



Reviews

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**NECESSITY AND POSSIBILITY  
OF OVERCOMING DIVERGENT  
TENDENCIES BETWEEN ECONOMIES  
OF UKRAINE AND THE EUROPEAN UNION**

JEL: Y3.

On the eve of the historic moment of Ukraine's candidate-country status and the start of the negotiation process on accession to the European Union, the SI «Institute for Economics and Forecasting of the NAS of Ukraine» has published the results of the collective work on problems and prospects of overcoming divergent tendencies in socio-economic development of Ukraine and EU countries<sup>1</sup>.

The authors of the monograph outline the theoretical and methodological essence of the integration processes at the current stage of globalization, their role in the convergence / divergence of socio-economic development of the

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<sup>1</sup> Estimation of Ukraine' Integration to the European Economic Space: a collective monograph / for gen. ed., Doctor of Sciences habil., Prof. O.O. Borzenko. NAS of Ukraine, SI «Institute for Economics and Forecasting of NAS of Ukraine». Electron. data. K., 2021. 486 p. URL: <http://ief.org.ua/wp-content/uploads/2022/05/Оцінка інтеграції України до ЕЕП.pdf>

European Union and evolution of its institutional environment. The contradictions of globalization and localization as a general basis of modern convergent-divergent processes are highlighted. After all, the conceptual principles of divergence and convergence allow us to explore a diverse spectrum of key areas of human activity, contribute to the practical orientation of political courses not only of individual states but also of regional unions. In this regard, the monograph analyzes the effectiveness of convergence / divergence processes for key macroeconomic indicators, in particular in the investment, innovation, and social spheres. Recently a clear trend has been found towards increasing differences between the socio-economic systems of Ukraine and the European Union, primarily on such criteria as a welfare level and a labour productivity level. Particular attention is paid to the impact of regional and global crisis phenomena, in particular the COVID-19 pandemic, as well as the actualization of global trends in divergence and risks for Ukraine.

The authors' empirical assessments demonstrate the emerging trend of socio-economic divergence between Ukraine and united Europe, which requires immediate development and implementation of a domestic state policy aimed at overcoming this trend, as well as stimulating convergence processes.

The Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other hand, is the basis for large-scale approximation of domestic legislation to the norms and rules of the EU. At the same time, the implementation of the outstanding Ukrainian commitments must be considered as a gradual integration into the EU, and as a prerequisite for Ukraine's development strategy in the broadest sense of the term.

The authors thoroughly analyzed the sectoral problems of the Association Agreement implementation, in particular: advantages and main disadvantages of the EU-Ukraine Deep and Comprehensive Free Trade Area; development of own industrial production and overcoming the trend of deindustrialization; regional differentiation; development of the metallurgical industry; agri-food complex; energy complex and transport. The identified problems allowed them to state that as of December 2021, economic relations between Ukraine and the EU were those of partners and competitors. That is, on the one hand, they are coordinated, and on the other hand, they do not determine any consequences for each of the parties. Given the difference in economic weight of the parties, this increases the potential benefits and risks primarily for Ukraine.

The divergence of the Ukrainian socio-economic macrosystem is manifested in the divergence of elements at different levels of the systemic hierarchy. The object of divergence is not only spatial units (regions, cities, rural settlements, territorial communities), but also industries, sectors, spheres of the economy and society (science and technology, education, healthcare and environment). Moreover, divergent tendencies are observed in the macrosystem's structure – in the relationships between its elements.

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Collective scientific work is information-rich, contains model calculations, and also a lot of statistical and visual graphic material. However, some conclusions and recommendations are debatable, given the radical changes in the Ukraine–EU relations since February 24, 2022.

The research results presented in the collective monograph will be very useful not only for scholars in the field of international economic relations, public administration and national economy administration, but also for students of higher educational institutions, politicians, representatives of public organizations, as well as for all those who are interested in the fate of the European integration based on the principles of sustainable economic development.

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