

INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT AS THE BASIS FOR ECONOMIC GROWTH

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Abstract. *The article analyzes the problems of developing and fulfilling targets and tasks for creating sustainable infrastructure, promoting inclusive and sustainable industrialization and innovation in accordance with the provisions of the National Report "Sustainable Development Goals: Ukraine". Attention is drawn to the fact that the country continues to strengthen its position in the foreign market as a raw materials appendage of the more developed countries of the world. It is argued that the most important problem in the implementation of the state industrial policy is the lack of proper responsibility for the decisions made.*

Key words: competitiveness; comprehensive and sustainable industrial development; export; innovation; national economy

On September 25, 2015, the UN General Assembly adopted the Post-2015 Development Resolution “Transforming Our World: The 2030 Agenda for Sustainable Development” [1]. The final document of the summit with the participation of the leaders of 193 UN member countries contains 17 global goals and 169 corresponding tasks. The formulated goals and objectives are complex and indivisible. Their implementation is aimed at ensuring a balance between the three most important components of sustainable development: economic, social and environmental. Our research interest is in organizing Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and innovation. Particular attention to Sustainable Development Goal 9 (SDG) is explained by the fact that industrialization acts as a locomotive, the basis for sustainable development and inclusive growth of each state, including, of course, Ukraine. The development of industry provides an increase in productivity, an increase in added value, the creation of new jobs, and an increase in income. The revitalization of industrial enterprises is accompanied by the development and implementation of scientific and technological achievements and innovations, an influx of investments, and an increase in the quality of training in the field of vocational and general education. These and other measures have a direct impact on increasing the level of competitiveness of the national economy.

How are the SDGs implemented in Ukraine? We will analyze the answer to the question posed on the example of the development and implementation of targets and tasks, as well as indicators for monitoring their implementation in accordance with the provisions of the National Report “Sustainable Development Goals: Ukraine” [2]. The preamble of the report emphasizes that this document was prepared by the Ministry of Economic Development and Trade of Ukraine and approved by the High-Level Interdepartmental Working Group to organize the process of implementing the formulated Goals. It should be noted that the level of representation in this group is quite high: 17 senior officials of various ministries and departments at the level of deputy ministers. Scientific support for the development of the report was carried out under the guidance of Academician-Secretary of the Department of Economics of the National Academy of Sciences of Ukraine E. Libanova.

Let us draw the attention of an inquisitive reader to the fact that more than 800 leading experts in the relevant thematic areas were involved in the procedure for developing national targets for the SDGs. Such an approach was supposed to ensure the objectivity of the formulation of goals and objectives, as well as the reality of their achievement. Achievement of 17 SDGs should be provided by 86 national targets, which are supported by 145 legal acts. National tasks are detailed in 1052 tasks of the second level. They, in turn, are refined by 3465 tasks of the third level. Achievement of Goal 9 should be ensured by the implementation of 7 tasks and 15 indicators. After making any decision, it is time to sum up the results of the implementation of the planned activities, check the level of their quality, as well as the responsibility of the performers for the assigned work. In this regard, we will use the data of the Monitoring Report “Sustainable Development Goals Ukraine 2020”. The report was prepared by the State Statistics Service of Ukraine (Gosstat) with the support of UNICEF in Ukraine [3].

In the Monitoring Report “Sustainable Development Goals Ukraine 2020” (SDG-2020), the state of achievement of the SDGs is reflected by their ranking according to the integral assessment of progress:

negative dynamics and low probability of achievement; weak positive dynamics, which requires significant acceleration; positive dynamics, which requires certain acceleration; achieved, or has a high probability of being achieved. The first group of goals – “almost unattainable” includes 5 of the 17 SDGs: industry, innovation and infrastructure (9); reducing inequality (10); climate change mitigation (13); conservation of marine resources (14); peace, justice, and strong institutions (16).

As an example, let's analyze the fulfillment of the three tasks of Goal 9, namely: 9.4 “To promote the accelerated development of high- and medium-tech sectors of the processing emerging industry, formed on the basis of the use of chains “education – science – production” and a cluster approach in the relevant areas”; 9.5 “Create financial and institutional systems (innovation infrastructure) that will ensure the development of scientific research and scientific and technical (experimental) developments”; 9.7 “Ensure an increase in the participation of young people in scientific research”.

Indicator 9.4.3 “The share of employees employed in enterprises that belong to high- and medium-tech sectors of the processing industry (in particular, in the production of pharmaceutical products and preparations; chemical products; mechanical engineering; computers, electronic and optical products; air and spacecraft, related equipment in accordance with KVED), in the total number of employed workers in industry, %” provides for the following results, by years: 2015: 21; 2020: 26; 2025: 28; 2030: 29. Indicator 9.5.1 “The share of expenditures for the implementation of scientific and scientific-technical work in GDP, %” is expected to receive the following results, respectively: 0.62; 1.50; 2.00; 3.00. Indicator 9.5.2 “The share of sold innovative products in the volume of industrial, %” provides for obtaining the following results, respectively: 1.4; 5.0; 10.0; 15.0 [2, p. 70-75].

