

# DEVELOPMENT OF PRODUCTIVE POTENTIAL AND REGIONAL ECONOMY

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## THE ROLE OF HROMADAS IN THE SOCIO-ECONOMIC DEVELOPMENT OF REGIONS (ON THE EXAMPLE OF ODESA OBLAST)

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**Introduction.** Amalgamated hromadas are crucial to regional development, enabling local people to participate in decision-making, policy-making and problem-solving at the local level. Their impact ranges from economic development to socio-cultural integration. This article discusses the key aspects of the impact of hromadas on economic development in the region, as well as the challenges they may face. Since local enterprises and the efficiency of their development are the main instruments for the formation of budgets of amalgamated hromadas, the identification of the main levers of their socio-economic development will help to ensure a balanced strategy for their development. The importance of the effective functioning of enterprises in the Odesa Oblast of Ukraine in the context of their development and impact on socio-economic processes determines the relevance of this study. The development of these business entities reflects their potential to shape the regional economy, but the existing problems in their functioning require attention for further stable development of the region. Thus, the study of the main aspects of their work, obstacles and possible ways of overcoming these difficulties is a key task. This issue is particularly important in the context of the post-war reconstruction of the region.

**Analysis of recent research and publications.** The problems of the development of hromadas and local governments are addressed by Baimuratov M. [1], Korotich O. [2], Masuda H. [3], Michelucci F. [4], Semenyuk I., Ivanchenko G., Veslova Y. [5] and other scientists and practitioners. The works of such scientists as Ezcurra R., Rios V. [6], Gobyry I. [7], Hnatkovych O., Yasinovska I., Smolinska S., Smolinsky V. [8], Nzama L., Moloi T.M., Marx B. [9], Pike A., Rodríguez-Pose A., Tomaney J. [10], Sachovskyy I. [11], Sarapina O. [12], Shitikova T. [13], Vávra J. [14] reflect various aspects of the activities of enterprises and regions, but the analysis of the functioning of enterprises and hromadas in other regions remains insufficiently studied. This opens new opportunities for further scientific research aimed at a comprehensive analysis of the activities of enterprises in the Odesa Oblast of Ukraine.

**Objectives of the article.** The study of the peculiarities of development of amalgamated hromadas and their impact on the socio-economic component of regional development is an important issue. The analysis

of the functioning of enterprises in Odesa Oblast of Ukraine is becoming relevant due to the need to identify strategic directions for further development. The purpose of this study is to ensure economic and social growth of the region by analysing the key aspects of the functioning of enterprises and organisations.

The purpose of the article is to study the functioning of hromadas and enterprises in the Odesa Oblast of Ukraine in order to determine strategic directions for further development through economic and social growth.

**The main material of the study.** Amalgamated hromadas are at the heart of local development because they have close links with local businesses, authorities and residents. This proximity enables hromadas to respond effectively to the needs and challenges of their members in the region [1; 4]. For example, federated hromadas can promote the development of local businesses by providing support in the form of loans, advice or access to markets. A second important function of hromadas is political representation and participation. They create opportunities for citizens to influence decisions that directly affect their lives and their hromadas. This is important for ensuring democratic values at the level of the hromadas and for building a sense of civic belonging.

There are certainly several challenges that hromadas face in the process of regional development [6; 8; 10]. One of the main challenges is limited financial resources. Many amalgamated hromadas have limited budgets, which affects their ability to provide the necessary services and infrastructure to their residents. A second challenge is the lack of capacity and resources in local government. Many local authorities have very limited capacity to govern effectively, largely due to a lack of knowledge and resources. Uneven development between different hromadas can also create challenges in ensuring equal opportunities for all residents of a region.

Despite these challenges, hromadas have the potential to become catalysts for regional development. They can develop partnerships with businesses, non-profit organisations and other stakeholders to tackle problems and achieve common goals. The success of hromadas in regional development depends on their ability to mobilise resources, engage citizens and cooperate with other structures at different levels of government. The way to sustainable regional development is through effective cooperation and interaction between hromadas, authorities and other stakeholders [14].

