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PECULIARITIES OF MANAGEMENT OF AGRICULTURAL ENTERPRISES UNDER MARTIAL LAW

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**PECULIARITIES OF MANAGEMENT OF
AGRICULTURAL ENTERPRISES UNDER MARTIAL LAW**

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ABSTRACT

Ensuring food security both in Ukraine and in the world is always one of the priority areas of the global agenda. This issue has become especially relevant in connection with the increase in the population on the planet, depletion of natural resources, decrease in soil productivity, climate changes and military conflicts. At the same time, food itself, its production, distribution and consumption are outlined as the most important elements of the functioning of the world economic system. The integration of Ukraine into the world and European community gives considerable attention to the problem of guaranteeing the population's supply of food under any conditions.

In recent years, the number of countries with existing food security problems has increased. However, Ukraine occupies an important place in the world arena of the food market. Before the large-scale Russian invasion of the territory of Ukraine, the strategic potential of the domestic agricultural sector was aimed at exceeding the mark of providing food for the world's 400 million population.

Active hostilities caused a number of large-scale destructive effects on the agricultural sector. Many agricultural and processing enterprises were destroyed and seriously damaged. Crop cultivation areas and production volumes of plant products have decreased. There are breaks in logistics connections, blocking of sales markets. The export of grain products is falling catastrophically.

The state of war made it extremely difficult for the livestock industry to function. Livestock complexes and livestock suffered damage and significant losses. They reduced the production of raw materials for the processing industry of dairy and meat cattle breeding and pig breeding. Poultry farming has lost foreign sales markets.

In the conditions of hostilities, the primary task of the Ukrainian agricultural sector became the reliable supply of agricultural products and food to the population. At the same time, the key role in the preservation and development of local markets and food supply chains in the regions belonged to farmers and agricultural enterprises.

However, agricultural commodity producers in the agrarian sphere are gradually adapting to the economic conditions acquired by the national economy. Strategies for preserving business and balancing benefits and costs are being implemented in conditions of limited access to product sales channels and rising costs of production resource support components. In the structure of production, agricultural enterprises provide almost 32% of agricultural production, which is aimed at meeting the needs of the domestic market.

The post-war reconstruction of agriculture should solve the problem of damages caused to the agrarian sector of the economy from Russian aggression and the vector of structural transformations for the further development of agriculture and rural areas of Ukraine. The issues of the new post-war state agrarian policy of Ukraine in the conditions of limited own resources are aimed at attracting international support to the agricultural sector, which should have a positive effect on the production of agricultural products and food.

In order to preserve the agricultural sector of Ukraine, according to the agreement of the Government with many international organizations, programs to support preferential crediting of commodity producers, the Fund for partial guarantees of loans in agriculture are involved. The 5-7-9 credit program has been extended under 50% state guarantees and assistance from the World Bank. Under this program, agricultural producers can obtain loans in the amount of 100,000 to 90 million UAH at 0-9%. Through the platform of the created State Agrarian Register, the EU financial assistance program operates for small agricultural producers who have confirmed their stability in the conditions of military operations and the conclusion of classical agrarian economic theory that they ensure the existence of production itself. At the same time, farms and peasant farms have a positive effect on the development of rural territories, the preservation of the rural settlement network, village infrastructure, rural lifestyle, rural mentality, language, traditions, and the general autochthonous culture characteristic only of this society. The specified program corresponds to the best European practices, in particular the mechanism of production grants common in the European Union.

The results of the presented research in the monograph are made within the initiative of the Department of Agrarian Management and Marketing of Vinnytsia National Agrarian University "Development of the concept of marketing management of agricultural enterprises" state registration number: 0122U002111 for 2022–2024.

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1. Peculiarities of managing agricultural enterprises on the grain and meat market under martial law

Among the main problems of the functioning of the agricultural market of Ukraine during the war period is the formation of high prices for food products and insufficient consumption due to the low purchasing power of the population. Thus, at the end of 2022, according to the Ministry of Finance of Ukraine, the inflation rate was 26.6%, which is 2.7 times higher than than at the end of 2021 (10%).

Among the reasons for the increase in prices, it should be noted, first of all, the increased demand caused by the war in the country, when people buy essential and long-life products. The price situation in Ukraine is negatively affected by the disruption of logistics chains and relationships between market participants and the real possibilities of setting up logistics, as well as the increase in fuel prices and the rise in energy prices. As for export-oriented products, the national devaluation should be taken into account currency and the rapid growth of the dollar and euro exchange rate. On price fluctuations in the domestic market of livestock products, in particular, affect: loss of livestock and production due to war; changes in production costs - absence or increase in the price of feed, increase in the cost of veterinary drugs, fuel and lubricants. Due to power outages, products that require special production technologies, as well as perishables that require cooling or freezing, suffer the most. This, of course, affects the formation of supply and prices. In particular, a power outage directly and negatively affects the production and cost of meat, because it disrupts production processes. In particular, the process of egg incubation is disrupted, and therefore the production of day-old broiler chickens, which should be raised for meat, young livestock and poultry die due to violations of keeping technologies, difficulties arise with the production of fodder, processing and storage of final products in the retail network. All this ultimately affects and increases the cost of meat. Aggravation of the situation with power outages may lead to a reduction in the supply of beef, pork and poultry [1, p. 42].

Due to the fact that domestic production of poultry meat exceeds consumption, there will be no shortage of poultry meat. Among the main markets for plant and animal products Let's take a closer look at the grain and meat market.

Grain market. Ukraine annually increased the volume of production and export of grain crops and was among the main players on the international market. The tendency to increase production volumes grain remained sufficiently stable for a long period [2, p. 287].

Over the past 20 years, Ukraine has significantly increased the volume of production of agricultural products, especially oriented species for export. Thus, from 2000 to 2021, the production of wheat increased by 3.2 times (from 10.2 to 32.2 million tons), barley – by 1.4 times (from 6.9 to 9.4 million tons). The long-term growth of world demand for Ukrainian corn contributed to an 11-fold increase in its production (from 3.8 million tons in 2000 to 42.1 million tons in 2021). If in 2000 Ukraine grew 24.4 million tons of grain crops, then after 20 years this indicator exceeded the record mark of 86 million tons.

In the last pre-war year of 2021, Ukraine increased production grain crops by 32.5% (or by 21.1 million tons), in particular wheat - by 29.3% (7.3 million tons), rye - by 29.8% (7.3 million tons), barley – by 23.6% (by 18 million tons), corn – by 39% (by 11.8 million tons).

During this period, the export potential of the domestic grain market increased almost 40 times – from 1.3 million tons of grain exported in 2000 to 52 million tons in 2021.

With the beginning of the russian aggression, the world felt the scarcity of Ukrainian wheat. After all, Ukraine ranks 7th in world production. Ukraine's share, which was stable on average, was 3.5% of of total world production in 2021 increased to 4.1%.

However, the armed aggression of russia, the conduct of active hostilities on a large territory of Ukraine caused a number of large-scale problems that have a destructive effect on the current state and prospects for the further functioning of the grain market.

The number of sown areas is decreasing, the technological one is being disrupted discipline of cultivation, grain yield levels decrease crops, transport logistics were broken, many agricultural and processing enterprises were destroyed and significantly damaged grain industry [3-4]. Catastrophically during the first half of 2022 the export of grain products decreased.

A significant share (more than 40%) of the production of grain crops in Ukraine is formed by winter crops of wheat, barley and rye. Under the harvest In 2022, 7.6 million hectares were sown with winter cereals, which is 7% lower than in 2021 (8.2 million hectares). Including the area under winter wheat for the 2022 harvest, it was 6.5 million hectares (-5% from the indicator 2021), under winter barley – 969.0 thousand ha (-15%) and under rye – 108.5 thousand ha (-39%).

The military actions in Ukraine led to a significant reduction of areas, that are available for collection. A large part of the land ended up behind the limit of the physical possibility of its processing. First of all, these are the territories of Kherson, Donetsk, Luhansk, Zaporizhzhya, Mykolaiv, Kharkiv, Sumy, Chernihiv and Kyiv regions.

The decrease in the area of grain crops in 2022 after the start of a full-scale invasion compared to 2021 is estimated at 23.3% (from 15.9 to 12.2 million hectares). The collected area has decreased up to 11.8 million hectares.

Total production of grain and leguminous crops in in 2022 amounted to 53.9 million tons, which is 37.3% lower than in 2021. Wheat acreage during the year of full-scale invasion decreased by 1.8 million hectares. The projected reduction in wheat acreage is estimated at 2 million hectares (or by 25.4%) – from 7.1 to 5.3 million hectares, and harvest losses compared to 2021 reached 11.5 million tons (or 35.7%).

