

Ministry of Education and Science of Ukraine
Poltava State Agrarian Academy

**SECURITY OF THE XXI CENTURY:
NATIONAL AND GEOPOLITICAL ASPECTS**

Collective monograph

In edition I. Markina, Doctor of Sciences (Economics), Professor



Nemoros s.r.o.
Prague, 2019

Editorial Board:

Roman Rossi, Hon. Dr., President of the Eastern European Center of the Fundamental Researchers (EECFR), Prague, Czech Republic;

Valentyna Aranchii, Ph.D. in Economics, Professor, Rector of Poltava State Agrarian Academy, Poltava, Ukraine;

Yuri Safonov, Doctor of Sciences (Economics), Professor, National Economic University named after Vadym Hetman, Kyiv, Ukraine;

Viktoriia Riashchenko, Dr, oec., Professor, ISMA University, Department of Management, Riga, Latvia;

Oksana Zhylinska, Doctor of Sciences (Economics), Professor, Taras Shevchenko National University of Kyiv, Ukraine;

Dmytro Diachkov, Ph.D. in Economics, Associate Professor, Poltava State Agrarian Academy, Poltava, Ukraine;

Diana Kucherenko, Ph.D. in Economics, Associate Professor, member of Academic Council of the Eastern European Center of the Fundamental Researchers, Science and Research Institute of Social and Economic Development;

Chief Editor:

Iryna Markina, Doctor of Sciences (Economics), Professor, Poltava State Agrarian Academy, Poltava, Ukraine;

Reviewers:

Csaba Lentner, Doctor of Sciences (Economics), Full Professor, Head of the Institute, National University of Public Service, Public Finance Research Institute, Budapest, Hungary;

Anatoliy Balanda, Doctor of Sciences (Economics), Professor, Professor of the special department of the Educational and Scientific Institute of retraining and professional development of the personnel of the Security Service of Ukraine of the National Academy of Security Service of Ukraine, Kyiv, Ukraine;

Aivar Stankevich, Dr, oec., Daugavpils University, Institute of Humanities and Social Sciences, Daugavpils, Latvia.

*Recommended for publication by Academic Council of
Poltava State Agrarian Academy
(Protocol No. 14 dated 5 February 2019)*

*Recommended for publication by Academic Council of
the Institute of education content modernization of
the Ministry of Education and Science of Ukraine
(Protocol No. 10 dated December 21, 2018)*

*Recommended for publication by Scientific Institution of
the Information Systems Management University
(Protocol No. 2-19 dated January 30, 2019)*

The monograph is prepared in the framework of research topics: Management of national security in the context of globalization challenges: macro, micro, regional and sectoral levels» (state registration number 0118U005209, Poltava State Agrarian Academy, Ukraine), «Macroeconomic planning and management of the higher education system of Ukraine: philosophy and methodology» (state registration number 0117U002531, Institute of education content modernization of the Ministry of Education and Science of Ukraine, Ukraine), «Business security: national and global aspects» (Protocol 2-19 of January 30, 2019, Information Systems Management University, Latvia).

Any partial or entire reproduction, of this document should cite the source. Materials are printed in original languages. The authors are responsible for the statement, the content and reliability of the materials.

© Copyright by
Eastern European Center of the
Fundamental Researchers,
Nemoros s.r.o.,
Rubna 716/24, 110 00, Prague 1

ISBN 978-617-673-845-9

Nemoros s.r.o.,
Rubna 716/24, 110 00, Prague 1
Czech Republic, 2019

SUSTAINABLE AGRICULTURE DEVELOPMENT OF UKRAINE IN THE CONTEXT OF ECONOMIC, ENVIRONMENTAL AND FOOD SECURITY

Oleksandr Pomaz,

Ph.D. in Economics, Associate Professor;

Julia Pomaz,

Ph.D. in Historical Sciences, Associate Professor;

Iryna Shulzhenko,

Ph.D. in Economics, Associate Professor;

Poltava State Agrarian Academy, Poltava, Ukraine

One of the global challenges of human society at the beginning of the 21st century was the elimination of the threat of famine caused by a significant increase in the population of the planet. On this basis, agriculture of any country has become a strategically important branch of the national economy. Agricultural products are always liquid goods, as they form the basis of the food security of the state [24].

Effective agricultural development is possible only if the provisions of the concept of sustainable development are observed. This concept is becoming widespread as one of the significant global problems of humanity, which has interdisciplinary nature and is considered in many aspects and perspectives. First of all, it deals with solving of economic, social and environmental problems.

