

PROBLEMS OF STATE REGULATION OF ECONOMY AND MAIN AREAS OF IMPROVEMENT OF INTERBRANCH RELATIONS IN THE AGRARIAN SECTOR

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Annotation. The purpose of the article is the research the major problems of state regulation of the economy and the identification of the main ways to improve interbranch economic relations in agricultural production. In the research are used the basic methods of scientific knowledge. Among them: the dialectic, the abstract logic and system analysis (theoretical and methodological generalizations).

The element of novelty is the development of measures for economic regulation of public structural policies at the stages of the formation of interbranch relations in the areas of agricultural production. The current state and the essential basis for the industry and the evolution of structural policy and the economic results of the pricing system as a tool for economic regulation of interbranch relations in agricultural production were analyzed. It is carried out the evaluation of the economic regulation of economic equivalence interbranch relations in the agrarian sector of Ukraine's economy. Inconsistency of modern economic regulation of interbranch relations in agriculture was established.

Keywords: agricultural production, agriculture, agrarian sphere, government regulation, interbranch relations, structural policies.

Presentation of the problem and its connection with important scientific and practical tasks. One of the outstanding problems hampering the effective development of agriculture in the process of inter branch cooperation is not well conceived economic mechanism, non-equivalence of inter branch exchange mismatch between input and output of financial flows to other sectors of the national economy. The lack of the necessary structural changes in agro industrial production (AIP) and evidence-based organizational and economic mechanisms of their regulation has led to lack of control of these processes.

The most important unsolved problems that hinder the development of agricultural production are the sharing of resources non-equivalence, in and out of agricultural production system and not well conceived interaction between interrelated and interdependent structural elements of the agro food sector. This is what led to a decrease in the efficiency of the industry and a significant decline in agricultural production. The immediate task of the financial and economic state of the control unit should be to create favorable socio-economic conditions in rural areas, especially in the direction of development of agro industrial groups.

The main objective of the formation of the system of inter branch economic relations in the agricultural sector of the economy is the optimal selection of related industries, rational selection of industries and enterprises with the general financial interests in accordance with appropriate proportions between them, effective natural and geographical distribution of productive forces [14, p. 4].

Analysis of the latest research and published works. The issue of agriculture production have been devoted in the works of many scientists and economists: V. G. Andriychuk [1], V. L. Valentinov [2], T. V. Gagalyuk [3], P. I. Gaydutsogo [4]; S. N. Kvasha [5; 6], I. I. Kirilenko [7], Y. A. Lupenko [8]; V. Y. Mesel-Veselyaka [9], P. T. Sablukov [10–12], A. M. Shpychaka [16], Johnston, Bruce F., and John W. Mellor [17], Meier, Gerald M. [18], Ohkawa, Kazushi, and Henry Rosovsky [19] and other researchers.

However, these scientific works have not been founded of theoretical and practical principles of organizational and economic regulation of inter branch relations in agricultural production, as well as inter branch issues of state regulation of relations in the agrarian sector.

The purpose of research is studied of the main problems of state regulation of the economy and the identification of the main ways to improve inter branch of economic relations in agricultural production.

The presentation of the main results and their justification. We believe that the gradual elimination of the problem of non-equivalence, possibly through improving vertical coordination mechanisms. This process is very slow, requires a more thorough study and a large number of economic, social, and technological preconditions. Problems in the development of balance, proportionality industries, always motivate economists around the world. Establishing mutually beneficial inter branch and economic relations between the producers of raw materials and processing industries is possible with the integration and establishment of vertically integrated structures. There is need to strengthen the bargaining power of the processing enterprises. The key to defend producers is to create cooperative associations in the fields of sales and logistics. As a result of cooperative associations established producers receive more market power.

Consequently, such a strengthening of the market power of the processing enterprises will contribute to the approximation of the equivalent of inter branch exchange. In order to restore the balance, the state should create a regulatory mechanism that will ensure all sectors of economy about the same profit. One of the manifestations of stability of the economic system is the non-equivalence of inter branch exchange.

In our opinion, the urgent intervention of the state, as the guarantor of justice, is a view to carrying out economic reforms in order to regulate the production in inter branch economic relations of agricultural enterprises. Questions of state regulation of the economy should be aimed at improving inter branch and economic relations in economy.

State regulation should establish such inter branch relations between the sphere production, harvesting, storage, processing and trade, providing for vertical coordination or integration partners. The basis of these relations must be based on a mutual

community of economic interests of participants of the same product vertical. It is urgent to carry out economic reform in the system of harvesting and sale of agricultural products.

Questions of state regulation of the economy should be aimed at improving inter branch and economic relations in the economy. Only with effective state support for new forms of organization of production, providing the necessary legal framework can contribute to the effective development and revitalization of Agribusiness. Only with the establishment of effective direct and inverse inter branch economic relations between the free movements of agricultural products from the manufacturer to the end consumer. In addition, between the types of enterprises in agricultural production and the structural units of enterprises need to create the conditions for the rapid processing of agricultural products within the region and operations in retail and wholesale trade.

