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IMPROVEMENT OF MECHANISMS OF STATE REGULATION OF AGRICULTURAL SECTOR'S DEVELOPMENT OF UKRAINIAN ECONOMICS

Implementation of state agricultural policy through appropriate mechanisms of state regulation of the agricultural sector must decide triple task, namely, as noted above, to ensure food security and create an efficient economy, provide an integrated socio-economic development of rural areas.

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Raising of problem. As indicated in the Law of Ukraine "About main fundamentals of state agrarian policy of Ukraine on the period till 2015", major components of the state agricultural policy is a complex legal, organizational and economic measures, aimed at improving the efficiency of the agricultural sector of the economy, solution of social problems of the rural population and ensuring integrated and sustainable development of rural areas.

In this case, agricultural policy applies to agriculture and fisheries, food industry and processing of agricultural products (next-the agricultural sector), agricultural research and education, social village services, their logistical and financial support.

Analysis of recent research and publications. The main provisions of current theories of government regulation in the agricultural sector and the need to implement them are contained in the works of well-known domestic and foreign scholars. Among foreign scholars the questions of state regulation of the economy in general and agriculture in particular were considered by A. Smith, A. Muller, F. List, K. Marx, F. Engels, D.M. Keynes, J. Schumpeter, M. Friedman, P. Samuelson, M. Porter, M. Hugh and others. Ukrainian scientists are also exploring these issues. This applies in particular academician of Ukraine P.T. Sabluk, Agrarian Sciences Academician V. Mesel-Veselyak, Professor B.I. Paskhaver and others. However, the complexity and diversity of issues related to the improvement of state regulation of public sector Ukraine.

The main problem of our research is that the implementation of state agricultural policy through appropriate mechanisms of state regulation of the agricultural sector must decide triple task, namely, as noted above, to ensure food security and create an efficient economy, provide an integrated socio-economic development of rural areas.

Thus, it is necessary to take into account the problematic for today initial conditions. First, the state has very limited financial resources on subsidies to agricultural producers and the rest of the financial conditions of their work. In particular, this applies to insurance against crop failure, falling product prices, compensation of interest on loans, etc.

Secondly, signed the association agreement with the European Union and, as a result, offers domestic market for European manufacturers whose products through government support and better technical and technological support producers will have high competitive power and obviously will win the part of the internal market in the national producer. According to experts the countries of European Union will grasp from 5 (candies and sweets) to 40% of national consumption market (fish products, cheese, etc.).

Thirdly, the artificial restriction of access to traditional markets Ukrainian producers in the countries of the Customs Union (Russia, Belarus, Kazakhstan).[1].

The statement of main material. It's necessary to take into account the high level of monopolization of the agricultural sector of the economy, corruption and poor governance and economic regulation.

Furthermore, without reform of government in Ukraine, transfer of powers from the center to the place of local government reform, fiscal and tax systems can not solve social problems. A key issue is the content of rural and town councils due mainly own earnings ,accumulate sufficient financial resources to decide the economic and social problems in the countryside on the basis without any dotation.

At the same time, however there was a progressive local government, budget system, etc., filling of rural councils without compromising cities (at their expense) is impossible without converting agricultural sector in a financially stable and a budget-building sector of the economy.

This is possible only by entering the foreign markets food, as solvency of domestic consumers is limited, insufficient. The required transformation of agriculture in a stable and powerful source of foreign currency into the country.

In turn, given the high competition in foreign markets of food and protectionist policies, as pointed in the second chapter, the majority of states, a successful and stable access to foreign markets is possible only by providing high competitiveness of agri-business products through reasonable price and high quality.

At the same time, especially for long-term life of the state and the nation needed conservation and management of land, water and other natural resources, conservation of protected areas, wildlife habitats, birds and more.

In a case of high standard of agribusiness, perform the above mentioned tasks with the appropriate state regulation the agrarian sphere inevitably turn into a stable source of not only foreign exchange earnings, but revenues to the budgets of all levels, it will help to solve social problems in rural areas and ensure food security.

Thus, the criteria of efficiency of state regulation of the agricultural sector can identify these mechanisms of state influence that will ensure the long term:

- food security;
- employment of the rural population;
- social development of rural areas;
- competitiveness of the agricultural products in foreign markets;
- inflow of foreign exchange and filling all budgets;
- conservation and sustainable use of land, water and so on.

Thus, each of these conditions is necessary for the effective development of the agricultural sector as the economy and society as a whole, and all together are sufficient for a successful progress of agricultural policy in Ukraine.

As adopted in 2007 the Law of Ukraine "On the Fundamentals state agrarian policy of Ukraine till 2015", the following main aims of agricultural policy are:

- guarantee of food security of the state;
- transformation of the agricultural sector for high performance, competitive the domestic and foreign markets sector of the national economy;
- preserve the Ukrainian peasantry as a carrier of identity, culture and spirituality of the nation;
- integrated rural development and resolution social problems in rural areas.

