

## CHAPTER 4. MANAGEMENT AT THE MACROLEVEL: PROBLEMS AND PROSPECTS OF SUSTAINABLE DEVELOPMENT OF THE MARKET IN THE CONDITIONS OF GLOBALIZATION

### 4.1. HARMONIZATION OF LAND MANAGEMENT IN DOMESTIC AGRICULTURAL SECTOR WITH GLOBALIZATION PROSPECTS<sup>15</sup>

The study of forecasts for the economic, social, environmental and integrated efficiency of land management (here in after LM) of agricultural sector allow a formalized transition to the advanced world models of land-use. The state should operate with available tools, taking into consideration not only the economic laws, but also the trends and patterns that have been established at the level of world agricultural relations, including land relations. Evolution of processes with limited predictability requires a particular purpose and context that implies the harmonization of LM efficiency in domestic agricultural sector with globalization prospects. This context makes the logic of this study.

As for the major world trends in the development of the agricultural sector, they are reduced to a significant increase in demand for agricultural products and foodstuffs with increasing volatility in their prices (Table. 1).

**Table 1. Major global trends and their impact on land management in the agricultural sector in Ukraine \***

Global trends	Consequences for Ukraine
Significant growth in demand for agricultural products and food, especially for beef, pork, poultry, butter, cheese, powdered whole milk and skim milk	Increase in revenue from all national agents of land interests. A significant increase in domestic prices for agricultural products and foodstuffs
Volatility of world prices	Farmers' losses, the need for development of agricultural insurance
The rate of production of agricultural raw materials outpace the growth of their processing and storage	Shortfall in received added value for agents of land interests
The global problem of food production	Growth of land prices, the intensification of production
Conclusion of free trade agreements within the Transatlantic partnership in trade and investment between the US and the EU (TTIP)	Diversification of production, harmonization of national standardization and certification system with the world standards

\* Systematized according to the materials [2, p. 13; 6; 12, p. 21].

<sup>15</sup> Authors: Mykola Zos-Kior, Oleksandr Goloborodko, Olena Zerniuk, Sophiya Spivak

These facts, on the one hand, lead to an increase in revenues of the national agents of land interests, and on the other hand (according to the effect of exports) to the growth of domestic prices for agricultural products and foodstuffs to the world level. At the same time, the limited range of exports is a negative factor for Ukraine whose agribusiness entities perceive volatility of world prices at the level of financial losses. The way out of this situation could be to increase the range of agricultural and food products, expanding sales lines as well as circles of partner countries. The rate of production of agricultural raw materials outpace the growth of their processing and storage, therefore national agents of land interests receive less added value, as global competition is more significant at the market of finished products and warehouse logistics.

Against the background of the global problem of food production, in addition to increasing demand for production, the load on the land also increases because of the transition to biofuels. Among the most significant global trends, formation of a free trade zone between the US and the European Union (TTIR) should be highlighted; which will also influence significantly the agricultural market situation, and accordingly, through a number of globalization impacts on LM, the relationship between a number of agents of land interests will transform from competing into complementary model.

The trends mentioned above will be for Ukraine generally positive consequences, provided that the national preventive and administrative adapters develop, including the system of agricultural insurance [1], and there are restrictions on acquisition of agricultural land by foreigners, harmonization of national standardization and certification system with the world.

It should be noted that these trends also reflect both regional (EU) and national trends, which, incidentally, almost coincide (due to the effects of global deformation): the increased proportion of gross agricultural output in GDP; increased area of a farm; increased percentage of employees; strengthened vertical integration; increased capital intensity of production as well.

Besides the general trend, certain patterns of land use in the agricultural sector of Ukraine have recently been formed (tab. 2), which are generally also coincide with the global situation.

These patterns suggest many unresolved issues in land use, such as:

- Targeted use of suburban land;
- Micro-credit for land-poor areas;
- Cooperation, including cooperation within the framework of international cooperation;
- Improving business culture among farmers;
- Stimulating economic diversification and so on.

In the global context, the problems should be resolved by the international community as well, as Ukraine will soon affect world prices to some extent, as predicted by the forecast estimates on the agricultural sector in Ukraine (according to

the US Department of Agriculture (USDA), Food and Agriculture Organization (FAO) and the Organization of economic cooperation and development (OECD), in view of the tense situation with the prices for agricultural products and food on world markets. Thus, the strategy of development of agriculture and rural area in Ukraine in 2015-2020, developed by the European Union, the European bank for reconstruction and development, USAID (United States Agency for international development), the World bank and FAO (global agents), has for a key position an increase for grain production to 100 million tons per year. During the implementation of this strategy it is necessary to consider the proposed methodological principles of forming economic, social and environmental effectiveness of LM, since the total yield can be achieved either through extensive way or intense way provided for a significant increase in anthropogenic pressure on land, or changes in the structure of sown areas with increased crop and deteriorating balance of humus in the soil.

**Table 2. Patterns of land use in the agricultural sector of Ukraine\***

Condition	Use of land
Opportunities of land tenant Low provision for land	More intense
Low quality, no demand	On their own, beyond lease
Proximity to the city	Incomplete(part of territory)
Increased international trade	Increased land output
Larger share (land bank)	Increased rent
Higher competition for the lease	More responsibilities of land tenant
Lower provision for land	Higher land price
Large tracts of land	Mainly for plant-growing
Land-poor territories	Mainly for breeding

\* Done using the source [9].

According to the strategy before 2020, it is planned to develop environmental standards and indicators of environmental problems of the agricultural sector. For the development of organic production it is suggested to develop and implement environmental legislation, harmonized with the EU legislation and create the relevant department in the Ministry of Agrarian Policy and Food of Ukraine on the development and marketing of organic production. In the agricultural management of regional administrations it is suggested to appoint at least one employee responsible for this direction. It is planned to give priority access for organic producers to tenders and to credit organic projects with interest of 4.6% in euros and 12.8% in UAH [21]. At the same time the state is trying to optimize the structure of the agricultural use of the land resources in the framework of harmonizing land-use standards with the EU; and this concerns all regions of Ukraine (Table. 3).

