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PRODUCTIVE CAPACITY OF UKRAINE'S ECONOMY AND ITS REGIONS IN TERMS OF SOCIAL DIMENSION IN WAR CONDITIONS

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Abstract. The article deals with the issue of human potential as the basis for the growth of the state's productive capacity both on the domestic and international markets, and as a whole, the basis for the socio-economic progress of society. Russia's unprecedented invasion of Ukraine and the deployment of a full-scale war on the territory of our country led to immediate changes in the demographic situation of the country, which in turn caused corresponding consequences for the economy, which will be felt for a long time. Since the beginning of the war, more than 6 million people have left the territory of Ukraine, approximately 7.7 million were forced to leave their homes and became internally displaced persons. Despite a considerable amount of research, today the issue of preserving the human potential of Ukraine remains especially relevant in the conditions of Russian aggression. Thus, the purpose of this article is to outline the current problems of the loss of human potential as a result of Russian aggression, the formation of opportunities and the search for ways to preserve and reproduce it, as well as the implementation of an effective scenario for the management of human potential both at the national and regional levels. The article examines the essence of the human potential category, defines the author's interpretation of the content of this category. Certain assumptions are also made regarding the economic prospects and the determining role of the demographic factor for the further economic future of Ukraine. The main ways to preserve the human potential of the state, as well as its further reproduction in the conditions of post-war economic recovery, are outlined. It is substantiated that in the future, after the stage of reconstruction is completed in the Ukrainian economy and it enters the path of gradual development, human capital will play a decisive role. In the long-term perspective, namely on the scale of several decades, the demographic factor may become decisive for the development of Ukraine's economy. Today, in Ukraine, the categories of human potential and human development as interdependent and complementary categories, which are closely correlated with each other, are forced to function in the coordinate system of military-economic relations. Therefore, the modern economic policy of the state requires the strengthening of measures not only of the military-economic, but also primarily of social-cultural and moral-ethical development of human potential within the country, in particular, its effective strategic management in the processes of forming the priorities of foreign economic activity and the Euro-Atlantic perspective.

Keywords: productive capacity of the economy, social dimension, Ukraine regions, war conditions.

JEL Classification: O 47, O 49

1. INTRODUCTION

A key factor in the economic stability of the state, its regions and business entities is strengthening and increasing its productive capacity. In the modern conditions of Ukraine's state of war, taking into account the numerous losses of human and economic potential of its regions, this factor becomes critical.

Usually, the productive capacity of the economy is understood as the production capacity, or the productive capacity of a country, region, or organization to produce goods or services. Today there are different approaches to determining the factors of productive capacity and their priority. In our research, in particular, we will focus on its social dimension, since human potential is the main strategic resource of any state and the nation's greatest wealth, and the issue of its development has been in the field of view of leading domestic and foreign scientists for a long time. The importance of human potential as the highest value of society requires awareness of the need for its preservation, rational use and effective reproduction, which is the key to the harmonious development of socio-economic systems. Significant migration losses at the level of most regions of the state, caused by military actions, are evidence of the lack of strategies for preserving human potential and determine the urgent need to find new policies and other measures capable, on the one hand, of offering productive guidelines and tools for influencing the behavior of the population, and, with another is to strengthen the system of social institutions that support the environment of attracting and using the human potential of Ukraine.

2. THEORETICAL BACKGROUND

Professor A. Filipenko notes that the productive capacity of the economy is a multidimensional process that reflects the overall state of the economy, the efficiency of use of all resources, the nature and level of institutional environment, the quality of human and social capital (Filipenko, 2018). At the same time, it should be emphasized that the productive capacity of the region is a systemic process that goes beyond just the economy, crossing with social, environmental, resource-providing and other dimensions. In particular, Professor S. Schultz considers productive capacity as a characteristic of the ability of the economy to ensure an extended social reproduction, in which a number of non-economic factors (socio-cultural potential of territories, behavioral factors and political influences) will increase (Schultz, 2022).