The problem of sustainable development of agriculture and food production is particularly urgent for Ukraine. To solve the food problem, it is necessary to increase the efficiency of agricultural production, which is achieved through the introduction of modern agrotechnics, high-yielding crops, but first of all – the improvement of the management system.

The essence of the notions “development” and “sustainable development” was and is studied by many scholars and researchers such as J. Schumpeter [26], L.H. Melnyk [10], V.M. Trehobchuk [20], V.A. Baranovskyi [2], A. V. Lisovyi [9], O. Neveliev [11], V.P. Kukhar [8] and many others. However, despite a significant number of scientific works on a given problem, there are a plenty of problems that should be studied.

The main approaches to the interpretation of the notion “development” are given in the Table 1.

Until now, in the academic community, there has been a discussion concerning exactly what kind of development should be considered as sustainable one. Most scholars think that development can be considered as sustainable only if there is an equilibrium between the various factors that determine the general standard of living. In addition, the cornerstone of sustainability of development is that the current generation has the responsibility to coming generations to leave sufficient supplies of social, natural and economic resources so that they can provide for themselves

such a level of well-being that is not lower than the one we have now. Thus, the conception of sustainable development has the fundamental task of combining dynamic economic development with the provision of the same opportunities for each member of society through increased resource efficiency and the elimination of the dependence between economic growth and environmental pollution [9].

Table 1

Interpretations of the notion “development”

Interpretation	Authors, source
Development is an irreversible, directed, natural change of material and ideal objects.	Philosophical Encyclopedia Dictionary [22]
Development is an irreversible, directed, natural change of the system on the basis of the implementation of internally inherent mechanisms of self-organization.	L.H. Melnyk [10]
Development is only the changes in the economic cycle that the economy generates itself, that is, only the casual changes of the “left to its own devices” national economy, the movement of which is not driven by external impulses.	J. Schumpeter [26]
Development is a process in which the possibilities and desires of individuals to meet their desires and needs of other people increase. It is more about how much a person or organization can do than what they already own, what economic status or level has been reached by them till a certain period of their existence.	Organization, development of production at the enterprise [12]

In scientific literature, in addition to the term “sustainable development”, the terms “balanced development”, “coordinated development”, “harmonious development” and others are used [4]. The main approaches to the interpretation of the notion “sustainable development” are given in table 2.

Sustainable development of rural areas should be considered as a process of harmonious development of rural residents through the creation of appropriate social conditions, ensuring the possibility of economic growth without damage to the environment. Such development determines the priority of ecology over economy, satisfaction of human material and spiritual needs. Ensuring sustainable agricultural development implies a coherent and balanced coexistence of environmental, economic and social spheres [4].

We think it is reasonable, first of all, to pay attention to the factors hampering the sustainable development of agriculture in Ukraine at this stage, in particular:

- the measures of state support and agricultural production in Ukraine are not financed properly;
- the creation of formally identical but not equal terms of activity for agricultural enterprises of different size has led to uneven development of various forms of economy management;
- the insufficient state support of small forms of economy management in rural areas;

- a low level of application of technical and technological achievements, wear of material and technical tools, insufficiently deep understanding of the meaning of quality as an integral system of production and sales of products;
- low salaries of employees in the business;
- the lack of proper motivation for workers in the agrarian sector;
- the lack of proper conditions for the life and work of rural residents;
- the imperfect credit and insurance system;
- the disparity in prices for agricultural and industrial products;
- significant losses of agricultural products due to the imperfection of the logistic component and storage conditions, as well as the infrastructure of the agricultural sector of the economy;
- low paying capacity of the population, which causes a slowdown in the development of the domestic consumption market;
- the noncompletion of the land reform;
- an insufficient level of self-organization and self-regulation of agricultural producers in formulating a common policy of protecting their interests;
- an insufficient level of investment attractiveness of the agrarian sector of the economy;
- low competitiveness of a significant part of agricultural products in foreign markets due to the slow adaptation to world food quality and safety requirements;
- military actions in the East of Ukraine, terrorist threats that have a very negative impact on the political, legal, social and economic situation in the country, pose additional risks and uncertainty to domestic producers, deter potential investors;
- the rapid deterioration in the economy of our state in general and the agroindustrial complex in particular;
- significant depreciation of the national currency and growing prices of means of production, as well as raw materials and materials, in particular agricultural machinery, spare parts, sowing material, fertilizers, plant protection products, etc.
- significant raise in prices for fuels and lubricants that are extremely necessary for agricultural producers.