According to the forecast, there is a trend towards a significant reduction of agricultural land in all categories from 41,720.6 thousand Ha to 35,490.0 thousand

Ha. In particular, in future it is planned to restore agro-landscape balance of Ukraine before 2030. In the national distribution of agricultural land among users up to 2030 it is planned that all categories of farms have 86.7%, share in the amount and other land users - 13.3%, agricultural enterprises - 39%, collective farms - 10.5% individual farms - 36.6%.

**Table 3. The optimal structure of agricultural use of land resources of Ukraine for 2030, thous. ha [23]**

Indicator	Steppe	Forest-steppe	Woodlands	Ukraine
Total	25019,8	20291,4	15043,6	60354,8
Agricultural land	19159,9	14580,2	8086,4	41826,5
of this arable land	15575,3	11961,6	6320,6	32857,5
Plow, %	81	82	66	79
Arable land used for natural grasslands and a forestation	4146,8	3090,5	1392,2	8630,9
of this eroded slopes 3 ° or more	1517,5	1715,6	461,0	3694,1
Unproductive lands	1165,4	584,2	430,2	2179,8
water protection zone	477,3	354,0	206,2	1037,4
salt	326,4	37,5	25,6	389,5
other	660,2	399,2	269,2	1328,6
Arable land remains in all categories	11428,5	8871,1	3928,4	24227,4
Plow, %	60	61	49	58

These projections are impossible without improving LM system not only in quantitative but also in qualitative way, moreover, they have to fit into the current forecasts for the agribusiness of the world, including the European Union, taking into consideration the consequences for Ukraine (tab. 4). According to current global forecasts up to 2020 global market volume of organic products will increase significantly and could be 200-250 billion \$, which will stimulate the development of organic farming in Ukraine. By 2023 Ukraine will provide about 6.3% of world trade in wheat grain, feed grain - 12.1, vegetable oils - 6.0, poultry - 1.4, butter - 0.5, cheeses - 3.5%. By 2050 the need for grains will increase by 100%, which will

**Table 4. Current forecasts of agribusiness development and consequences of their implementation for LM in Ukraine**

Expected factor	Source	Timing	Consequences for Ukraine
The volume of the world market for organic products may be 200-250 billion \$	FAO	before 2020	Development of organic farming
Ukraine's place in world exports	OECD and FAO	before 2023	Provision for 6.3% of world trade in wheat grain, feed grain - 12.1, vegetable oils - 6.0, poultry - 1.4, butter - 0.5, cheeses - 3.5%
The need for grain will increase by 50%	UN	before 2030	Ability to significantly influence world prices
The need for grain will increase by 100%	UN	before 2050	The opportunity to significantly influence world prices
Port capacity of simultaneous storage of grain will be increased twice	SE "AMPU"	before 2020	Reduction in logistics component of production, strengthening the role of international trade
The increase in the proportion of single people in the US - 70%, who consume more food by 38%	FAO	before 2020	Increased exports of agricultural products
Construction of irrigation networks and reconstruction of canals on the area of 520 thousand Ha	MAP of Ukraine	before 2020	Improving the environmental, economic and social components of LM efficiency
Expected factor	Source	Timing	Consequences for Ukraine
Exports of grain from Ukraine (mainly wheat and maize) will increase by 60% due to China, which greatly increases production and imports of pork	FAO and OECD	before 2021	Increased revenue for all national agents of land interests
Biofuel production will increase by nearly 70%, where will be used 28% of global sugar cane, 15% of vegetable oils and 12% of coarse grains	FAO and OECD	before 2022	Increased revenue for all national agents of land interests
Worsening global problem of food security of entire regions of the world	FAO and OECD	stable trend	growth in prices for Ukrainian fertile land
The introduction of new technologies in the agricultural sector	UCAB	before 2020-2022	Increased profitability to 75%

\* Compiled using [2, p. 13; 3, pp. 96; 7; 8; 11, p. 64; 18, p. 35; 20; 24, p. 54; 27, p. 28].

\*\* DP "AMPU" - State Enterprise "Administration of seaports of Ukraine"

significantly give the opportunity to affect world prices. If the port capacity of simultaneous storage of grain is doubled in Ukraine, logistics component of production will get cheaper; its role in international trade will be strengthened.

Construction of irrigation networks and reconstruction of canals on the area of 520 thousand Ha will improve the environmental, economic and social components of LM efficiency. If by 2021 grain exports from Ukraine (mainly wheat and maize) increase by 60% due to China, which, in turn, intends to significantly increase production and imports of pork, it will increase the revenues of all national agents of land interests. Biofuel production, which is projected by 2022 to grow by almost 70% (where will be used 28% of global sugar cane, 15% of vegetable oil and 12% of coarse grains) will also trigger an increase in revenues of all national agents of land interests. Worsening global problem of food security of entire regions of the world will cause the growth of prices for Ukrainian fertile land. Due to the introduction of new technologies in the agricultural sector, the profitability of agribusiness will increase to 75%.

These forecasts have a positive impact on the agricultural sector of Ukraine, again provided for the work of preventive and administrative adapters, configured primarily on the environmental component of the agricultural production.

We offer some calculations concerning the change of the crop structure in the domestic agricultural sector in the context of the implementation of the statements of presented forecast (see. Table. 4). For example, the impact of replacing 1 million ha of sowing winter wheat for maize calculated in 2014 (Table. 5) shows that maize being more demanded on market is capable in the current conditions to bring 610 UAH / ha more profit; that will give additional 610 million USD from 1 million hectares.

**Table 5. The impact of replacing 1 million hectares of sowing winter wheat for maize (estimated in 2014) \***

Performance	Winter wheat	Maize	Estimated output
Productivity, cwt / ha	40,1	61,6	21,5
Croppage, million tonnes	4,01	6,16	2,15
Total cost, billion UAH	5,86	8,63	2,77
Price realization, UAH / t	1872	1768	-104
Income, billion UAH	7,51	10,89	3,38
Profit, billion UAH	1,65	2,26	0,61

\* Calculated on the basis [18, p. 34; 19].

