

**THE EFFICIENCY OF ECONOMIC ACTIVITY OF THE AGRARIAN ENTERPRISES IN THE
CONDITIONS OF PROPERTY RELATIONS TRANSFORMATION:
REGIONAL ASPECT**

Setting the problem. The complex processes of radical transformation of property relations that have been occurring in agriculture for more than twenty years are followed by mixed trends on the effectiveness of economic activity of agricultural enterprises as a whole in Ukraine and its regions as well. The importance of increased attention to economic growth of profitability of agricultural enterprise in modern conditions is connected with the need to solve a number of challenges for the expanded reproduction of manufacturing on the basis of innovation, improving the quality parameters of product competitiveness, the increase in wages of workers of agricultural sector, improving the social living conditions of the rural population in different regions of Ukraine.

The analysis of recent research and publications. Theoretical and methodological problems of profitability increase of agricultural enterprises in the process of implementing reforms and in the post-reform period were covered in scientific researches of Ambrosov V.J., Andriychuk V.H., Yermakov O.Yu., Kurhan V.P., Malik M.Y., Larina A.Ya., Sabluk P.T., Cherven I.I., Cherevko H.V. In these works and of other scientists theoretical principles about the nature of efficiency as a social and economic category, methodological approaches to assess the profitability of the enterprise with the definition of relevant indicators, the analysis of external and internal factors to ensure high financial performance, economic and organizational levers of forming break-even production and increase efficiency of economic in market conditions have found their reflection. However, the management of agricultural production at the present stage of transformation of property relations should be carried out taking into account the regional characteristics of the industry, strengthening economic independence of regions, enhancing the role of regional government and local authorities in solving social and economic problems of rural areas, intensifying integration links between regions, both within national borders and at international level. This necessitates further studies of the problem on improving economic efficiency of agricultural enterprises taking into account regional factor.

Setting the objective. The aim of the paper is to develop theoretical principles and applied scientific recommendations to improve the economic efficiency of industrial and economic activity of agricultural enterprises in the process of transforming property relations, with emphasis on the need to strengthen the regulatory impact of the regional government and local authorities.

The main material of the study. The spatial location of agricultural production has territorial binding to specific regions. The notion of region is multifaceted because it assumes the differentiation of a certain space for the similarity and features of its natural, historical, social and cultural, industrial and economic environment. Specific historical and geographic area as a region can be allocated also for civilization, ethnic, religious, linguistic and other criteria.

In the study of national regional policy the availability of legally defined and given the appropriate authority subject is assumed. Therefore, it is logical to represent the region as an administrative and territorial unit within the state. However, it should be pointed out that this approach is somewhat limiting scientific and practical use of the term "region", because it is quite right to apply it in relation to the characteristics of regional supranational institutions (such as the European Union). Thus, depending on the objectives of the specific research problem, the characteristic of the region may refer both to internal territorial component and interstate areas. That is, using the term "region" it should be clarified its nature in terms of belonging to the domestic or supranational territory.

Whereas the impact of objective and subjective factors on production efficiency in the agrarian sector is defined concerning Ukraine, the expression of these factors is logical to explore on the territorial formations that are its domestic regions. The latest in the literary sources are submitted in different ways, thereby determining the need for the proper scientific generalization. So, in the Small Economics Dictionary region is interpreted as "region, district; part of a country that is different from other areas of the totality of natural and (or) historically formed, relatively stable economic and geographical and other features that often are combined with features of the national structure of the population" [1]. Terms such as: district, zone, area, etc. are used to indicate the degree of differentiation of the territory near the region. The most commonly are used terms "area" and "region". District is defined as the territory on the totality elements that are saturate it that is different from other areas, which has unity, interconnection of the constituent elements, integrity, and this integrity – an objective condition and a natural result of the development this territory [2]. Thus in its content, the term "district" is synonymous of the notion "region".

The social and economic unity with the whole national economy is the feature, according to which a certain territory can be represented as a relatively independent unit; economic processes taking place in it should reflect certain patterns of social reproduction, which are influenced by interrelated economic, social and natural factors.