A pressing problem of agriculture in Ukraine now is that, on the one hand, dynamically developing economic entities are largely lacking in skilled personnel; on the other hand, the underdeveloped infrastructure, poor living conditions create prerequisites for the growth of migration potential of rural residents and unsustainable rural development.

Sustainable development of agriculture has recently become more urgent in the policy of the countries of the European Union and the United States. The advanced European experience shows that the state policy of sustainable development requires coordination of the efforts of executive authorities, a wide range of public organizations, the “green economy” and the media. The study of sustainable development of agrarian production at the present stage is important for overcoming its crisis situation, further growth of productivity and efficiency, ensuring protection

of natural ecosystems [21].

Table 2

Definitions of the notion “sustainable development”

Interpretation	Authors, source
Sustainable development is economic growth, which effectively solves the most important problems of society's survival without depletion, degradation and pollution of the environment.	Trehobchuk V.M. [20]
Sustainable development is the development that provides a certain type of equilibrium between socio-economic and natural components of it.	Baranovskiy V.A. [2]
Sustainable development is such a direction of world economic growth in which the quality of life of citizens is ensured, which, on the one hand, is based on the modern achievements of scientific and technological progress that satisfy its current needs, but on the basis of its impact on the environment do not threaten future generations, on the other hand, quality growth is ensured on the levels of material, housing, social security, health care, environmental and personal safety.	Lisovyi A.V. [9]
Sustainable development is self-sustained development, an ideology of a reasonable and well-founded activity of a person who lives in harmony with nature and creates conditions for his/her better life and for future generations.	Kukhar V.P. [8]
Sustainable development is economically, socially and ecologically balanced development of certain territories, and urban and rural settlements (populated areas) located on them, aimed at coordinated formation and functioning of economic, social and environmental components of this development on the basis of rational use of all types of resources (natural, labour, industrial, scientific, technical, informational, etc.)	Neveliev O. [11]
Sustainable development is a system of mutually agreed managerial, economic, social, environmental measures aimed at developing a system of social relations on the basis of trust, partnership, solidarity, consensus, ethical values, safe environment, national sources of spirituality.	Strategy of sustainable development of Ukraine [18]
Sustainable development is the development that satisfies the needs of the present time without compromising the ability of future generations to satisfy their own needs.	Popova O.L. [16].

The model of sustainable development chosen by Ukraine provides a harmonious combination of an ever-growing economy with a minimal impact on the environment. However, a great number of both socio-economic and environmental issues still remain unresolved.

We are considering several groups of factors influencing the sustainable development of agriculture in Ukraine. Within environmental factors there will be the provision of the environmental protection and environmental security as a result of maintaining ecological balance in agrarian regions and throughout the country; the improvement of the environmental protection system in the regions; the introduction of ecologically harmonious agriculture.

Within quality factors it is planned to accelerate the process of implementation of European and international standards of safety and quality of products, as well

as to provide the state support to producers in obtaining quality certificates for entrance to foreign markets.

The signing of the Association Agreement between Ukraine and the European Union (the political part of March 21, 2014, the economic part of June 27, 2014) reveals new horizons to domestic producers, and at the same time, it has new challenges. On the one hand, Ukraine is opening the prospects of gradual development of the EU market by domestic companies, raising the level of quality, safety, environmental characteristics of Ukrainian agricultural products, improving the condition of the food security of the country. On the other hand, the requirements for the quality of domestic agricultural products are raising. The activities of enterprises of the agrarian sector of the economy should increasingly meet the European and global requirements. Potential entrance to new markets necessitates to increase the competitiveness of domestic producers.

Within regional factors there will be functional compatibility of various activities in a certain territory; the improvement of resource factors, factors of location, the improvement of conditions of development, consideration of the climatic conditions.

Such a group of factors as organizational and management ones consists of a subgroup of factors of lower order. Thus, the subgroup “development of rural areas” provides the development of local self-government for the formation of socially organized and responsible civil society in rural areas, increasing the attractiveness of living of the population in rural areas, improving the competitiveness of rural areas, improving information support for rural residents, a flexible response of territorial authorities regarding identification of local opportunities, satisfaction of needs, interests and expectations of inhabitants.

The subgroup of macroeconomic factors involves ensuring macroeconomic stability, increasing the gross domestic product, ensuring economic growth in agriculture.

And, of course, the influence of the state is always essential. The state should ensure transition to sustainable agriculture and sustainable development of rural areas, as well as accelerate the process of implementation of land reform.

