

# TRANSFORMATIONAL PROCESSES OF THE COUNTRY'S ECONOMIC DEVELOPMENT

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## Abstract

The article describes the basic concepts of the transformation definition and on the generalizing of scientific research substantiates. The general definition of the transformation concept – qualitative transformations or formation of economic system of various scale, allowing to move to a new level of functioning and development through timely adaptation of the laws through changes, programs, changes, goals and technologies for resolving contradictions that are accepted and function consistently and cyclically at all levels of the economic system. The main features of transformation are identified and presented. It is proved that the course of transformation processes (sequential changes of objects and phenomena occurring in a regular order, the combination of a series of sequential actions aimed at achieving a certain result, a consistent change in the state of the object in time) and their impact on the functioning and development of economic systems due to internal or external factors, among which can be distinguished: factors of state regulation of the economy, factors of structural transformation of the economy, factors of spiritual and moral restructuring of society, objective and subjective factors determined by the effects of economic laws, exogenous and endogenous factors. Transformation of the country's economic development process is only possible if it is necessary to strike a balance between the social, environmental and economic development of the country. The definition of social transformation, environmental transformation and environmental transformation is given. It has been proved that the transformation process is a complex and contradictory process, which depends on the consistent change of the object of the object of study in time, the consistent change of objects and phenomena, which occurs in a regular order. Studying the causes of occurrence of transformations in systems of different nature and content of characteristic features, it is useful to understand their course in time and space, and to ensure the controlled nature of such transformations. The analysis of transformation processes in the economy should be based on their empirical manifestations and theoretical basis. The list of the main levers of transformation processes of economic development of the country are presented, among them: development of small and medium business; increasing demand for Ukrainian products; expansion and diversification of foreign economic relations, concluding agreements on the functioning of free trade zones with individual countries; pursuing an active employment policy; functioning of export-credit agency that will facilitate transition to export of high-tech innovative products for sustainable development of the country; pursuing a policy of inflation targeting and floating exchange rate targeting by the National Bank of Ukraine; active cooperation with international financial institutions (including the IMF, the World Bank, etc.) within the framework of joint programs. development of small and medium business; updating and optimization of the system of state management of enterprises; raising social standards; implementation of educational, pension and medical reform; improvement of investment climate, deregulation and development of entrepreneurship; implementation of new production standards, etc.

**Keywords:** transformation, transformation process, economic development.

## **INTRODUCTION**

To date, Ukraine has come a long and thorny path, and its economic development has always been on the verge. It so happened historically that the economic development of the country has masked the notion of “economic survival” which was the cause of significant globalization process in economy, military confrontation and external aggression against the country, as well as deepening crisis in various spheres of life.

The economic development of a country is possible only under the condition of a smooth transition from an economically inefficient administrative-command model to the transformation of economic processes through liberal-capitalist and socially-oriented models.

## **RESEARCH RESULTS AND DISCUSSION**

In the context of transformation of the Ukrainian economy under the term “transformation” or, in a single-function process, “structural shifts” should be understood as the process of adaptation (quantitative and qualitative adaptation) of elements of economic systems at the macro-, meso- and micro-levels and their interrelations respectively to the patterns of functioning and development of a market economy, which leads to the formation of sustainable socio-ecological and economic development [22].

Transformation in the broad sense (systematic changes) is not a time-limited process of transformation of the system, its elements, relationships and relationships between them [9].

Having conducted a rather broad analysis of scientific researches, the most relevant definitions of the concept of “transformation” were highlighted (Table 1).

The analysis of scientific thoughts before interpreting the definition of “transformation” can identify the following basic features [3].

1. Transformation is a process. Although there are multivariate approaches to consider this category, we remain adherents of the process approach to interpreting this definition, since other approaches to its analysis also emphasize in general the particular set of actions that must take place to effect transformations, which is a process approach in its essence. In particular, the interpretation of transformation as a particular moment of development is also directly linked to the study of it from the point of view of the process, since it is not appropriate to study the static state of the economic system and to argue for transformation.

