THE FEATURES OF INTEGRATION AGRO-BUSINESS STRUCTURES FORMATION IN THE CONTEXT OF PUBLIC-PRIVATE PARTNERSHIP

Urgency of the research. The feasibility of new approaches to the management of integration processes in agriculture due to monopolization of agricultural production in Ukraine.

Target setting. In real terms small and medium producers of agricultural sector are uncompetitive compared with large integration structures of holding type. The development of agricultural production can be achieved by applying new approaches based on partnership between the state and business, and involving the small agricultural units to this process.

Actual scientific researches and issues analysis. The problem of integration process management in agriculture is considered by Andrychuk V., V. Zinovchuk, I. Lukinov, V. Mesel-Veselyak, P. Sabluk, M. Malik, etc.

Uninvestigated parts of general matters defining . The scientists have not yet sufficiently developed the application of public-private partnership (PPP) as the basis for the formation of the integration of businesses in agriculture.

The research objective. The article aims to explore the features of the formation of integration agro business structures as a new type of relationship based on public-private partnership (IBASpp).

The statement of basic materials. The features of IBASpp formation and the main influencing factors are considered. Expediency of PPP relationships to promote the sustainable development of agriculture is substantiated and the IBASpp multilevel activity is determined.

Conclusions. The orientation of integration processes in Ukrainian agriculture to using of PPP as the basis for their implementation will contribute to the development of small agro-industrial enterprises.

Keywords: integration business structure; integration; public-private partnership; agriculture.

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OSOBLIVOSTI FORMUVANIA ІНТЕГРАЦІЙНИХ ПІДПРИЄМНИЦЬКИХ АГРОПРОМИСЛОВИХ СТРУКТУР В КОНТЕКСТІ ВІДНОСИН ДЕРЖАВНО-ПРИВАТНОГО ПАРТНЕРСТВА

Актуальність теми дослідження. Застосування нових підходів до управління інтеграційними процесами в агропромисловому комплексі обумовлено монополізацією агропромислового виробництва в Україні.

Постановка проблеми. У сучасних умовах розвитку АПК мали та середні виробники є неконкурентоспроможними в порівнянні з великими інтеграційними структурами холдингового типу. Вирішення цієї проблеми може бути забезпечене завдяки застосуванню нових підходів, заснованих на партнерстві держави та бізнесу, і запущення до цього процесу саме невеликих агропромислових формувань.

Аналіз останніх досліджень та публікацій. Проблеми управління процесами інтеграції в АПК присвячені дослідження В. Андрійчука, В. Зіновчука, І. Лукінова, В. Месьє-Веселяка, П. Саблук, М. Маліка та ін.

Виділення недосліджених частин загальної проблеми. Недостатньо опрацьованими залишаються питання застосування державно-приватного партнерства (ДПП) як базису формування інтеграційних підприємницьких структур в АПК.

Постановка завдання. Метою статті є дослідження особливостей формування інтеграційних підприємницьких агропромислових структур, заснованих на відносинах державно-приватного партнерства (ІПАСхм).

Виклад основного матеріалу. Дослідження особливостей формування інтеграційних підприємницьких структур, заснованих на відносинах державно-приватного партнерства.

Висновки. Орієнтація інтеграційних процесів в АПК України на застосування ДПП як базису їхнього здійснення сприяє стабільному розвитку АПК України та багаторівневість функціонування ІПАСхм.

Ключові слова: інтеграційні підприємницькі структури; інтеграція; державно-приватне партнерство; агропромисловий комплекс.
small and medium enterprises under the influence of globalization has led to the relevance of this study.

**Target setting.** The world practice shows that in agricultural sector there are enterprises of different size, type and ownership - small, medium and large, based on full ownership of land and leases; family farms, agricultural cooperatives and corporations, that effectively operate [1]. In Ukraine economic and social difference between producers led to formation of the bipolar agricultural sector structure, in which coexist powerful agro-industrial development and small agricultural enterprises and family farms. In these conditions, small forms of agribusiness not able to compete with large integrated agricultural complex in terms of production cost, financial, information and marketing support. In this regard, the relevant issue is the formation of agricultural businesses structures of new type in order to reduce the monopozing of market, producing of agricultural products and foodstuffs.

**Actual scientific researches and issues analysis.** The theoretical and methodological aspects of improving economic relations between the participants of integration processes shown in scientific studies such known Ukrainian economists as: V. Andriychuk, P. Haidutsky, V. Zinovchuk, I. Lukinov, V. Mesel-Veselyak, P. Sabluk etc.

**Uninvestigated parts of general matters defining.** It is necessary to focus on the using of new approaches to integration structures in the agricultural sector, based on the benefits institute of public-private partnership, because this issue is not processed.

**The research objective.** The main purpose of the article is to study the characteristics of the formation of the integration business agricultural structures based on public-private partnership (PPP).

**The statement of basic materials.** One of the most important areas of the national economy is agriculture, which is the basis for the formation and stabilization of food security. In the present circumstances the Ukrainian agricultural sector trends to monopolistic production of large companies - holdings, the main cause of which is the concentration of agricultural production, monopolistic ownership of the land using and water resources, maintenance of state licensing of some types of export products [6]. For sustainable economic growth in the agri-food sphere we offer to improve economic relations through a combination of cooperation and integration processes, and thus to introduce integration units based on association of enterprises of different organizational and economic forms according to principles of public-private partnership.