The reduction in the area under corn is estimated at 1.4 million ha (or 25.4%), and production volumes decreased from 42.1 to 26.2 million tons, which is 37.8% lower than in 2021. Crop losses are estimated at almost 16 to 15.9 million tons. The total share of winter crops collected barley for the 2022 harvest in dangerous regions of the country almost 44% of the total area. The reduction of the area under barley is

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estimated at 0.8 million hectares (or by 32.3%), and the harvest losses approached the mark of 4 million tons. Compared to 2021, barley production decreased by 40.4%.

The only positive result was recorded for buckwheat, the production of which during the war period increased by 40.0% (from 105.8 to 147.7 thousand tons). Farmers responded to the call of consumers and the state and significantly increased the acreage under this culture. For the last one In the first decade, buckwheat production exceeded our domestic production consumption, roughly 1.5 times, which made it possible to form an internal reserve, prevent deficits and stabilize the price trend growth [5, p. 11].

The most extensive losses of area and harvest of grain crops in Luhansk, Donetsk, Zaporizhzhia, Kherson, Kharkiv and Mykolayiv region.

To determine the amount of destructive shifts occurring on the grain market of Ukraine, the actual production balances for 2021 and forecasts for 2022-2023 are presented (Table 1).

Table 1

Grain market product balances for 2021-2023, thousand tons

Balance sheet	2021 p.			
	Cereals and legumes	Wheat	Corn	Barley
General offer	86387	32281	42139	9492
Production	86010	32151	42110	9437
Imports	377	130	29	55
General demand	71429	27792	32298	9018
Internal demand	19856	7426	7613	3308
Industrial processing	1158	46	753	301
Consumption fund	5117	4094	158	205
Seed	2227	1365	212	543
Losses, incl. for livestock feed	11354	1921	6490	2259
Export	51573	20366	24685	5710
Stock change +, -	14958	4489	9841	474
<i>Production per person, kg</i>	2078,5	777,0	1017,6	228,1
	2022 p.			
General offer	54069	20834	26205	5629
Production	53864	20729	26187	5608
Imports	205	105	18	21
General demand	53798	18201	30195	4701
Internal demand	15268	6958	5184	2575
Industrial processing	824	79	535	175
Consumption fund	4428	3965	147	167
Seed	1930	1228	130	390
Losses, incl. for livestock feed	8910	1765	4907	2018

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Continuation of table 1

Export	38530	11243	25011	2126
Stock change +, -	271	2633	-3990	928
<i>Production per person, kg</i>	1566,7	602,9	761,6	163,1
	2023 p. (forecast)			
General offer	58307	20237	28405	5836
Production	58111	20142	28386	5809
Imports	196	95	19	27
General demand	54929	18039	29149	5296
Internal demand	16389	6764	5279	2536
Industrial processing	848	65	525	165
Consumption fund	4989	3912	155	152
Seed	1898	1181	134	383
Losses, incl. for livestock feed	8654	1606	4465	1836
Export	38540	11275	23870	2760
Stock change +, -	3378	2198	-744	540
<i>Production per person, kg</i>	1704,1	590,7	832,4	170,4

Sources: the calculations use data from the State Statistics Service of Ukraine and Expected production of agricultural products in Ukraine in 2023: methodology and calculations (August 2023) / [Lupenko Yu.O., Nechiporenko O.M., Ludvenko D.V., Hryshchenko O.Yu.] ; under the editorship Yu. O. Lupenko, OHM. Nechiporenka.Kiev: NNC "IAE", 2023. 58 p. [6].

Domestic demand in 2022 is estimated at 15.3 million tons, which by 291% below the pre-war level, industrial processing – y 0.82 million tons (by 0.38 million below the indicator of 2021). Consumption fund decreased by 13.5% (from 5.1 to 4.4 million tons). In turn, reduction and of seed material is estimated at 1.9 million tons (as a result of significant reduction of sown areas under warm grain crops in 2022). Export grain from Ukraine in 2022 amounted to 38.5 million tons [1, p. 46].

According to the expected data of the Institute of Agrarian Economics, the harvest of cereals and legumes in the 2023 season may exceed the previous year's indicator by 7.8% and reach 58 million tons. Wheat is planned collect 20.1 million tons (-2.8%), barley – 5.8 million tons (+3.6%), corn – 28.4 million tons (+8.4%). Therefore, the total supply of grain in 2023 is predicted to be 58.3 million tons, in particular: wheat – 20.2 million tons, rye flour – 28.4 million tons, barley – 5.8 million tons.

Accordingly, grain production per person will increase to 1704.1 (compared with 1566.7 kg in 2022). Domestic demand compared from 2022, it will increase by 7.2% (from 15.3 to 16.4 million tons). The consumption stock may increase by 11.7% (from

4.4 to 5.0 million tons). Abbreviation seed material is not predicted. Export of grain from Ukraine in 2023 may reach last year's figures of 38.5 million tons (11.3 million tons of wheat, 23.9 million tons of corn, 2.8 million tons of barley).

Meat market. The meat market is an important component of the food market the country's market, the stability of which functions to a large extent the standard of living of the population and ensuring the food security of the country depend. Meat and meat products are among the most important food products. However, for most agricultural of livestock and poultry producers is unprofitable. The market did not become them as an economic base for the reproductive process. The main components of the meat market are the market pig farming products, livestock products market and meat market birds [7, p. 92].

Until February 24, 2022, the meat market in Ukraine functioned in quite difficult economic conditions. Meat producers increased production volumes during the decline of certain branches of animal husbandry (cattle breeding and pig breeding).

During the period 2000-2021, transformational processes took place in the livestock industry of Ukraine, which led to changes in the structure of the meat market. The share of poultry meat in the structure of meat production of all types since 2000. by 2021 increased from 11.6% to 56.3%. It is worth emphasizing that agricultural enterprises increased the volume of meat production birds In the structure of meat production of all types, the share of pork decreased from 40.6% in 2000 to 29.7% in 2021. To a critical level the share of beef and veal in the production structure decreased all kinds of meat. If in 2000 it was 45.4%, then in 2021 – only 12.7%. This actually narrows the formation of a rational meat balance of the country, where beef should occupy at least 30%. Such structural changes were the result of crisis phenomena in industries livestock and pig breeding.

Pork production has somewhat stabilized by 2021. However, significant damage is caused by African swine fever and fluctuations in grain and animal feed prices.

Cattle breeding remains an unprofitable business. In Ukraine, the trend of excision continues cattle. The total unprofitability of cultivation is great of cattle and pigs led to a decrease in the livestock population [8, p. 127]. As a result of a significant

reduction in beef production by agricultural enterprises, households became the main producers of this type of product. In households in 2021, 62% of the cattle population was concentrated. In 2021, this category of farms provided 75.0% of the volume of beef and veal production in Ukraine.

Problematic issues of the functioning of the livestock industry in Ukraine, there is a decrease in the number of cattle productivity, deterioration of production indicators and its efficiency, the unsatisfactory level of the fodder base, selection and breeding work and technological support, insufficient state support [7-8].

The Resolution of the Cabinet of Ministers of Ukraine dated April 22, 2020 № 341 «On measures to stabilize prices for goods, having significant social significance, anti-epidemic goods appointment» as amended by a number of Resolutions of the CMU. Subjects businesses on the food market must comply with the current norms of state price regulation, namely: the maximum levels of the trade allowance (markup) in the amount of no more than 10% when forming prices for such products as: wheat flour of the highest grade grade, pasteurized milk with a fat content of 2.5% (in a film), rye-wheat bread, chicken eggs of category C1, poultry (chicken carcass, quarter of a chicken carcass), loaf, sunflower oil refined in accordance with the Decree of the Cabinet of Ministers of Ukraine dated 09.12.2020 №1236; introduction of the procedure for declaring price changes and/or registration prices for goods that have significant social significance, respectively to Resolution №341.

One of the options for controlling the prices of the main types of food products is the application of the practice of public procurement in the period of low prices and their intervention in the market in the peak periods of high prices for smoothing out price fluctuations and curbing food inflation [9, p. 36]. This is exactly the function of the Agrarian Fund for objects of state price regulation according to the Law of Ukraine «On Amendments to Certain Laws of Ukraine Regarding the Improvement of Mechanisms of State regulation of the market of agricultural products» №1447-VI from 04.06.2009.

