

# **THE PROBLEMS OF AGRICULTURE-INDUSTRIAL COMPLEX IN UKRAINE UNDER GLOBALIZATION**

*SVETLANA MAKHNUSHA*, PhD, Associated Professor

**Sumy National Agrarian University, Ukraine**

Under conditions of prolonged economic crisis in Ukraine not only measures to overcome it become important, but also measures to create a favorable environment for the domestic market in the future. Since the present troubles of national benefits in the future in a practical sense are ignored, it seems necessary to create conditions for a gradual increase of dynamism and productivity of the national economy. Increasing welfare of nation based on a high level of competitiveness is not only the primary purpose of government, but also a national task to resolve which should be involved all segments of the Ukrainian society.

Ukraine found itself in the international competitive environment in which the national economy was unprepared. Low competitiveness of domestic products, irrational structure of production, inefficient use of inputs, low domestic demand, poor motivation to improve production efficiency, innovation and unfavorable investment climate, irrational development of regions – these key factors led to the unsatisfactory international state relations. Ukraine to increase the competitiveness of national producers should conduct intensive development of foreign trade which is of particular importance, as it contributes to the completion of market transformation of economy and effective integration into the global economy.

The economy of Ukraine agriculture greatly affects the socio-economic situation of the society. However, at the present stage of the financial position of most agricultural enterprises and social services is unsatisfactory. Country's problem is the unstable branch, which provided virtually no modern

equipment and new technologies, resulting in low productivity and uncompetitive agricultural products on the world market.

This complex situation in the agricultural sector is explained due to the following factors:

- failure problems in strategic areas of agriculture and agrarian reform in Ukraine; physical, technological and moral deterioration of basic production assets of agricultural enterprises; the presence of a significant disparity in prices for agricultural products and industrial means of production and labor, causing permanent lack of financial resources and limiting the activities and development of agricultural producers; irrational use of land, labor and financial resources of the agricultural sector;

- a reduction in soil fertility, inefficient use of existing potential of agricultural land; insufficient development of agricultural market infrastructure;

- lack of necessary farm support at the state level, which manifests itself in pricing imperfections, financial, credit and investment policy towards agrarian;

- low standard of living of the villagers, meager salaries of persons engaged in agriculture, unemployment, deepening demographic crisis, migration in search of work, the destruction of the labor potential of village.

In a globalized economy Ukraine strategy of agriculture and rural economy as a whole should be based on:

- creation of conditions for development of agriculture, the intensification of agriculture and rational state financial support for agriculture;

- improving access to markets and enhancing competitiveness of agricultural production by growth in domestic and foreign investment in the agricultural sector provided harmonized current legislation with the norms and requirements of the World Trade Organization;

- improving social services through the creation of advanced infrastructure in rural areas.

To remove agriculture from the crisis in a globalized economy should be developed fundamental long-term program of stable external economic relations with trading partners that are beneficial.

To expand markets and the successful promotion of domestic agricultural products on world food markets should be:

- reoriented the development of agriculture to increase export potential, provided the balance between domestic and external demand for agricultural production; improved the efficiency of traditional Ukraine exported products – cereals, sunflower seeds, livestock production and increase capacity in promising sectors of world agriculture;

- diversified the geographical structure of foreign trade in agricultural products, minimizing dependence on individual countries (markets), thereby increasing the economic security of the country; provided state-level balance of exports and imports of agricultural products to achieve an increase in the surplus in foreign trade – the excess of exports over imports; at public offices and embassies of Ukraine abroad must be conducted a seek for regular buyers of domestic agricultural products, to support and develop diplomatic relations with real partners.

Also for successful agricultural development of the country in a globalized economy, it is necessary to carry out state policy of constant improvement of investment attractiveness of the agricultural sector. Increased investment is constrained largely imperfection of the current legislation and unstable political situation of the country. Without the introduction of new energy-saving technologies and use of modern technology this can bring agriculture to the crisis and the country as a whole.

In addition, for the material and technical upgrading of agriculture it is required involvement and significant credit regulation of issues. To promote agriculture and ensure improvement of its competitiveness Ukraine needs also to harmonize it with the Ukrainian economic realities and historical development of industry in the country.