This approach corresponds to a definition according to which the region is considered as territorially bounded integral part of social and economic system that is characterized by its main features, closed reproductive cycle and certain economic characteristics [3].

Common signs of domestic region are: the territory that has similar natural and climatic, historical and geographical, ethnic and demographic characteristics; certain territorial production and economic specialization; the close interdependent economic relations between economic entities, industrial and economic cooperation is carried out in certain territorial limits based on the division and cooperation of labor; social and economic territorial integrity.

Totality of relevant features creates such territory as a relatively independent unit and distinguishes it among other territories. To make efficient use of the resource potential of certain areas of their in the legislative and administrative proceedings allocate and empower appropriate subject and organizational power.

The region is defined as geographically specialized part of economic complex of the country based on the above research purpose of national regionalization as a factor of influence on the efficiency of production in the agricultural sector of Ukraine. This part is characterized by unity of interrelated and interdependent natural, historical and geographical, economic and social factors, production and economic integrity which serves the objective law of development of this territory. The presence concerning this territory of legally defined and given the appropriate organizational and governing powers of the subject reflects the division of the country into administrative and territorial units, which are areas in Ukraine, and the Autonomous Republic of Crimea.

The economic efficiency of agricultural production in agrarian enterprises by region demonstrates the level of profitability and the dynamics. These indicators since 1990 are shown in the Table 1.

Table 1

The level of profitability of agricultural production at the agricultural enterprises, % *

Region	Year					2012 +/- till 1990, percentage points
	1990	2000	2010	2011	2012	
Ukraine	42,6	-1,0	21,1	27,0	20,5	-22,1
the Crimea	51,1	1,6	12,8	23,7	8,8	-42,3
Vinnitsia region	43,4	9,8	19,4	24,9	15,3	-28,1
Volyn region	37,8	-10,0	9,0	19,7	15,5	-22,3
Dnipropetrovsk region	44,0	-2,9	28,1	32,2	17,9	-26,1
Donetsk region	45,3	-8,6	25,7	30,8	22,7	-22,6
Zhytomyr region	37,8	-11,6	7,3	12,2	19,2	-18,6
Transcarpathian region	22,9	-24,4	-13,3	-0,5	6,3	-16,6
Zaporizhia region	48,8	-1,4	30,6	28,5	14,4	-34,4
Ivano-Frankivsk region	26,5	-6,8	29,3	32,0	38,0	11,5
Kyiv region	40,8	6,4	31,1	39,0	34,1	-6,7
Kirovograd region	55,5	1,1	40,7	42,5	33,7	-21,8
Lugansk region	41,2	-2,6	11,6	27,7	28,5	-12,7
Lviv region	27,2	-18,2	27,6	21,4	2,2	-25,0
Mykolayiv region	53,7	-7,0	35,8	33,5	28,3	-25,4
Odessa region	40,3	5,2	20,1	18,8	6,1	-34,2
Poltava region	52,9	2,4	21,7	27,6	16,1	-36,8
Rivne region	37,5	-3,0	5,9	9,7	9,6	-27,9
Sumy region	43,0	5,4	-0,6	11	17,0	-26,0
Ternopil region	25,5	-4,7	16,1	27,5	15,3	-10,2
Kharkov region	53,4	2,7	17,6	27,5	23,0	-30,4
Kherson region	44,7	-12,9	18,7	24,4	10,4	-34,3
Khmelnysky region	35,8	0,1	14	21,6	24,9	-10,9
Cherkasy region	41,8	4,7	18,1	27,1	24,9	-16,9
Chernivtsi region	29,0	-4,8	-1,2	13,4	8,9	-20,1
Chernihiv region	39,6	-9,5	2,8	14,6	16,7	-22,9
Kyiv	-	-	25,2	42,9	30,2	X

* Source: Calculated according to the State Statistics Committee of Ukraine [4, p. 233]

The analysis of digital data shows that during the study period the level of profitability of agricultural production in agricultural enterprises by regions of the country is characterized as unstable over time and such that has significant differences by magnitude and even by the availability in certain regions of its negative values.