Grain market. After harvesting a record grain crop in 2021/2022, Ukraine predicted a record export volume of world market. But due to the war, and with it

logistical problems, Ukrainian exports stopped. More than 20 million tons of grain and oil crops were blocked in the ports of the Black and Azov seas. Grain export was limited to 500,000 tons in the first months per month compared to 5 million tons before the war. According to the Ministry of Agriculture, Ukraine lost 170 million dollars every day due to blocked ports. The problem was partly solved by the grain agreement, which was signed at the end of July and according to which 3 Ukrainian ports were unblocked: «Odesa», «Chornomorsk» and «Pivdenny». Ports remain blocked Mykolaiv, which are among the largest in Ukraine and were transported before the war 35% of Ukrainian food exports. Thanks to the functioning grain corridor, as of June 1, 2023, the export of grain and leguminous crops amounted to 45.3 million tons or 96% of the indicator of the previous 2021/22 MY [1, p. 48].

In terms of grain crops, wheat has already been exported 15.4 million tons (83.2% of the level of last year's period), barley – 2.6 million tons (or 45.6% of last season's volumes). As of the middle of June 1, 2023, the export of corn has already exceeded the previous year's indicators – 26.9 million tons of grain were exported compared to 22.3 million tons for the entire 2021/22 MY.

The suspension of the «grain corridor» has a significant impact on the export dynamics of the grain market. During the new 2023/ 2024 MR Ukraine has already exported 6.1 million tons of grain and leguminous crops, which is 15.3% (or 1.2 million tons) less than the same indicator of the past 2022/2023 MR. Wheat has already been exported 2.9 million tons, corn – 2.5 million tons, barley – 0.6 million tons.

Meat market. Further functioning of the livestock industry and its effectiveness directly depends on government policy and motivational mechanism One of the ways to increase the efficiency of the industry, as evidenced by previous experience and foreign practice, is the concentration of production, including on the basis of cooperation of producers. In addition, for the development of the industry, it is necessary to improve the fodder and breeding base, ensure the modernization of the extremely outdated material and technical base, and increase investment and innovation activity [7, 9].

It is worth citing the example of the poultry industry, which with the help of the state and significant amounts of financial support increased the volume of poultry meat production from 2000 to 2019 by 7.2 times. The short cycle of poultry farming and the quick return on capital investment in the production of poultry meat led to the growth of investments in this industry, construction of modern large poultry farms and creation of powerful vertically integrated companies. In particular, MHP is the largest chicken producer in Ukraine. According to the company's own estimates, it occupies 55% of the domestic chicken market. In 2017-2019, MHP received almost UAH 2.4 billion. state financial support. Over the years the distribution was as follows: 2017 – 1.4 billion hryvnias, 2018 – almost 970 million hryvnias, 2019 – 29.4 million hryvnias.

We believe that overcoming the crisis phenomena in the field of animal husbandry in general, and cattle breeding in particular, without state support and involvement significant investment resources is practically impossible. The livestock sector and the meat market require significant financial support from the state. However, at the moment, the first priority is the victory of Ukraine in war against the invaders [10, p. 56].

Features of the functioning of agricultural enterprises on the agricultural market. The assessment of the functioning of the agricultural market was carried out in relation to two main criteria: affordability and physical sufficiency [11, p. 19]. Pre-war (2020) and wartime consumption adequacy indicators have been established period (2022) show – if in 2020 bread and bread products, potatoes, vegetables and melons and oil, eggs are close to rational consumption norms, i.e. we can talk about sufficiency, then for all products in 2022 the indicator decreased Indicators of milk consumption should be considered critical and dairy products – this is 47%, fish and fish products – 40% of the established rational norms.

If the population spent on food in the last five years needs grew steadily with an almost unchanged share of to the family budget – 47-52%, then in 2022 significant things happened cost growth, and the share reaches at least 60%. That is, it is available in the country decrease in the purchasing power of the population along with inflationary and devaluation processes.

According to our calculations, it was established that for the consumption of basic food products in accordance with the normative indicators, the population of Ukraine had to spend under the conditions of 2022 UAH 58,817.3 per year, while UAH 33,518.9 was actually spent per year, i.e. 1.7 times Less. At the same time, the main cost of purchases in the structure was made meat, milk and dairy products – 66%. Apart from the inconsistency demand for rational norms, there is a large differentiation consumption of food products in households, depending on of average per capita total income per person per year.

Study of the dynamics of consumer prices for food products in wartime conditions show their significant growth. Yes, the price of sunflower oil has undergone minor changes. At the end of the year, it was UAH 69.75/l, which is 14.3% more than at the beginning of 2022.

The price of apples at the end of the year was UAH 15.13/kg, which 18.4% more than at the beginning of the year. During the year, there was a seasonal price fluctuation from 12.78 to 18.32 hryvnias/kg.

Since the beginning of 2022, prices have increased significantly - more than doubled on citrus fruits and bananas, which are objectively necessary imports. By according to the Ministry of Finance, at the end of December 2022, in supermarkets, oranges cost UAH 65.0/kg, tangerines 64.50 UAH/kg, lemons – UAH 70.0/kg, bananas – UAH 69.0/kg [1, p. 50].

Average consumer prices for borscht vegetables during the year changed significantly. By the end of 2022, according to the State Statistics Service, the price of white cabbage dropped to UAH 12.95/kg (by 23.9%) and beets to UAH 12.25 (21.4%). While during the year their price reached 39.57 ta UAH 33.40/kg, respectively. The price of spring onions remained high and carrots – 30.63 and 22.37 UAH/kg, which is higher than at the beginning of the year in 2.2 and 1.7 times, respectively. The price of potatoes in December was practically at the same level as in January 2022 – UAH 9.20/kg. She is the highest fixed in July, i.e. in the season of the new harvest – UAH 18.93/kg [12, p. 313].

Significant price increase – 1.7 times by the end of 2022, comparatively with the beginning, the eggs were exposed. In December, their average consumer price, according to the State Statistics Service, amounted to UAH 62.03 for 10 pcs.

The prices of milk and milk products by types increased from 18.5 to 26.6%. In particular, pasteurized milk with a fat content of up to 2.6% 18.5% to UAH 34.28/kg, soft fatty cheeses by 19.3% to UAH 159.34/kg, sour cream with a fat content of up to 15% and butter up to 26.6% to UAH 95.11 /kg and UAH 65.98 per 200 g, respectively.

Grain market. Russian aggression had a significant impact on the grain markets due to the limitation of export opportunities and crop areas in Ukraine. As a result, world prices for wheat and corn soared to record levels and slightly adjusted only with the beginning of the new harvest in the countries of the Northern Hemisphere. The exchange price of wheat increased significantly and reached 400-420 dollars per tonnage.

Domestic price policy for grain crops in Ukraine during the first half of 2022 was very unfavorable for farmers. In the spring and summer, grain prices in Ukraine fell as a result of blocking of ports and limited ability to export. Market grain products trading has undergone drastic changes and continues to adapt to new challenges [13, p. 314].

The price of CHN-port wheat by train in September - December 2022 fluctuates between \$200-210/tonne, the price of DAP – the border decreased by this period from 305 to 245 dollars /t.

Negative price trends in the grain market have undergone more significant changes in the retail markets of cereals, bread and bread products.

Cereal prices in December 2022 compared to January 2022 changed as follows. The largest increase was experienced by import-dependent rice, which doubled in price (from UAH 29.03 to UAH 59.65 per kg).

Buckwheat increased in price by 1.6 times during 2022 and now costs an average of UAH 74.69 per kg, compared to the price of UAH 47.61 in January 2022. Millet groats for analysis period increased the price by almost 40% (from UAH 18.74 to UAH 25.98), semolina rose in price by 19% and cost UAH 22.43 per kg in December 2022

compared to the price of UAH 18.85 at the beginning of the year. Barley groats and wheat increased in price during the year comparatively not so significantly – by only 8% and now cost an average of UAH 17.7-18.7 per kg.

The price peak for cereals, with the exception of import-dependent rice, arrived in June-August. So, during this period, buckwheat cost almost UAH 100 on average, semolina – UAH 24.24, millet – UAH 28-29, barley and wheat groats – UAH 20-21 per kg [1, p. 52].

