



ASSESSMENT OF THE ECONOMIC DEVELOPMENT OF LATVIA AND UKRAINE

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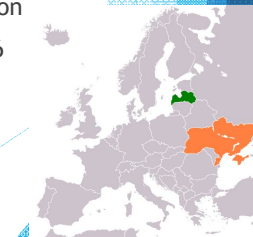


Ukraine

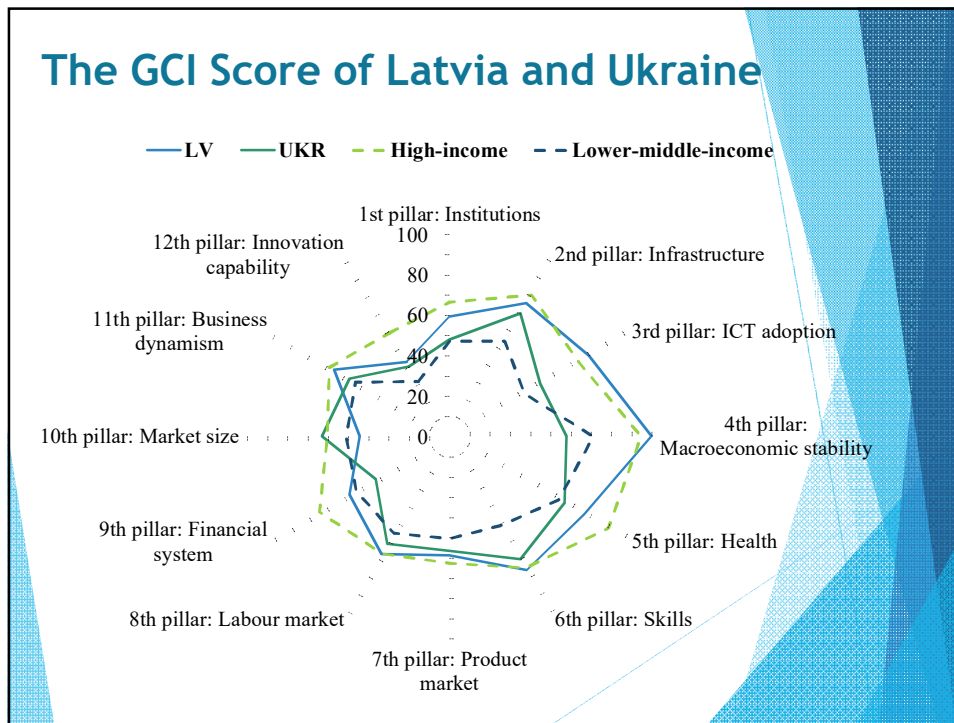
- ▶ Area 603,628 km²
- ▶ Population 41,660,982
- ▶ GDP (PPP) 2020 estimate
 - Total \$429.947 billion (48th)
 - Per capita \$10,310 (108th)

Latvia

- ▶ Area 64,589 km²
- ▶ Population 1,907,675
- ▶ GDP (PPP) 2020 estimate
 - Total \$63.490 billion
 - Per capita \$32,986