Replacing sunflower for maize gives an opportunity to get 270 UAH / ha more profit; that represents additional 270 million USD for 1 million hectares. (Tab. 6). Similar calculations have been made by experts of the Association "Ukrainian Agribusiness Club" for the following crops:



- Flax (oil) –for the minimum selling price of \$ 300. \$/ t for 1 hectare income is \$ 180 / ha;
- Technical hemp - at a minimum selling price of \$ 890/ t for seeds (or selling price of \$ 70 \$/ t for fiber) profit per 1 hectare is 358 USD / ha;
- Walnut - with a minimum selling price of \$ 663/ t on 1 hectare profit is 495 USD/ ha [5].

**Table 6. The impact of replacing 1 million hectares of sowing sunflower for maize (estimated in 2014) \***

Performance	Sunflower	Maize	Estimated output
Productivity, cwt / ha	19,4	61,6	-
Crop page, million tonnes	1,94	6,16	-
Total cost, billion UAH	5,47	8,63	3,16
Price realization, UAH / t	3847	1768	- 2079
Income, billion UAH	7,46	10,89	3,43
Profit, billion UAH	1,99	2,26	0,27

\* Calculated on the basis [18, p. 34; 19].

Environmental problems in LM need to be resolved because of the inability to fit into global trends and forecasts; and considered relatively to their causes (tab. 7).

Thus, the problem of the ineffectiveness of the measures for the protection of land is explained by the lack of owner's motivation to conserve depleted land. In order to solve this problem successfully, we recommend that the state should provide an equal alternative for the period of restoration of fertility (e.g. equal land area). The problem of low quality of soils is explained by irrational structure of sown areas, non-use of organic fertilizers. In the given situation we can offer:

- Development of livestock; that will ensure the inclusion of annual and perennial grasses to crop rotation;
- Green manure crops, maximum reduction of leaching organic mass from the field through eliminating the collection of by-products (straw), composting;
- Financial cooperation, developed under the Kyoto Protocol, which provides funding for measures designed to bind carbon in soil; that is inextricably connected with increased humus.

The problem of volatility in grain prices caused by considerable dependence on external conditions for grain as raw material; can be solved through the development of domestic processing industry, livestock development.

In the context of the above forecast for 2010-2014, international projects for improving LM in Ukraine have been developed and partially implemented for agricultural purposes, the main of these are:

**Table 7. Causes and recommendations for solving environmental problems in LM of the agricultural sector of Ukraine \***

Problem	Causes	Recommendations for solving
The ineffectiveness of the measures of land protection	Lack of owner's motivation to conserve depleted land	the state should provide an equal alternative for the period of restoration of fertility (e.g. equal land area).
Low quality of soils	irrational structure of sown areas, non-use of organic fertilizers	Livestock development; that will ensure the inclusion of annual and perennial grasses to crop rotation; green manure crops, maximum reduction of leaching organic mass from the field through eliminating the collection of by-products (straw), composting; financial cooperation, developed under the Kyoto Protocol, which provides funding for measures designed to bind carbon in soil; that is inextricably connected with increased humus.
Instability of prices for grain	Substantial dependence on external conditions for grain as raw material	Development of domestic manufacturing industry, the development of livestock

\* Calculated based on [14, 15].

1) Pilot project to restore irrigation systems in Ukraine (modernization of irrigation systems on Kakhovka channel) - Export-Import Bank of China, EBRD, Export-Import Bank of the United States according to tender;

2) Pilot project to restore irrigation systems in Ukraine (restoration of irrigation system in the south) - Export-Import Bank of China;

3) Project "Support to fruit and vegetable industry in the southern regions of Ukraine" - Canada, Israel;

4) Project "Development of irrigation reclamation of Ukraine" - World Bank, Saudi Arabia, China;

5) Project "Support to development of Ukrainian agribusiness of small and medium size» - IFC (World Bank Group);

6) Project "Agricultural energy saving and financing of small producers" - private foreign investors Corp. USA (OPIC);



7) Project "Development of granaries and agricultural cooperatives" - Dnipropetrovsk Regional Council, the Department of Foreign Affairs, Trade and Development of Canada (DFATD);

8) Project "Integrated Land Use of the Eurasian Steppes" - EU

9) Project "Revival of navigation on the Dnieper and the Southern Bug" - "NIBULON";

10) Project "Start-up of grain technological and deep-water terminal in the port "Pivdennii" - State Enterprise "Seaports administration of Ukraine "(tab. 8).

An additional problem in the implementation of these forecasts of agribusiness development is undeveloped national joint agents. In the modern system of logistics infrastructure, in order to enter effectively the foreign market, such as grain, in Ukraine volume should be concentrated at the level of at least 1 million tons, which is possible to obtain from at least 100 thousand Ha. This creates conditions for land overconcentration, as without having significant advantages in logistics software, in participation of joint agents and of the state in agricultural policy, including land relations, mini- and micro-agents are trying on their own to solve problems associated with globalization influences; and in accordance with the theory of global strains - to expand land banks and be vertically integrated.

Since most private farms (mini-agents) for the quantitative measurement (land area) correspond to European standards of land use, it would be appropriate to harmonize their LM system with the European standards. Based on this thesis, realization of investment projects in the agricultural sector shows a high probability of "domino effect", i.e. when the implementation of a project or event with possible external influence will provoke transformational staged implications without external influences.

