15. Про внесення змін до деяких законів України щодо усунення регуляторних бар'єрів для розвитку державно-приватного партнерства та стимулювання інвестицій в Україні: Закон України від 24 листопада 2015 р. № 817-VIII [Електронний ресурс]. – Режим доступу: http://zakon2.rada.gov.ua/laws/show/817-19/paran69#n69

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Стаття надійшла до редакції 10.05.2017 р.

**UDC 351** 

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### THE STATE ADJUSTMENT OF THE AGRICULTURAL ECONOMY: THEORETICAL ASPECT

The article substantiates institutional foundations of the state adjustment of agricultural production development. The theoretical construction of the process of the agricultural production state adjustment has been depicted. The factors, which objectively cause the necessity of the state support of the agricultural production.

Keywords: adjustment, the state, agricultural economy, agricultural production.

#### Матвієнко Р. В. Державне регулювання аграрної економіки: теоретичний аспект.

У статті обґрунтовані інституційні засади державного регулювання розвитку аграрного виробництва. Зображена теоретична конструкція процесу державного регулювання аграрного виробництва. Виявлені фактори, що об'єктивно обумовлюють необхідність державної підтримки аграрного виробництва.

Ключові слова: регулювання, держава, аграрна економіка, аграрне виробництво.

# Матвиенко Р.В. Государственное регулирование аграрной экономики: теоретический аспект.

В статье обоснованы институциональные основы государственного регулирования развития аграрного производства. Изображена теоретическая конструкция процесса государственног регулирования аграрного производства. Выявлены факторы, которые объективно обуславливают необходимость государственной поддержки аграрного производства.

Ключевые слова: регулирование, государство, аграрная экономика, аграрное производство.

Urgency of the research. The main precondition of the competitiveness assurance of national manufacturers' agricultural production is the use of the existing ecological, agricultural and technical advantages upon condition of the high level of capitalization in the agricultural sphere. At the same time it is not rational to exclude the measurements of the state adjustment mostly because of the dominance of the subjects' interests, who do not fulfil production activity, at the inner agricultural market. The experience of the countries-leaders of the world agricultural market proves, that the most rational is the use of the integrated policy of the state in the sphere of the manufacturers' activity adjustment, since it is not possible to assure high competitiveness of the sphere and the increase of the agricultural business income with the liberalization and the use of only economic methods. Nowadays the national agricultural sector, which has been subsidized, has become one of the branches of national economy and forms the country's budget directly. While in 1999 the agricultural sector enterprises paid 36 billion hrivnyas to the budget and the volume of the state support comprised 81,2 billion hrivnyas, in 2013 over 47 billion hrivnyas have been paid

### ДЕРЖАВНЕ УПРАВЛІННЯ

to the budget. At the same time, the volume of the state support reduced to 2,4 billion hrivnyas. Taking this into account, the author has the opinion that the state adjustment of the agricultural economy should be reviewed as a system, which fulfills goal-oriented influence of the state power bodies upon the level of national economy development and traditionally consists of such components as: the adjustment contents; adjustment subject, objects and subjects; the tasks of the adjustment influence; methods, levers and instruments; the results of the agricultural economy state adjustment.

*Problem setting.* The activity of the state adjustment must create the conditions for the stable functioning of the agricultural economy on the basis of the system assurance, the defense of the agricultural business and consumers economic interests and the balanced social and economic policy.

*Recent study analysis*: theoretical, practical and legislation aspects of the agricultural economy state adjustment have been investigated in the scientific works of P. Sabluk, Yu. Lupenko, Yu. Luzan, O. Mytiay, V. Vorotin, V. Motrenko, I. Gryshova, O. Naumov, T. Shestakovska, V. Babko, O. Zagursky, V. Yurchenko, D. Plechanov and others [1–10].

*The aim of the article* is the solution of the tasks of this investigation, which foresees the study of the influence character of the state adjustment processes on the development of the country's agricultural sector.

*Main material statement.* The main condition of the efficiency of the agricultural economy state adjustment is the correct choice of the theoretic conceptions out of the great number of traditional and renewed models, taking into account the peculiarities of agricultural business functioning and the current economic situation. It is worth noticing that there are certain spheres in the economic system, which can't function effectively without efficient mechanisms of the state adjustment. Such spheres include agricultural production, which even in terms of developed market relations is not able to assure immediate self-adjustment without the state's interference. Besides, the objective necessity of the agricultural production state support is caused by the specific character of the agricultural business functioning and is connected with the seasonality of the production, low level of malleability between the change of prices, demand and proposition of the agricod goods, an increased riskiness of the agricultural production etc.