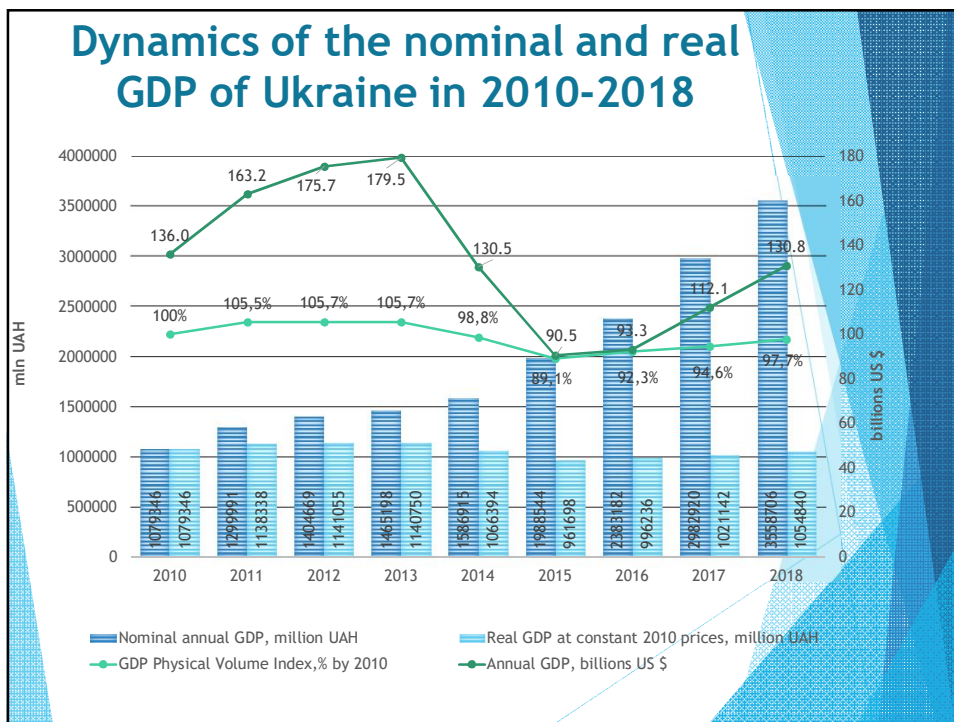
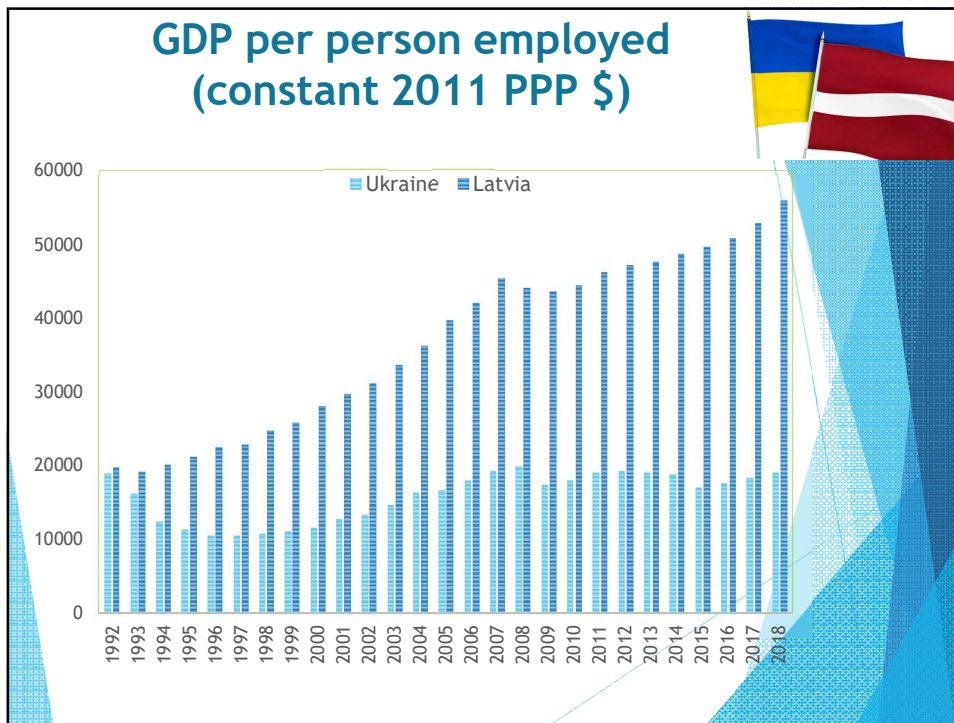


