

РЕГІОНАЛЬНА ЕКОНОМІКА

UDC 338.24

УДК 338.24

I. B. Yatsiv, Doctor of Economic Sciences, Associate Professor,
T. I. Batrakova, Candidate of Economic Sciences, Associate Professor,
A. V. Karabanov, Teacher

І. Б. Яців, д. е. н., доцент,
Т. І. Батракова, к. е. н., доцент,
О. В. Карабанов, викладач

**COMPLEMENTARY MECHANISM OF STATE
 REGULATION OF SOCIO-ECONOMIC
 PROTECTION OF AGRICULTURAL BUSINESS**

**КОМПЛЕМЕНТАРНИЙ МЕХАНІЗМ
 ДЕРЖАВНОГО РЕГУЛЮВАННЯ СОЦІАЛЬНО-
 ЕКОНОМІЧНОГО ЗАХИСТУ АГРАРНОГО
 БІЗНЕСУ**

Urgency of the research. Effective functioning of agricultural sector in Ukraine requires activation of complementary mechanism of state regulation of socio-economic protection of agrarian business in order to develop appropriate public policy able to mobilize factors of food and economic security at different levels that allow accomplishing appropriate transformation throughout the country.

Target setting. The peculiarity and nature of socio-economic processes in the agricultural business, which is a problem nowadays, the effect of factors and the existence of restrictions for growth cause changes in the state regulation of socio-economic protection of the agricultural business.

Actual scientific researches and issues analysis. The problem of economic protection of agribusiness entities' interests is developed in the works of I. Banaeva, O. Vishnevska, V. Heets, I. Hrishova, A. Kluchnik, M. Krupka, M. Malik, A. Melnik, O. Novikov, V. Pohrischuk, P. Sabluk, O. Shebanina, T. Scherbata, I. Cherven, V. Yatsenko and others.

Uninvestigated parts of general matters defining. Despite significant scientific achievements, recent publications analysis indicates the need to study the complementary mechanism of socio-economic protection of the agricultural business.

The research objective. The aim of the article is to structure the directions of activation of complementary mechanism of socio-economic interests of agricultural business protection

The statement of basic materials. The ways and approaches to the implementation of state mechanism of socio-economic protection of agricultural business are grounded on the basis of generalization of theoretical basis and the content of complementarity. The strategic directions of improvement of regulatory policy in the context of complementary mechanism of socio-economic protection of agricultural business activation are suggested and grounded.

Conclusions. The measures suggested within the activation of state complementary mechanism of regulation of socio-economic protection of agricultural business provide efficient, socially-oriented development of the agricultural sector and ensure a stable provision of population with qualitative and safe domestic products.

Keywords: agricultural business; socio-economic protection; state regulation; economic interests; complementary mechanism.

Актуальність теми дослідження. Ефективне функціонування аграрної сфери в Україні потребує активізації комплементарного механізму державного регулювання соціально-економічного захисту аграрного бізнесу задля вироблення адекватної державної політики, здатної мобілізувати фактори продовольчої та економічної безпеки країни на різних рівнях, які дозволяють здійснювати відповідні перетворення в масштабах всієї країни.

Постановка проблеми. Особливість та характер соціально-економічних процесів у аграрному бізнесі, проблеми які є сьогодні, дія чинників та наявність обмежень для зростання зумовлюють зміни в процесах державного регулювання соціально-економічного захисту аграрного бізнесу.

Аналіз останніх досліджень і публікацій. Вивченню проблем економічного захисту інтересів суб'єктів аграрного бізнесу присвятили свої праці такі вчені: І. Банєва, О. Вишневська, В. Геєць, І. Гришова, А. Ключник, М. Крупка, М. Малік, А. Мельник, О. Новіков, Б. Погріщук, П. Саблук, О. Шобаніна, Т. Щербата, І. Червен, В. Яценко та ін.