As O. O. Hutorova points out, for Ukraine, where the level of urbanization is one of the lowest in Europe, and the share of agricultural production in the structure of the GDP of the state is the highest among the European countries, the policy of rural development should be one of the priorities of the state regional policy [6].

The situation has made progress, as at present, the administrative-territorial reform is being implemented in Ukraine, the result of which is the creation of new united territorial communities and the formation of local self-government bodies. This reform is an integral part of the decentralization of power in Ukraine and aims at ensuring the effective enjoyment of citizens' rights, the provision of adequate public services, and the expansion of rights and power of local communities. The main idea of the administrative-territorial reform is the strengthening of local self-government. The most important advantage for rural development is the transition

to a bottom-up development policy and not vice versa. Enhancing the very potential of rural residents will facilitate their inclusion in development processes that can be initiated from above. That is, the overall strategy will be outlined from above, however, a lot will depend on the grass-roots level. It is expected that as a result of the reform, full-fledged local self-government will emerge in Ukraine, which, as the experience of neighbouring European states shows, is a prerequisite for the successful development of the state as a whole [5].

The first priority task in the formation of the current state policy for the development of rural areas should be to develop a well-grounded and adequate (in accordance with the current conditions and challenges) real rural development program and its adoption at the highest state level. The main issues of such a program should be defined: legislative and legal consolidation of the status of rural areas (as an object of regulation); determination of the economic base of their development; formation of active state support of agriculture on the basis of reduction of tax pressure on subjects of this activity; creation of an effective system of lending and insurance of their activities; an administrative and territorial reform; organization and formation of the land market; development of social and institutional infrastructure of the village, etc. [6]. To achieve the sustainable development of Ukrainian agriculture, it is necessary to improve rather than destroy the interconnections between ecosystems. The result of such actions will be an increase in quantitative and qualitative service flows from the resource base of agriculture, that is, the mutually beneficial use of resources by nature and man. In addition, the conservation and restoration of a resource can be achieved through the introduction and monitoring of the efficient use (consumption) of renewable and non-renewable resources, the promotion of biodiversity development, the optimal use of land resources and the extension of closed-loop production systems [15].

Thus, to minimize the impact of negative factors on the sustainable development of Ukrainian agriculture, efforts should be made to increase the living standards of the rural population, improve the efficiency of agricultural production, and, at the same time, its ecologization, and enhance the role of the state in solving problems.

References:

1. Andriychuk, V. G. 1996. Economics of Agrarian Enterprises: Textbook. Kyiv: IZMN.
2. Baranovsky, V. A. (2004). Strategic Aspects and Priorities for Sustainable (Balanced, Harmonious) Development. Territory. Sustainability, 2, 24-31.
3. Bogdanov, D. S. (2017). Problems of Sustainable Development of Rural Territories. Agrosvit, 7, 60-62.
4. Gerasimov, Z. M. 2016. Sustainable development of agriculture. Agrosvit, 9, 16-19.
5. Groysman, V. B. (2014). Conceptual Principles of Reforming Local Self-

Government and Territorial Organization of Power in Ukraine. Local Self-Governance - The Basis for Sustainable Development of Ukraine: Materials of the Year. Allukr sci. pract. conf. for international Participation, Kyiv: NAPA, 2 toms, 1, 7-8.

6. Gutorova, O. (2015). Problems and Prospects for the Development of Rural Territories in Ukraine. Current Problems of the Innovative Economy: Scientific Journal. Kharkiv. nats tech Un-t sat down., 68-73.

7. Kizima, V., Shynkaruk, V. I., Ozadovskaya, L. V., Polishchuk, N. P., Pokarzhevskaya, I. O. 2002. Development // Philosophical Encyclopedic Dictionary. Kyiv: Abris, 742.

8. Kukhar, V. P. Problems of Ukraine – the transition to sustainable development. [ONLINE] Available at: http://www.medved.kiev.ua/arhiv_mg/stat_98/98_3_1.htm. [Accessed 25 January 2019].

9. Lisovy, A. V. (2007). Sustainable development of rural territories: origin, essence, principles. Economy of the agroindustrial complex, 4, 140-145.

10. Melnik, L. (2015). Implementation of the concept of sustainable development: the place and role of the enterprise. East, 8, 35-40. [ONLINE] Available at: http://nbuv.gov.ua/UJRN/Skhid_2015_8_8. [Accessed 25 January 2019].

11. Neveliev, O. (2003). Sustainable development as an objective necessity. Territory. Sustainability, 1.

12. Organization, development of production at the enterprise [ONLINE] Available at: <http://www.paragononstate.com> [Accessed 26 January 2019].