We believe that the social component of productive capacity is the foundation of the socio-economic system of the region, the basis for its growth and strengthening both in the domestic and international markets, and in general, the basis for its progress. By our definition, the social component of the productive capacity of the region reflects the presence of opportunities for the preservation, development and reproduction of its human potential.

Analyzing the approaches to the study of the human potential category, we can note a few key points. First of all, it is that some scholars define this concept as a general set of human qualities, abilities and skills (Amosha et al., 2008), others consider it with a binding to a particular territory - society, community, region, nation (Mocherny et al., 2002), other researchers equate it with the categories of human capital and labor potential of society (Prymak, 2013). However, despite the considerable number of researches, the issue of preserving the human potential of Ukraine in the conditions of war is especially relevant today.

3. RESEARCH OBJECTIVE, METHODOLOGY AND DATA

The study of research in recent years has revealed that despite the large number of approaches and contradictions in the interpretation of the category human potential, this concept clearly evolves in its essence. In particular, from the categories of "labor" and "labor resources" (XIX-beginning of the twentieth century), which later united in the definition of "labor potential", to the concept of "human factor" and "human capital", which eventually expanded to the category of human potential. Therefore, in our opinion, human potential is a set of natural qualities and capabilities of individual individuals, realized in a certain territory, which form both an individual and society as a whole and ultimately lead to socio-economic progress. Thus, we believe that the concept of human potential is much broader than labor resources or human capital, since it includes the latter. Surveying in a certain territory, human potential contains both an economic component (labor resource/ capital), as well as socio-cultural, psycho-emotional and physiological (intangible/ personal component).

Hence the concept of "capitalization of human potential", which will be defined as the degree of transformation of human resource into economic capital in the presence of motivation, knowledge and skills, experience and effort implemented in a certain territory over a certain period of time and determined socio-economic conditions.

The unprecedented invasion of Russia into Ukraine and the deployment of a full -scale war in our country has led to instant changes in the demographic situation of the state, which in turn caused appropriate consequences for the economy that will be noticeable for a long time. Accordingly, Ukraine has lost a considerable percentage of its human potential, which is extremely needed to further restore the country and restore its economic capacity. Thus, the purpose of this article is to outline the current issues of loss of human potential as a result of Russian aggression, the formation of opportunities and to find ways to preserve and reproduce it, as well as to implement an effective scenario of human potential management both at national and regional levels.

4. RESULTS AND DISCUSSION

Since Russia's military invasion of Ukraine, our state has lost a significant percentage of its human potential. Starting from February 24, 2022, as a result of large-scale aggressive military operations, about 6 million refugees left the territory of our country. These are people who fled the war in neighboring countries, namely Poland, Moldova, Romania, Hungary and Slovakia. Some of them, including more than 1.48 million people, went on to other countries in Europe, North and Latin America, and Australia.

In general, up to 70% of the population of Ukraine suffered the negative impact of hostilities. In addition, about 208,000 people who are not citizens of Ukraine - migrant workers and students - left the country (Monynets, 2022). The main flows of internal migration were directed towards the western regions of Ukraine, in particular to the Lviv, Zakarpattia, Ivano-Frankivsk, Chernivtsi and Khmelnytskyi regions.

Only neighboring Poland accepted 2.5 million Ukrainian refugees (Focus, 2022). The situation is similar in other EU countries, as well as the USA, Canada, Great Britain, and Australia, where Ukrainian citizens were forced to flee to avoid war. Approximately 90% of Ukrainian refugees are women, children and the elderly. It should be understood that if it were possible for men to leave Ukraine, the percentage of Ukrainian refugees would be much higher.

According to UN forecasts, 1.5 million Ukrainians who are currently in Poland as a result of Russian aggression will probably decide not to return to Ukraine. There are a number of reasons for this, including the memory of the war, the loss of permanent residence in Ukraine, the loss of

relatives or loved ones as a result of hostilities, the loss of work and a permanent source of income, the decline of Ukraine's economy and doubtful prospects for its rapid recovery, preferences and subsidies in host countries, education prospects for children, as well as their further employment abroad, etc.