Виділення недосліджених частин загальної проблеми. Незважаючи на значні наукові напрацювання аналіз останніх публікацій свідчить про необхідність дослідження комплементарного механізму соціально-економічного захисту аграрного бізнесу.

Постановка завдання. Стаття покликана структурувати напрями активізації комплементарного механізму захисту соціально-економічних інтересів аграрного бізнесу.

Виклад основного матеріалу. На підставі узагальнення теоретичного базису та змісту комплементарності у статті обґрунтовано шляхи та підходи до реалізації механізму державного регулювання соціально-економічного захисту аграрного бізнесу. Запропоновано обґрунтовано стратегічні напрямки удосконалення регуляторної політики держави у контексті активізації комплементарного механізму соціально-економічного захисту аграрного бізнесу.

Висновки. Запропоновані заходи у рамках активізації державного комплементарного механізму регулювання соціально-економічного захисту аграрного бізнесу забезпечить ефективний, соціально спрямований розвиток аграрного сектору, стабільне забезпечення населення якісною та безпечною вітчизняною продукцією.

Ключові слова: аграрний бізнес; соціально-економічний захист; державне регулювання економічні інтереси; механізм комплементарності.

РЕГІОНАЛЬНА ЕКОНОМІКА

DOI:10.25140/2410-9576-2017-1-2(10)-166-171

Urgency of the research. The increase of the role of protection of socio-economic interests of domestic business is caused by modern features of functioning and complicated economic and political situation of the state. At the same time, the peculiarity of socio-economic protection is that management decisions are often made in terms of reduction of the overall level of business regulation. Taking into account the strategic need for state regulation of agrarian business, its role in the functioning of the national economy, we consider it objective and necessary to tally complementarity when creating a mechanism of socio-economic protection of agrarian business, due to the complementarity between the various sectors of economic activity in the process of stabilization and economic growth of the subjects of agrarian business.

Target setting. One of the main problems of the agricultural business is the lack of conceptual foundations of the state machinery of socio-economic protection of the agricultural businesses' interests, which will allow carrying out effective response to threats, to use the existing potential and generally maintain a state of economic and food security of the state.

Actual scientific researches and issues analysis. Versatile aspects of issues related to state regulation of protection of the economic interests of the agricultural sector are reflected in the works of I. Banaeva, O. Vishnevskaya, V. Havrish, O. Hoichuk, V. Heets, I. Hrishova, O. Hudzunsky, O. Ermakov, I. Kischak, A. Kluchnik, O. Kotikova, M. Krupka, M. Malik, I. Mikhasuk, A. Melnik, O. Novikov, B. Pohrischuk, P. Sabluk, N. Sirenko, V. Shebanin, O. Shebanina, O. Shpikulyak, T. Scherbata, I. Cherven, V. Yurchishin, V. Yatsenko and others.

Uninvestigated parts of general matters defining. Despite the wide spectrum of research on economic security of agricultural businesses, in the writings of the scholars mentioned the issue of intensification of complementary mechanism of state regulation of socio-economic protection of the agricultural business in the modern conditions is poorly reflected.

The research objective. The aim of the article is to study the theoretical background and practical peculiarities of formation and implementation of the complementary mechanism of state regulation of socio-economic protection of agricultural business in modern market conditions.

The statement of basic materials. From the point of view of functional structure, agricultural business is one of the leading cross-sectoral territorial-production integrated structures, combining various activities, including agricultural production which creates the resource base and is the main link of agribusiness; activities associated with the processing of agricultural products; activities that create logistical means for agribusiness; industrial and social infrastructure.

Complementarity of socio-economic interests of all the participants of a single technological cycle of agro-industrial production can be achieved in two main ways. First, it can be achieved through the organization of integrated organizational and economic systems, capable of self-regulation. The mechanism of self-regulation within the interaction of integrated agro industrial formation is as follows. Each subsequent link of the system is endowed with functions of control over the previous level and overall control of system belongs to the final link - the part of the agro industrial market, which is focused on the final product. The mechanism of control over the manufacturer by the consumer is based on the orientation of the producers towards the requests and possibilities of customers and establishment of objective economic dependence of manufacturer from the consumer.