In table 1 shows the dynamics of the implementation of the Sustainable Development Goals No. 8, No. 9 in 2015-2019. It is clearly negative. The share of exports of high-tech goods in the total volume of exports of industrial products is decreasing. The indicator of the share of workers employed in the production of science-intensive products in the total number of employed workers in industry remains practically low. There is a decrease in the share of costs for the implementation of scientific and scientific-technical work in GDP. Of particular concern is the decrease in the proportion of researchers under the age of 40 in the total number of scientists. Thus, industrialization continues to act in Ukraine not as a locomotive, the basis for sustainable development and inclusive growth of the country, but as its brake.

Table 1

Dynamics of the implementation of the Sustainable Development Goals 8, 9, 2015-2019

SDG target	2015	2016	2017	2018	2019
8.1.3. The share of exports of goods with the use of high and medium-level technologies in production in the total exports of goods,%	19,2	17,3	16,8	17,0	16,4
8.6.1. Number of employees employed by medium and small businesses, million people	6,5	6,5	6,6	7,0	7,4
9.4.3. The share of employees employed in enterprises that belong to high- and medium-tech sectors of the processing industry in the total number of employees in the industry, %	21,2	21,1	21,5	21,6	21,5
9.5.1. Share of expenditures on scientific and scientific-technical work in GDP, %	0,55	0,48	0,45	0,47	0,43
9.5.2. Share of sold innovative products in the volume of industrial products, %	1,4	-	0,7	0,8	1,3
9.7.1. The share of researchers under the age of 40 in the total number of researchers	36,7	37,1	35,6	33,5	32,0

Source: compiled by the author based on [3]

The level and dynamics of the development of the country's industrial complex is determined by the classical supply-demand relationship. A sufficiently objective characteristic of this dependence is the commodity structure of foreign trade. At the end of 2021, we can confidently say that the country continues to strengthen its position in the foreign market as a raw materials appendage of the more developed countries of the world. According to the State Customs Service, the structure of Ukraine's exports in 2021 was as follows, %: ferrous metals (20.45%), grains (18.10%), ores, slags and ash (10.45%), fats and vegetable oil (10.43%), electrical machines (4.53%), seeds and fruits (3.58%), wood and wood products (2.0%), animal feed (2.55%), ferrous metal products (1.86%), furniture, bedding (1.54%), other goods (21.13%). Ferrous metals occupy the largest part in the structure of exports (\$14 billion) [4].

In this regard, we recall that metallurgical plants were built mainly in 1896-1899, as well as during the first five-year plan (1932-1934). The share of domestic engineering products in the total volume of world trade is at the level of 0.05-0.1%. The volume of deliveries of engineering products to the EU markets in total exports is at the level of 14.4%. At the same time, almost half of this volume is accounted for by cable sets for the automotive industry in Europe. Moreover, wires are mainly exported by subsidiaries of automakers from the EU. It is known that the trade and economic part of the Association Agreement between Ukraine and the EU did not lead to an industrial visa-free regime. Trade and technical barriers continue to exist on the way for Ukrainian producers to enter the EU markets. Among the protective measures: anti-dumping, countervailing and special duties, additional requirements for certification, accreditation procedures, etc. The lost market of industrial products of the CIS countries has not yet been replaced by the market of the EU countries. This is one of the factors of degradation of the industrial potential of Ukraine.

This phenomenon can be confirmed by the 58th place in the ranking of countries in the Bloomberg Innovation Index - 2021. This index ranks 60 innovative countries in the world according to seven criteria, namely: research and development (R&D) spending; value-added production (VAP); productivity (P); share of high technologies (HT); the effectiveness of higher education (HEE); researcher concentration (CR); patent activity (PA). Back in the early 90s of the last century, Ukraine was included in the group of 30 most industrialized economies. Now it lags far behind many countries, including its closest neighbors – Romania, Hungary, Slovakia, the Czech Republic, Poland and Russia (Table 2).

Table 2

Ukraine compared to some other countries in the Bloomberg Innovation Index 2021

Place	The country	Points	R&D	VAP	P	HT	HEE	CR	PA
1	2	3	4	5	6	7	8	9	10
4	Germany	86,45	7	6	20	3	23	12	14
23	Poland	73,38	33	19	34	19	28	33	30
24	Russia	72,84	37	32	41	20	21	24	25
26	Czech Rep.	71,55	19	4	24	45	32	19	26
27	Hungary	70,73	23	14	32	24	53	28	48
32	Romania	66,72	57	22	30	22	20	50	40
44	Slovakia	58,23	43	11	35	53	51	36	52
58	Ukraine	47,54	59	57	55	39	57	52	36

Source: compiled by the author based on [5]

Numerous declarations about the need for Ukraine's transition to an innovation-investment model of strategic development remain in the form of unfulfilled nationwide target programs for industrial development (1996, 2003, 2008 and 2013). One of the main reasons is, in our opinion, the lack of responsibility for the decisions made. *"Everyone gives advice easily, but few take responsibility for it" (Tacitus Publius K.)*

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