According to the legislation of Poland, today Ukrainian refugees are allowed to stay in the country for 18 months. During the first two months of the war in Ukraine, the Polish government allocated more than 8 billion zlotys, which is equivalent to €1.6 billion, for direct or indirect assistance to Ukrainians who were forced to leave their homes. These funds were used for free access to the health care system, use of public transport, small grants for opening one's own business, treatment of wounded Ukrainian soldiers, assistance for children in the amount of €120 per month and their education in local kindergartens and schools (Koch & Belozertsev, 2022).

However, it should also be understood that Ukrainian refugees are potentially able to positively influence the economy of a neighboring state, since a large part of them get a job, pay taxes and rent, buy things and use local services. The Prime Minister of Poland noted that Ukrainians may have the opportunity to become a great added value for the Polish economy, and local entrepreneurs note that they need more labor and qualified specialists for more productive work (Koch & Belozertsev, 2022).

If we make certain assumptions about the economic prospects and the determining role of the demographic factor for the further economic future of Ukraine, we can outline certain hypothetical scenarios that will take place in the short, medium and long term.

Therefore, the emigration of 15% of the population of our country will lead to a sharp reduction in both domestic demand and labor supply, but in the short term, the demographic factor does not yet play a decisive role for the economy. In the medium-term perspective, in the conditions of post-war reconstruction and the opening of the possibility of going abroad for men, there may be a shortage of labor in certain industries, primarily in construction, which in turn may slow down the inflow of grant funds in the form of grants, cheap loans and investments (Malibroda et al., 2022).

In the future, after the Ukrainian economy has completed the reconstruction stage and it will go into the path of gradual development, human capital will play a decisive role. The danger of departure of the young population to receive education and further employment and residence abroad or because of the fear of another repetition of military aggression by Russia can become quite real for Ukraine. Therefore, there may be a constant outflow of the population from the country, which will lead to changes in its age structure, aging of the nation and a decrease in the proportion of people with higher education. Thus, in the long run, the demographic factor can be decisive for the development of the economy of our country.

According to the Razumkov Center poll, 79% of refugees plan to return home. Among the reasons, obviously, ignorance of language, problems with housing, lack of jobs, desire to return to the family. According to the Ukrainian Institute of the Future (UIFuture, 2022), even for an optimistic scenario of events, according to which 75% of those who have left will return to Ukraine, the state will still lose much of its human potential, namely a motivated able-bodied population. However, if you consider the most realistic scenario, then according to their forecasts, half of the refugees will probably no longer return to Ukraine.

However, in addition to the loss of human potential, there is another problem that Ukraine will face in the near future. This will be mass re-emigration in circumstances where the country will not have the opportunity to provide people with work and income, and in the case of refugees returning to the territory that has been significantly affected by the consequences of hostilities, apparently, and housing. Because of this, we consider the main ways to preserve the human potential of the state, as well as its further reproduction:

- formation of conditions for effective retraining of persons who have lost their work and carrying out a competent and effective information campaign to support the change of profession (obviously with material incentives from the state).

At this stage, the development of a network of institutions that will be engaged in people's training and the development of new specialties should be implemented. In addition to state funding, this process should also be involved in business.

- introduction of a separate initiative with the participation of a public-private partnership called "Live and Work".

This initiative provides that subject to the creation (or transfer) of production by the investor, the state undertakes to co-finance (or build) housing, which is offered to citizens on the terms of signing a working contract with the enterprise, and to avoid the problem Ownership of housing in the employee under conditions of work for 3-5 years.

- Introducing government subsidies (or interest-free loans) for business when creating new jobs.

This provides the following procedure: an entrepreneur who intends to officially employ even 1 person can get funds for creating a workplace. In this case, even an interest-free loan is profitable - the state will receive "interest" in the form of tax deductions of a new employee (UIFuture, 2022).