Thus, the reporting year by the average profitability in the country that was 20.5% in Lviv, Odesa and Transcarpathian regions the agricultural production is characterized by low values of indicators compared to other regions. At the same time during the research period unprofitability of agricultural enterprises of Transcarpathian region has quite prolonged nature. Agricultural production turned unprofitable in some periods in Zhytomyr, Ivano-Frankivsk, Sumy, Chernivtsi and other regions, and at agricultural enterprises that are registered in Kiev.

Agricultural enterprises of Ivano-Frankivsk region achieved the highest level of profitability (38%) in 2012. Agricultural economic entities of Kiev and Kirovograd regions, as well as those that have the place of registration in Kyiv received more than 30 percent of profitability.

In the reporting year the level of profitability of agricultural production of only six regions is in the range from 20 to 30 percent. 16 regions received less than 20 percent of the level of profitability of the agrarian activities. The smallest value of economic efficiency is typical for Lviv (2.2%), Odessa (6.1%), Transcarpathian (6.3%), Chernivtsi (8.9%) and Rivne (9.6%) regions and the Autonomous Republic of Crimea (8.8%).

Whereas profitability shows that the agricultural enterprise by cash proceeds from product realization covers the cost for its production and receives income, so the economic efficiency of production in agricultural enterprises of mentioned regions reflects extremely limited opportunities for expanded reproduction.

During the period from 1990 till 2012, the level of profitability of agricultural production at the agricultural enterprises in the national average decreased by 22.1 percentage points. This result is explained by the fact that in the baseline year (pre-reform), the level of cost recovery in the whole country was over 42 percent. It is the highest rate in the study period. Extremely low effectiveness of management distinguishes 2000 (after reform) year. At that time fifteen regions of Ukraine from twenty-five received overall unprofitability of agrarian enterprises. Low profitability for a long time is a characteristic feature of the absolute majority of regions in the country. Thus at the end of the reporting period, agricultural enterprises almost all regions (except the Ivano-Frankivsk region) could not exceed the value of the level of profitability of agricultural production in the pre-reform year and continue to maintain relatively low recoupment of incurred expenses. Based on the foregoing, it is legitimately to make a generalizing conclusion about priority importance of influence on social and economic efficiency of agricultural production in reform and post-reform period of deep transformations of property relations. That is why there is an urgent need for output current economic relations and their basic components – property relations in the agricultural enterprises to a qualitatively new, higher than the previous level.

In solving this problem a significant role is given to regional authorities of the administrative-territorial units, which, having a certain economic independence and managerial competence, act as an important factor influencing the development of economic processes, including property relations in the agricultural sector. According to current legislation and regional powers they accomplish sale, lease, transfer to using, privatization, including gratuitous, of different property objects. Regional offices of public administration and executive bodies of local authorities supervise the compliance with antitrust laws, conducting pricing policy, study of the market situation dynamics and economic efficiency of enterprises, the administration of taxes and payments to the regional budget. Thus, at the regional level organizational and economic mechanisms that stimulate or inhibit the development of enterprise, medium and small businesses, including those in rural areas are formed and operate. The above and other principles serve as arguments in favor of acting the local level of branch and administrative and territorial governance as an important factor influencing the development of property relations in rural areas, improving the performance of economic activities of agricultural enterprises.

Strengthening the role and importance of regional factor in solving key problems of the agricultural economic entities and creating appropriate organizational and economic conditions of progressive increase in the efficiency of agriculture has been declared by adopted resolution of the Cabinet of Ministers of Ukraine in October 2013 “Strategy of agricultural sector development for the period up to 2020” where among the basic principles of the agricultural sector management in the sphere of formulation and implementation of state agricultural policy appear: “development of self-regulation in the agricultural sector; delegation by the state of industrial, professional and territorial associations of certain powers to regulate agricultural market, including the part of monitoring the quality and safety of domestic agricultural products; taking into account regional conditions for agricultural development” [5].