The concept and contents of the agricultural production state adjustment are rendered in the national economy in the different ways.

In the opinion of V. Vorotin [1], «the state adjustment of the stable development of the agricultural sector is a system of economic, organizational, social, legal and political assurance of the favorable environment by the state in order to form and develop the stability of the enterprise type reproduction».

Most of the scientists do not give a certain definition of the state adjustment. They just restrict themselves by the formulation of aims, tasks and directions. In such a way, the author [2, p. 112], supposes, that the agricultural production state adjustment should assure its goal-oriented efficient functioning as a single entity on the basis of the interests coordination, equal rights of the subjects of all economic management forms. The country's agricultural policy has to be aimed at the development of the stable and competitive agricultural production, which will encourage the country's food safety, contingency of the life quality and social infrastructure of the rural and urban inhabitants.

In the general terms the state agricultural policy is defined as an assurance of the budget funds with the minimal expenses of the simple and extended reproduction of the main agricultural means, the renewal of the social environment of rural settlements and the improvement of the living conditions [3].

The state's adjusting role lies in the fact, firstly, to assure all the participants of the independent manufacturers' state. Secondly, using economic, and, if necessary, administrative levers, to fix the relations of the equal right partnership, not allowing global leadership of the stronger participants of the agricultural complex (monopolists) over the weaker ones. Thirdly, to care about the creation of the market infrastructure [4].

O. Zagursky [5, p. 123] pays attention at the fact that in the leading capitalistic countries the development of the mechanisms of the state adjustment of the agricultural production business

entities' activity «is a very complex mechanism, which includes different instruments of influence on the farmers' income, the structure of the agricultural production, agricultural market, the village social sphere, interindustry and interbusiness relations».

D. Plechanov [6, p. 137] supposes, that the development of the state adjustment mechanisms of the agricultural production should include «the whole complex of the state economic and administrative measurements of the support of market balance and agricultural production stabilization, which is not solved with the help pf traditional market means».

V. Yurchenko [7, p. 218] reviews the agricultural production state adjustment as mechanisms, which fulfil the functions «of the easing of the overproduction consequences, of shock-absorber of the hard-to-predict natural factors and the protection of the antimonopoly branches in terms of the monopolistic economy».

Having analyzed the definitions of these authors, we consider, that the next definition reflects the essence of the agricultural production state adjustment in the most exact way: it is the system of the coordinated activities (directions, forms, methods, levers and instruments) of the state power bodies towards their direct and indirect influence on the business entities in order to achieve the efficiency of the agricultural production functioning. The state adjustment of the agricultural production development lies in the conduction of the complex of measures of organizational, financial and credit support of its subjects. It has to encourage the orderliness of the business entities' actions taking into account following of the norms of legislation, the interests of the regulatory bodies, business and society in the whole as well as to increase the interest of all the participants of the agricultural production in the assurance of the country's food safety.

Scientific researches in the sphere of the agricultural production state adjustment and the development of the suggestions in the direction of the improvement in order to aim its potential to the reorganization of the economy foresee complex study of the formed practice of the state's influence on the agricultural production and theoretical generalization of the factors, which cause their development.

The agricultural production state adjustment is a specific system according to its functionality. Its tasks are formed and realized taking into account natural and economic conditions, the level of the national food safety and the state's place at the world food market. The state, as a social institute, which has a possibility of the legal right fixation to use the methods of the authority's enforcement to the economic agents, forms all the necessary mechanisms of the state adjustment and assures their institutionalization in practice (*Table 1*).

In the process of investigation of the existing scientific views and the author's position towards the essence of the agricultural production and the agricultural economy state adjustment the essential characteristics of the agricultural production state adjustment have been defined. They are as follows:

- predicts relationships, which arouse between the structured social and economic system of the agricultural production and the state;

- all the macroeconomic state's subjects are involved into the sphere of the state adjustment influence and this encourages it to function according to the set rules;

- it is a component of the general state adjustment system and it creates a foundation for the formation of the new competitive advantages of the national economy;

- is a science about the processes and phenomena, which foresee goal-oriented influence of the government bodies on the level of agricultural production development;

- it is represented as a practical activity of the government bodies in the sphere of legislative, executive and supervisory character with the aim to assure the conditions of the stable growth of the agricultural production profitability;

- the mechanism of the state adjustment is assured with the system of the legislative, executive and judicial power, which, according to legislation, have the power in the sphere of the adjusting influence on the agricultural production as well as on the scientific and research institutions;

- relationships towards the agricultural production state adjustment are based on the established laws and other regulatory acts;

- foresees cyclical process of decisions adoption towards the goal-oriented influence on the agricultural production.