Odesa Oblast was chosen as the subject of the study. Within the framework of decentralisation, 32 amalgamated hromadas have been created in the region [15]. In order to determine the directions of development in Odesa Oblast, it is worth comparing the dynamics of performance indicators in Ukraine as a whole and in this region in recent years.

Gross Regional Product (GRP) is a key economic indicator that reflects the volume of production and the level of economic development over a given period. Table 1 shows the GRP data of Ukraine and Odesa Oblast for the period 2019–2021.

Considering the gross regional product (GRP) statistics for 2019–2021, it was found that the GRP in Ukraine increased from 3,9 million UAH to 5,45 million UAH (by 37.1%). This indicates a significant development of the Ukrainian economy during this period. The Odesa Oblast was characterised by a certain increase in GRP from 197,1 million UAH in 2019 to 271,6 million UAH in 2021 (an increase of 37.9%), which indicates a significant development of economic activity.

Table 1

**Gross regional product (GRP) in Odesa Oblast, 2019–2021**

Region	GRP		Indices of the physical volume of GRP
	UAH	%	in % to previous year
<b>2019</b>			
Ukraine	3977198	100,0	103.2
Odesa Oblast	197153	5.0	103.4
<b>2020</b>			
Ukraine	4222026	100,0	96.2
Odesa Oblast	220242	5.2	96.6
<b>2021</b>			
Ukraine	5450849	100,0	103.4
Odesa Oblast	271669	5.0	106.2

*Source: compiled by the authors on the basis of [16]*

## Development of productive potential and regional economy

Capital investment is a key indicator of the development of any region. Table 2 shows the data on capital investment in the Odesa Oblast for 2018–2022, which reflects the amount of funds allocated to the development of infrastructure and production in the region.

The level of investments changes between 2018 and 2022. Ukraine as a whole showed fluctuations in this indicator, with the highest level in 2019 at 623,9 million UAH and the lowest in 2022 at 409,6 million UAH. In general, during this period there were negative changes in investment at the level of Ukraine, as there was a decrease of 29.21%. There was also a downward trend at the level of Odesa Oblast. During this period there was a decrease of 43.05%.

Table 2

### Capital investments in Odesa Oblast, 2018–2022

Region	2018	2019	2020	2021	2022
	UAH	UAH	UAH	UAH	UAH
Ukraine	578726,4	623978,9	508217,0	673899,3	409660,0
Odesa Oblast	23787,8	21080,1	21437,6	24149,5	13546,7

*Source: compiled by the authors on the basis of [16]*

A detailed analysis of the industrial production indices provides an insight into trends in the industry. Table 3 provides information on changes from 2017 to 2021, expressed as a percentage of the previous year.

Table 3

### Industrial production indices in Odesa Oblast, in percentage to the previous year, 2017–2021

Region	2017	2018	2019	2020	2021
	%	%	%	%	%
Ukraine	101.1	103.0	99.5	95.5	101.9
Odesa Oblast	112.2	92.4	107.4	100.7	107.0

*Source: compiled by the authors on the basis of [16]*

An analysis of the industrial production indices in Ukraine over five years shows significant changes in the indicators. Ukraine as a whole shows a sharp decline to 95.5% in 2020, but recovers to 101.9% in 2021, exceeding the previous figures. Overall, Ukraine saw an increase in the industrial production index of 0.79% over this period. Odesa Oblast also saw a decline in 2018, but recovered in the following years, with indices increasing in 2020 and 2021. Between 2017 and 2021, the following changes occurred in the industrial production index in Odesa Oblast – a decrease of 5.2%.

In order to assess the stability and dynamics of the business environment in the region, Table 4 shows the dynamics of the number of active enterprises operating in Ukraine and Odesa Oblast from 2019 to 2021. The data for 2019, 2020 and 2021 show the changes in the number of enterprises in Ukraine. During this three-year period, the number of enterprises in Ukraine decreased by 2.57% from 2019 to 2021. In Odesa Oblast, the total number of enterprises will also decrease by 7.38%.

