The role of state regulation of the agricultural sector of the Ukrainian economy for the development of agriculture

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Abstract. Ukraine has a large amount of land that can be used for the production of agricultural products, but there is a tendency to worsen the standard of living and reduce the level of social security in rural areas. The main directions of state regulation of agriculture in Ukraine, according to the authors, are the introduction and development of various measures aimed at reducing the disparity in prices for industrial and agricultural products, creating conditions for food security for basic types of food, implementing effective land reform, training labor resources for agricultural enterprises, transforming socio-cultural infrastructure in rural areas, creating effective market and transport infrastructure in rural areas, the use of price and customs regulators to effectively support domestic agricultural producers. Ensuring the stable development of the agricultural sector of the economy requires certain efforts focused on the development of the socio-economic sphere of rural areas. The development of rural areas requires conditions for the activation of activities in rural areas that are not related to the production of agricultural products (tourism, electricity production from renewable energy sources, folk crafts), increasing the level of efficiency in using the natural and labor potential of rural areas, improving the quality of medical services for the rural population and improving the functioning of the rural socio-cultural sphere.

1. Introduction

The lack of an effective state agrarian policy in Ukraine, as well as the absence of agriculture as a part of the most priority sectors of the economy, contributed to the decline in its production potential, distortion of economic and organizational relations in the system of sales and production of products. The decline in the amount of state funding, inefficient allocation of budget funds and weak support for domestic agricultural enterprises have created a number of negative trends in the functioning of agriculture and ensuring domestic food security.

According to [1], the following factors have a negative impact on the activity of agriculture:

- An insufficiently formed market competitive environment in agricultural markets.
• The introduction of innovations in agricultural production is constrained by its low profitability.
• There is no state policy of protectionism in relation to the development of the agricultural sector of the economy.
• The uniformity of the product range exacerbates competition in the domestic agricultural market.
• Lack of favorable conditions for foreign investors.
• Difficulties in access to credit resources for agricultural enterprises.

The need for state regulation of the agricultural sector of the economy [2] is determined by the state's obligation to create favorable living conditions for its citizens and provide them with agricultural products. The lack of financial and material resources in the agricultural sector, the low level of its technical equipment, the low standard of living, as well as social problems in rural areas cause the need for state support for the agricultural sector. In our opinion, without state support for the agricultural sector of the economy, it is difficult for it to overcome the crisis.

In our opinion, the state can improve the infrastructure of the agricultural market by:

• Create additional conditions for agricultural producers.
• To increase the competitiveness of the entire agricultural sector of the economy.

According to [3], the agricultural market is a system of relations that ensure the unification of production and labor resources in the process of production and sale of agricultural products.

According to [4], an effectively functioning agricultural market should not only provide consumers with food, but also create conditions for creating food security for the state.

According to [5], the agricultural market is a mechanism that ensures the effective distribution and use of production, labor and financial resources of agricultural enterprises in the production of agricultural products.

According to [6], the agricultural market is a system of resources and methods that coordinates the functioning of the agricultural sector of the economy on the basis of supply and demand for agricultural products.

According to [7], the agricultural market is a system of legal relations related to the production and sale of agricultural products.

According to [8], the agricultural market is a system of relationships and principles of functioning between consumers and producers of agricultural products.

Based on the analysis, we came to the following formulation of the definition of the agricultural market.

The agricultural market is a system of commodity-money relations associated with the production and sale of agricultural products, which includes producers and producers of agricultural products, as well as the state. The state can act on the agricultural market as a buyer of food products to replenish its food reserves, as well as sell products from state food reserves on the agricultural market. At the same time, unlike other participants in the agricultural market, the state, when buying and selling food, as a rule, does not pursue the goal of making a profit.

2. Methods
When performing this research work, we used an analytical method, which allowed us to study the problems considered in the article in their development and unity.

Taking into account the tasks and goals of the research, we used the functional-structural method of scientific cognition.

