

Estimating Structural Change Factors in the Ukrainian Economy

Topic: Structural change

Author: Oleksandr Chebanov

Structural proportions and their changes are some of the main indicators affecting the development of an economic system. In the countries with transition economy characterized by original accumulation of capital, it can be very useful to understand optimal values of both structural proportions and structural changes for effective governance of the economic system.

In this paper we study the dynamics of deviations of actual proportions from their optimal values in the structure of Gross Value Added (GVA) distribution between industries and in the structure of industrial prices. We propose a grouping of the main factors affecting the change of these deviations in time. We suggest two models for estimating the influence of the factors on the dynamics of these deviations (one model is for the GVA structure and the other is for the price structure) which are based on Input-Output analysis and a production function modified for transition economy. We present and discuss estimations of the abovementioned deviations and factors for the Ukrainian economy. The Input-Output Tables and other statistic data for the period of time from 2000 till 2007, which are contained in the official publications of the State Statistics Committee of Ukraine, have been used as the information base for our analysis.