Table 4

### Number of operating enterprises in Odesa Oblast, 2019–2021

Region	Total	Large enterprises		Medium enterprises		Small enterprises	
	pcs.	pcs.	%	pcs.	%	pcs.	%
<b>2019</b>							
Ukraine	380597	518	0.1	17751	4.7	362328	95.2
Odesa Oblast	25871	23	0.1	959	3.7	24889	96.2
<b>2020</b>							
Ukraine	373822	512	0.1	17602	4.7	355708	95.2
Odesa Oblast	25465	20	0.1	926	3.6	24519	96.3
<b>2021</b>							
Ukraine	370834	610	0.2	17502	4.7	352722	95.1
Odesa Oblast	23962	22	0.1	916	3.8	23024	96.1

*Source: compiled by the authors on the basis of [16]*

Table 5 provides information on changes in the number of active business entities in 2019–2021, which is important for studying the dynamics of the business environment and structural changes during this period.

Table 5

**Number of operating business entities in Odesa Oblast, 2019–2021**

Region	Total	Enterprises		Individual Entrepreneurs (IEs)	
	pcs.	pcs.	%	pcs.	%
<b>2019</b>					
<b>Ukraine</b>	<b>1941701</b>	<b>380673</b>	<b>100,0</b>	<b>1561028</b>	<b>100,0</b>
<i>Odesa Oblast</i>	137612	25874	6.8	111738	7.2
<b>2020</b>					
<b>Ukraine</b>	<b>1973652</b>	<b>373897</b>	<b>100,0</b>	<b>1599755</b>	<b>100,0</b>
<i>Odesa Oblast</i>	138753	25468	6.8	113285	7.1
<b>2021</b>					
<b>Ukraine</b>	<b>1956320</b>	<b>370906</b>	<b>100,0</b>	<b>1585414</b>	<b>100,0</b>
<i>Odesa Oblast</i>	132859	23964	6.4	108895	6.9

Source: compiled by the authors on the basis of [16]

In 2019–2021, the total number of business entities in Ukraine increased from 1,941,701 to 1,956,320 (by 0.75%), but this was accompanied by relatively small changes in the number of enterprises (- 2.57%) and individual entrepreneurs (+ 1.56%). In Odesa Oblast, all indicators declined, in particular the number of business units fell by 3.45%. However, the number of individual entrepreneurs decreased by 2.54%, while the number of enterprises decreased by 7.38%. In order to analyse the social and economic activity of organisations in the Odesa region, the changes in the number of non-profit organisations in 2019–2021 were analysed (Table 6).

Table 6

**Number of non-profit organisations (institutions) in Odesa Oblast, 2019–2021**

Region	Consumer cooperatives	Public authorities	Consumer associations	Credit union	Non-state pension fund	Political party	Public organisation	Public union	Religious organisation	Trade union	Creative union	Charity organisation
<b>2019</b>												
<b>Ukraine</b>	<b>1165</b>	<b>93925</b>	<b>317</b>	<b>1061</b>	<b>74</b>	<b>15322</b>	<b>88882</b>	<b>1718</b>	<b>26347</b>	<b>28486</b>	<b>317</b>	<b>19112</b>
<i>Odesa Oblast</i>	38	4162	15	77	1	659	5607	78	1004	1526	16	1237
<b>2020</b>												
<b>Ukraine</b>	<b>1165</b>	<b>95858</b>	<b>314</b>	<b>1053</b>	<b>74</b>	<b>15383</b>	<b>92470</b>	<b>1875</b>	<b>26651</b>	<b>28713</b>	<b>317</b>	<b>19812</b>
<i>Odesa Oblast</i>	36	4319	15	77	1	674	5864	87	1009	1548	16	1302
<b>2021</b>												
<b>Ukraine</b>	<b>1121</b>	<b>91992</b>	<b>309</b>	<b>1044</b>	<b>73</b>	<b>14630</b>	<b>96543</b>	<b>2071</b>	<b>26915</b>	<b>28973</b>	<b>318</b>	<b>20498</b>
<i>Odesa Oblast</i>	37	4205	15	75	1	627	6172	98	1017	1554	16	1351

Source: compiled by the authors on the basis of [16]