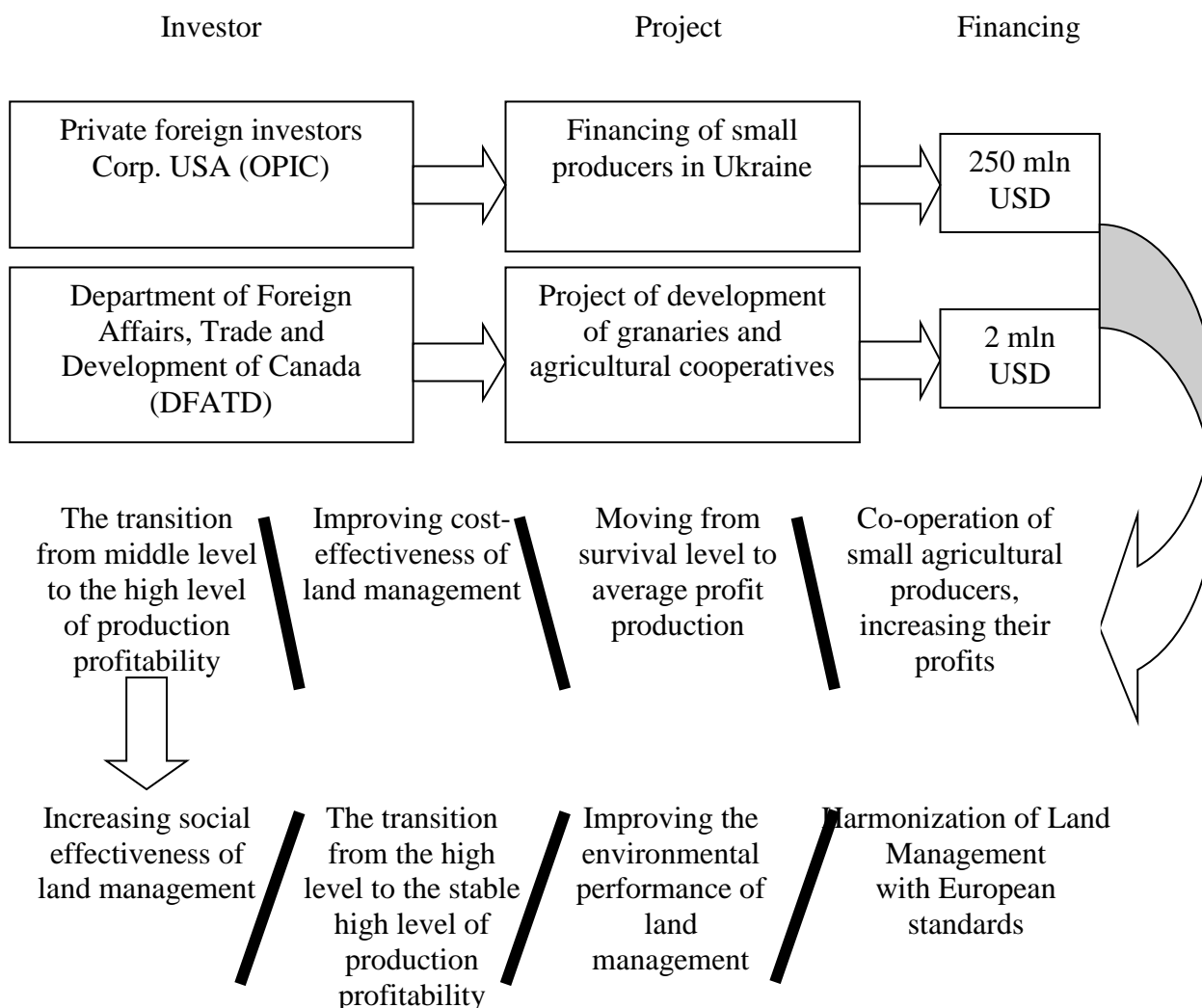
**Table 8. International projects for improving LM of Ukraine of agricultural purposes (according to 2010-2014.) \***

Project	Financing, mln \$.	Investor	Purpose of the project
A pilot project to restore irrigation systems in Ukraine (modernization of irrigation systems on Kakhovka channel)	1200	Export-Import Bank of China, EBRD, Export-Import Bank of the United States according to tender	Irrigation in the area of 250 thousand Ha (In Kherson and Zaporizhia regions)
Pilot project to restore irrigation systems in Ukraine (restoration of irrigation system in the south)	3000	Export-Import Bank of China	Irrigation in the area of 1200-1400 thousand Ha

Support to fruit and vegetable industry in the southern regions of Ukraine	19,3 Million of Canada dollars	Canada, Israel	Support of small and medium enterprises, and in the future - establishing self-sustaining clusters of production and marketing of products based on marketing, logistics and infrastructure
Development of irrigation reclamation of Ukraine	1000	World Bank, Saudi Arabia, China	Development of land reclamation in all regions of Ukraine
Support to development of Ukrainian agribusiness of small and medium size	...	IFC (World Bank Group)	Multi-purposed, including storing grain
Agricultural energy saving and financing of small producers	250	private foreign investors Corp. USA (OPIC)	Energy efficiency and financing of small producers
Development of granaries and agricultural cooperatives	2	Dnipropetrovsk Regional Council, the Department of Foreign Affairs, Trade and Development of Canada (DFATD)	Elevator for 36 thous. «The First Cooperative Elevator" urban village Vasilkivka Dnipropetrovsk region
Integrated Land Use of the Eurasian Steppes	...	EU	Protecting biodiversity of Eurasian steppes
Revival of navigation on the Dnieper and the Southern Bug	...	Nibulon	Revival of navigation on the Dnieper and the Southern Bug
Start-up of grain technological and deep-water terminal in the port "Pivdennii"	...	Cargill, MV Cargo and Seaports administration of Ukraine. The state represented by AMPU according to the memorandum shall ensure appropriate depth of berths	The first phase of Terminal 5 million tons, the second - 2-4 million tons in 2017

\* Calculated according to [13, 16, 17, 25].

For example, let's consider two projects on the table. 8 (Fig. 1). This effect is created under the action of globalization influences that form in this case consolidated unity of mini-, micro- and corporate agents.



**Figure 1- "Domino effect" from the implementation of investment processes in agriculture in order to harmonize land management with the European standards**

Discussed economic priorities are the subject of this effect and in the financing of the projects pass through the following steps:

- Clustering of small farmers, increasing their income;
- Transition from survival level to average profit production;
- Improving cost-effectiveness of land management;
- The transition from middle level to the high level of production profitability;
- Improving the social effectiveness of land management;
- Transition from high level to the stable high level of production profitability;
- Improving the environmental performance of land management.

Finally, these transitions are the guarantor of harmonization of LM with the European standards.

In the process of harmonizing with European standards the three-level system of standardization should be overcome, which has developed and operates in Ukraine in recent years. In accordance with the principles of the Association Agreement with the EU, Ukraine should gradually introduce European standards (EN) as national ones. In the area of agriculture and food products, almost 300 international standards of Codex Alimentarius should be harmonized [10, p. 83].