Given already in 2014, declared objectives have remained on paper.

In the above mentioned Law and the Cabinet of Ministers of Ukraine program adopted pursuant to this Act in 2007, these goals are not detailed. In our view, they now require correction and greater detail.

Before you begin a detailed consideration of these goals, we want to note that integrated rural development and resolution social problems in the country, we believe, will provide sufficient conditions for the preservation of Ukrainian peasantry as a carrier of identity, culture and spirit of the nation [2].

This is due to the fact that peasantry exists and consequently will exist if there will be economic and social conditions for its preservation as a social class.

In addition, these issues must still deal with the Ministry of Culture of Ukraine, Ministry of Education and other state and local agencies and organizations.

Consider the rest of the goals and their relationship.

An important objective of agricultural policy is to ensure food security, the essence of which is guaranteed by our own (internal) production of sufficient quantities of basic food types. Here there are undecided questions. In particular, its own production - a production in Ukraine, persons-residents of Ukraine, including outside the territory of the State or in the territory of Ukraine and residents of Ukraine? Further, the types of products (product groups, etc.) are included in the "basket" of food security and in what quantity?

But leave those questions for later. Interested other information. Is it possible to guarantee food security in principle without the agricultural sector as a highly competitive industry and the economy? If Ukraine was located north or south (in more drought areas) or low density of population in India or China, the obvious answer would be negative. But given, as has been noted in previous sections, the moderation of climate, sufficient freshwater resources, soil fertility, one of the lowest in Europe and worldwide indicators of population density and one of the world's highest indicators arable land per citizen so it can be argued that the answer is yes. Ukraine can provide food security even at the current low level of efficiency of the agricultural sector.

At the same time, increasing the efficiency of the sector will not only simplify the achievement of food security, but also will increase the amount of land fallow in reserve and increase the export capacity of the state. It will be a major source of funds for comprehensive modernization as the economy in general and the social sphere, the sphere of national security and so on.

However, if there is no regulation at the state level structure of agricultural production at least basic food groups, there is a risk that guaranteed their own (internal) production of sufficient quantities of basic food types will not. As the Ukrainian market is open, the structure of domestic demand may not be sufficient production of major food in sufficient quantity. There are no guarantees. This means only one thing - the state should control and to regulate the internal structure of main products included (they enter) to cart food security. So these two goals are independent, though related.

Further, the solution of social problems in rural areas means addressing issues of employment of the economically active population, an acceptable level of wages, social infrastructure development, functioning and children's preschool institutions, educational institutions, health care, culture, sports and recreation, road construction. Is it possible to solve these problems in the countryside just producing a sufficient number of basic types of food? Obviously, it is not. This proves at least the current state of affairs in the country. We pose the question differently. Is guaranteed to solve social problems in rural areas to achieve high economic efficiency in the agricultural sector? No. High productivity in the agricultural sector and high return products does not guarantee rural employment, high wages, construction of schools, kindergartens, hospitals and other social infrastructure, etc. Looking for state participation in the form of fiscal policy, investment and so on. On the other hand, in principle, can solve social problems in rural areas by other sectors of the economy that is not being highly agricultural sector.

Thus, the rest of mentioned **main tasks** are independent of each other. That is the achievement of any two of them do not automatically guarantee the achievement of the third strategic goal. So you can leave three independent and complementary goals:

- guarantee of food security of the state;
- transformation of the agricultural sector for high performance, competitive the domestic and foreign markets sector of the national economy;
- integrated rural development and resolution social problems in rural areas.

At the same time, the analysis shows that solving any of them will help deal with others. However, there is one important caveat. Highly profitable agricultural sector simplifies the achievement of food security and social problems in rural areas. Thus, to achieve this goal can achieve other goals, but only if the relevant state regulations (public policy).

Thus, increasing the range of targets is impractical, because it would disperse financial, organizational and human resources of the state and would not be able to achieve them. Today is not the time to expand the list of goals, because Ukraine does not have sufficient resources to do so.

Conclusions and suggestions. Thus, in our opinion, the best be such proportions of agricultural areas where the State through property relations will control at least 20 percent (0.6 * 0.35) storage capacities and the main types of food in Ukraine needed to meet the needs of absolute population these types of food given the fact that a portion of the diet will make other products. Moreover, state ownership has to be at least a quarter (25%) of ownership of these facilities.

Management of appropriate corporate rights may be exercised either through an authorized representative of the state in their respective companies or through the creation of specialized state agricultural holdings.

The practice of authorized representatives of the state at a meeting of shareholders (participants), especially when the state has no controlling interest, showed low efficiency. Therefore it was tested the question of solution on legislative level of the so-called "golden share", but it was to no avail.

With this in mind, the best option, in our opinion, is to consolidate the relevant corporate rights of the state in certain key industries.

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