The conditions of Strategic and tactic adjustment Mechanisms functionality the state adjustment landmarks mechanisms choice The mechanisms of the stable development assurance and the enforcement The preservation of the natural and encouragement towards the rational resource opportunities of the food Natural and economic sufficiency of the resources. production, the guide in the formation conditions The mechanisms are identified as national of which is. in the certain way. according to their status. They standardize agricultural production the strategy of the effects assurance for the future generations Processes of the assurance of food State acts and mechanisms in the sphere sufficiency and availability at the level, of the regulation of the agricultural goods sufficient for the nation genepool variety, as well as the assurance of the National food safety preservation price availability for the consumer and the reproductive ability for the producer Export and import operations The place of the state Mechanisms of encouragement (prohibition) and tariff regulation of the quality at the world food of the export-import and the formation of measures of the food market market sales outlets of the production at the world positioning markets



Source: has been systematized by the author on the basis of [3]

Taking into account all the above mentioned, we can make a conclusion on the fact that the agricultural production state adjustment is presented as a science, special system and an activity process.

In such a way, the agricultural production state adjustment as a science foresees the combination of knowledge, scientific views and conceptions on the phenomena and processes, which objectively take place in the society between the state and agricultural production by means of their interaction.

It is necessary to review the state adjustment as a special system in the context of the dynamic integral environment, which allows performing the influence on the agricultural production and actual forms of their interaction. It is worth to review the system of the state adjustment from economical and organizational points of view. From the economic point of view, the agricultural production state adjustment is a combination of the standards, methods and rules of relationships organization between the state and agricultural production with the aim to assure the country's social and economic development and its integration into the world economic area.

In our opinion, the state adjustment has to be reviewed as an activity process, which mediates interaction of adjustment subject and object (*Fig. 1*).



Reaction on the state influence

## *Fig. 1. Theoretic construction of the agricultural production state adjustment process Source: has been constructed by the author on the basis of* [3–6]

From the organizational point of view, the agricultural production state adjustment is a complex of the state legislative, executive and judiciary bodies, which, according to the legislation has the power in the sphere of the regulating influence on the adjustment object – agricultural production.

Table 1

The investigation of the literature sources, formed positions of the theory and practice of the world scientific idea enabled the division of the agricultural production adjustment into: system and nonsystematic; scientifically substantiated and spontaneous (chaotic); direct and indirect (mediated); market and administrative; institutional, economic, social or market oriented and so on [3–8].

In the modern conditions the mechanism of the strategic task realization of economy formation, that is, the population assurance with the adequate national food products, and the industry assurance with the qualitative agricultural basic stuff, demands serious state support. It is worth noticing that the use of the measures of the state adjustment at the agricultural market is not supported by many leading scientists-economists in Ukraine. They express their discontent because of the interference of the market laws into activity and the high price of such operations.

The point of view has been expressed, that the state adjustment is a word combination, which can not be applied to the market conditions at all. We can not agree with this. The mechanisms of the state adjustment exist almost in all developed countries, which are engaged in the agriculture, and are constantly improved. V. Skupyi, while reviewing the problem of the agricultural production development, points out at the fact that: «In terms of the market we can not rely upon the spontaneous adjustment of the economic relations. The state plays a great role in this process. Its main function lies in the development of the statutory acts, which assure the legal basis of the enterprises' activity of all forms of economic management and ownership and the adjusting financial, credit, tax and price systems of the achievement of rational connection of the state's, manufacturers' and employees' interests» [9].

The state adjustment and agricultural production support are not in contradiction with the market principles, and the adjustment methods receive completely another meaning, than the levers, which were used under the conditions of the command and control system. First of all, mostly economic, but not administrative methods of adjustment are used. Secondly, this refers to the transition to indicative methods of adjustment, which empower the choice of the suggested conditions and programs. Thirdly, there are democratic principles of decisions making about the adjustment means on the basis of agreement of the parties.

Moreover, the author states, that «the development of the agricultural sector with the limited opportunities of the state support is possible only due to the corresponding adjustment of the market rules by the state» [4]. The support of agricultural production is also necessary in order to avoid dislocations in the development of the whole national economy. Unfortunately, these facts are not always accepted properly during the determination of directions of the state's agricultural policy. During a long-term period the particle of expenses for the agricultural production development decreases and reaches a critical level nowadays.