The presence in Ukrainian agribusiness of households and farms leads to the question of the involvement of these elements to the processes of agro-industrial integration. These small producers are vulnerable to the impact of dynamic factors of environment (technological progress, availability of funding sources, the demand in local markets, etc.). In this time any demonstration of stagnation and loss of operative communication with the environment is the first step to regress. The stability of small agricultural enterprises always relative and they preserve adjust their size and internal configuration to new challenges and threats. [1] These realities should evaluate the specific integration of agricultural enterprises according to using of the institute of public-private partnership.

To date, a number of authors [2-5] have reached a consensus that PPPs is the cooperation to implement the overall objective by combining resources in order to increase the benefits from the using of relevant competences and strengths of the public and private sectors (Tab. 1).

<table>
<thead>
<tr>
<th>The removal of infrastructural constraints</th>
<th>The development of transport infrastructure, providing economic and social development of agricultural areas</th>
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<tbody>
<tr>
<td>Construction of new and reconstruction of old grid lines and the like, and to ensure their effective operation</td>
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<tr>
<td>Construction and operation of irrigation systems and etc.</td>
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<tr>
<td>The solution of social problems in rural areas connecting with infrastructure</td>
<td>Housing, health care, schools, kindergartens based on concession</td>
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</tbody>
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**Table 1**

*Gonta O. I., Kosach I. A. The features of integration agro-business structures formation in the context of public-private partnership*
Thus, according to Table 1, the need for public-private partnership in agriculture dictated by the opportunities that are inherent for PPP mechanism that takes advantage of the private sector as a partner of the state and provides a significant benefit to each member of the partnership. Modern authors often regarded PPP as an instrument of territorial development or implementation of specific economic projects [2-5]. It is emphasized that partnerships within each project is temporary, because the alliance between the state and private capital has a fixed period of its existence for the period of implementation of a specific project [5]. This interpretation is very restricted, because it is not taking into account the availability of internal and external effects that appear in the interaction and have not only economic but social, political and other character. The investigation of integration agribusiness structures based on public-private partnership (IBASppp) considers this process according to the terms of internal needs of economic growth so as a satisfaction of their own interests and in connection with the effects of the market environment and the necessity to adapt to it. This conditions make possible to distinguish two groups of factors (internal and external), by influence of which the IPASppp is formed. The external factors are objective and not affected by the participants of the integration process. They require a maximum adaptation to their influence in terms of creation and organization of integrated units. Internal factors are relevant and characterize the industrial, financial and economic conditions of market players. During the decision phases about the integration process the most important are internal factors, because they determine the attractiveness of enterprises for integration and form the parameters of the integrated structure. In addition, the formation and development of IBASppp is affected by the number of other factors, such as an institutional supporting government system, political situation, regional characteristics (location, landscape and historical traditions and mentality) and others.

In the modern science there is a stable division of integration processes implementation: the international level - the world economy as a whole or some integration groups with a number of countries; macro level - the scale of the national economy; meso - scale - the individual branches of material production, the creation of large integrated structures, regional associations; micro - level - the individual business units of companies and operating process between these units. IBASppp are integrated systems which combine different organizations to achieve certain goals, but their specificity is that the integration process is not only at the micro level where we can assert the existence of business integration. The referring of IBASppp to micro systems is not true, because these relations are not at the level of individual subjects. In addition, the initiators of business integration are enterprises, and in that time the initiator of relations in the public-private partnership can be the state. At the same time IBASppp is regarded as a system of meso- level, because of the initiative of local authorities in an implementation of public-private partnership. The integration feature of this form is that it can be carried out with the authorities (state). Therefore, the integration realized businesses according to the mechanism of transactions of public-private partnership includes various forms of relations, so as a cooperation between the state and business and interaction between companies. This form of integration is one of the dominant trends of modern agricultural development, because it consolidates all levels such as households, enterprises, business groups and government.

The peculiarity of this integration process is that the state acts as the element of this process and one of parts of public-private partnership relations. The authorities concerned carry out the external regulating influence to the formation of integration structures and are the subject of the environment.

According to this the essence of IBASppp can be defined as a set of the following interrelations:
- the sustainable and dynamic collaboration of businesses, which approach consistently and combine their reproductive processes;
- the consistent levelling of social and economic development of the relations that form a new integration structure, such as ownership, management, mechanisms of management and investment. Thus, the creation of agro-formation based on mutual intersection of technology, agricultural, industrial and financial capital based on the following basic principles:

1. Feasibility and mutual benefit of partners within integrated agricultural structures. Implementation of this principle implies that each participant should integrate real profit per unit of capital invested than in all other ways its own development and more than business entities of similar size and specialization involved in the agro-industrial integration.

2. The necessary of adherence of agricultural association’s members structural parity. In observance of this principle it is necessary to ensure the distribution of profits that have been earned in the final phase of the production cycle according to a parity basis between all participants of the integration process and the value of their investing capital and social necessary costs.

3. The ensuring of proportionality in the operating process, that provides an adequate development for elements of integration structure.

4. The principle of the operation process continuity. It is connected with planning using of operation facilities and equipment supplying of products to the consumer.

5. The rhythm of the operation process within integrated structures. This principle is connected with the importance of uniformity agricultural raw materials supplying and execution of certain processes by agricultural and service enterprises in time.

**Conclusions.** The sustainable agriculture development is the key to food security. The dense interaction and cooperation between the public and private sectors and the development of small and medium farmers are the sign of stable activity of agricultural producers. The advanced integration processes in agriculture should be based on sustainable revival of agricultural production and application of new approaches such as PPP’s mechanisms.

**References**


**Литература**


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