

EXTENSIVE AND INTENSIVE REPRODUCTION: THE RATIO OF ECONOMIC GROWTH FACTORS

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The article is devoted to the development of method for estimating the ratio of extensive and intensive factors of economic growth and its use to assess the situation in the Ukrainian economy. Extensive development, which is based on the quantitative growth of the factors of production used at certain stages, can provide the desired increase in GDP. However, from a historical perspective, their potential is limited. Therefore, the global trend is the strengthening of intensive factors, which are based on the growth of the impact of production factors, their constant improvement on the basis of modern innovation processes. The author conducted a critical analysis of the existing options for calculating the ratio of extensive and intensive factors of economic growth and proposed his own method, which involves the use of the marginal rate of substitution of production factors to calculate their total volume. Its viability was tested in the analysis of economies of developed countries. However, it was impossible to use this approach to assess the Ukrainian economy due to considerable subjectivity in the formation of statistical information, primarily on the value of fixed assets. Correlation analysis did not show a close relationship between labor productivity and its capital adequacy. At the same time, the use of methods of indirect assessment of the resources involved in production and comparing their dynamics with the dynamics of GDP allowed us to say that in those periods when the economy showed overall growth (2001–2005 and 2016–2019), its main source was extensive factors, which grew significantly ahead of production volumes. As a result, indicators of resource efficiency have deteriorated. On the contrary, during the crisis situations (2006–2010 and 2011–2015) the volumes of production factors used either did not increase, or even decreased altogether. This is especially true of gross savings. The reduction in production to a lesser extent than the reduction in the amount of used resources was achieved precisely by increasing their return. The amount of used resources is more sensitive to crises than the efficiency of their use. This is evidenced by the analysis of data for 2009 and 2014–2015, when Ukraine's real GDP declined. In general, GDP growth in our country is achieved solely due to extensive factors, while their impact remains extremely low. Therefore, without an innovative breakthrough, Ukraine has very little chance to reduce its lag behind the world.

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