The fundamental point in the implementation of the “Strategy for the development of the agricultural sector for the period till 2020” should be a combination of general public and internally regional interests, which foresees the creation long-term, medium-term and current goals of the agricultural policy with specification of tasks, allocation of functions between the national and regional levels of management with

obligatory legal fixing of their authority and responsibility through appropriate legislative and regulatory documents.

A clear delineation of policy towards the region in the agrarian sphere and agricultural policy which is conducted by regions will increase the effectiveness of activities both the central government and local government institutions. Thus, the balance of authority and responsibility is ensured, clarity of functioning of the management structure, the parallelism and duplication of functions is eliminated, inconsistency and lack of coordination between administrative units, efficiency and discipline of management is increased.

The important direction of activity of regional management bodies to achieve the strategic goal of ensuring the effective development of the agrarian sector and a stable supply to consumers of high quality and affordable of domestic agricultural production should be improving the regional regulatory policy, the legal foundation is laid of the Law of Ukraine "On the Principles of State Regulatory Policy in economic sphere". Public procedures are established by the Law for the development and adoption of regulatory acts, such as: obligatory planning of activities in training of regulatory acts, analysis of regulatory impact, publication of the project of regulatory act, evaluation of its regulatory impact in order to receive comments and suggestions, as well as systematic evaluation of the effectiveness of accepted of regulatory acts [6]. The full observance of the principles of publicity, transparency and consideration of public and private interests in making the regulatory acts is possible on condition of active participation of directly agrarian entities, or their representative institutions (associations, unions, cooperatives) in the preparation and implementation of the regional regulatory policy. However, at the present stage due to the lack of development of such representative institutions, insufficient activity of most agricultural enterprises on the one hand, and poor discipline of the executive government authorities, on the other, to ensure consistency, coordination and high effectiveness in resolving the issue to simplify procedures and reduce the administrative burden on business entities, including agricultural, is not yet possible. Therefore the further reducing of administrative barriers for the economic activity in rural areas, the introduction of the concept "single window" for obtaining permitting documents and submission of electronic reporting, promote the association and cooperative associations of agricultural commodity producers to attract them to actively participate in the formation of regional regulatory policy remains a problem of territorial bodies of state administration and local self-government.

The effectiveness of economic activity of agricultural enterprises that operate in terms of dynamic market economy strongly depends on their ability to free access to sales markets, availability of transparent pricing mechanisms, establishing equal relationships with wholesalers and retailers, as well as companies that process agricultural raw materials. Regional agricultural markets in Ukraine are typically characterized by a low level of infrastructure development, insufficiency of its components that indicates the fragmentariness of decisions to create separate infrastructure facilities and lack of integrated regional programs to develop the infrastructure of agricultural market with the relevant organizational and investment support.

In this regard, the local authorities of regional and district level should initiate the development and implementation of programs adapted to the needs and peculiarities of certain regions to create the network of wholesale agricultural markets, trading houses, exchanges, auctions and other similar objects with obligatory determination of deadlines to implement the stages of the program, scope and sources of its funding, personal responsibility of local government officials for implementation of planned activities and proper use of allocated funds. Within the regional agricultural market it is important to promote integrated marketing systems based on long-term contracts between agricultural producers, processors, wholesalers and retail network.

Highly effective development of agricultural enterprises, regardless of their organizational and legal structure and forms of ownership requires to bring internal economic management systems with the requirements of the surrounding environment market.

Functioning in terms of commercial risk requires managers and specialists of agricultural enterprises the application of new technologies, possession instruments of modern management and marketing, obtaining of operational information on the state of the agricultural market situation, knowledge of the provisions of legislative and other regulatory documents that are dynamically changing.

In this regard, it is necessary the intensification of efforts regarding the formation of a highly efficient system of information and consultation support. The agricultural advisory services as a set of measures to meet the needs of agricultural commodity producers to increase the level of knowledge and practical skills of farming income is an important component at the regional level [7].

