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ECONOMIC CONVERGENCE AND SOCIO-ECONOMIC DEVELOPMENT OF UKRAINIAN REGIONS

Summary

Convergence of socio-economic development of Ukrainian regions has been evaluated. The authors described the essence and theoretical background of convergence assessment. It was provided the analysis of conditional convergence in neoclassical model. The authors built the model of differentiation processes of socio-economic development of Ukrainian regions. In addition the distribution of definition "disparities of regional development" is analyzed in Ukrainian scientific circles, stressing "disparity" and "differentiation". The control of convergence conception was done on the basis of analysis of time lines of income indices and the investigation of its dynamic characteristics. Its speed is valued on the basis of the foreign experience of the convergence econometric modeling.

Besides, it is given the classification of convergence mechanisms, the analysis of which allows to determine the measures of economic policy which facilitate the reduction of inter-regional inequality; technologic progress stimulation; measures concerning the structural reorganization of the country economy to the side of more developed types of economic activity, the development of international co-operation and so on. It is observed the theoretic base of integration processes, the conditions of EC economic convergence deepening. It has been proved that beta convergence occurs when the rates of growth are higher with lower levels of socio-economic development of regions.

The results can be proved by other types of convergence. The paper discovers problems of forming an effective regional policy aimed to converge regional socio-economic development.

<u>*Keywords:*</u> economy convergence, β-convergence, divergence, international integration, foreign (external) trade.

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