In our opinion, we can significantly change the crisis situation which has arisen in the agricultural industry by bringing together producers of raw materials, production processing and sales of production, trade and service cooperatives on the basis of mutual aid and economic cooperation. It is necessary to integrate timely production through its industrial processing and recycling of waste. With this merger manufactures, agricultural producers will receive additional economic benefit and mutual interest in waste-free production.

We believe it is necessary to provide for changes directly in the structure of production assets of agricultural production. We came to the conclusion that only in case of successful provision of equivalent distribution of inter branch economic relations can be achieved sustainable economic development of the country's economy. Only taking into account industry characteristics can be effectively becoming a vertically integrated structures. The main trend of non-equivalence of regulation of inter branch relations, economic growth of agricultural production is the growth of labor productivity. Evolutionary solve of non-equivalence problems is possible provided significant improvements in the institutional mechanisms of vertical relations. The system of pricing envisages efficient price formation at the planned cost and some profit, which should cover all the costs of agricultural production enterprises. However, pricing is an important instrument of economic regulation of inter branch economic relations in the agricultural sector, as true certain price will allow growers to be competitive in the market and have their permanent financial stability [13]. It is due to specific reasons for government intervention in the social and economic effects of production are state actions may be referred to structural policies in the field of agricultural production. Effective structural policy is based on a macro-economic level of effective, proportionate and social-oriented models of market-oriented economy. Dynamic macroeconomic equilibrium, support the most effective inter branch proportions of the national economy, the achievement of national interests — is the key to sustainable economic growth of production. So, I. Kirilenko, S. Ryzhuk, S. Kvasha believe that the financial and economic situation of agricultural production depends entirely on "... on the level and relative prices, on which it will acquire the resources and sells manufactured goods, as well as the prices and tariffs, which will cover a variety of industrial and production services. This approach to the interpretation of the role of agriculture suggests that the

production of food and nonfood products in agriculture is just beginning on the basis of the technological combination of industrial and agricultural factors". In addition, the relationship between the three spheres of agricultural production is largely determined by the type of economic system that exists in the state. The relationship between the three spheres of agricultural production is largely determined by the type of economic system that exists in the state [7].

Our studies provide a reason to believe that such a relationship should be built among the five spheres of agricultural production:

1 sphere — the production of means of production for agriculture (industry, which produce mineral fertilizers and chemicals, feed mill industry, microbiological industry, and others.);

2 sphere — agricultural production;

3 sphere — primary industrial processing of agricultural products (industry, are engaged in the industrial processing of agricultural products: milk, meat, flour, cereal, etc.);

4 sphere — industry of market infrastructure (areas that are engaged in harvesting, transportation of agricultural products, etc.);

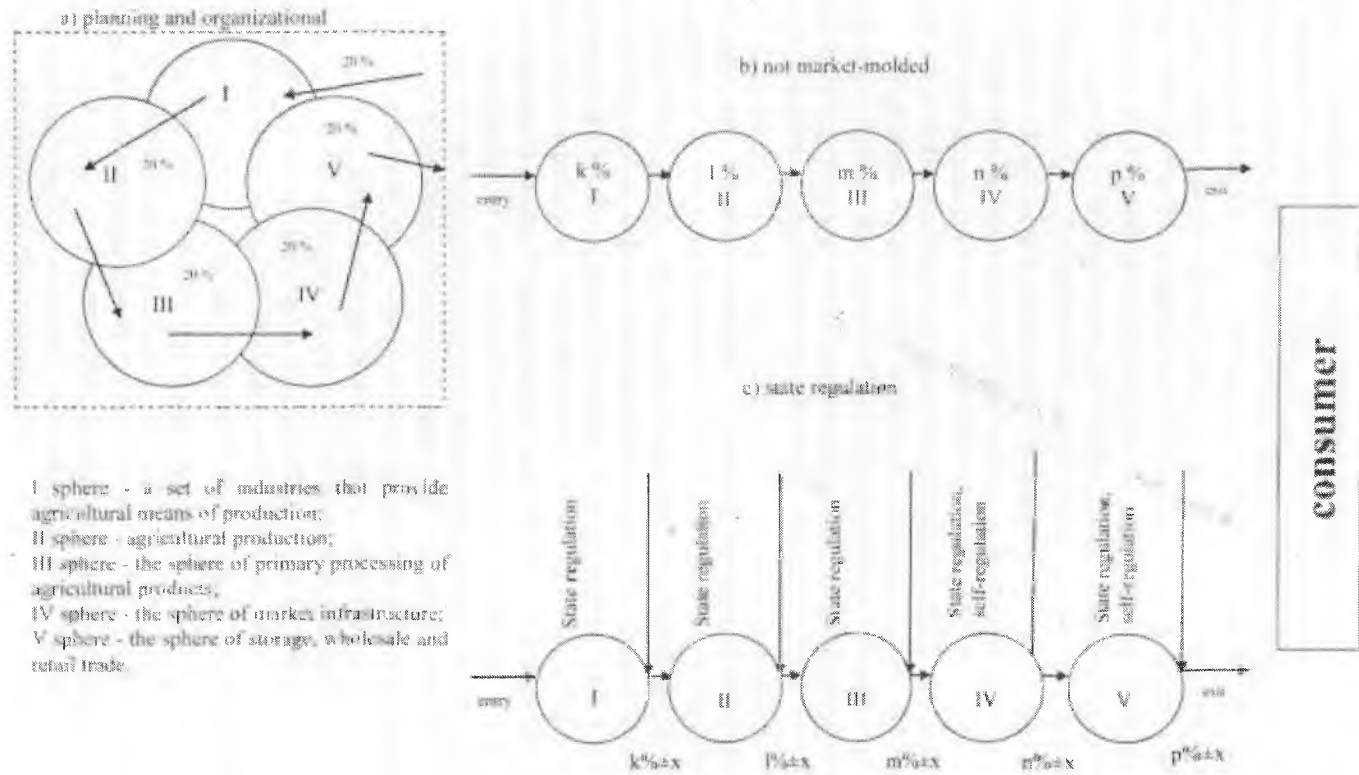
5 sphere — storage, wholesale and retail trade. In our view, inter branch relationships between the five areas of agricultural production is directly determined the type of economic system that exists in the national economy of Ukraine.