The following price trends have been established in retail markets bread and bakery products. Yes, as of the end of December 2022 with at the beginning of the year, the price of wheat flour rose by 8.5% (from 15.48 to 16.79 hryvnias per kg), bread made from high-grade flour rose in price by 21.8% (from 33.61 to 40.94 hryvnias per kg), made from first-grade flour by 22.6% (from UAH 27.1 to UAH 33.23 per kg). Rye, rye-wheat bread increased in price by 18.1% and costs UAH 35.11 per kg compared from UAH 29.73 in January 2022. The price of a loaf increased by 18.7% (from 36.2 to UAH 42.96 per kg). During the same period, soft pasta products wheat varieties increased in price by an average of 27.7% (from 24.95 to UAH 31.86 per kg).

The seasonality of the new harvest factor could not but affect the price dynamics of cereals. So, during the last four months (from September to December 2022), a steady trend of monthly the growth of prices for cereals has stopped a little. Yes, as of late in December compared to September, the price of buckwheat fell by 16.8% (from 96.10 to 74.69 UAH), buckwheat fell by 8.5% (from 94.7 to 86.66 UAH), the price for barley, wheat, semolina and millet decreased by 9.1, 6.4, 5.2 and 4.7%, respectively. Wheat flour has become cheaper during this period by 2.6%, and pasta lost 2% in price.

However, the influence of the seasonality factor on the price dynamics of bread and bread products have been leveled by the aggravation of the energy crisis in the country. Thus, in the period from September to December, wheat bread made from the highest grade flour rose in price by almost 5%, from first grade flour – by 3.2%. Rye, rye-wheat bread increased in price by 4.3%, and a loaf rose in price by 3%.

Objective challenges and problems of the grain market, which caused by full-scale war are the following [13-14]:

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- increase in the price of material and technical resources, mainly fertilizers and fuel;

- relative labor shortage due to mobilization and migration within the country and abroad;

- disruption of production processes due to the strengthening of the energy crisis;

- a significant lack of resources due to the loss of funds and property due to shelling or theft by occupiers, destruction of crops, untimely harvest, low product prices or inability to export grain;

- the impossibility of carrying out technological operations and processes due to minefields and proximity to the war zone;

- damage and destruction of agricultural infrastructure and equipment: warehouses, granaries, agricultural machinery and equipment;

- occupation of enterprises, theft and removal of crops, equipment, equipment and other means of production;

- catastrophic consequences for the land fund as a result of mining, artillery shelling, bombing, movement of heavy equipment;

- insufficient working capital due to the increase in the cost of production, inflation, the increase in the cost of bank lending due to an increase in the NBU accounting rate, non-reimbursement of VAT and fixed exchange rate;

- increase in the cost of logistics in hryvnia equivalent by 2-3 times at the expense of raising railway tariffs, increasing the cost of delivery and inflation (the cost of logistics is about 2/3 of the price of grain, making its production unprofitable for Ukrainian farmers in certain regions).

Meat market. In 2021, the total production of meat of all types decreased by 1.6% compared to 2020 and amounted to 2438.3 thousand tons. Thus, the production of beef and veal decreased in 2021 by 9.9% compared to 2020 and amounted to 311 thousand tons. Import decreased by 6.6% to 17,000 tons. At the same time, exports increased by 7.4% to 29,000 tons. Personal consumption of beef by the population and veal decreased by 9.9% to 7.3 kg.

In 2021, pork production increased by 3.9% in comparison from 2020 to 724 thousand tons. Imports increased by 14.6% against the level 2020, and exports increased by 20.0%. The personal consumption of pork by the population decreased by 5.9% and amounted to 19.9 kg.

Production of poultry meat in 2021 decreased by 2.3% compared to the previous year and amounted to 1,373 thousand tons. Imports increased by 12.4% to 127,000 tons. Exports increased by 7.1% up to 466 thousand tons. Personal consumption by the population decreased by 4.2% up to 25.0 kg. Domestic production of poultry meat fully covers domestic needs and has reserves for export. Demand for poultry meat will continue to be stable because it is the cheapest among other types of meat. In the structure of consumed meat on per person per year, the share of poultry meat is about 50%.

There are no official data from the State Statistics Service of Ukraine for 2022 on livestock and poultry, their cultivation, and the amount of meat production of all types. In the conditions of the war, it is impossible to assess the real state of the livestock industry and the meat market. It is difficult to estimate the number of farms affected by the occupation and hostilities, as well as their losses. First of all, we note that the victims were and continue to be in danger from military aggression Russia, the entire territory of Ukraine, the entire population, all farms. But the level of losses and consequences for both the country and a specific enterprise and person are different. These losses are calculated not only in financial resources, material and property complexes, but also losses of qualified personnel and priceless human life. Clear now count and name the number of poultry farms, pig farms and farms that raised livestock and poultry, which were affected by the actions of the Russian occupiers are difficult.

In Ukraine, before the war, a powerful network of poultry farms was created, located in most regions of the country. In particular, only in five regions of Ukraine (Vinnytsia, Kyiv, Cherkasy, Dnipropetrovsk and Lviv region) at the beginning of 2022 was concentrated around 55% of the entire poultry population and there are the largest poultry farms, the main type of production of which is the production of poultry meat and meat products from it. The regions listed by us, with the exception of Kyiv, were

not territories where active hostilities were conducted, and therefore the production infrastructure of poultry farms in these regions was not destroyed or destroyed.

Russia's military aggression had the biggest impact on the pork market and, accordingly, on the price of pork. This is explained by the fact that the largest producers of pork were located in the regions of active hostilities or under the occupation of the aggressor (Donetsk, Dnipropetrovsk and Kharkiv regions). According to the State Statistics Service of Ukraine, in 2021, these three regions provided 26% of the volume of pig meat production by agricultural enterprises in slaughter weight. According to the information of the Association «Pigs of Ukraine», direct about 400 pig farms in ten felt the impact of hostilities regions of Ukraine and to a large extent these actions covered operators in regions where pig farming was quite actively developed. In the absence of occupiers on the territory of Ukraine, prices for pork would be much higher lower.

According to the Ministry of Agrarian Policy and Food of Ukraine, in 2022 the fund for the consumption of meat and meat products will be completely meets the needs of the domestic market and has the ability to meet export demand. This is mainly due to poultry meat. Consumption per capita is provided at the level of 52 kg of meat per person per year. This indicator is comparable to 2021 in pre-war times.

Currently, in Ukraine, in the territories where there are no combat operations, such as the main types of meat (beef, pork, poultry) are available in food markets and grocery supermarkets.

The dynamics of consumer prices for meat in wartime conditions shows that among the main types of meat, the biggest changes during 2022, experienced average consumer prices for pork meat. Growth prices for various types of pork reached 36.0-63.3%. In particular, in December 2022, consumer prices for pork increased by 36.0% compared to January 2022 and amounted to UAH 168.56/kg. The consumer price of lard increased by 63.3% compared to January 2022 and amounted to UAH 171.08/kg. Consumer prices for poultry meat (chicken carcasses and chicken fillets) since January by December 2022, increased by 10.6% and 11.4%, respectively, and amounted to 81.29 UAH/kg and 136.58 UAH/kg. It is worth noting that consumer prices for beef

experienced the least changes in the analyzed period. During the year, the consumer price for this type of meat increased by only 3.9% and amounted to UAH 203.18/kg [1, p. 55].

We emphasize the fact that the meat market is characterized by a tendency of price fluctuations. A slight decrease or increase (depending on month) of beef prices is explained by the fact that prices for this type of meat and so are always the highest, and the demand is the lowest. The increase in retail prices for beef, pork and chicken is driven by growth production costs. The significant increase in the price of pork is due to the increase in both production costs, the complexity of logistics chains, and the reduction in the supply of pork due to the occupation and destruction pig farms in many regions.

Power outages directly and negatively affect the production and cost of meat. Lack of electricity disrupts production processes. In particular, the incubation process is disrupted eggs, and therefore obtaining day-old broiler chickens, which should be raised for meat, young livestock and poultry die due to violations maintenance technologies, difficulties arise with feed production, processing and storage of final products in the retail network. All this affects and increases the cost of meat.

In our opinion, in 2023, for the formation of the general offer on the domestic agricultural market during the war, there is a possible decrease in demand in connection with a decrease in the purchasing power of the population and an increase in the price for producers of such basic cost components as mineral fertilizers and fuel and lubricants, which will form corresponding prospects of the new crop.

In 2023, it is expected that the most consumed products that were outside commodity-monetary relations – potatoes, vegetables and eggs, and less - bread and bread products, fish and fish products, oil and sugar. According to preliminary calculations, the capacity of the domestic agricultural market in 2023 may amount to UAH 1,250 billion, which is UAH 1,180 billion less than the normative capacity established on the basis of rational norms (these are losses for the state budget). In 2023, the capacity of the food market may increase by 15% compared to 2020 and only by 5% compared to 2021. As a result, despite the likely increase in prices for almost

all food products in 2023, the cost of capacity will not change fundamentally compared to the previous year due to inflationary and devaluation processes, a decrease in the number of the population and its purchasing power.