Such social and economic interests in production and commodity circulation in agribusiness final product can be considered common:

- deepening of the technology integration of agrarian business
- formation of a single economic space in the system of production and economic relations;
- the rhythm of a single process;
- agrarian business activity in the mode of enlarged playback;
- formation of stable competitive production.

In this regard it is important for the entities to understand interconnection and interdependence of their interests, singling out a system-forming level. Thus, achieving a common ultimate goal of state regulation of socio-economic protection of the agricultural business is not simply a result of the ap-

РЕГІОНАЛЬНА ЕКОНОМІКА

proval technological aspects, but it depends on the maintenance of active dialogue of all stakeholders. Considering the political component in agricultural business, where the diverse activities of the main production, manufacturing and social infrastructure function from the very beginning, it is only mutual readiness to find compromise solutions, not the persecution of the interests of narrow specialization that can ensure the maintenance of normal functioning of the business [1].

Second, the complementary can be achieved using tools of state regulation of the economy. The processes of market transformations in Ukraine, on the one hand, have found expression in the instability of institutional environment of and imperfection of legal mechanisms of providing economic relations in the agricultural market, on the other - have strengthened the importance of informal interaction leverages of its subjects [2]. Under these conditions, the problem of misalignment of interests is particularly acute, and its decision, due to lack of economic culture, requires coordination by the institutions that can protect each participant of market relations from discrimination from the more competitive entities.

Complementarity of socio-economic interests of agrarian business should be regarded as a stage on which within the national interests the relationship of individual interests of the participants is being established. On the other hand, the agreement (based on contracts, various economic levers, economic mechanism) determines the range of responsibilities for the implementation of the ultimate goal - the socio-economic protection of the country's agrarian business, and thus includes not only economic but also the social aspect. In this regard the combination of state influence (the creation of conditions) with market self-regulation, the choice of forms, the grounding of the principles of coordination of social and economic interests is of particular importance [3].

The content of complementary mechanism of state regulation of socio-economic protection of agricultural business lies in the interpretation of it as a set of mutually agreed means, methods and forms of influence of regulatory element that correlates with the interrelations of all components of socio-economic protection of the agrarian business, produces multiplier effects of macroeconomic growth and includes set of elements, coordination methods, legal regulations, ordered in a way to overcome the obstacles faced by the implementation of socio-economic interests of agricultural business, society and its individual segments (Fig. 1).

The relationship between the subsystems of the mechanism are carried out by the objective function, at the same time the groups of interests of all participants in the process of social reproduction are being satisfied due to the socio-economic interests of agricultural business protection:

- a qualitative change in the structure and weight of production and exports in favor of more competitive products is occurring;
- innovation and investment development of the agricultural business in order to ensure its sustainability and competitiveness;
- the most effective and comprehensive use of the resources available, elements of the potentials and factors of production;
- rising of living standards;
- overall economic growth of the national economy, including welfare, manifested through the multiplier effect.

Execution of functions, assigned to the each participant is anticipated according to the complementary method of state regulation of agricultural business socio-economic protection suggested to achieve the goal. Revealing the essence of regulation of socio-economic protection of the agricultural business, it is worth noting that it, unlike sectoral, cross-sectoral, program-based regulation, includes all these types and is expressed by the function of integration of all kinds of regulation. This is a special kind of public regulation of social and economic development of a coherent integrated system, which is the socio-economic protection of agricultural business.

The main subject of regulation at the state level is the Ministry of Agriculture and Food, but the current system of state regulation of socio-economic protection does not meet the needs of agricultural business, society and the national economy. Methods of administrative influence are not always efficient and effective, and the system of economic impact is still imperfect. The choice of management decisions from a list of alternatives is a prerequisite for the effective interference in the processes of

РЕГІОНАЛЬНА ЕКОНОМІКА

regulation of socio-economic protection of agricultural business for the subject of regulation, herewith the efficiency of state intervention in the economic process is possible to assess by the degree of goals achievement.