The GCI Score of Latvia and Ukraine

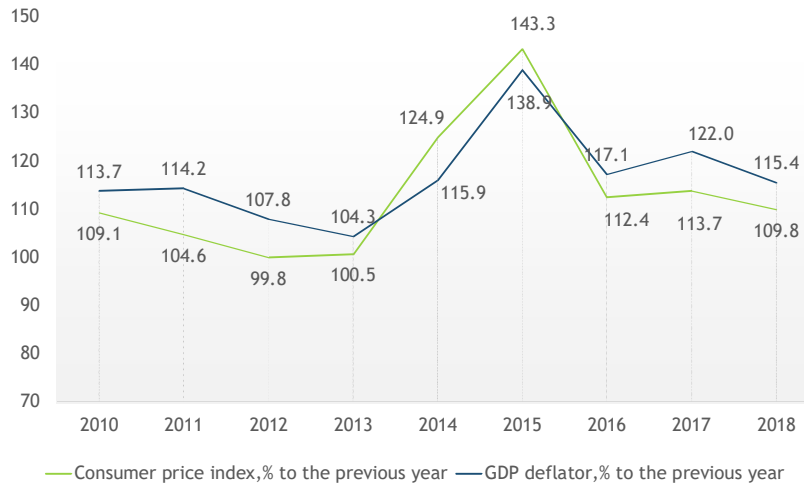


The Global Competitiveness Index of Latvia and Ukraine in some detail in 2019

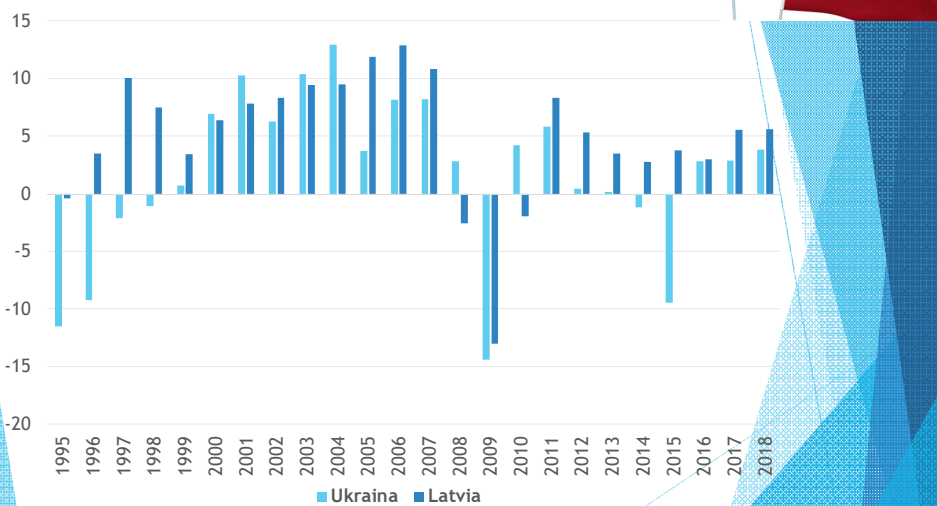
Index Components	Latvia	Ukraine	Index Components	Latvia	Ukraine
Institutions	47	104	Labour market	28	59
Organized crime	38	110	Flexibility of wage determination	10	110
Terrorism incidence	42	132	Ease of hiring foreign labour	113	65
Social capital	112	118	Workers' rights	26	93
Judicial independence	74	105	Labour tax rate %	114	124
Incidence of corruption	39	104	Financial system	85	136
Property rights	52	128	Financing of SME	55	112
Strength of auditing and accounting standards	59	118	Market capitalization % GDP	111	112
Government ensuring policy stability	96	115	Soundness of banks	74	131
Efficiency of legal framework in challenging regulations	86	88	Non-performing loans (% of gross total loans)	78	139
Infrastructure	43	78	Credit gap %	134	1
Quality of road infrastructure	95	114	Banks' regulatory capital ratio (% of total risk-weighted assets)	31	120
Efficiency of air transport services	15	101	Market size	95	47
Efficiency of seaport services	34	78	Gross domestic product (PPP \$ billions)	97	48
Macroeconomic stability	1	133	Imports of goods and services (% GDP)	29	44
Inflation %	1	131	Business dynamism	40	85
Debt dynamics	1	114	Insolvency recovery rate (cents to the dollar)	57	129
Product market	47	57	Growth of innovative companies	48	109
Distortive effect of taxes and subsidies on competition	50	104	Companies embracing disruptive ideas	47	102
Extent of market dominance	46	89	Innovation capability	54	60
Prevalence of non-tariff barriers	19	91	Diversity of workforce	102	59
Complexity of tariffs	113	66	State of cluster development	60	96