2. Transformation is a qualitative process. In fact, all scientists agree that positive changes in the development of the object under study are characteristic of transformation as a universal process. and economic. In general, transformation contributes to the movement of a particular phenomenon to a better version of it in space and time in harmony.

3. Transformation is a dynamic qualitative process that is subject to constant change of an object that is in a state of change and certain turbulence. In fact, there is no transformation without dynamism, because an economic entity realizes a movement in a certain positive vector.

Table 1. The essence of the “transformation” concept

Author	Description of the concept
Steblyakova L., Ivashchenko N., Ismailova M. [21]	- the action or process of changing the form, appearance, essence of a society or a separate structure - transformation of essential components of society, all aspects and spheres of social life
Pochenchuk G.M. [15, p.125]	- transformation of a social system of different scale, depth, orientation, caused by internal or external factors, or a combination thereof
Steblyakova L.P. [19, p. 21]	- the objective-subjective process, on the one hand, takes place in accordance with objective laws, and on the other - initiated and regulated by the subjects in order to accelerate it and give it a certain direction
Kirilluk E.M. [10, p. 18]	- both subjective and objective process of development (evolution) of economic systems - a process that involves deep qualitative transformations of the system
Boyko A.I. [2, p. 24]	- the moment of development of the object reflects the transition state from what is no longer to what is not yet, but what should or may be
Kuharskaja N.A. [12, p. 11]	- a constant form of life activity, a movement in which the old and the new coexist, are born and innovative trends survive and develop in certain conditions
Toffler E. [20]	- transformations, versatile tumultuous events, changes, impulses into a new system, which are not a continuation of development in the current direction, but radical changes that may negate previous experience
Pochenchuk G.M. [15]	- is a complex process of transformation, which changes the quantitative and qualitative parameters of systems and their components
Grazhevskaya N.I. [4]	- a form of economic systems development associated with evolutionary and revolutionary changes, the constant transition of economic systems from stable to fragile and vice versa
Kornukh O.V., Turilo A.M. [11, p. 190]	- the economic category, which is related to the economic sphere, inherent in different levels of management, reflects the complex process, which is carried out simultaneously in space and time, occurs under the influence of objective and subjective factors and a key feature of which is the totality of change, which ultimately lead to a new economic state, new economic results, and the setting of new economic goals and objectives
Mochernyi S.V. [6, p. 687]	- the process of transformation of one economic system to another, which is accompanied by the extinction of some elements, features, properties and appearance of others
Petrishina N.V. [14, p. 32]	- a complex process of transformation of the economic system, which involves quantitative and qualitative changes in the components of the system and spheres of public life
Bell D. [1]	- measured and elaborated measure of necessary changes, within which the selection of the most important and perspective continues, society adapts to the changes of the environment through the formation of programs, projects, goals, technologies for solving contradictions, etc.
Grischenko G.O., Golovko M.I. [5, p. 359]	- are qualitative transformations of the economic system, going beyond the limits of stable functioning and transition to a state of imbalance, quantitative and qualitative changes of different intensity and orientation.
Zavoloka Yu.M. [7, p. 176]	- qualitative transformations of the economic system, its going beyond the limits of stable functioning and transition to the state of imbalance, quantitative and qualitative changes of different intensity and orientation
Markovich I.B. [13]	- an immanent feature of national economies, which is constantly occurring and is a phenomenon of continuous change of form, as the moment of cardinal transformations, as a result of which the structure, features, system of relationships are completely changed
Ivashina S.Yu., Ivashina O.F. [8, p. 310]	- deep transformations caused by changes in technology and occurring at the level of economic relations, institutions of economic and social sphere, as a process that is consistently and continuously carried out at all levels of the economic system

Source: compiled by the authors on the basis of [1; 2; 4-15; 19-21].

4. Transformation is the cause of non-equilibrium states in the system, which is caused by the gradual destruction of old elements of a certain system, their renewal, the appearance of other components, which is dictated by time and reality. In fact, during the transformation, the economic system is in a non-equilibrium state, due to the presence at the same time of old elements and the birth of new ones, which are not always in agreement with each other. The presence of such discrepancy and lack of consistency and causes some conflicts.