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2. Ukraine's agricultural sector in times of war: turning challenges into opportunities

The Russian Federation's invasion of Ukraine on 24 February 2022 caused heavy civilian casualties, damage to infrastructure and production assets, and resulted in severe human, social and economic losses.

In addition, since October 2022, Russia has caused significant damage to critical energy infrastructure using long-range weapons (missiles and drones).

In 2021, Ukraine was ranked 49th among 132 economies in the world, 76th in terms of innovation, and 37th in terms of innovation performance [1, p. 183].

The key war-related factors affecting the Ukrainian agricultural sector were the reduction in sown areas (by 25% compared to 2021), damage to production facilities, structures, and equipment, rising prices for fertiliser and diesel fuel, and the blockade of Black Sea ports. All these factors have significantly reduced the income of Ukrainian farmers and agricultural companies.

The agricultural sector has suffered significant losses as a result of Russia's full-scale aggression.

According to the Ministry of Agrarian Policy of Ukraine and the Kyiv School of Economics, the total amount of losses caused to the agricultural sector as a result of Russia's widespread invasion, as of September 15, 2022, reached USD 6.6 billion. This is 23% of the total value of assets in Ukrainian agriculture (including by category: agricultural machinery and equipment - USD 2885.4 mln. USD; warehouse warehouses - 1062.5 million USD; livestock - USD 362.5 million. USD; perennial crops - 348.7 million USD; production factors (fuel, fertilizers, plant protection products) 95.4 million US dollars. The total value of the agricultural sector was USD 95.4 mln, and the total value of products was USD 1872 mln. USD). Meanwhile, indirect losses in Ukrainian agriculture due to the decrease in production, the blockade of ports and increased production costs are estimated at USD 34.25 billion. (including in crop production due to reduced production 11.2 billion US dollars; in livestock - 348

billion US dollars. USD; in livestock - 348.7 million USD. The losses due to the decline in production of winter crops is estimated at 3 billion US dollars. US dollars; perennial crops at 322 million US dollars. The losses due to logistics disruptions amounted to 18.5 billion US dollars.)

The total number of business entities that suffered losses as a result of armed conflict aggression, is 2653 units. (arable area - 1.9 million hectares, perennial plantations - 9 thousand hectares). In addition, the territory of about 1 million hectares needs to be surveyed for availability explosive objects.

In the conditions of unprecedented challenges, the proper collection was ensured harvest of 2022. According to the Ministry of Agriculture, in 2022, Ukraine collected more than 67 million tons of grain and oil crops, which became one of the five best indicators in 30 years.

The livestock sector was significantly affected. According to the Ministry of Agrarian Policy, 15–20% of cattle, pigs and poultry were lost due to military actions. Chernihiv, Kharkiv, Sumy, Kyiv, Donetsk, Luhansk, Mykolaiv, Kherson, and Zaporizhia regions, where at the beginning of 2022 there were concentrated in all categories of farms: cattle population – 25.3%, cows – 25.8%, pigs – 31.5%, sheep and goats – 28.2%, poultry – 24.9%. Production of products livestock production in these regions was: meat – 20%, milk – 28.7%, eggs – 44.8%.

In general, the Ukrainian agricultural sector demonstrated high stability and adaptability to wartime risks. In conditions of war:

- the collection for all groups of agricultural crops is 1.5–3 times higher domestic consumption needs. On March 12, 2023, grain harvesting and of grain and leguminous crops was carried out on an area of 11.1 million hectares (97.6% of the sown areas of these crops), 53.9 million tons of grain were threshed, including 20.2 million tons of wheat (at the same time, the domestic the consumption of two types of wheat – fodder and food – is about 7.5–8 million tons per year). 5.8 million tons of barley were threshed (for the annual consumption in Ukraine at the level 2.5–3 million tons), buckwheat – 158.5 thousand tons (domestic consumption is 100–110 thousand tons);

- the needs of the domestic market of meat and meat products are fully met, as well as there are opportunities to export products. Total consumption of meat and of meat products in Ukraine per person is at the level of 52 kg per year, this indicator comparable to the pre-war year. However, more expensive types of meat (beef, pork) inferior to more affordable ones (birds). Half of the 2 million tons of the general consumption fund meat is poultry, pork is 37%, beef is 13%. Despite all the challenges, in 2022, Ukraine expanded its presence on international sales markets, in particular this one was facilitated by a number of measures to liberalize trade with EU countries and coordinate with foreign partners of international veterinary certificates for product export of animal origin. So, in 2022, meat and by-products were exported to 925 million dollars. USA, which is 9% more than in 2021. The absolute majority of income in this group fell on poultry meat - 853 million dollars. USA;

- the dairy industry satisfies the needs of consumers, despite the significant losses of the industry and taking into account the reduction in the domestic market of consumption of dairy products. The level of milk consumption in 2022 is estimated at 199 kg per person. According to the Association of Milk Producers, the production of this product in 2022 compared to 2021 decreased by 12.1% to 7.66 million tons. Industrial farms provided production 2.62 million tons of milk, which is 5.3% less than in 2021, and the homestead sector - 5.04 million tons (-5.3%). The indicators of the drop in milk production could have been much higher, but thanks to the efficient operation of dairy farms in safer regions and the relocation of livestock from the affected areas, it was possible to minimize the loss of industrial milk. In particular, the regions of the central and western regions of Ukraine increased milk production due to the relocation of business and the growth of demand for raw materials in these regions. Thus, milk production in Chernivtsi region increased by 23.4%, in Ternopil region - by 21.5%, and in Vinnytsia region - by 8.4%. High export prices and simplified procedures at the border support the sale of Ukrainian dairy products to foreign markets - in 2022, the export of milk and dairy products reached 344.6 million dollars. USA, which is 39% more than in 2021. The main export categories (in monetary terms) were dry milk (26% in the total structure), butter (24%) and casein (21%);

- there is no shortage of vegetable crops. As a result of the partial occupation of a number of regions more than 40% of commercial onion production and up to 30% of commercial carrot production were lost. As for other crops, such as potatoes, table beets and white cabbage, their production in the temporarily occupied territories is less significant. At the same time, in the west and in the center of Ukraine, the planting area of "borscht set" vegetables has been increased in order to cover their shortage due to the temporary occupation of the southern regions and hostilities in other territories. Also, in many regions, the population was provided with free vegetable seeds;

- citizens' demand for fruit and berry crops is fully satisfied, although as a result 25% of the berry orchards and 20% of the orchards were lost during the war. Ukraine continues to be a net importer of fruits and berries. Vinnytsia, Chernivtsi, Khmelnytskyi, Dnipropetrovsk, Lviv and Poltava regions, which are the largest producers of fruits and berries, are quite capable of meeting the needs of these products. According to the results of 2022, revenues from the export of fruits, berries and nuts amounted to 313 million dollars. USA, which is 15% less than the record level In 2021, industry enterprises received the main revenue from frozen berries and fruits, walnuts in shell and without, apples and pears.

In addition, despite military actions on the territory of the country, Ukraine remains one from the guarantors of food security in the world. Signed on 07/22/2022 by Ukraine, Turkey and the United Nations, the "Initiative for the Safe Transportation of Grain and Food Products from Ukrainian Ports" ("Grain Agreement") ensured the resumption of the export of grain and related food products through three sea trade ports - "Odesa", "Chornomorsk" and "Southern". The Russian Federation also signed a mirror agreement with Turkey and the UN. The term of the agreement was 120 days, but on November 17, 2022, it was extended for the same period, and in March 2023 - for another 120 days.

Threats to the stable functioning of the agricultural sector in the conditions full-scale war are as follows.

Exit of part of economic subjects from agrarian business or changes in specialization due to significant economic losses, including loss of sales. Changing the

structure production in favor of highly profitable agricultural crops instead of labor-intensive crops (primarily borscht set, early seasonal products).

Simplification of agricultural production processes, reduction of inputs fertilizers and plant protection products, which reduces agricultural productivity crops and deteriorates the quality of the land - due to a lack of financial resources, impossibility of long-term planning of activities due to probable hostilities.

Loss or depreciation of the harvested crop, in particular due to a lack of storage capacities and sales problems.

