuk, D. Lukyanenko, N. Tatarenko, V. Geets, E. Panchenko, E. Libanova, Z. Varnaliy and other scientists.

**Presentation of the main material.** In the 90 years under the influence of globalization, countries with economies in transition, especially given the establishment of sovereignty young independent states, dynamics of socio-economic transformation and completion of economic reforms, as well as geo-economic and geopolitical situation, made the transition from a socialist to a market economy methods namely:

- Central Europe – Poland, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Yugoslavia (consisting of Serbia and Montenegro), Slovenia, Croatia, Bosnia and Herzegovina, Macedonia, Albania;

- Asian countries – Mongolia, China, Vietnam;

- the countries of the former Soviet Union – Russia, Ukraine, Belarus, Lithuania, Latvia, Estonia, Moldova, Georgia, Armenia, Azerbaijan, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, Turkmenistan.

The main features of postsocialist economies are in a high level of social and territorial division of labor, branched and fully formed functional and territorial economic systems, whose characteristics differ little from the corresponding structures of developed countries. However, at the present stage countries lack capital and most industries (especially agriculture, light industry and commerce) using outdated technology. In most countries, the formation of modern organizational and management structures of the market economy is almost over. Started economic restructuring based on market principles, and some states have already achieved some success.

It is well known that the second half of XX century was marked by increasing post-industrial trends in the economy leading the world. In the last decade of the last century in the European Union stepped up the process of forming one of the main vectors of modern social development – growth of advanced services sector compared with the sphere of material production. Enterprises in this field actively disseminate information, innovations, new technology, software, education, educational, medical, financial, managerial services and more. Among post-communist EU countries the highest proportion for this sector are Hungary (58,6%), Slovakia (54,4%), Slovenia (52,7%) and Estonia, Latvia, Lithuania – respectively, 59,0%, 57,4%, 52,4% [8].

It can be noted that the successful completion of the transformation period of postsocialist countries included in the European Union. However, if you assess not only the processes of liberalization and stabilization, but also the establishment of institutions and microeconomic transformation, it becomes apparent that a complete transformation in these countries too early.

Different conditions in which economies were at the beginning of «great change» had a corresponding impact on the process of transformation. The most favorable conditions that have developed as a result of previous mar-

ket reforms were in Poland and Hungary, the worst – in Albania and Romania.

Experience transformations in post-socialist world still denies allegations of unilateral causal relationship between economic growth and social development. We can only say that if the trend towards interaction between processes when cause and consequence are constantly changing, mutually reinforcing. Rather, the opposite thesis justified character correctly aligned priorities and institutions of social policy not only impede economic activity, but rather to encourage it, besides providing the necessary political support for economic reforms.

There is the direct correlation between the extent of private sector and economic growth. The greatest effect was achieved already at the stage of commercialization of public enterprises in most of this countries. Privatization of the economy can make a positive impact on the activities of entities only if accompanied by the necessary institutional transformation and especially the formation of an effective competitive environment. The basis of the market is competition, but not ownership. The result is a relatively high rate of economic growth as demonstrated by the different models implemented privatization and private sector created the scale countries like Slovenia (advantage over 90-years of autocratic enterprises), Hungary (domination of foreign capital) and Poland (mass privatization in late 1996).

The main lesson of reforms in post-socialist world wasn't in mechanical transfer institutions, standards and criteria of the European Union, but the creation of «enclaves actual solidarity» with interested partners in the CIS and the parallel formation of the former Soviet Union working FTA with natural leadership.

For example, in Poland has been implemented program «Strategy for Poland», which contributed to making the economy on the path of rapid growth. Have been achieved some principles of the social market economy: the combination of production efficiency to equitable distribution of profits. As a result, in 1994-1997 the real per capita GDP rose from 6,4% to 28%. Then the Poles who returned home were much more than those who are leaving. This period was characterized by the emergence of peer institutional order by creating a system of nego-

tiation involving the social partners (especially trade unions), business and government. But in 1998-2001, the inhibition of constructing social market economy through reform uncoordinated actions and populism [3,7].

Only in 2002, Poland managed to achieve an increase in GDP growth. Experts note that even after the EU accession, the problems of economic and social issues remain. For example, almost 80% of the turnover of Polish foreign trade is with the EU, which produces only 20% of world production. To export became the engine of economic growth necessary to increase foreign trade with other countries, which account for 80% of the planetary output. In the next 2-3 years in Poland was likely to significantly accelerate growth. In order to achieve this goal, it is necessary to conduct an effective macroeconomic policy, change the structure of revenue and expenditure budget for its transformation into a more progressive, aimed at development. Of great importance for the further development of the country certainly has the state and the private sector, especially in regard to investment in social capital, and in Poland there is a clear understanding that the private sector can not at the proper level to stimulate human capital, without which not possible dynamic development.

Priorities for economic development largely also depends on the intersection of geopolitical and geostrategic interests it is located. In Ukraine, for example, is a particularly important issue, because it is located at the intersection of the interests of the most powerful countries. Because of its geographical location of the state supposedly «sandwiched» between the civilized worlds of East-West, which often leads to conflicts between political and economic priorities.