Summarizing the definition of transformation, these are the qualitative transformations or emergencies of an economic system of various scales that allow us to advance to a new level of functioning and development through timely adaptation to changes through the formulation of laws, programs, projects, goals and technologies for resolving and contradicting consecutively and cyclically all levels of the economic system.

The course of transformational processes (sequential changes of objects and phenomena occurring in a regular order, a set of series of sequential actions aimed at achieving a certain result, a consistent change in the state of the object in time [16]) and their impact on the functioning and development of economic systems due to internal or external factors: factors of state regulation of economy, factors of structural transformation of economy, factors of spiritual and moral restructuring of society, objective and subjective factors that are determined economic laws, exogenous and endogenous factors.

Transformations of the country's economic development process are possible only if the balance between the transformation processes of the country's social, environmental and economic development is indispensable.

Social transformation: the process of significant change of society as a whole or of its system-forming elements, characterized by multi-vector, relatively high rate of change and increased influence of subjective factors (the main cause is the deep systemic crisis of society); a special type of social change, alternative to the revolutionary and evolutionary types, which reflects the fundamental regularity of the shift of natural-historical processes towards the socio-historical, when social factors and human potential play a decisive role in the development of society [17].

Ecological transformation is a process of becoming ecological security of the country, through rational use of components of the biosphere in the process of environmental management, reduction of air pollution, surface and groundwater, as well as control of waste and use of non-renewable mineral resources.

Economic transformation is a continuous process of change, one of which is discrete, discrete and systematic. Transformation in a narrow sense (one-time and discrete changes) – a transition period (a transitional economy, a transformation economy “in a narrow sense”) – a time-limited process, which is determined by turning events in society, consists in the transition from one equilibrium state to another. Whereas transformation in the broad sense (systematic changes) is not a time-bound constant process of transformation of a system, its elements, connections and relations between them [9; 17].

The importance and depth of transformation processes is determined by the extent to which real changes take place in the economic development of a country, and the extent to which structural shifts affect its system-forming relationships, transforming the old economic system of sustainable development into a new one.

Important for the transformation of economic development of the country are the real and financial resources of the country: natural resources (land, water resources, air pool, minerals, etc.); labor resources (working age in working age); logistical resources (fixed and working capital in real form); information resources (databases, intellectual information services, design estimates, technical

documentation, etc.). In substance, transformation leads to certain changes, and by its consequences its nature is that it affects the state of different systems. Transformation can result in not only pure changes, but also the genesis of a new system, new relationships or phenomena.

Transformational process is a complex and contradictory process, which depends on the consistent change in the state of the object of study over time, the consistent change of objects and phenomena, which occurs in a natural order. Studying the causes of transformations in systems of different nature and the content of characteristic features is useful for understanding their flow in time and space, ensuring the controlled nature of such transformations. The analysis of transformation processes in the economy should be based on their empirical manifestations and theoretical basis.

Transformation processes in a country's economic security system must be considered as a subjective and objective process that takes place in space and is determined by an existing economic system [9].

The main levels of transformation processes of economic development of the country include: development of small and medium-sized businesses; increasing demand for Ukrainian products; expansion and diversification of foreign economic relations, concluding agreements on the functioning of free trade zones with individual countries; pursuing an active employment policy; functioning of export-credit agency that will facilitate transition to export of high-tech innovative products for sustainable development of the country; pursuing a policy of inflation targeting and floating exchange rate targeting by the National Bank of Ukraine; active cooperation with international financial institutions (including the IMF, the World Bank, etc.) within the framework of joint programs. development of small and medium business; updating and optimization of the system of state management of enterprises; raising social standards; implementation of educational, pension and medical reform; improvement of investment climate, deregulation and development of entrepreneurship; implementation of new production standards, etc.

## CONCLUSION

Studying the empirical manifestations of the transformation processes of economic development of the country are extremely useful, although this is clearly insufficient to understand the nature and general patterns of transformation processes, so there is a need for their theoretical substantiation. This necessitates further study of the causes of transformation processes as a general scientific phenomenon.

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