

ABSTRACTS

УДК 330.101

A. Zadoia

DOMESTIC AGGREGATE DEMAND: STRUCTURE AND DYNAMICS

Dynamics of aggregate demand largely determines the dynamics of the entire economy, as its satisfaction creates extra motivation for productive activities. According to the degree of satisfaction of aggregate demand could be judged on the results of the economy as a whole. However, the general theoretical position on the relationship of aggregate demand and aggregate supply are not always confirmed in the Ukrainian economy, which required further analysis of the dynamics of individual components of aggregate demand.

To investigate the dependence of economic dynamics of aggregate demand introduced a new concept of «domestic aggregate demand». The role of internal (domestic production) and external (import) sources of satisfaction the internal aggregate demand were analyzed. The analysis showed that there is a close relationship between the dynamics of domestic aggregate demand and the cost of imports. It is confirmed by the calculation of Average and marginal propensity to consume imports, as well as the elasticity of imports to domestic aggregate demand.

Accelerate economic development in Ukraine by stimulating aggregate demand is not possible, because there is no mechanism of momentum transfer from aggregate demand to aggregate supply. Absence reasons of adequate supply response to growing demand have an institutional character: distorted consumer values, lack of civilized business principles, corruption economic systems, etc. Therefore, the traditional recommendation of the Keynesian school of the need to stimulate aggregate demand to accelerate economic development in Ukraine does not work today. Without the formation of rules that encourage import substitution, overcoming economic backwardness of Ukraine is not possible.