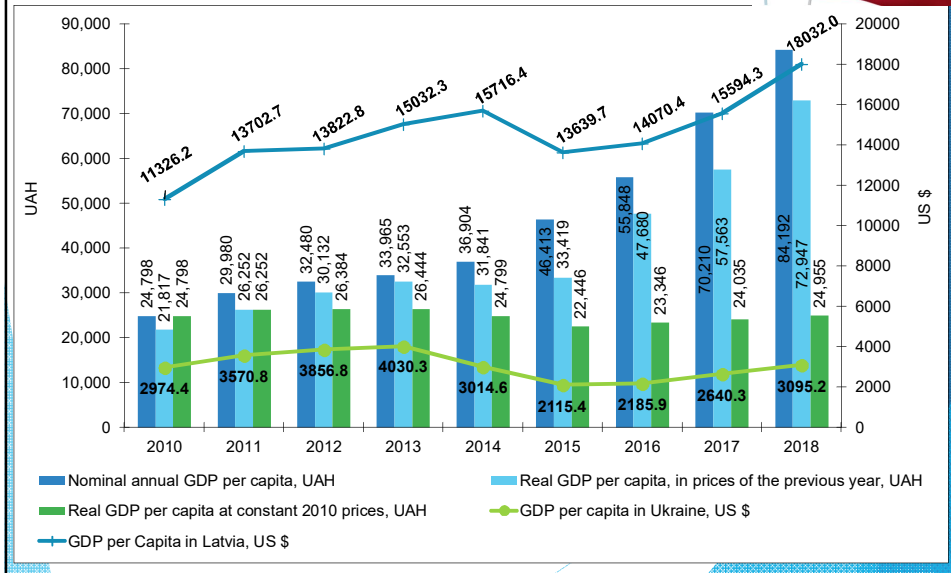
The dynamics of fluctuations in the price indices in Ukraine in 2010-2018



GDP per capita growth (annual %)

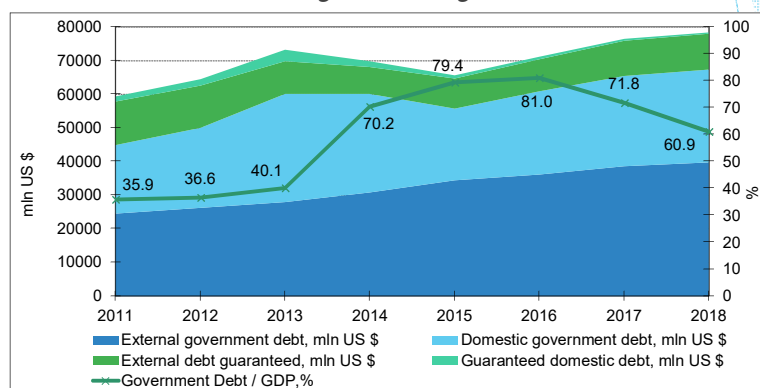


The dynamics of GDP per capita in Ukraine and Latvia in 2010-2018



The main factors of the GDP loss and the development restraining of Ukrainian economy

- ▶ The war in the East of Ukraine and occupation of Crimea
- ▶ The share of the shadow sector
- ▶ The extent of corruption
- ▶ The improper outdated pension system
- ▶ Government debt and government-guaranteed debt



The main factors of the GDP loss and the development restraining of Ukrainian economy

- ▶ Energy import dependence of Ukraine and high energy intensity of GDP
- ▶ Dependence of the Ukrainian economy on the raw materials export and production of commodities with low added value
- ▶ The aggravation of the socio-demographic crisis
- ▶ Poor quality of life, high poverty, low solvency of the population.
- ▶ Systematic missteps in the areas of monetary policy, currency and banking regulation, investment policy.



Conclusions:

- ▶ In order to solve specified problems in Ukraine it is necessary to create conditions for transition to sustainable economic growth, which will be based on expansion of investment demand, strengthening of competitiveness of the Ukrainian economy, increase of efficiency of resources utilization and scientific and technological potential.
- ▶ To overcome the demographic crisis in Ukraine, it is necessary to build a migration policy aimed at strengthening the competitiveness of the economy and the quality of life, improving labour productivity and attractiveness of the labour market for population and migrants.
- ▶ It is necessary to implement a systematic policy to increase the motivation for the return (and attraction) of workers from abroad, to create conditions favourable for the assimilation of people.
- ▶ The transition to economic growth requires an expansion of domestic production, and it is important to focus on the national consumption in order to reduce import dependence.
- ▶ Creating new workplaces and rising household incomes will scale up the purchasing power of Ukrainians, while an increase in the goods volume will slow down price rising.
- ▶ Increasing export volumes of products with a higher processing level will improve the financial and economic situation of Ukrainian producers and scale up the GDP.
- ▶ Saturating the market with cheap financial resources, transforming debt policy, capital recovering in priority sectors, and creating a favourable investment climate will stimulate an increase of business activity and financial stability of the country.

Thank you for your attention!