An additional problem in the implementation of international projects with Ukraine is to identify country of origin, which must have certain associations. Thus, according to the action plan issued by the Ministry of Agrarian Policy and Food of Ukraine and central executive bodies whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Agrarian Policy and Food of Ukraine, the Program of the Cabinet of Ministers of Ukraine and the Coalition Agreement in 2015; the task number 6.29 is the creation and promotion of the brand "product of Ukraine", the content of which is drawing up and adoption of a legal act on the concept of forming a high image of Ukrainian production on the world market.

In the view of the authors, other more creative options are possible. Ukrainian farmers in their dual development (intensification and organic production) have the opportunity both to significantly increase the volume of exports of agricultural products that are in demand and meet the standards of importing countries; and consolidate the positive image of the country as a producer of organic (useful, healthy, natural) agriculture and food by forming recognizable national brand, which should be formed on analytical and consulting platform of the Association "Ukrainian club of agrarian business". Advancement of brand (e.g., similar to the «American Way» - «Amway», «Ukrainian Way» - «UkrWay») through, for example, migrant workers, Ukrainian diaspora abroad, advertising on the Ukrainian automobile, rail, water and air transport that travels abroad and high quality of products will create a positive agro-ecological image not only for a specific farming or specific national agricultural sector, but the whole country Ukraine as a food superpower.

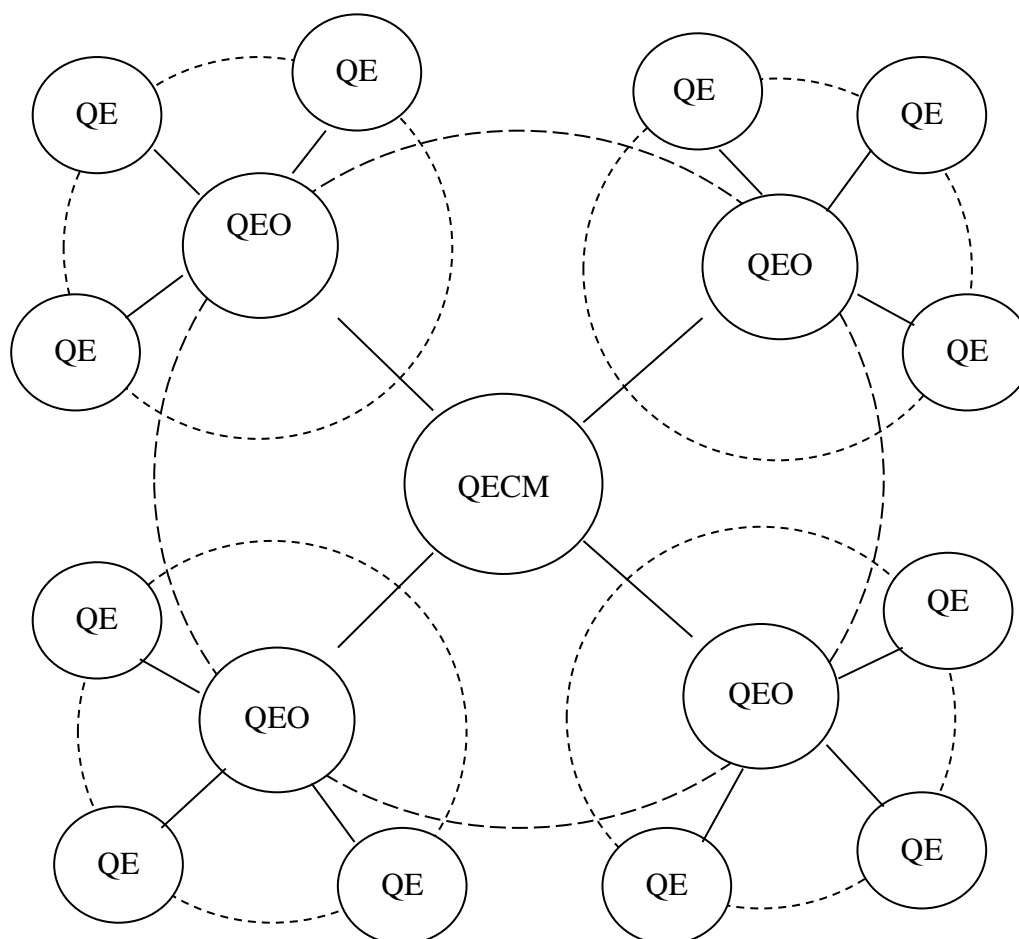
It is advisable to form national brands on the basis of wholesale markets. For example, agri-food wholesale market in Lviv "Shuvar" can introduce TM «UPway» («Ukrainian-Polish way»), which means Ukrainian-Polish way.

The brand is formed not only by the activities of producers, but also includes social world of consumers - mediatized world of everyday existence of people in the form of fan clubs, societies and lifestyles. Brand is what determines and mediates the relationships between people. If a brand is defined as a cultural phenomenon, whose values are carried by people, namely citizens or members of one ethnicity/ company (in the form of a friendly attitude and corporate volunteering) and consumers, it is the relationship that is distributed between them that determines the presence of the brand of the country/ company or lack thereof. Modern forms of interaction between brand and consumer are the so-called brand communities that operate in real and

virtual spaces, as well as a wide range of "creativity" (from the real advertising and personalization to co-design). Therefore, it is important to create meaningful social media and to involve autonomous creativity of consumers to obtain maximum economic benefit (value) along with the spread of moral values (values).

Thus, consumers can independently perform certain operations:

- Self-service when buying goods or obtaining services through special equipment, from product selection and finishing checkout (consumer as a quasi-employee);
- Providing consumers with information on the quality of service of their staff through various forms of monitoring and evaluation (consumer as a quasi-observer);
- Spreading information on the company by posting comments in social media, real advertising, wearing symbols and attributes of brands (consumer as a quasi-marketing specialist) - Fig. 2.



**Figure 2- Scheme of the network structure of sales of organic products using a quasi-employee (QE), a quasi-employee observer (QEO) and quasi-employee, customer, marketing specialist (QECM)**

*(developed on the basis of [22])*

In the conditions of integration of agricultural production of Ukraine into the world economy, the importance is growing of forming its competitive advantage through the creation of organic product sold as an ecological brand, eco-brand. Domestic researchers define eco-brand as an intangible asset that is formed through bilateral process of value interaction (purity, healthy lifestyle) of organizations and consumers.