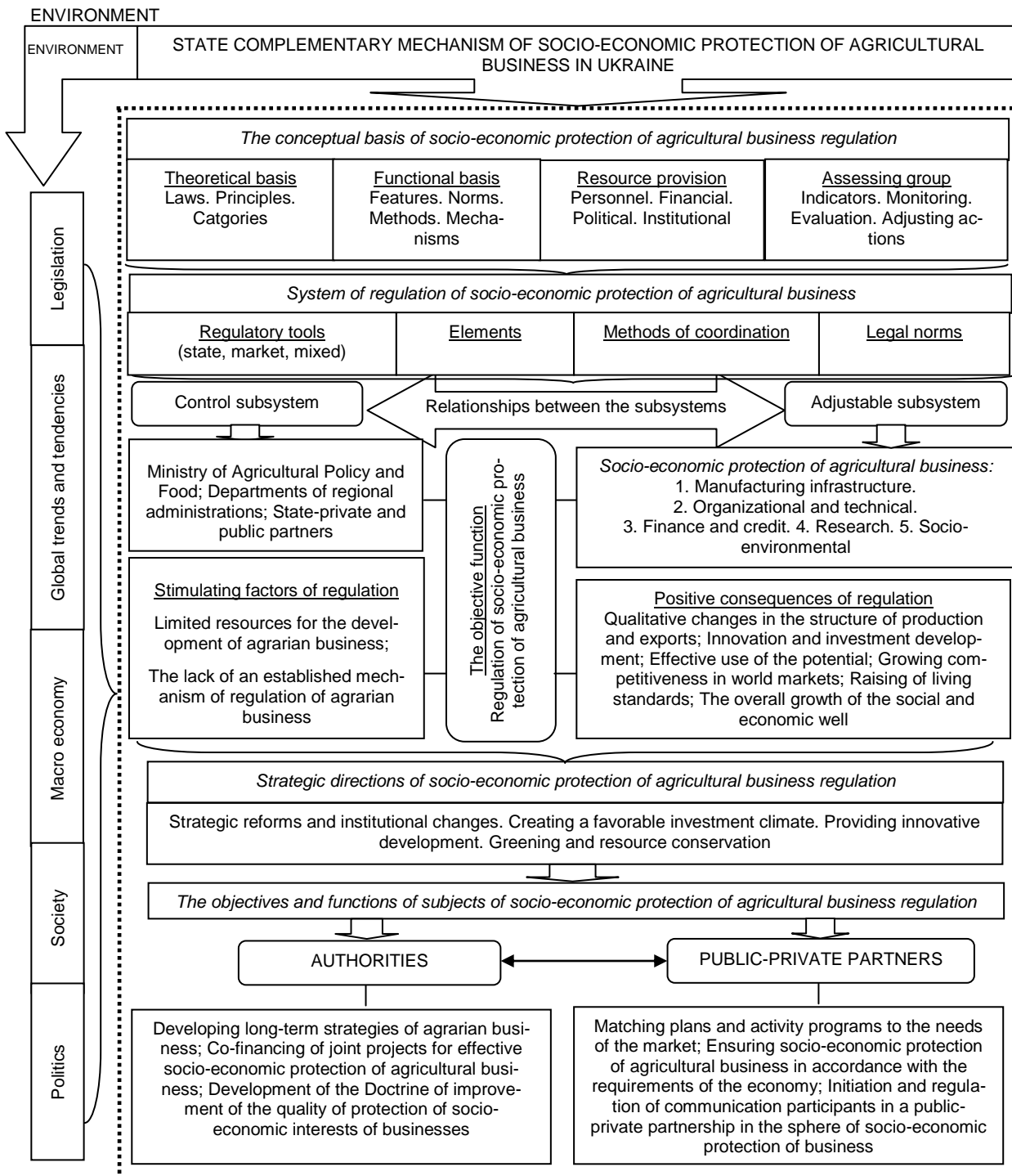


Fig. 1. Conceptual and functional architecture of public complementary mechanisms of socio-economic protection of agricultural business in Ukraine

РЕГІОНАЛЬНА ЕКОНОМІКА

A complex of strategic objectives related to the modernization of socio-economic system of the national economy, structural reforms of the economy, implementation of institutional changes into the management process, creation and guarantee of the support of favorable investment climate, development, based on permanence, including greening of agricultural business is being developed to achieve the goal of complementary mechanism of regulation – socio-economic protection of agricultural business.