Looking at the activities of various non-profit organisations in Ukraine over the last three years, it is possible to identify some differences in their dynamics, which reflect the specificities of each of them. Starting with consumer co-operatives: in general, there has been a slight decrease in this type of organisation in Ukraine (by 3.77%). The number of public authorities in Ukraine as a whole decreased from 93,925 in 2019 to 91,992 in 2021 (by 2%). This decrease will also occur in Odesa Oblast. The number of consumer associations at the Ukrainian level decreased from 317 in 2019 to 309 in 2021 (by 2.52%). There were no changes in the study area. The number of credit unions in Ukraine decreased slightly from 1061 to 1044 (1.6%) over the three-year period. Non-governmental pension funds in general showed a decrease from 74 in 2019 to 73 in 2021 (1,35%) at the Ukrainian level, but there were no changes in Odesa Oblast. The number of political parties in Ukraine has also undergone some changes, from 15,322 in 2019 to 14,630 in 2021 (a decrease of 4,51%). This downward trend is also observed in Odesa Oblast – 4.86%. NGOs in Ukraine grew from 88,882 to 96,543 (8.62%). There

was also an increase in the number of public trade unions in Ukraine from 1718 to 2071 (20.55%). The increase was 25.64% in Odesa Oblast. The number of religious organisations in Ukraine increased from 26,347 to 26,915 (2.16%). The number of trade unions in Ukraine as a whole increased from 28,486 to 28,973 (1.71%). There was a 1.83% increase in the number of trade unions in Odesa Oblast. There was a slight increase in creative trade unions at the level of Ukraine, from 317 to 318 (0.32%). Charitable organisations increased from 19,112 to 20,498 in Ukraine (7.25%). The analysed indicators show a variable development of different types of non-profit organisations from 2019 to 2021.

Table 7 shows the employment and unemployment rates in the Odesa Oblast for 2019–2021, which reflect the state of socio-economic processes. These data enable studying the dynamics of employment and unemployment rates, which provides an opportunity to assess the stability of employment in this region.

Table 7

**Employment rate (E) and unemployment rate (U), in %, 2019–2021**

Region	2019		2020		2021	
	E	U	E	U	E	U
<b>Ukraine</b>	<b>67.6</b>	<b>8.6</b>	<b>65.6</b>	<b>9.9</b>	<b>65.3</b>	<b>10.3</b>
<i>Odesa Oblast</i>	68.1	6.1	66.6	7.3	66.5	7.5

Source: compiled by the authors on the basis of [16]

Over the past three years, there has been a general downward trend in employment and an increase in unemployment. In general, at the level of Ukraine in 2019–2021, the employment rate decreased by 2.3% and the unemployment rate increased by 1.7%. In Odesa Oblast, employment decreased by 1.6% and unemployment increased by 1.4%. This trend indicates possible instability in the labour market and a possible need for additional measures to support employment and regulate unemployment.

Table 8 shows the dynamics of changes in the number of employees at enterprises in Odesa Oblast in 2019–2021. This makes it possible to analyse the development of employment at enterprises and determine its dynamics in the specified period.

Table 8

**Number of employees at enterprises in Odesa Oblast, 2019–2021**

Region	Total	Large enterprises		Medium enterprises		Small enterprises	
	persons	persons	%	persons	%	persons	%
<b>2019</b>							
<b>Ukraine</b>	<b>6407537</b>	<b>1608347</b>	<b>25.1</b>	<b>3052616</b>	<b>47.6</b>	<b>1746574</b>	<b>27.3</b>
<i>Odesa Oblast</i>	295632	33948	11.5	148591	50.3	113093	38.2
<b>2020</b>							
<b>Ukraine</b>	<b>6366104</b>	<b>1574647</b>	<b>24.7</b>	<b>3088410</b>	<b>48.5</b>	<b>1703047</b>	<b>26.8</b>
<i>Odesa Oblast</i>	301947	33817	11.2	156591	51.9	111539	36.9
<b>2021</b>							
<b>Ukraine</b>	<b>6391660</b>	<b>1648692</b>	<b>25.8</b>	<b>2967783</b>	<b>46.4</b>	<b>1775185</b>	<b>27.8</b>
<i>Odesa Oblast</i>	304520	36735	12.1	151139	49.6	116646	38.3

Source: compiled by the authors on the basis of [16]

In Ukraine, the total number of employees in enterprises will decrease slightly (by 0.25%) from 6407537 in 2019 to 6391660 in 2021. Over the three-year period, large enterprises showed a slight increase of 2.51%, medium enterprises decreased by 2.78% and small enterprises increased by 1.64%. In Odesa Oblast, the total number of persons employed in enterprises increased by 3.01%. At the same time, the number of employees in large enterprises increased by 8.21%, in medium-sized enterprises by 1.71% and in small enterprises by 3.14%.