As a result, we had the opportunity to consider some issues related to the role of state regulation of the agricultural sector of the Ukrainian economy for the development of agriculture.
3. Results
According to [9], state regulation of the agricultural sector of the economy can be carried out through
the publication of regulatory documents. State regulation is a complex system of social, legal,
administrative and economic instruments. The most common instruments of state regulation of
agriculture, in our opinion, include tax, credit, procurement, insurance, as well as foreign economic
policy.

According to [10], the assessment of the effectiveness of state regulation of the agricultural sector of
the economy is difficult due to the complexity of determining the impact of each specific factor on social
stability, increasing the level of agricultural production and reducing the level of unemployment in rural
areas.

According to [11], the specifics of state regulation of agriculture are as follows:

- The presence of various climatic and natural factors that have a significant impact on the
  activities of agricultural enterprises.
- Instability of market prices for agricultural products.
- The low level of investment attractiveness of agricultural production due to the long duration of
  the production cycle.

According to [12], the subject of regulation of the agricultural sector of the economy is the
relationship of agricultural enterprises in social and industrial activities.

According to [13], it is possible to ensure the stable development of agriculture by:

- Rational use of the resource potential of the agricultural sector.
- Reducing the negative impact of the agricultural sector on the environment.
- Reducing the level of unemployment and increasing income among residents living in rural
  areas.

According to [14], agriculture in Ukraine faces the following problems (figure 1):

![Figure 1. The main problems of agriculture in Ukraine.](image)

In our opinion state aid to the agricultural sector of the economy should include:
• Adoption of regulatory documents that allow creating conditions for the development of market competition in agriculture.
• Establishing environmental quality standards for agricultural products.
• Assistance in expanding the export potential of agricultural enterprises.
• Participation in investment in infrastructure facilities necessary for the storage and processing of agricultural products.
• The use of customs protectionism in protecting the interests of domestic agricultural enterprises that produce products that are important for ensuring the food security of the state.
• Creation of favorable conditions for the implementation of concessional lending to agricultural producers.
• Creating conditions for the successful functioning of the crop insurance market of agricultural enterprises.
• Development of the socio-cultural sphere in rural areas.

It should be noted that the policy of subsidizing agricultural enterprises may have a significant drawback, which is that the subsidized enterprises will seek to receive more subsidies instead of looking for ways to improve the efficiency of their production.

In our opinion, the priority direction of state support for agricultural enterprises is the creation of favorable conditions for:

• Diversification of agricultural production;
• Improving the quality of the labor potential of agricultural enterprises;
• Improving the condition of rural landscapes.

In our opinion, an important component of the development of agriculture is the need for the development of rural areas.

The formation of the economic potential of rural areas will make it possible to meet the needs of rural residents more widely.

The development of agriculture, in our opinion, determines the need for the development of agricultural territories in order to make the fullest use of their natural, labor and production resources.

The development of non-agricultural activities in rural areas helps to reduce the level of unemployment in rural areas and increase the income of the rural population, improve the state of the social sphere. This, in turn, will contribute to the formation of funds in the local budgets of the population, which can be used as an investment resource in agricultural production.

4. Discussion
Ukraine has a large amount of land for use in agricultural production, but despite this fact, the country is experiencing a decline in the standard of living in rural areas, the deterioration of the social security of rural residents.

The main directions of state regulation of the agro-industrial complex of Ukraine, in our opinion, should be the development and implementation of measures aimed at reducing the disparity in prices for industrial and agricultural products, ensuring food security for the main types of food, conducting effective land reform, socio-cultural transformation of the village, training personnel for agricultural enterprises, creating effective transport and market infrastructure in rural areas, use of customs and price regulators to support domestic agricultural producers.

5. Conclusions
The stable development of agriculture requires efforts aimed at the development of rural areas. The development of rural areas requires the creation of conditions for the activation of non-agricultural types of production activities in rural areas, increasing the efficiency of the use of labor and natural resources.
of rural areas, improving the level of medical care for rural residents, as well as improving the functioning of cultural and educational institutions in rural areas.

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