According to C. Koeber, agricultural producers find it important to identify and consider the value of this asset for assessing and forecasting their own economic performance. The value of eco-brand is defined as the total expenditure on the formation of semantic-symbolic component of organic agricultural products, and not as the cost of production of valuable relationships that underlie the concept of "eco-brand." Therefore, the problem is the integration of a meaningful core of brand in the methodology for assessing its value, namely identifying the sources of its formation [4; 26, p. 207-213]. From among the latter efficient LM of the national agricultural sector plays an important role.

Summarizing the study, it should be noted that the actual effectiveness of LM corresponds to 17.3% of the potential for the current state of the external and internal influence factors of environment. Comparing its level to the European average, according to the author's methodology, it can be stated that it is equal to 10% of the level of Netherlands, or 20% of the level of Germany, or 53% of the level of France (given only a partial indicator "population, which is actually fed out of 1 ha of agricultural land "). Thus in the conditions of significant threats to national defense, Ukrainian business as a completely plastic institution almost instantly (only in 2014) moved the center of gravity from metallurgy, energy and chemical industries towards the agricultural sector. With the economic and political instability, this process can be amplified through great productive motivation and globalization influences.

In economies of countries dependent on import (for agricultural products and foodstuffs) global deformation resulted in reducing immediate dependence, i.e. the formation or increase of stocks of agricultural products and food on domestic area. This will slightly reduce the range of variation of seasonal price fluctuations primarily for grain, and will also attempt to increase the amount of reserve funds, that will increase the demand of spasmodic type for food against the background of its stable growth. The possibility of Ukraine in this background to increase significantly its own production is for domestic producers the most realistic and clear globalization perspective.

We emphasize the need of diversifying agricultural production and markets, deeper processing of products that will allow to export products with greater added value and, consequently, will permit to receive its larger elements - rent, depreciation, wages, interest, profits; i.e. to motivate the appropriate agents of Land interests.

In addition, for term of globalization in Ukraine related to land use, according to the authors, is marked by the influence of LM efficiency drivers, such as:

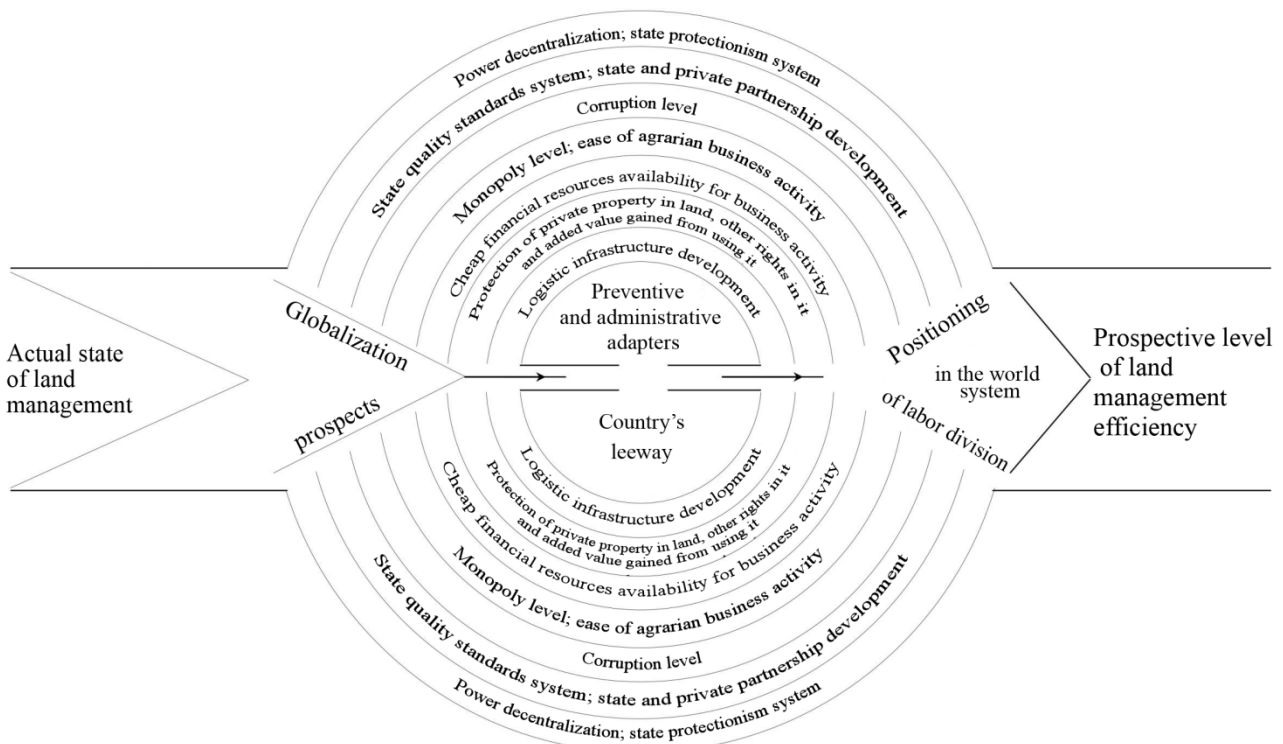
- The development of logistics infrastructure;



- Security of private land ownership and other rights to it and added value from its use;
- The availability of cheap funds for business;
- The level of monopoly;
- Ease of doing agribusiness;
- The level of corruption;
- The system of state quality standards;
- The development of public-private partnerships;
- Decentralization of power;
- The system of state protectionism (Fig. 3).

These drivers, depending on the specific situation, may change places with each other, in other words they are mobile. The list of drivers is also temporary, e.g. the possibility exists of the appearance of new drivers or elimination of their effect due to the loss of sensitivity of land users on their change.

Regarding preventive and administrative adapters, today one of the largest of these is the moratorium on sale of agricultural land. The country's scope represents the general economic conditions, registered in the Commercial and Land Codes, as well as taxation, provisions of the Law of Ukraine "About Foreign Economic Activity" non-restriction of land banks, forming vertically integrated structures.