In foreign policy, it is also necessary to make a great bet on the diaspora, which, both during and after the war, is and will be a significant tool for lobbying for Ukraine. In this part it is worth providing the following steps:

- Creating a system of interconnection with Ukrainians living abroad. Cultural, information, educational assistance. Provide the possibility of creating "Ukrainian media" for regions where there are centers of the Ukrainian diaspora (Ukrainian and language of the country of residence).

- Using diaspora to promote goods. To create a system of communication of embassies, CCI or other structures responsible for the promotion of Ukrainian goods in foreign markets. Provide mechanisms for supply of Ukrainian goods (and promotion of transactions, customs clearance) with business representatives related to the Ukrainian diaspora.

Today, both national and regional labor markets in Ukraine have significant imbalances, primarily due to the disproportionality of the ratio of supply and demand. The load on one vacancy in the average country ranges from 3 to 9 people, depending on the profession. In addition, one of the most significant problems in the labor market in Ukraine is the non-equivalent ratio of value and remuneration. It is not a sufficiently high remuneration causes its low productivity, and in the absence of increased labor productivity, it is impossible to form a basis for increasing the real income of the employed population. In addition, it creates the basis for abuse, since the employer is mainly focused on "cheap labor" than the introduction of innovative technologies and equipment or modernization of jobs.

Therefore, in this direction, the emphasis of state regulation should first of all be directed to the effective use of existing labor resources and the labor potential of the state, stimulating the improvement of the educational and qualification level of the economically active population, as well as the provision and observance of legal and social guarantees of employment. Main efforts should be guided by:

- formation of conditions for the full use of the labor capital of the state, taking into account the peculiarities of the interests of individual social groups and comparing them with priorities and tasks of socio-economic development;

- alignment of demand and demand imbalances in the labor market, in particular stimulating demand for labor and development of mechanisms and actions aimed at reducing labor supply;

- formation of conditions for the development of small business and stimulating the population to activate self-employment;

- Supporting the processes of destruction of employment (modification of traditional forms of employment and the emergence of completely new ones, which today actively influence the labor market; in particular, they include staff leasing, outsourcing, outstaffing, freelancing, distance employment, non-standard work schedules, etc.) acquisition of general and special education, development of continuous system of training, retraining and advanced training of personnel, development of an inclusive labor market.

Particular attention should be paid to the formation of an appropriate level of minimum wage, which should be regulated in accordance with changes in the index of life value and other economic conditions, as declared at the ILO Geneva Conference (recommendations for establishing a minimum wage with special consideration of developing countries N 135).

Further efforts should be directed to the formation of the real cost of labor in Ukraine, the establishment of a market price of labor resources, a necessary prerequisite for which should be to identify ways and mechanisms of overcoming the stereotype of "cheap labor", the development of methodological bases of calculating the cost of expanded reproduction of labor potential of the state.

The main indicator of the effectiveness of the socio-economic policy of the state is the level and quality of life of the population, which determines the degree of satisfaction of the diverse needs of man (socio-economic, physiological, psycho-emotional, spiritual), conditions existence, etc. Ensuring a decent level and quality of life of all categories of the population, as well as its continuous increase, requires the introduction and observance of high social standards, which is the most important priority of socio-economic policy and one of the main functions of social protection of the population. In order to ensure a sufficient standard of living for its citizens, the state determines the subsistence level, which is recognized as a basic state social standard in Ukraine today.

Therefore, it is necessary to adjust the level of the subsistence level in Ukraine in order to bring it to the level of European standards and to use it as an indicator of poverty level and objectively reflection of the situation of poor people in the state, as well as those that are at risk of social exclusion.

Since the subsistence minimum has lost its primary role today, namely the indicator of the basic social standard in Ukraine, it has caused a serious problem not only for citizens, but primarily for the state. The economic content of the subsistence minimum is to determine the threshold value of income that needs to be obtained (or household) in order to ensure sufficient living standard a certain type of payment from/to the budget.