The scientists' proposals regarding the development of alternative organizational models for providing advisory services deserve the attention due to the limited possibilities of budget financing of regional public advisory services. In particular, the feasibility of establishing regional and district vertically integrated cooperative structures has been scientifically proved by Klochan V.V. The activity of these structures is aimed at information and consulting support of agricultural enterprises and service cooperatives [8].

Based on the approbated methodology and legal support formation of service cooperatives, the author offers a step-wise algorithm for establishing regional information and consultation cooperative with the detailing kinds of performed works at each of the selected phases and substantiation of possible sources of financing.

Conclusions and further research. A retrospective analysis of the economic activity effectiveness of agricultural enterprises in the process of market transformation in Ukraine's regions showed instability of the dynamic trends profitability indicators over the study period and significant differences between the values of these parameters in individual regions. With availability of positive and even high economic performance of certain regions in specific years, generalizing conclusion is that at the end of the analytical period farm efficiency in almost all regions in general inferior to value profitability of agricultural production in the pre-reform period and is characterized by low payback of incurred costs.

As priority directions of activity of the regional government and local authorities to achieve the strategic objectives for ensuring the effective development of the agricultural sector of Ukraine's economy and food security of its regions we identified: improving regional regulatory policy; development and implementation of regional programs for the development of agricultural market infrastructure; improving the investment attractiveness of agricultural production by perfecting land and property relations; the formation of an effective system of information and guidance support to the agricultural business by expanding the range of providers of agricultural extension services and improving their quality.

Worsening social and economic problems of the agricultural sector in the regions of Ukraine in the process of transformation of property relations actualizes the need for further scientific and application study of organizational and economic measures at the regional level to improve the efficiency of economic activity of agricultural enterprises.

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Zapsha H.M. THE EFFICIENCY OF ECONOMIC ACTIVITY OF THE AGRARIAN ENTERPRISES IN THE CONDITIONS OF PROPERTY RELATIONS TRANSFORMATION: REGIONAL ASPECT

Purpose. The purpose of the research is the development of theoretical positions and scientifically-applied recommendations to increase the economic efficiency of economic activity of agricultural enterprises in the process of property relations transformation with an accent on the necessity of strengthening of regulative influence of regional organs of state administration and local self-government.

Methodology of research. The scientific dialectical method of cognition, which application allows highlighting the efficiency of economic activity of agrarian enterprises in the context of transformation relations of property in agriculture as a dynamic socio-economic system, comes forward as a methodological base of the undertaken study. Economic and statistic instruments were used for digital data analyzing with the aim to study the state and tendencies of profitability indexes of economic activity of agrarian enterprises. The clarification of concept "region" and determination of priority directions of activity of regional administrative institutes comes true in the process of logical generalization of the research and practice developments and use of comparison methods, analysis and synthesis.

Findings. The retrospective analysis of economic activity efficiency of agrarian enterprises in the process of market transformations in the regions of Ukraine detected the instability of dynamic trends of profitability indexes during the period of research and substantial worsening of recoument of the total charges in a financial year comparatively to the pre-reform stage. As a priority direction of activity of regional organs of state administration and local self-government in relation to the achievement of strategic aim of providing the effective development of the agrarian sector of Ukrainian economy and food safety of its regions certain: improvement of regional regulator politics; development and realization of the regional programs of the development of agrarian market infrastructure; improvement the investment of attractiveness of agricultural production due to the improvement of the land and property relations; the forming of the

effective system of the informational and consultative providing of agrarian business in the part of expansion of the circle of subjects of grant of agricultural deliberative services and increase of their quality.

Originality. Definition of "region" is specified that is determined as the territorial-specialized part of the country economic complex, that is characterized by unity of connected and interdependent natural, historical and geographical, economic and social factors that productive integrity comes forward as objective conformity of this territory development.

Practical value. Practical meaning is in the possibility to use the theoretical and methodological positions and applied recommendations in practical activity of regional organs of state administration and local self-government with the aim to increase the social and economic effectiveness of transformation of property relations in the agrarian sector of the region economy.

Key words. Efficiency of economic activity, agrarian enterprises, region, relations of property.