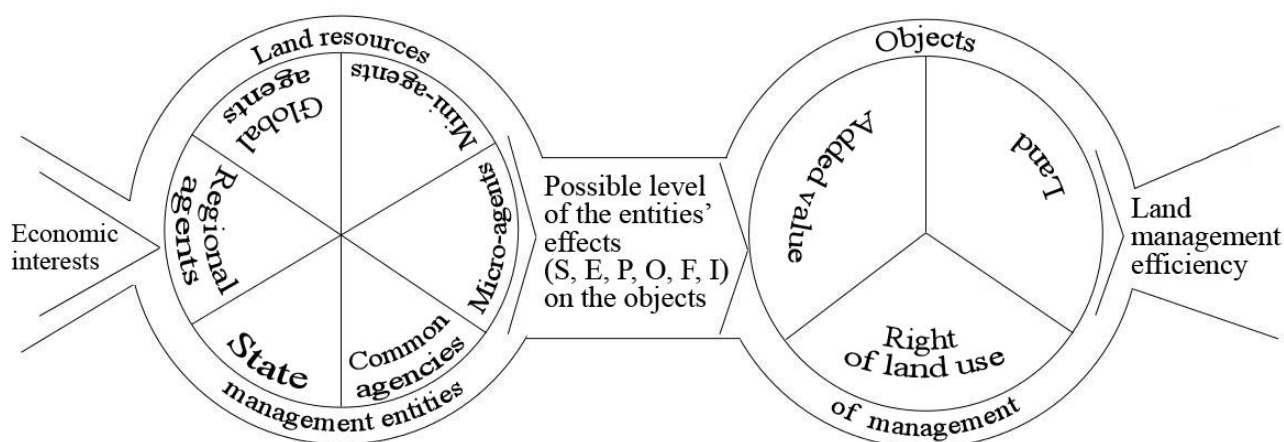
**Figure 3- Formation of perspective level of efficient LM through the globalization perspective and internal drivers**

Globalization prospects of national land users under the action of these drivers, preventive and administrative adapter with peculiarities enabled by the country's scope, are forming position of land users in the international system of division of labor, which ultimately determines the level of LM perspective.

The perspective level of land use should be considered in the process of harmonization of national LM of the agricultural sector of globalization prospects for sustainable development and food security. According to the authors, this process can be represented as a scheme of harmonization of economic interests of actors of land relations through financial and organizational capacities of these actors (Fig. 4).

The logic of the scheme is explained by the fact that the basis of actions of LM are economic interests of mini-agents, micro-agents, joint agents, the state, regional and global agents, which are oriented on a certain amount (share amount) of owning, using and handling objects of management (land, land rights or the added value from land-use), taking into account possible level of globalization impacts (social, economic, political, organizational, financial, information).

Thus, a dynamic level of efficiency of LM is formed, as well as its tendency, to be perceived by agents of land interests as input for the new cycle of activity (operational, tactical or strategic planning).



**Figure 4-Scheme of harmonization of economic interests of land relations of actors of land relations through their capacities**

As a result, we should note that the basic global trends and their impact on LM of the agricultural sector of Ukraine are reduced mainly to increased anthropogenic load on them. The author scheme of "domino effect" from the implementation of investment processes in agriculture, towards harmonization of LM with the European standards. We suggest creation of a network structure of organic products under the trademark «UkrWay» for analytical and advisory platform of Ukrainian club of agrarian business. We develop the scheme of harmonizing economic interests of land

relations actors through of their capabilities. We design the scheme of forming perspective level of LM through globalization perspectives and internal drivers.

### References

1. Алескерова Ю. В. Моделі страхової політики при сільськогосподарському страхуванні// Економіка АПК.– 2014.– № 10.–С. 45–53.
2. Андрійчук В. Г. Виклики агробізнесу: пошук відповідей// Економіка АПК. – 2015. – № 5 – С. 12–22.
3. Артиш В. І. Виробництво органічної продукції в країнах Європейського Союзу// Економіка АПК. – 2014. – № 2. – С. 93–96.
4. Брендінг як ринковий механізм створення конкурентної переваги суб'єктів малого бізнесу України / Брагинець М. В., Зось-Кіор М. В., Співак Є. М., Бучнев М. М., Васюренко Л. В., Нігматова О. С. // Менеджмент у ХХІ сторіччі: методологія і практика : монографія. / під ред. проф. І. А. Маркіної. – Полтава : ПолтНТУ, 2015. – 346 с.
5. Ведение аграрного бизнеса в Украине / Ассоциация «Украинский клуб аграрного бизнеса». – Киев : УКАБ, 2015. – 82 с.
6. Голян В. Земельный вопрос в контексте возрождения сельских территорий [Электронный ресурс]// Экономист. – 2012. – 26 марта. – Текст. дан. – Режим доступа: <http://vgolian.com/zemelnyy-vopros-v-kontexte-vozdneniya-selskih-territoriy.html>. – Название с экрана. – Дата просмотра: 18.08.2015.
7. Институциональные разрывы земельной реформы в Украине / В. Голян // Экономист. – 2012. – № 3. – С. 7–11.
8. Гопко Г. Чим небезпечний непрозорий та чи обов'язковий ринок землі? [Електронний ресурс]// Українська правда. – 2015.– Режим доступа: <http://www.pravda.com.ua/articles/2011/03/15/6016450/>. – Назва з екрана. – Дата публікації: 15.03.2011. – Дата перегляду: 31.08.2015.
9. Дієсперов В. С. Використання земельних ресурсів сільських територій // Економіка АПК. – 2014. – № 11. – С. 48–56.
10. Зінчук Т. О. Проблеми адаптації аграрного сектору економіки до умов. Угоди про зону вільної торгівлі Україна-ЄС// Економіка АПК. – 2015. – № 5. – С. 79–87.
11. Исакова Д. «Нам нужно играть самостоятельно»// Forbes. – 2011. – Август. – С. 64–66.
12. Перспективи вітчизняного АПК в світлі прогнозів світового ринку продовольства / Кириленко І. Г., Дем'янчук В. В. // Економіка АПК. – 2015. – № 1 – С. 21–28.
13. Корпорация ОРИС готова инвестировать 250 млн долл в Украину [Электронный ресурс] // AgriNEWS : веб-сайт. – Текст. дан. – Режим доступа: <http://agrinews.com.ua/show/290406.html>. – Название с экрана. – Дата публикации: 25.03.2015. – Дата просмотра: 27.03.2015.