The central role in the regulation of socio-economic protection belongs to the innovation and investment policy of the state, which aims to provide bilateral, mutually beneficial relationships between increasing production potential and provision of competitiveness of domestic agrarian business. It is necessary to develop and implement strategic programs of innovation development of the region; form innovative systems of agricultural production with maximum involvement of research and financial potential available, using both public and private capital; create scientific centers of research-industrial clusters and infrastructure of the market of innovation in the sphere of resources for agricultural business to provide innovative development of agribusiness.

Structural reforms and systemic institutional changes are also one of the ways of increasing the efficiency of socio-economic protection. It provides:

- development of strategies based on efficient use of existing potential;
- upgrading commodity sector;
- to improve the efficiency of agricultural business structural reorientation is needed for the implementation of organic farming, intensive livestock and crop;
- use of investment incentives to support innovation and investment shifts in agricultural business;
- use of the benefits of public-private partnership in the field of agrarian business in order to use business potential;
- conducting competition policy and eliminating monopolies;
- guidelines change in the production, export, investment and organizational structure of agribusiness activities to eliminate existing disparities.

Nowadays there is a gradual transformation of human consciousness toward rethinking of the need of society development based on sustainability, which is based on a hypothesis of preservation of reasonable balance of human, economic and natural resources.

New challenges of globalization, the reorientation of the consumer society to a society of sustainable development are positioning the environmental component of development in a specific way.

Eco-centric approach to sustainable development involves optimization of human activities in the environment, constant promotion of sustainable use and conservation of natural resources. According to the thesis of modernization, environmental component has fallen out of sight and lost its meaning as a dominant in the national security system of the state [4].

However, now the ecological situation in Ukraine will largely depend on the economic development strategy, which will be implemented by the state and society. The issue of environmental component for agricultural business is of current importance as the risks of ground contamination, lesions of health through uncontrolled use of chemical fertilizers, pesticides, problems with the disposal of animal waste arise here.

The availability of sufficient organizational and economic conditions is one of the vectors of complementary mechanism of socio-economic protection of agricultural business. It includes:

- stable provision of population with qualitative and safe domestic agricultural products and industrial raw materials;
- manufacturing of products of high value added;
- increasing the volume of agricultural products and foodstuffs on the world market.

We consider the spheres of improvement of mechanism of regulation of socio-economic protection of agricultural business in modern conditions as follows: land relations, crops, livestock, processing and food industry, fisheries, epizootic safety, providing factors of production, agricultural market development, the formation of clusters, support for small and medium enterprises in rural areas, financial and credit policy, social sphere [5].

РЕГІОНАЛЬНА ЕКОНОМІКА

As with any economic activity, the financial and credit sphere of the economy is crucial. The regulating activity of the agribusiness for socio-economic protection of agricultural business shall be directed to:

- gradual transition to the new system of taxation of agrarian business;
 - improvement of the system credit provision and development of agricultural risks insurance with state support;
 - improvement of the investment climate, investment promotion of international financial institutions and countries - Ukraine's strategic partners for projects in agrarian business in compliance with the principles of transparency, efficiency and the possibility of deployment of public-private partnership [6].
- The principles of sustainable development in addition to economic, environmental component are based on social component. The social sphere as a source for socio-economic protection of agricultural business requires certain actions such as:
- creation of the conditions for the organization of provision of children with high quality food products of domestic production.;
 - modernization of the infrastructure of life in rural areas to provide the rural population with housing services;
 - providing support in rehabilitation and recreation for children of workers of agrarian business;
 - promotion of physical culture and sports among the rural population.