To assess the dynamics of changes in employment at business entities in 2019–2021, the number of employees was studied (Table 9).

The data in the table on the number of employees at enterprises in Odesa Oblast for 2019–2021 show the following trends: overall, Ukraine recorded a slight decrease of 0.98% in the total number of employees, from 9145513 in 2019 to 9056059 in 2021. Odesa Oblast recorded a slight decrease of 0.53% in the total number

of employees in enterprises. At the same time, there is an increase of 2.86% at enterprises and a decrease of 6.51% at individual entrepreneurs.

Table 9

**Number of employees at business entities in Odesa Oblast, 2019–2021**

Region	Total	Enterprises		Individual Entrepreneurs (IEs)	
	persons	persons	%	persons	%
<b>2019</b>					
<b>Ukraine</b>	<b>9145513</b>	<b>6535237</b>	<b>100.0</b>	<b>2610276</b>	<b>100.0</b>
<i>Odesa Oblast</i>	468318	299178	4.6	169140	6.5
<b>2020</b>					
<b>Ukraine</b>	<b>9057014</b>	<b>6491257</b>	<b>100.0</b>	<b>2565757</b>	<b>100.0</b>
<i>Odesa Oblast</i>	469232	305545	4.7	163687	6.4
<b>2021</b>					
<b>Ukraine</b>	<b>9056059</b>	<b>6511591</b>	<b>100.0</b>	<b>2544468</b>	<b>100.0</b>
<i>Odesa Oblast</i>	465858	307728	4.7	158130	6.2

*Source: compiled by the authors on the basis of [16]*

Table 10 shows the dynamics of the average monthly salary of full-time employees in the Odesa Oblast for the period 2019–2021. This data is important for assessing the socio-economic situation of the region and its employees, as it shows the trends in wages and their impact on the lives of people in the region.

Table 10

**Average monthly salary of full-time employees in Odesa Oblast, 2019–2021**

Region	2019		2020		2021	
	UAH	in % to previous year	UAH	in % to previous year	UAH	in % to previous year
<b>Ukraine</b>	<b>10497</b>	<b>118.4</b>	<b>11591</b>	<b>110.4</b>	<b>14014</b>	<b>120.9</b>
<i>Odesa Oblast</i>	9246	115.4	10336	111.8	12326	119.3

*Source: compiled by the authors on the basis of [16]*

Over the past three years, there has been a general upward trend in the average monthly salary of full-time employees at the Ukrainian level. At the national level, the salary increased from 10,4 thousand UAH in 2019 to 14 thousand UAH in 2021, which is an increase of 33.5%. In Odesa Oblast the figure will increase by 33.31%: from 9.2 thousand UAH to 12,3 thousand UAH. Such trends indicate a steady increase in wages, which may indicate some improvement in the economic situation.

Table 11 shows labour costs, which are a key factor in determining the effectiveness of companies' financial policies.

Table 11

**Labour costs at enterprises in Odesa Oblast, 2019–2021**

Region	Total	Large enterprises		Medium enterprises		Small enterprises	
	billion UAH	billion UAH	%	billion UAH	%	billion UAH	%
<b>2019</b>							
<b>Ukraine</b>	<b>747,0</b>	<b>284,6</b>	<b>38.1</b>	<b>341,0</b>	<b>45.6</b>	<b>121,4</b>	<b>16.3</b>
<i>Odesa Oblast</i>	27,4	5,3	19.4	15,0	55.0	7,0	25.6
<b>2020</b>							
<b>Ukraine</b>	<b>820,0</b>	<b>299,1</b>	<b>36.5</b>	<b>383,7</b>	<b>46.8</b>	<b>137,1</b>	<b>16.7</b>
<i>Odesa Oblast</i>	31,4	6,0	19,2	17,2	54.9	8,1	25.9
<b>2021</b>							
<b>Ukraine</b>	<b>965,6</b>	<b>358,9</b>	<b>37.2</b>	<b>458,0</b>	<b>47.4</b>	<b>148,7</b>	<b>15.4</b>
<i>Odesa Oblast</i>	35,9	6,6	18.3	20,5	57.2	8,8	24.5