So, the following steps are required:

- ensuring the level of subsistence levels of only those types of payments that are directly related to economic content (for example, the amount of assistance to low-income persons);
- unification of the subsistence level in Ukraine for all categories of citizens in accordance with the practice of most developed countries. In particular, the level of subsistence minimum should be determined not for the individual, but in general for the family as an indicator of the level of well-being of an individual household;
- the introduction into the system of state standards of another indicator, namely the regional subsistence index, since both the level of prices and the standard of living in Ukraine are differentiated depending on the region.

Ensuring appropriate and effective regulation of the sphere of social standards, guarantees and standards, in particular, first of all, the subsistence level as its basic indicator, makes it possible to realize the strategic goal of the state, namely the achievement of high standards of level and quality of life of its citizens, which is a necessary prerequisite for social construction today oriented market economy.

5. CONCLUSION

To summarize, it should be noted that today in Ukraine the categories of human potential and human development as interdependent and complementary determinants, which closely correlate with each other, are forced to function in the system of coordinates of military and economic relations. Thus, the modern economic policy of the state requires strengthening of measures not only of military-economic, but also above all socio-cultural and moral and ethical development of human potential within the country, in particular, effective strategic management in the processes of formation of priorities of foreign economic activity and Euro-Atlantic perspective.

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Карп'як Марія, Попадинець Мирослава. Соціальний вимір продуктивної спроможності економіки регіонів України в умовах війни. *Журнал Прикарпатського університету імені Василя Стефаника*, 9 (3) (2022), 36-43.

Людський потенціал сьогодні є основою для зростання спроможності держави як на внутрішньому, так і на міжнародному ринках, і в цілому підґрунтям для соціально-економічного поступу суспільства. Безпрецедентне вторгнення Росії в Україну і розгортання на території нашої держави повномасштабної війни призвело до миттєвих змін демографічного становища держави, що своєю чергою спричинило відповідні наслідки для економіки, які будуть відчутні ще тривалий час. З початку війни з території України виїхало більше 6 млн. осіб, приблизно 7,7 мільйона змушені були покинути свої домівки і стали внутрішньо переміщеними особами. Попри чималу кількість досліджень, на сьогодні особливо актуальним залишається питання збереження людського потенціалу України саме в умовах російської агресії. Таким чином, метою даної статті є окреслення сучасної проблематики втрати людського потенціалу внаслідок російської агресії, формування можливостей і пошук шляхів для його збереження та відтворення, а також реалізація ефективного сценарію управління людським потенціалом як на національному, так і на регіональному рівнях. У статті розглянуто сутність категорії людський потенціал, визначено авторське трактування змісту цієї категорії. Також зроблені певні припущення щодо економічних перспектив і визначальної ролі демографічного чинника для подальшого економічного майбутнього України. Окреслено основні шляхи для збереження людського потенціалу держави, а також його подальшого відтворення в умовах післявоєнного відновлення економіки. Обґрунтовано, що у майбутньому, після того як в українській економіці завершиться етап відбудови і вона вийде на шлях поступового розвитку, людський капітал відіграватиме визначальну роль. У довгостроковій перспективі, а саме у масштабі декількох десятиліть демографічний чинник може стати визначальним для розвитку економіки України. Сьогодні в Україні категорії людський потенціал і людський розвиток як взаємозалежні і доповнюючі категорії, які тісно корелюють між собою, змушені функціонувати у системі координат військово-економічних відносин. Відтак сучасна економічна політика держави вимагає посилення заходів не тільки військово-економічного, але й передусім соціально-культурного та морально-етичного розвитку людського потенціалу всередині країни, зокрема ефективного стратегічного управління ним у процесах формування пріоритетів зовнішньоекономічної діяльності та євроатлантичної перспективи.

Ключові слова: продуктивна спроможність економіки, соціальний вимір, регіони України, воєнні умови.