Conclusions. According to the complementary method of socio-economic protection of agricultural business, each participant of the management process performs assigned to him functions to achieve the goal. It is grounded that the essence of state regulation includes sectoral, cross-sectoral, program-target, expressed as a function of their integration into a special kind of public regulation of socio-economic development of multicomponent integrated systems, which is protection of socio-economic interests of agricultural business.

References

1. Gryshova, I. Y. (2016). *The estimation of enterprise trade name competitiveness*. Scientific bulletin of Polissia, № 2 (6). – pp. 85-91 [in Ukrainian].
2. Korystin, O. E., Lavrenchuk, M. O. (2014). *Osnovni aspekti derzhavno-pravovogo reguluvannya ekonomichnoi bezpeki v agrarniy sferi [Key aspects of state and legal regulation of economic security in agriculture]* Mitna Sprava, № 1 (2.2). – pp. 162-167 [in Ukrainian].
3. Shpak, Y. V. *The problems of state regulation of economic and safe development of agricultural production* Retrieved from : <http://www.dy.nayka.com.ua/?op=1&z=208> [in Ukrainian].
4. Radchenko, O. *Struktura ta formi byudzhetnoi pidtrimki agrarnogo sektoru Ukraini* [Structure and form of budget support agriculture in Ukraine]. Retrieved from : ophus.at.ua/publ/2014_05_22_23_kampodilsk/sekcija_4_2014_05_22_23 [in Ukrainian].
5. Gryshova, I. Y., Shabatura, T. S., Naumov, O. B. (2016). *The capitalization of the brand as a tool for maximizing business value*. Scientific bulletin of Polissia. № 3 (6). – pp. 168-175 [in Ukrainian].
6. Gryshova, I. Y., Strielkowski, W. (2016). *Ukrainian labour migration in the Czech Republic*. Scientific bulletin of Polissia, № 4 (8). – pp. 224-231 [in Ukrainian].

Література

1. Gryshova, I. *The estimation of enterprise trade name competitiveness* / I. Gryshova, O. Mityay, S. Stoyanova-Koval // Scientific bulletin of Polissia. - 2016. - № 2 (6). – С. 85-91.
2. Користін, О. Є., Лавренчук, М. О. *Основні аспекти державно-правового регулювання економічної безпеки в аграрній сфері* / О. Є. Користін, М. О. Лавренчук // Митна справа. – 2014. – № 1 (2.2). – С. 162-167.
3. Шпак, Ю. В. *Проблеми державного регулювання економічно-безпечного розвитку агропромислового виробництва* [Електронний ресурс] / Ю. В. Шпак. – Режим доступу: <http://www.dy.nayka.com.ua/?op=1&z=208>.
4. Радченко, О. *Структура та форми бюджетної підтримки аграрного сектору України* [Електронний ресурс] / О. Радченко. – Режим доступу: ophus.at.ua/publ/2014_05_22_23_kampodilsk/sekcija_4_2014_05_22_23.
5. Hryshova I. Yu. *Brand capitalization as a tool to maximize business value* / I. Yu. Hryshova, O. B. Naumov, T. S. Shabatura // Науковий вісник Полісся. - 2016. - Вип. 3. - С. 168-175.
6. Strielkowski W. *Ukrainian labour migration in the Czech Republic* / W. Strielkowski, I. Yu. Gryshova // Науковий вісник Полісся. – 2016. – № 4 (8). – С. 224-231.

Received for publication 17.03.2017

Бібліографічний опис для цитування:

Yatsiv, I. B. Complementary mechanism of state regulation of socio-economic protection of agricultural business / I. B. Yatsiv, T. I. Batrakova, A. V. Karabanov // Науковий вісник Полісся. – 2017. - № 2 (10). Ч. 1. – С. 166-171.