*Source: compiled by the authors on the basis of [16]*

## Development of productive potential and regional economy

Over the past three years, labour costs in Ukraine increased by 29.26%, as this figure increased from 747 billion UAH in 2019 to 965,6 billion UAH in 2021. In general, large enterprises have shown a stable trend of increasing labour costs over the past three years, from 284,6 billion UAH to 358,9 billion UAH, which corresponds to an increase of 26.11%. Small and medium-sized enterprises also experienced a slight increase in expenditure, by 34.31% and 22.49% respectively. In Odesa Oblast, the changes were slightly smaller, but labour costs also increased by 31.02%.

Table 12 shows the wage indices for three years, which will allow to assess the growth or decline in wages over this period and their impact on the region's economy.

Table 12

### Wage indices in Odesa Oblast, as a percentage of the previous year, 2019–2021

Region	2019	2020	2021
	%	%	%
<b>Ukraine</b>	<b>109.8</b>	<b>107.4</b>	<b>110.5</b>
<i>Odesa Oblast</i>	107.4	109.5	108.6

*Source: compiled by the authors on the basis of [16]*

There has been a stable and moderate increase in wages for three years. In Ukraine as a whole, the index increased from 109.8% in 2019 to 110.5% in 2021. The growth was also observed in Odesa Oblast. These indicators show a certain positive trend.

Table 13 contains data on wage arrears in Ukraine and Odesa Oblast.

Table 13

### The amount of wage arrears in Odesa Oblast, 2017–2021

Region	2017	2018	2019	2020	2021
	million UAH	million UAH	million UAH	million UAH	million UAH
<b>Ukraine</b>	<b>1,7</b>	<b>2,3</b>	<b>2,6</b>	<b>3,03</b>	<b>3,1</b>
<i>Odesa Oblast</i>	47,9	48,5	63,6	47,3	83,5

*Source: compiled by the authors on the basis of [16]*

Over the past five years, there have been different trends in wage arrears in Ukraine. Ukraine as a whole experienced a steady increase in this amount from 1,7 million UAH in 2017 to 3,1 million UAH in 2021 (a total change of +75.14%). Odesa Oblast, although characterised by slight fluctuations, experienced an increase from 47,9 million UAH in 2017 to 83,5 million UAH in 2021.

Below is the data on the financial results before taxation of enterprises in Odesa Oblast for 2019–2021 (Table 14), which will allow determining the level of their sustainability over this period.

Table 14

### Financial results before taxation of enterprises of Odesa Oblast, 2019–2021

Region	Loss before taxation	Profitable enterprises		Unprofitable enterprises	
	million UAH	million UAH	%	million UAH	%
<b>2019</b>					
<b>Ukraine</b>	<b>134734,3</b>	<b>673978,8</b>	<b>71.4</b>	<b>539244,5</b>	<b>28.6</b>
<i>Odesa Oblast</i>	-5232,7	21274,2	67.6	26506,9	32.4
<b>2020</b>					
<b>Ukraine</b>	<b>1034012,8</b>	<b>1266456,3</b>	<b>73.3</b>	<b>232443,5</b>	<b>26.7</b>
<i>Odesa Oblast</i>	29340,5	36475,3	72.0	7134,8	28.0
<b>2021</b>					
<b>Ukraine</b>	<b>-216594,8</b>	<b>724687,6</b>	<b>66.1</b>	<b>941282,4</b>	<b>33.9</b>
<i>Odesa Oblast</i>	-12614,9	26607,9	63.8	39222,8	36.2

*Source: compiled by the authors on the basis of [16]*

Over the three years, the pre-tax financial result showed some instability. Ukraine experienced a significant decrease in this indicator, with a negative result of 216,5 million UAH in 2021, compared to a positive result of 134,7 million UAH in 2019 (a decrease of 260.76%). As for the number of profitable enterprises, Ukraine and the regions show an upward trend in this indicator. In 2019, Ukraine had 71.4% of enterprises with a profit, which decreased to 66.1% in 2021. The largest share of enterprises with a loss in 2021 will be in Odesa Oblast – 36.2%.