14. Проблемы формирования земельных участков в счет земельных долей [Электронный ресурс] / Мамонтова С. А., Колпакова О. П. // Краснояр. гос. аграр. ун-т : офиц. веб-сайт. – Текст. дан. – Красноярск, 2013–2015. – Режим доступа : <http://www.kgau.ru/img/konferenc/2009/6.doc>. – Назва з екрана. – Дата перегляду: 16.10.2014.

15. Марков Р. В. Виробництво зерна: конкурентноздатність в обмін на родючість ґрунтів// Збірник наукових праць Харківського національного аграрного університету імені В. В. Докучаєва. Серія «Економіка АПК і природокористування». – Харків : ХНАУ, 2009. – № 12. – С. 341–351.

16. Міністерство аграрної політики та продовольства України [Електронний ресурс]. – Київ, 1997–2015. – Режим доступу: <http://minagro.gov.ua>. – Назва з екрана. – Дата перегляду: 18.08.2015.

17. На Днепропетровщине появится первый кооперативный зерновой элеватор [Электронный ресурс] // AgriNEWS : веб-сайт. – Текст. дан. – Режим доступа: <http://agrinews.com.ua/show/290492.html>. – Название с экрана. – Дата публикации: 28.03.2015. – Дата просмотра: 01.03.2015.

18. Новая стратегия производства зерновых та олійних культур в Україні / В. Ф. Петриченко, М. Д. Безуглий, В. М. Жук, О. О. Іващенко. – Київ : Аграр. наука, 2012. – 48 с.

19. Основные экономические показатели производства продукции сельского хозяйства в сельскохозяйственных предприятиях за 2014 г. : стат. бюл. / відп. за вип. Прокопенко О. М. – Київ : ДССУ, 2015. – 85 с.

20. Ромашенко М. І. Концептуальні засади відновлення зрошення у південному регіоні України// Меліорація і водне господарство. – 2013. – Вип. 100. – Т. 1. – С. 7–17.

21. Село і гранти: навіщо Мінагропроду 3 млн євро на агростратегію [Електронний ресурс] // Forbes Україна : [веб-сайт]. – Текст. дані. – [б. м.], 2015. – Режим доступу: [http://forbes.ua ua\\_nation\\_1398112-selo-i-granti-navishcho-minagroprodu-3-mln-evro-na-agrostrategiyu](http://forbes.ua.ua_nation_1398112-selo-i-granti-navishcho-minagroprodu-3-mln-evro-na-agrostrategiyu). – Назва з екрана. – Дата перегляду: 03.08.2015.

22. Мережеві структури як сучасна форма організації економічної діяльності [Електронний ресурс] / Л. Г. Смоляр, О. А. Котенко // Ефективна економіка. – 2012. – № 12. – Текст. дані. – Режим доступу: <http://www.economy.nauka.com.ua/?op=1&z=1660>. – Назва з екрана. – Дата перегляду: 18.08.2013.

23. Стратегічні напрями розвитку сільського господарства України на період до 2020 року / [за ред. Ю. О. Лупенка, В. Я. Месель-Веселяка]. – Київ : ННЦ «ІАЕ», 2012. – 218 с.

24. Шубравська О. В. Агропродовольчий розвиток України в контексті глобальних викликів// Економіка АПК. – 2014. – № 7. – С. 52–58.

25. Шультмейстер Д. Кризис как шанс для производителей тепличных овощей в Украине [Электронный ресурс]// AgriNEWS : веб-сайт. – Текст. дан. –

Режим доступа: <http://agrinews.com.ua/show/290660.html>. – Название с экрана. – Дата публикации: 07.04.2015. – Дата просмотра: 13.04.2015.

26. Koeber C. Consumptive labor: the increasing importance of consumers in the labor process// *Humanity & Society*. – 2011. – Vol 35, № 3. – P. 205–232.

27. OECD-FAO *Agricultural Outlook 2014–2023* [Electronic resource] / Agriculture Organization of the United Nations. – OECD, 2014. – Mode of Access: <http://www.agri-outlook.org>. – Title from screen. – Date of revision: 20.06. 2014.

#### **4.2. REGULATION OF MONOPOLIES IN ECONOMY EXPERIENCE OF THE REPUBLIC OF KAZAKHSTAN<sup>16</sup>**

Monopoly is a phenomenon of an economic life of a human society. It represents "prism" through which all fundamental economic problems are considered, and acts as prominent feature of modern social and economic relations. The monopoly has dual character which is shown in the social and economic effect, and is brought it to a society. Therefore the relation to monopoly is ambiguous. Allocating negative consequences from monopoly presence in the market many researchers focus attention on necessities of its full interdiction. But the present stage of development of economic relations, level of technics and technology cause more rational approach to existence of monopoly which is defined by positive economic benefit of their activities. The monopolies possessing, the essential power are necessary for economical achievement of fast rates of economic progress. This statement is caused by that in modern conditions research activity on creation of a new product and new technologies are very expensive process which are presumed only by the large managing subjects possessing solid financial resources. There upon the barriers created by monopoly, give it's certain confidence of profit reception, a part from which it can direct on research and development. About such properties of monopoly spoke J. Shumpeter and J. Gelbrait. Under the statement of J. Gelbrait: «The modern branch from several large firms is excellent means for stimulation of technical change. It is excellently provided for financing of technical workings out. The organization creates strong incentive motives to undertake workings out and to use them. The modern branch it is divided into several large firms, with sizes and profits are proportional to market force, incorporate to provide availability of resources to scientific researches and workings out. The power which does possible for firm to have some influence on the prices, provides that following incomes will not be transferred public by imitators (which did not bear any expenses for workings out) before expenses on workings out can be compensated. In this case the market power protects stimulates to technical workings out». [5]

---

<sup>16</sup> Authors: Tolkyin Azatbek