**NEW CHALLENGES OF
ECONOMIC AND BUSINESS
DEVELOPMENT 2020**

02/10/2020/Riga
University of Latvia

CERTIFICATE

Antonina Broyaka

has participated in the 12th International Scientific Conference
**New Challenges of Economic and Business Development – 2020:
Economic Inequality and Well-Being**

organised by the Faculty of Business, Management and Economics,
University of Latvia

and presented a paper
**ASSESSMENT OF THE ECONOMIC DEVELOPMENT OF
LATVIA AND UKRAINE**

Chair of Conference Programme Committee
Prof. Inna Romānova

October 2, 2020
Riga, Latvia



UNIVERSITY OF LATVIA
**FACULTY OF BUSINESS,
MANAGEMENT
AND ECONOMICS**



**NEW CHALLENGES OF
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PROGRAMME



Virtual International Scientific Conference

New Challenges in Economic and Business Development - 2020: Economic Inequality and Well-Being

Organised by the Faculty of Business, Management and Economics, University of Latvia

The conference is supported by the National Research Programme “Latvian heritage and future challenges for the sustainability of the state” project “Challenges for the Latvian state and society and the solutions in international context (INTERFRAME-LV)”.

**October 2, 2020
Riga**



**UNIVERSITY OF LATVIA
FACULTY OF BUSINESS,
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The 12th International Scientific Conference “New Challenges in Economic and Business Development - 2020: Economic Inequality and Well-Being”

This year’s conference is devoted to the challenges related to income, wealth, regional inequality that slows down the pace of economic development and deteriorates well-being of people all over the world. The objective of the conference is to provide a platform/opportunity for scholars, researchers and professionals from different disciplinary backgrounds to meet, exchange ideas and discuss challenges and prospects for economic and business development.

The conference is composed of 5 parallel sessions:

- **Competition, Productivity and Industries**
- **Contemporary Management and Business Innovations**
- **Financial Services, Accounting and Finance**
- **International Aspects of Economic and Social Inequalities and Well-being**
- **Marketing and Brand Management**

Conference webpage: www.bvef.lu.lv/en/conf/

E-mail: fbmeconf@lu.lv

Programme

Friday, 2 October, 2020
10:00 – 10:30

Official openingspeeches:

Inna Romanova, **Professor, Vice Dean for Science, Faculty of Business, Management and Economics, University of Latvia, Chair of the Conference**
Gundars Berzins, **Professor, Dean, Faculty of Business, Management and Economics, University of Latvia**

Parallel sessions
Part I 10:30 – 12:00

Competition, Productivity and Industries

Chairs: Prof. Janis Priede (**University of Latvia**), Prof. Vida Davidaviciene (**Vilnius Gediminas Technical University**)

1. Marina Reshetnikova
CHINA'S PIONEERING ECONOMY: KEYS TO FUTURE GROWTH
2. Daira Baranova, Olegs Baranovs, Irina Skribane
PRODUCTIVITY TRENDS AND INCOME INEQUALITY IN LATVIA
3. Klaus Danner
THE IMPACT OF DIGITIZATION ON LEAN MANAGEMENT IN MANUFACTURING COMPANIES
4. Antonina Broyaka
ASSESSMENT OF THE ECONOMIC DEVELOPMENT OF LATVIA AND UKRAINE

Contemporary Management and Business Innovations

Chairs: Prof. Andrejs Cekuls (**University of Latvia**), Prof. Ligita Simanskiene (**Klaipeda University**)

1. Jurgita Pauzuoliene, Ligita Simanskiene
EVALUATION OF THE ORGANIZATIONAL CULTURE IN THE CONTEXT OF SOCIALLY RESPONSIBLE ORGANIZATIONS
2. Ricardo Martin Flores, Madara Apsalone, Ilona Baumane-Vitolina, Erika Sumilo
ORGANIZATIONAL INNOVATION FOR SME'S: A MODEL FOR LATVIA
3. Jurgita Pauzuoliene, Ilvija Pikturnaite
BUSINESS COMPANIES CONTRIBUTION TO IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT GOALS: SOCIAL ASPECT
4. Julius Paulikas, Erika Zuperkiene, Lilita Abele
THE MOST EFFECTIVE MEANS FOR OVERCOMING EMPLOYEE RESISTANCE IN THE CONTEXT OF IMPROVING ORGANISATIONAL PROCESSES
5. Elina Petrovska, Gundars Berzins
USE AND DEVELOPMENT OF CONTINGENCY THEORY