Table 15 shows the volumes of products sold by business entities in 2019–2021 to assess the economic activity of Odesa Oblast.

Table 15

**Volume of products sold by business entities in Odesa Oblast, 2019–2021**

Region	Total		Enterprises		Individual Entrepreneurs (IEs)	
	billion UAH	billion UAH	%	billion UAH	%	
<b>2019</b>						
<b>Ukraine</b>	<b>10725,4</b>	<b>9841,1</b>	<b>100.0</b>	<b>884,4</b>	<b>100.0</b>	
<i>Odesa Oblast</i>	447,7	393,7	4.0	54,0	6.1	
<b>2020</b>						
<b>Ukraine</b>	<b>11285,6</b>	<b>10273,2</b>	<b>100.0</b>	<b>1012,4</b>	<b>100.0</b>	
<i>Odesa Oblast</i>	515,5	454,3	4.4	61,2	6.0	
<b>2021</b>						
<b>Ukraine</b>	<b>15240,1</b>	<b>13867,0</b>	<b>100.0</b>	<b>1373,0</b>	<b>100.0</b>	
<i>Odesa Oblast</i>	670,6	585,5	4.2	85,2	6.2	

Source: compiled by the authors on the basis of [16]

Over the past three years, there has been a steady positive trend in sales growth in Ukraine. The total volume of products in Ukraine increased by an impressive 42.09% during this period. Ukraine showed an increase in sales from 10725,4 billion UAH in 2019 to 15240,1 billion UAH in 2021. Odesa Oblast showed a significant increase in turnover, namely by 49.79%. These positive trends indicate a general upturn in production and economic development in the region during this period.

Data on household revenues and expenditures for 2019–2021 are summarised in Table 16. Over the three years, Ukraine as a whole increased revenues from 3744,06 billion UAH in 2019 to 4863,52 billion UAH in 2021, an increase of 29.90%, and increased expenditures from 3756,52 billion UAH to 4855,87 billion UAH, an increase of 29.27% over this period. Odesa Oblast also experienced similar growth, with income increasing by 31.37% and expenditure by 29.66%. This positive growth in personal income and expenditure is evidence of the economic development of the regions and the improvement in the standard of living in them.

Table 16

**Income (I) and expenditures (E) of the population of Odesa Oblast, billion UAH 2019–2021**

Region	2019		2020		2021	
	I	E	I	E	I	E
<b>Ukraine</b>	<b>3744,06</b>	<b>3756,52</b>	<b>4045,19</b>	<b>3981,27</b>	<b>4863,52</b>	<b>4855,87</b>
<i>Odesa Oblast</i>	225,458	244,834	245,164	251,448	296,187	317,461

Source: compiled by the authors on the basis of [16]

The results of the study show that amalgamated territorial hromadas have a significant impact on regional development. At the same time, it should be noted that there are significant threats to balanced regional development. The main roles of amalgamated hromadas in the socio-economic development of Ukrainian regions:

1) *Active participation in security programmes.* Participation in the development and implementation of security programmes is determined by the ability of the hromadas to provide stable living and business conditions that contribute to the economic development of the region.

2) *Participation in decision-making processes.* Involving the hromadas in the allocation of financial resources and the implementation of development projects allows them to set priorities and contribute to the socio-economic development of the region.



3) *Environmental awareness and participation in rehabilitation.* As initiators and participants in environmental rehabilitation projects, Hromadas contributes to sustainable development and reduces negative environmental impacts.

4) *Promoting social inclusion.* Active support for hromadas in the social reintegration of displaced persons and assistance to war victims contributes to social and economic recovery.

5) *Supporting entrepreneurship and small business development.* Initiatives to create and support new businesses, encourage entrepreneurship, contribute to economic growth and create new jobs.

These measures are necessary to restore the region after the hostilities and overcome economic, environmental and social challenges.