Ukraine, like many countries, is in a transformation period – the transition from a planned economy based on state ownership domination and bureaucratic control to a market economy, which relies on private property, unfinished reforms in the political, economic, social, humanitarian, legal and other spheres of social life, and the uncertain political and economic strategy. That is the replacement of the previous system of new institutions. The post-socialist transformation means a more complex transformation than just economic change. This, as already noted,

first of all, changing political, legal, social, cultural and psychological, which in turn give rise to many contradictions and conflicts.

Since independence, Ukraine has made a final break of the administrative-command system; legitimate way launched a new model of political order, overcame a one-party system and ideological monopoly, laid the basic principles of governance based on the principles of separation of powers, strengthening the implementation of parliamentary and the executive branch, an independent judiciary and local government. Substantive significance acquired since 1994 transformation processes after the proclamation of the course of radical economic reforms, resulting embarked on a transition to a modern market economy. In 1999 for the first time, in the last decade, have found themselves some early signs of economic stabilization and in 2000 already have began economic growth.

Since 2005, Ukraine has started to change the model of economic and political development through consistent transnationalization in one direction since the formation of the great Ukrainian capital internationalizes its activity is rather slow. As a result, Ukraine has returned to the path of most of the countries of Central and Eastern Europe, where the leading integrated production-supply chain multinationals, foreign capital plays a dominant role, exercising great influence on political decisions, and forms a model of dependent development in which innovative development in most parts depends on the initiatives of multinationals, not the policy of the national government [6].

The experience of Poland, like other countries of the post-socialist period, can significantly assist Ukraine in implementing effective reform of economic and social system.

It should be noted also that the specificity of Ukraine's economy is the fact that it became predominant development industry (especially heavy) and agriculture. It produces more than 80% of the social product. Given that Ukraine has a strong industrial and technological potential, trained personnel, state impractical choice model of market economy, dominated by small private property and market economy governed exclusively by the laws. This path would not progress and regression, and would lead to Adam Smith and appropriate methods of economic life, where

everything is solved free pricing «spontaneous mode», however, this pathway is inefficient.

The experience of post-socialist transition countries for Ukraine suggests that the way to market in drift mode leads primarily to large losses and rejects society for decades ago. Some experts and economists believe that the benchmark for the state to be developed countries with mixed economies. Ukraine does not have anyone to copy, repeat, and has to build a model of a market economy that is most relevant features of our development, economic structure, geographical location, the mentality of the people. The most acceptable model for Ukraine is socially-oriented market that eventually based its activities of the functional structures to the material and spiritual needs. This strategy should be based on clearly defined priorities of economic development that would facilitate the achievement of these objectives.

**Conclusions.** Nowadays, globalization has a special period that caused the level of technological development and the emergence of

new players in the face of post-socialist countries. Terms of post-socialist countries is complicated by the fact that they make the process of integration between its own transformation. However, this does not prevent countries to develop their own economy. Globalization can have certain preferences only if the national strategy for socio-economic development and a clear, consistent policy implementation. The social component in the national and global strategy and policy is so important that ultimately may decide the fate of globalization not only post-socialist countries, but also the planet as a whole.

It should also be noted that the drastic changes in foreign political and economic development strategies and integration vectors allowed postsocialist Eurasian region gain a foothold in the European and global geopolitical structure in the system of global economic relations as a sovereign state, full-fledged actors in world politics and international economic relations.

#### References:

1. Budkin V. Peredumovy i rezultaty transformatsii vlasnosti u postsotsialistychnykh derzhavakh // *Ekonomika Ukrainy*. – 2002. – № 5. – S. 76-82.
2. Grinberg N. Rezultaty ekonomicheskikh reform v postsotsialisticheskikh stranah // *Problemy teorii i praktiki upravleniya*. – 2003. – № 3. – S. 10-17.
3. Mikulskiy A. Postsotsialisticheskoe obschestvo: varianty razvitiya // *Mirovaya ekonomika i mezhdunarodnyie otnosheniya*. – 2005. – № 12. – S. 17-34.
4. *Perekhidna ekonomika : Pidruchnyk/ V. M. Heiets, Ie. H. Panchenko, E. M. Libanova, Z. S. Varnalii ta in. Za red. V. M. Heietsia*. – K.: Vyscha shkola, 2003. – 591 s.
5. Dolishnii M. I. Rehionalna polityka KhKh-KhKhI stolit: novi priorytety: monohrafiia / Dolishnii M. I. / *NAN Ukrainy*. – K.: Naukova dumka, 2006. – S. 299-306.
6. V.M. Heiets. Priorytety natsionalnoho ekonomichnoho rozvytku v konteksti hlobalizatsii nykh vyklykiv : monohrafiia : u 2 ch. – Ch. 1 / za red. V.M. Heitsia, A.A. Mazaraki. – K. : Kyiv. nats. torh.-ekon. un-t, 2008. – 389 s.
7. Savchenko I. Ukraina v konteksti postsotsialistychnykh transformatsiinykh peretvoren. [Elektronnyi resurs]. – Rezhym dostupu: <http://blog.liga.net/user/isavchenko/article/6149.aspx>
8. Pratsia v Ukraini u 2010 rotsi: Statystychnyi zbirnyk / Derzhavnyi komitet statystychnyi zbirnyk / Derzhavnyi komitet statystyky Ukrainy. – K., 2010. – S. 43.