Implementation of measures to stimulate economic structural policies of the state on the stages of the inter branch relations in the fields of agricultural production we presented in Figure 1.

Some scientists have argued that "... in the present conditions the optimal combination of state regulation of the economy with the market regulators will be able to provide the most rapid output of the agricultural sector, especially agriculture, out of the crisis." Efficiency of production during the planning and organization of economic system in each of the areas defined on the basis of established nation-wide profitability of production (approximately 20% profitability) on the basis of the existence of public procurement prices and cash-basic industry production costs [7].

Product prices and profit, which is obtained in each of the areas of AIP under the planned economy, the government formed on the basis of balanced development proposals. In the case of market-economy unformed profits obtained in each of the areas of agricultural production, it has become vary depending on the development of competition in the areas of AIP, which is formed on the basis of supply and demand.

In order to form an effective proportions between the spheres of agricultural production necessary to strengthen the regulatory intervention of the state in the development of market relations. Let us consider the structural elements of the interaction between the spheres of AIP at the other two types of economic policy.



I sphere - a set of industries that provide agricultural means of production;
 II sphere - agricultural production;
 III sphere - the sphere of primary processing of agricultural products;
 IV sphere - the sphere of market infrastructure;
 V sphere - the sphere of storage, wholesale and retail trade.

Fig. 1. Implementation of measures to stimulate economic structural policies of the state on the stages of the inter-branch relations in the fields of agricultural production

Source: it is improved by the aut

So, the first option is presented, provided the market-economy unformed. Already in the I sphere (the production of means of production for agriculture (industry, which produce mineral fertilizers and chemicals, feed mill industry, microbiological industry, and others) you can make a profit — k%, in the II sphere (agriculture production) — l%, in the III sphere (primary industrial processing of agricultural products (industry, are engaged in the industrial processing of agricultural products: milk, meat, flour, cereal, etc.) — m%, in the IV sphere — (industry of market infrastructure (areas that are engaged in harvesting, transportation of agricultural products, etc.) — the n%, and in the V sphere (storage, wholesale and retail trade), respectively — p%.

Market conditions in spite of the level of competition within the sphere enable manufacturers to generate revenues that will eventually lead to higher market prices for the consumers of the final product — food products in a lack of competition in some areas. State influence on the economic activities of agricultural production is carried out by regulating the market environment subject to state regulation of agricultural production, and thus profits in each of the five areas in the x% separately.

The purpose of such a structural state intervention is the need to influence the formation of the industry average prices of goods and products, appropriate to the public interest: food interests — citizens, economic — agricultural producers, financial — state [15, p. 25–26].

Conclusions and recommendations for further research. The main feature of the economic structural policies of agricultural production is the development of inter branch equivalent exchange processes in all areas of agricultural production. The dynamic economic growth of all sectors of agricultural production is possible only if the state regulation of deep socio-economic issues of agricultural policy at the legislative level. State agricultural policy should be based not only in the adoption and approval of new laws of Ukraine, but also in the direct regulation of types of economic systems, in order to improve the functioning and dynamic development of agricultural production. Practical application of existing techniques and economic levers of regulation inter branch relations advantageously characterized by imperfect legislative support.

It is necessary to adopt the Law of Ukraine "About inter branch and economic relations in the economy of Ukraine", which is necessary to provide:

- a) to introduce taxation of super profits for the progressive rates;
- b) to create a support fund industries sustained capital turnover, which would be formed in the budget at the expense of that received from income taxation of agricultural enterprises super profitable sectors of the economy.

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