Deterioration of the quality of the population's diet in the event of a significant increase in food prices products, a possible reduction in their assortment, as well as losses by consumers with stable incomes, which will lead to a shift in the balance of consumption in favor of bakery products and semi-finished products due to a decrease in the consumption of livestock products, fish and seasonal products.

The interruption of logistics chains was also a significant factor. Before the war, 90% of Ukraine's agricultural exports went through the Black Sea ports. In March 2022, grain exports totalled just 0.3 million tonnes, down from 5.4 million tonnes two months earlier. The establishment of alternative routes helped to increase grain exports to 1.2 million tonnes in April and 2.7 million tonnes in June 2022. This situation has put pressure on domestic wheat and corn prices, which fell by 45% between January and June 2022, while global prices rose by about 15%.

The Black Sea Grain Initiative has significantly increased exports since July 2022 (up to 6-7 million tonnes per month), but logistics costs have remained very high.

Mine contamination of land also contributed to the reduction in sown areas, even in the de-occupied territories. The total area of agricultural land contaminated by unexploded ordnance, mines, and fragments exceeds 400,000 hectares.

Animal husbandry companies face challenges related to the production and sale of their products. The main difficulties include access to markets and buyers, access to necessary supplies (e.g. feed, vaccines, medicines, equipment) and labour, as well as high fuel and electricity prices or even lack of access to electricity.

The war is also changing the usual operational decisions of Ukrainian agricultural companies. Such changes include, first and foremost, limiting the use of agricultural inputs (e.g., fertilisers, pesticides, and seeds), diversifying business (e.g., exploring or starting new businesses) and changing markets (e.g., looking for new buyers).

It is also worth mentioning the indirect impact of the war on the agri-food added value chain. In particular, the number of suppliers of inputs has dropped significantly compared to the pre-war period, with the exception of feed and medical service suppliers, which have been relatively less affected. This reduction is down not only to problems with the delivery of the necessary inputs, but also to the pricing policy of suppliers, especially in the case of fertilisers and feed.

The overall sales structure has remained largely unchanged, but has undergone some adjustments. For example, before the war, most Ukrainian farmers sold their produce to wholesalers (i.e., operators who usually sell large quantities to other businesses), traders, and processors. After the full-scale invasion, it became more profitable to sell farm products to processors. The key problem in this area was the disruption of buyers of the products, their inability to purchase pre-war volumes or offer acceptable prices to the producer. According to the World Bank, on average, 18% of all SMEs in Ukraine stopped supplying their products due to low purchase prices.

Before the full-scale war, Ukraine's agriculture accounted for 10% of GDP, employed 14% of the workforce, and accounted for 41% of total exports. The war began just before the start of the spring 2022 sowing campaign, which hit the agricultural sector hard.

As of 24 February 2023, losses and damages to Ukraine's agricultural sector were estimated at USD 40.2 billion. At the same time, the amount of losses was USD 8.72 billion, while the total damages amounted to USD 31.50 billion.

Losses include partial or complete destruction of machinery and equipment, storage facilities, livestock, fisheries and aquaculture, perennial crops, as well as stolen inputs and products. Damage to machinery and equipment was the largest source of total losses, followed by stolen production means and damaged storage facilities.

The war-related losses mainly include lost income for Ukrainian farmers and agricultural companies due to lower production (e.g., unharvested crops), lower purchase prices (due to disrupted export logistics), and higher additional production costs (e.g., fertiliser and fuel, the cost of reclaiming contaminated land after surveying, demining, and releasing it).

The total estimated reconstruction and recovery needs of Ukraine exceed USD 411 billion. The financing needs for agriculture account for at least **7%** of this amount. At the same time, it should be understood that the war is ongoing and Russia will not stop destroying and looting Ukraine's production infrastructure. Nor will the hostilities and related restrictions stop, which will cause even more damage. It is clear that damages and losses will continue to accumulate before long-term reconstruction, rather than emergency repairs can begin.

Based on current estimates of damage and loss and the post-disaster needs assessment methodology, the KSE Agricultural Centre predicts that Ukrainian agriculture will need at least USD 23.5 billion for reconstruction and recovery. This estimate includes USD 7 billion for reconstruction and USD 16.5 billion for recovery.

The recovery and reconstruction needs of the Ukrainian agricultural sector can be divided into the following basic categories:

- reconstruction of agricultural production, which includes the replacement and repair of destroyed and damaged assets (e.g., replacement and repair of storage facilities, replanting of perennial crops, replenishment of livestock herds, etc);
- restoration of agricultural production, which also includes providing Ukrainian agricultural producers with resources, public services and preferences that will allow them to resume production;
- modernization of agricultural production, which should not only aim at returning it to its pre-war state, but also at improving production processes, introducing new technologies and new standards to increase production efficiency and product compatibility with global markets;
- rebuilding the export infrastructure, taking into account the lessons of the war. This recovery should include not only rebuilding damaged infrastructure, but

also creating a diversified logistics system that is resilient to external influences. For example, it is necessary to understand the role to be played by land routes for agricultural exports from Ukraine. Given the prospect of Ukraine's membership in the EU, investments in improving road and rail connections to the west, developing Danube river ports and technologies to overcome incompatible rail gauges are reasonable and necessary;

- demining and reclamation of agricultural land contaminated as a result of the military conflict, including the removal of unexploded ordnance, remnants of destroyed military equipment, craters, trenches and other fortifications;
- facilitating access to finance. Private sector investment is needed not only for reconstruction but also for long-term development. This is especially necessary for small and medium-sized farms that lack a credit history, sufficient collateral, and transparent financial reporting. One of the necessary steps on this path is the possibility of pledging agricultural land or rights to use it (in Ukraine, most agricultural producers operate on leased land). It should be understood that during the recovery period, Ukrainian agriculture will compete for funding with other important sectors, such as electricity and other utilities, housing and communal services, healthcare, transport and the military. Under these circumstances, it is likely that the Ukrainian agricultural sector will have less money available than expected, and political will is needed to rectify this situation;
- a balanced approach to supporting basic agricultural production and processing. For example, a current topic of discussion in the agricultural community is the call for increased value addition in Ukrainian agricultural production and exports. It is believed that instead of exporting raw materials (grains and oilseeds), it would be better to develop, for example, livestock production on this basis and export high value-added dairy and meat products. However, when Ukraine becomes a member of the EU, it will be subject to EU regulations on animal welfare, transport of live animals, slaughterhouse standards, food safety

- rules, etc. This will increase the production costs of Ukrainian agro-processors and may reduce or negate some of Ukraine's obvious comparative advantages;
- taking into account reforms related to EU integration and the prospect of Ukraine's accession to the EU. It is likely that the EU will be the main source of donor funding for Ukraine's reconstruction and recovery, with which other global donors such as the World Bank and the EBRD will coordinate their assistance. It should be taken into account that in the EU, agriculture is subject to extensive EU-wide regulation of markets and standards in the areas of agricultural activities, food safety, environmental protection and animal welfare. It can therefore be assumed that a significant part of donor funding will be directed towards rebuilding the Ukrainian agricultural sector in line with these European standards;
 - development of regional administrative capacity in Ukraine to implement the Integrated Management and Control System. Such a system is necessary for the implementation and control of various forms of farm support (e.g., control over the observance of sufficient crop diversification, which is a condition for receiving per hectare support payments).

Overall, the prospect of EU accession is expected to facilitate reconstruction and recovery, creating more attractive conditions for foreign investment in Ukraine. However, it should be borne in mind that the reforms and commitments associated with this prospect will potentially limit the options for Ukraine's traditional agricultural policy in terms of its compatibility with EU accession.

Challenges faced by agribusiness in Ukraine are unparalleled since the World War II. The aggression of the Russian Federation, the infrastructure destruction, the blockade of major export routes, and the unprecedented mining of agricultural land are just some of the struggles that Ukrainian farmers have been grappling with since 24 February 2022. Nevertheless, the resilience and unmatched international support has allowed agribusinesses in Ukraine not only to survive, but also to launch an active recovery in agricultural production and processing. The reconstruction and production processes in Ukraine's agricultural sector are actively financed through international

donor assistance and national government programmes. In this regard, the Ukrainian agricultural industry finds itself in a unique situation that has the potential to create huge opportunities for foreign and Ukrainian businesses [27].

In order to make use of these opportunities, it is necessary to:

- soberly assess war-related risks rather than being merely spooked by them;
- understand the opportunities arising from such risks;
- be aware of the tools available to pursue these opportunities;
- understand the available options for mitigating risks.