**Conclusions.** The analysis allowed for a detailed study of the functioning of enterprises and hromadas in the Odesa Oblast of Ukraine. It analysed the dynamics of important issues such as employment, environmental sustainability, financial stability and economic development, which require attention for further growth in the region. Negative trends were identified, such as high unemployment and uneven income distribution, which pose challenges to the social stability of the region. Problems in the financial sector, such as wage arrears and corporate financial performance, also require attention.

Areas for further research could include the development of a state strategy to improve financial stability, socio-economic development and environmental sustainability in Odesa Oblast. Hromadas should develop strategic development plans that take into account the needs and priorities of their residents and the opportunities for sustainable growth. These plans should be realistic, specific and reflect the hromadas' vision for the future.

Conservation of natural resources, environmental sustainability and the fight against climate change should also be taken into account. The development of environmental infrastructure, the use of renewable energy sources and the creation of environmental initiatives will help to preserve the natural environment for future generations.

Increasing the effectiveness of hromadas and regional development requires a comprehensive approach and the active participation of all stakeholders. Key elements are the relationship between citizens and businesses, partnership with local authorities, strategic planning, investment in education and innovation, environmental protection and the creation of a favourable business environment.

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The article provides a comprehensive analysis of the socio-economic development of hromadas and enterprises in Odesa Oblast in recent years. The financial and economic performance of the enterprises is studied in the context of the economic stability of the region. The main socio-economic indicators of the development of hromadas in Odesa Oblast are analysed: the number of enterprises, the level of employment, remuneration and other financial indicators, with an emphasis on the problems and prospects of development. The paper proposes measures aimed at effectively addressing the problems of security, financial support, environmental rehabilitation, as well as socio-economic stimulation of hromadas and the region as a whole. The study will help to develop further steps to ensure sustainable development of the region and contribute to the formation of management strategies in the context of forecasting further directions of hromadas' development, attracting foreign investment and stimulating innovation.

**Key words:** hromadas functioning, Odesa Oblast, economic analysis, regional development, development trends, socio-economic development.

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У статті проведено комплексний аналіз щодо функціонування громад та бізнесу в Одеській області за попередні роки. Досліджено фінансово-економічні показники діяльності підприємств в Одеській області в контексті економічної стабільності громад та регіону. Проаналізовано наступні основні показники: валовий регіональний продукт, капітальні інвестиції, індекси промислової продукції, обсяги реалізованої продукції, кількість діючих підприємств, кількість неприбуткових організацій, рівень зайнятості та безробіття, кількість зайнятих працівників, заробітну плату, витрати на оплату праці, індекс заробітної плати, заборгованість з виплати заробітної плати, фінансові результати до оподаткування, доходи та витрати населення. Проведений аналіз дозволив визначити ключові проблеми розвитку Одеської області. У контексті знайдених викликів запропоновано заходи, спрямовані на забезпечення ефективного розвитку та подолання існуючих перешкод. Зокрема, визначені пріоритети, такі як безпека, фінансова підтримка, екологічна реабілітація, соціальна підтримка та стимулювання нових робочих місць. Запропоновані заходи не лише дозволять вирішити наявні проблеми Одеської області, а й сприятимуть створенню стратегій управління для сталого розвитку регіону на рівні держави, впровадженню інновацій та привабленню іноземних інвестицій. Також запропоновані заходи сприятимуть відновленню громад Одеської області після воєнних дій та слугуватимуть для подолання проблем у сферах економіки, екології та соціального розвитку. Результати цього дослідження мають практичне значення для місцевих органів влади, громадських організацій та бізнес-середовища, що діють у Одеській області, а також надають можливість для подальшого розвитку регіону та планування стратегій розвитку в майбутньому. Результати аналізу також можуть служити базою для подальших наукових досліджень у цій сфері, сприяючи вдосконаленню методів управління регіональним розвитком та його ефективності. Використання його результатів може сприяти удосконаленню стратегій управління регіональним розвитком та підвищенню його ефективності в майбутньому.

**Ключові слова:** функціонування громади, Одеська область, економічний аналіз, регіональний розвиток, тенденції розвитку, соціально-економічний розвиток.