In such a way, the main task and an integral aim of the state economic policy in the agricultural sphere is an assurance of its efficient functioning, saturation of the inner and outer agricultural market with a necessary agricultural production. Objective factors of the specific character of agricultural business functioning are shown in the national and foreign scientific literature [8–10]. They cause the necessity of the state support of agricultural producers (*Table 2*).

Table 2

Factors, which objectively cause the necessity of the state support of agricultural production

Factors	Reasons	Main forms of support
producers comparing	proposition with the time. Price inelasticity of demand for agricultural production. Relative non mobility of resources (decrease of income of agricultural producers and prices for agricultural production doesn't lead to the magning resources overflow from agricultural	agricultural producers and indirect food subsidies. The financing of the state and regional programs of agricultural production support. The financing of social programs of the village support and social emergency.

	Unstable character of agricultural production in the short term period is caused with unfavourable natural and climate factors.	
High level of agricultural production risk	Weather conditions and natural phenomena, which interfere normal process of agricultural production (lean years, floods, storms and so on)	commercial insurance of agricultural
High resource intensity of agricultural production	The assurance of the effective process of agricultural production demands scientifically developed methods and technologies, purchase of different agricultural technique in large quantities, its service, repair and renewal, purchase of fertilizers, feeding stuff and seed material, breeding stock and others.	bailout of expenses for technique, fertilizers, feed concentrates and so on. Credit emergency loans arrangements, easy-term loan of agricultural producers. Extension of the practice of
Seasonality of production	Objective peculiarity of agricultural production	Realization of crediting programs using future harvest, assurance of preservation of agricultural production.

Source: has been constructed by the author on the basis of [4–7]

The establishment and development of agricultural production takes place by means of combination of state and market adjustment, the proportions of which define its type and contents. The formation of the preconditions of its successful development is a primary task of the state, which can be solved only with the help of combination of efforts of legislative and executive government bodies, agricultural sphere specialists, interested scientific centres and civic associations. Balanced and consistent work according to the improvement of approaches towards agricultural production state adjustment will encourage the withdrawal of national economy from the state of a deep agricultural crisis.

Generalizing theoretic scientific work according to the solution of the issue of system improvement of the agricultural sector management of country's economy, we support the opinion towards the necessity to define the management sphere in complex (agriculture, food and recycling industry, forest husbandry, water and fish industry, land resources management, development of rural territories etc.), to distinguish the power of central and local authorities clearly, assure the development of partner concepts of management taking into account the increase of the role of civil organizations, create favourable conditions for the development of corporate forms of organization of production and management, international cooperation, improvement of the system of bookkeeping and accounting, aimed at the satisfaction of management needs [1–10]. With this aim it is necessary to prepare and submit for approval of Ukraine's Verchovna Rada corresponding projects of statutory instruments. In particular, changes and supplements to the Law of Ukraine «On the main fundamentals of the state agricultural policy» and the State target programme of Ukrainian village development for the period up to 2020 should be introduced. All this should be done taking into account modern tendencies of the agricultural sphere development and fulfilment of international duties, since the demands of the statutory acts hold sway or are not performed in time, but they are essential for the improvement of organizational and economic mechanism of the agricultural production development assurance.

*Conclusions and suggestions.* In the process of investigation of the existing scientific views and the author's position according to the essence of agricultural production and the agricultural economy state adjustment the essential peculiar features of the agricultural production state adjustment have been defined. They are as follows:

- foresees relationships, which arouse between the structured social and economic system of agricultural production and the state;

- all the macroeconomic subjects of the state and agricultural production are involved into the sphere of the state adjustment influence, and that encourages it for functioning according to the established rules;

- is a part of a general state adjustment system and creates a foundation for the formation of the new competitive advantages of the national economy;

- is a science about processes and phenomena, which foresee goal-oriented influence of the government bodies on the level of agricultural production development;

- it represents a practical activity of the government bodies in the sphere of legislative, executive and monitoring character with the aim to assure the conditions of the stable growth of agricultural production profitability;

- the mechanism of the state adjustment is assured with the system of bodies of legislative, executive and judiciary power, which, according to the legislation, have the power in the sphere of adjusting influence on the agricultural production as well as on the scientific and research institutions;

- relations according to the agricultural production state adjustment are based on the laws and other statutory instruments;

- foresees cycle process of decisions making towards the goal-oriented influence on the agricultural production.

Taking into account all above mentioned, we can make a conclusion that the agricultural production state adjustment is represented as a science, a special system and an efficient process

In such a way, the agricultural production state adjustment as a science foresees a combination of knowledge, scientific views, concepts on the phenomena and processes, which take place objectively in the society between the state and agricultural production by means of interaction.

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Стаття надійшла до редакції 07.06.2017 р.