As you know, a crisis is the best time to invest. The capitalisation of Ukraine's agricultural sector has a clear potential for growth in the short term. The war-induced crisis has strengthened and modernised Ukrainian agribusiness and created new possibilities for commercial and investment activities against the backdrop of wartime challenges. soberly assess war-related risks rather than being merely spooked by them; understand the opportunities arising from such risks; be aware of the tools available to pursue these opportunities; understand the available options for mitigating risks.

The severity of the wartime challenges and threats is clear and cannot be underestimated.

Among the key war-related factors affecting the Ukrainian agricultural sector are:

- restricted access to crop areas due to their occupation by russian troops, mine contamination, combat operations and danger to workers;
- damage to production buildings, facilities, equipment, and infrastructure;
- limited access to fertilisers, plant protection products, and fuel due to logistical problems and increased prices;
- blockade of the Black Sea ports, through which 90% of Ukraine's agricultural products used to be exported before the war;
- forced urgent rerouting of logistics chains;
- reduction in the number of agricultural input suppliers;
- contamination of crop areas with unexploded ordnance, mines, and shrapnel, remnants of military equipment, human remains, and remnants of fortifications;

- environmental consequences of man-made disasters brought about by the war (flooding due to destruction of dams, contamination of water bodies and water intakes with biological remains and technical substances, and release of hazardous substances);
- difficulties in accessing markets, supplies, funding, and labour;
- restrictions on cross-border payments.

However, a balanced assessment of the risks of these factors' impact on agribusiness should also include the following:

- only 20% of Ukraine's territory (and Ukraine is the largest country entirely within Europe by territory) is occupied. The rest of its territory is fully operational with all state institutions, courts, state registries, and business activity continuing as usual;
- only the frontline and some areas bordering russia suffer from constant shelling. Throughout most of Ukraine, energy and infrastructure facilities mainly come under fire;
- the 2023 sowing campaign took place in all territories that are not occupied nor in the area of active hostilities;
- for over a year and a half of war, a large number of agro-processing businesses have been relocated from the occupied and dangerous areas and have successfully continued their operations in other regions;
- large infrastructure projects are being successfully implemented (development of grain storage and transshipment facilities on the Danube, silos facilities in Izmail, industrial parks for agro-processors and logistics hubs in Zakarpattia, Zhytomyr, and Cherkasy regions);
- the hryvnia exchange rate, after a shock jump at the beginning of the war, is maintained by the National Bank of Ukraine within acceptable fluctuation ranges. At the same time, the NBU's foreign exchange reserves currently exceed the levels prior to February 2022;
- Ukrainian small and medium-sized agricultural enterprises have access to funding through state support programmes and spend it on rebuilding,

repairing, and creating new production facilities, as well as purchasing the necessary inputs and services. Such funding is backed by unprecedented support (in particular, the EU intends to provide €18 billion in macro-financial assistance to Ukraine in 2023 alone. In addition, the World Bank, EBRD, USAID programmes, etc. are constantly creating opportunities for Ukrainian farmers to receive grants and loans.);

- Ukraine has introduced a number of privileges, tax breaks, and financing programmes for small and medium-sized agribusinesses at the national level;
- previously undervalued and inaccessible areas of agribusiness are being actively pursued and rapidly developed (cultivation and processing of technical hemp, arnica, blueberries, berries and fruits, greenhouse systems, horticulture, and production of eco-products);
- international donor funding and financial support have secured long-term and sustainable prospects.

Considering all of these factors combined, the impact of the war on the prospects for agribusiness in Ukraine should not be overestimated and the unique conditions for business and investors in the Ukrainian agricultural sector are clear to see.

For agribusiness in Ukraine, the current situation is unique due to a combination of factors:

- **High demand for goods and services necessary for the functioning and reconstruction of Ukraine's agricultural sector in the context of the war.** Even according to conservative estimates, Ukraine's agricultural industry requires at least USD 7 billion to replace and repair destroyed and damaged assets, including storage facilities, perennial plantations and livestock herds. Furthermore, approximately USD 16.5 billion is needed to provide Ukrainian agricultural producers with the inputs, public services and benefits to resume production.
- **Large-scale opportunities for investment in the rebuilding of the damaged major infrastructure facilities and the construction of new ones.** The blockade of maritime export routes and the damage caused by shelling

necessitate the restoration of the damaged infrastructure and the creation of new, more resilient and adaptable infrastructure. Projects for the construction and rebuilding of port infrastructure, grain elevators, transshipment terminals, transport and logistics hubs create new opportunities for significant investments, large deliveries, and major contracts.

- **New opportunities for small and medium-sized investors and contractors.** The focus of international and national funding programmes on supporting small and medium-sized agribusinesses creates ample opportunities for small and medium-sized investors, suppliers, and contractors.
- **International financial assistance and investment to rebuild Ukraine's agricultural sector.** The IFC alone has provided nearly USD 400 million in support, including to agriculture in Ukraine, since the start of Russia's full-scale invasion. The World Bank is considering investing almost USD 1.5 billion in Ukraine's agricultural sector, among other sectors of the economy. Since February 2022, 764 agricultural micro, small, and medium-sized enterprises have received USD 49.8 million in bank loans through financial platforms developed under the USAID-led Agricultural Resilience Initiative (AGRI-Ukraine). A total of USD 350 million has been channelled to Ukraine through this initiative. It is planned to engage the private sector, other donors and foundations to raise another USD 250 million.

The needs of Ukraine's agribusinesses in the face of the existing challenges make it possible to identify and assess new commercial and investment opportunities for Ukrainian and foreign businesses. At the same time, such opportunities are not limited to the agricultural sector.

Within the framework of the restoration and reconstruction of the Ukrainian agricultural industry, various promising areas for commercial and investment opportunities are being actively developed, such as:

- ✓ Construction and reconstruction of agricultural storage facilities:
 - repair and construction of grain storage facilities (elevators, granaries);
 - production and supply of grain storage sleeves;

- supply, manufacture, and repair of equipment for grain storage and conditioning (grain dryers, conveyors, bucket elevators, etc.);
- supply, repair, and installation of power supply infrastructure for grain and vegetable storage facilities;
- repair and construction of storage facilities for vegetables, fruits, and berries;
- supply, manufacture, and repair of equipment for vegetable storage (ventilation systems, sorting equipment, cooling systems, etc.).
- ✓ Construction and reconstruction of livestock farms:
 - repair and construction of dairy farms;
 - supply and installation of equipment for keeping, feeding, and watering livestock (boxes, fences, floors, bunkers, feeders), farm ventilation (installation of ventilation curtains, light and ventilation ridges), etc;
 - supply and installation of milking equipment (machine milking units, milk pipelines, milking machines, collectors), temporary storage (refrigerators) and milk transportation (milk trucks);
 - supply of genetic material.
- ✓ Reconstruction, construction, and upgrading of greenhouses:
 - construction and reconstruction of glass and film tunnel greenhouses;
 - production, supply, and installation of equipment for greenhouses (mounting structures, films, glass coverings, heating, drip irrigation and lighting systems, automated process control systems, etc);
 - modernisation and implementation of new energy-saving technologies to reduce dependence on natural gas;
 - introduction of new technologies for growing agricultural products in greenhouses.
- ✓ Reconstruction and construction of small and medium-sized processing complexes:
 - for processing vegetable products (production of juices, pastes, concentrates, etc.) for processing industrial hemp;
 - for fast freezing of vegetables, fruits, berries;

PECULIARITIES OF MANAGEMENT OF AGRICULTURAL ENTERPRISES UNDER
MARTIAL LAW

- for processing meat and dairy products (manufacturing of end products, freezing, canning).
 - ✓ Growing eco-products:
- implementing technologies for growing eco-products;
- supply of eco-products seed material.
 - ✓ Supply of agricultural machinery and spare parts, including on leasing terms.
 - ✓ Growing and processing of niche crops:
- blueberries, raspberries, blackberries;
- arnica, medicinal plants.
 - ✓ Restoration and setting up of perennial plantations:
- introducing new cultivation technologies;
- supply of seedlings.
 - ✓ Consulting services:
- consulting and training in the field of agricultural technologies;
- consulting and training in management technologies, business, and marketing;
- legal consulting;
- engineering;
- bringing technologies and products in line with the requirements of EU markets.
 - ✓ Construction of logistics hubs and transport infrastructure:
- Provision of services: refrigerated trucks, transport of liquid and bulk food products.
 - ✓ Restoration of land improvement systems:
- clearing amelioration canals;
- constructing pumping stations and installing water pumping equipment;
- supplying and installing equipment for field irrigation and water delivery.
 - ✓ Cleaning water bodies and water intakes, construction of water treatment facilities and water purification systems in areas that have been contaminated.