13. National Institute for Strategic Studies under the President of Ukraine. 2014. Assessment of prospects and opportunities for the agro-industrial complex of Ukraine as a result of signing the Association Agreement between Ukraine and the European Union. Analytical note. [ONLINE] Available at: <http://www.niss.gov.ua/articles/1633/> [Accessed 20 January 2019].

14. Palkin, Yu. I. Zarovna, N. P. (1995). Peculiarities of competition in the agrarian sector. Bulletin of Agrarian Science, 2, 7-14.

15. Pankov, O. I. (2011). Sustainable development in agriculture. Effective economy, 5. [ONLINE] Available at: <http://www.economy.nayka.com.ua/?op=1&z=750> [Accessed 20 January 2019].

16. Popova, O. L. 2014. Fundamentals of Harmonization of Agrarian and Rural Development in Modern Agricultural Policy. Economy of Ukraine, 10, 32-43. [ONLINE] Available at: http://nbuv.gov.ua/UJRN/EkUk_2014_10_4. [Accessed 10 January 2019].

17. Cabinet of Ministers of Ukraine. 2013. On approval of the Strategy for the development of the agrarian sector of the economy for the period up to 2020 (Order dated October 17, 2013 No. 806-p). [ONLINE] Available at: <http://zakon1.rada.gov.ua/laws/show/806-2013-r> [Accessed 20 January 2019].

18. Verkhovna Rada of Ukraine. 2004. Strategy of sustainable development of Ukraine (project). [ONLINE] Available at: <http://www.ecolabel.org.ua/main->

project-strategy1.html. [Accessed 18 January 2019].

19. Supikhanov, B. K. (2007). Improving the competitiveness of agricultural production in the context of preparing for accession to the WTO. *Economy of the agroindustrial complex*, 5, 44-49.

20. Tregobchuk, V. M. (2002). Concept of sustainable development for Ukraine. *Bulletin of the National Academy of Sciences*, 2, 15-22.

21. Uzhva A. M. 2015. Formation of Sustainable Development of Agriculture: Foreign Experience. *Scientific Bulletin of Uzhgorod National University. Series: International Economic Relations and World Economy*, 174-176. [ONLINE] Available at:http://nbuv.gov.ua/UJRN/Nvuumevcg_2015_5_40 [Accessed 18 January 2019].

23. Sabluk, P. T. 2000. Formation and functioning of the market of agro-industrial products (practical guide). Kyiv: IAE., 556.

24. Tsarenko, O. M. 2004. *Development Economics [Text]: Textbook*. Sumy: University's book, 589.

25. Cherevko, G. V. 2004. Logistic bases of increase of competitiveness of enterprises of agroindustrial complex. Materials of international scientific-practical conference «Formation of competitiveness of enterprises of agrarian and industrial complex in conditions of market transformation of economy» (June 2-4, 2004). Poltava: Poltava TPP, PP «Formica», 144.

26. Schumpeter, J. A. 1934. (2008). *Economic Development Theory: Profit, Capital, Credit. Percent and Economic Cycle Research*.

ECONOMIC SECURITY OF ENTERPRISES: THE ESSENCE, FACTORS OF INFLUENCE, AND METHODS OF PROTECTION

Viktoria Voronina,

Ph.D. in Economics,

Oleksandr Halych,

Ph.D. in Economics, Associate Professor,

Poltava State Agrarian Academy, Poltava, Ukraine

Under modern crisis conditions of the state economy, the economic subjects have to adapt to the factors of political and social-economic instability and look for adequate decisions of the most complicated problems and ways to decrease the threats of their functioning. At present, the questions of ensuring economic security are the most important for Ukrainian enterprises; the problem of creating and implementing the systems of economic security arises, the security, which is capable to create the conditions for lowering the level of threats for enterprises'

Markina I., Aranchiy V., Safonov Y., Zhylinska O. and other. Security of the XXI century: national and geopolitical aspects: [collective monograph] / in edition I. Markina. – Prague. – Nemoros s.r.o. – 2019. – Czech Republic. — 500 p.

Scientific publication

**Security of the XXI century:
national and geopolitical aspects**

Collective monograph

In edition I. Markina, Doctor of Sciences (Economics), Professor

English language

Passed for printing 15.02.2019

Circulation 500 copies

ISBN 978-617-673-845-9

Nemoros s.r.o.,
Rubna 716/24, 110 00, Prague 1
Czech Republic, 2019