- ✓ Services and works aimed at overcoming the direct consequences of hostilities are a special focus area:
 - field demining;
 - dismantling of fortifications;
 - dismantling of destroyed buildings, removal and disposal of construction waste and residues.

Demining is presently the top priority among these services.

According to the best estimates, the area of mined farmland is 4.8 million hectares, with the cost of demining averaging USD 3-4 per square metre.

The World Bank estimates the full range of humanitarian demining works in Ukraine at USD 37.4 billion. The needs for 2023 alone amount to more than USD 397 million.

Demining in Ukraine is carried out by certified mine action operators. As a rule, mine action services include:

- information work (e.g. telling children about mine risk at school or commissioning social advertising, as well as training sappers);
- non-technical survey (basically, a visual inspection of the area, including by drone, interviewing people, collecting data from open sources on whether the area is suspected of being mined, which allows narrowing the search for explosive ordnance);
- technical survey (a more thorough inspection with the help of metal detectors, frames, etc.);
- demining by hand (where mines or other projectiles can be safely moved out of the area of potential damage without using equipment) or with the help of equipment;
- clearing the area of hostilities;
- disposal (destruction) of mines/explosive remnants of war (this is effectively done by state structures only, although in theory Ukrainian legislation does not prohibit private operators from obtaining permission for such activities).

Global practice shows that these services are usually funded by donors, which makes them accessible not only to large agricultural companies, but also to small and medium-sized agricultural producers. In turn, this allows small and medium-sized mine action operators to enter the market.

For foreign investors exploring opportunities in Ukraine's agricultural sector, it is important to understand how to mitigate potential political risks that may affect their investments.

Traditionally, political risk refers to government actions that limit an investor's right to use or benefit from its assets or reduce the value of the company. Such risks may arise as a result of war, expropriation, restrictions on capital movement within the country, etc. In the context of the Russian aggression in Ukraine, such risks are primarily related to the circumstances caused by the aggressor:

- occupation;
- hostilities;
- shelling of infrastructure;
- blockade of ports.

Unavoidable actions by the Ukrainian government related to the country's defense:

- mobilization;
- restrictions on bank settlements;
- foreign exchange restrictions, etc.

also pose a risk to businesses, but are legally predictable.

International organizations (e.g. the Multilateral Investment Guarantee Agency), export credit agencies and state insurance agencies are currently playing a crucial role in reducing political risks and increasing investor confidence.

At present, insurance products offered cover a certain standard set of political risks, including:

- currency inconvertibility and restrictions on funds transfers;
- confiscation, expropriation, nationalization;
- political violence/war;

- failure to fulfil obligations, in particular under contracts.

Most insurance service providers halted their operations in Ukraine immediately after Russia's full-scale invasion on 24 February 2022. This is mainly due to the lack of insurance products and instruments that would be adequate for a full-blown war.

Nevertheless, some reputable organisations continue to offer investors options for insuring political risks in Ukraine, such as:

MIGA (WORLD BANK GROUP)

The Multilateral Investment Guarantee Agency (MIGA) provides guarantees to investors and lenders, including political risk insurance and credit enhancement.

MIGA has already allocated USD 30 million for a pilot investment insurance project in Ukraine.

Furthermore, MIGA has established the Support for Ukraine's Recovery and Economy (SURE) Trust Fund. The aim of the fund is to address humanitarian needs, support economic activity and assist in the post-war recovery of Ukraine. The fund is expected to reach USD 300 million, enabling MIGA to provide trade finance guarantees and bank reserves during the war.

MIGA insurance coverage typically includes:

- war and civil disturbances, including protection against loss of tangible assets or business interruption caused by politically motivated hostilities or civil disturbances, such as revolutions, insurrections, coups d'état, sabotage, and terrorism;
- breach of contractual obligations, including coverage of losses arising from the authorities' violation of or refusal to fulfil a contract with an investor;
- currency inconvertibility and restrictions on funds transfers, including protection against losses caused by the inability to legally convert local currency into hard currency;
- expropriation, including protection against losses resulting from certain actions of the authorities that may restrict ownership of the insured investment.

DFC (USA)

The US International Development Finance Corporation (DFC) is a US federal government agency that invests in development projects in low- and middle-income countries.

DFC's political risk insurance covers up to USD 1 billion in losses due to:

- currency inconvertibility (protects against actions of the authorities that prevent the conversion and transfer of income);
- government intervention (protects against nationalisation, expropriation, and confiscation);
- unlawful demand for guarantees in contracts;
- breach of contracts in the capital markets;
- political violence, including terrorism (covers loss of assets and income as a result of war, terrorism, and civil unrest).

INVESTMENT GUARANTEES OF THE FEDERAL REPUBLIC OF GERMANY

These investment guarantees, managed by PricewaterhouseCoopers GmbH, protect German companies' direct investments in new markets and developing countries against political risks, such as:

- expropriation;
- wars;
- currency inconvertibility and restrictions on money transfers;
- breach of contracts.

EIFO (DENMARK)

The Export Investment Fund of Denmark (EIFO) has a loan and guarantee programme for Ukraine, which includes private and public financing options for Ukrainian companies and Danish investments.

UKEF (UK)

The UK Export Finance (UKEF) supports British exports through insurance and guarantees.

Overseas investment insurance protects British investors from potential losses from overseas investments due to political events in countries that are not members of

the Organisation for Economic Co-operation and Development (Ukraine is not a member of this organisation, although it participates in certain processes).

KUKE (POLAND)

The Export Credit Insurance Corporation (KUKE) is an official export credit agency of Poland, providing credit insurance, guarantees, and investment insurance.

The investment insurance covers losses due to political risks and force majeure related to investing abroad, including:

- government intervention;
- moratoriums on payments;
- trade restrictions;
- expropriation.

The insurance can be obtained by any Polish company making long-term investments abroad or by credit institutions providing bank loans to foreign subsidiaries.

SACE (ITALY)

The Italian State Export Credit Agency (SACE – Servizi Assicurativi del Commercio Estero) supports Italian businesses with financial instruments and solutions, including investment protection.

SACE investment protection covers the risks of:

- expropriation;
- nationalisation;
- war;
- currency restrictions;
- breach of contract;
- loss of profits due to war or civil unrest.

BPIFRANCE (FRANCE)

BPIFRANCE Assurance Export manages state export guarantees on behalf of the French government.

Investment insurance protects investors from losses due to political events related to investments or investment loans abroad and covers the risks of:

- nationalisation;
- expropriation;
- termination of contracts;
- war;
- natural disasters;
- currency barriers;
- economic changes.

EKN (SWEDEN)

The Swedish Export Credit Agency (EKN – Exportkreditnämnden) promotes Swedish exports by insuring the risks of export operations.

The guarantees for investments abroad cover losses due to political events and cover political risks and force majeure, such as:

- nationalisation;
- expropriation;
- war;
- natural disasters;
- currency barriers.

Along with the traditional tools for implementing commercial opportunities (supplies, contracts, joint ventures), it is worth paying attention to other options that will allow you to utilise the preferences available to agribusinesses.

Traditionally, acquisition of agricultural companies and production assets has been the most effective way for foreign investors to invest in agricultural assets in Ukraine.

In the case of growing agricultural products, the most cost-effective way is to acquire the core agricultural asset, i.e., an agricultural company that already operates a collection of land parcels. It is also necessary to take into account the general restrictions on the acquisition of agribusinesses in Ukraine. Currently (pending a referendum), foreign companies are prohibited from acquiring Ukrainian agricultural companies that own agricultural land in Ukraine, but can acquire agricultural

companies that lease land. Notably, the vast majority of land used in agricultural production in Ukraine is leased by agricultural companies.

In the case of investing in the processing business or in agricultural storage and logistics, it is more feasible to purchase production assets. Ukrainian legislation, among other things, allows foreign companies to acquire such assets in the privatisation process. Since 2022, the rules for the sale of property of state-owned and municipal enterprises in Ukraine have been significantly simplified thus creating new opportunities for the acquisition of bakeries, processing plants, grain storage, and production facilities.

Foreign companies are eligible to bid at auctions subject to certain conditions.

Such companies must not be registered in offshore zones, have the Russian Federation or its residents as participants, or be subject to sanctions, and they must be ready to assume the obligations set out in the terms of sale.

Starting an agricultural business from scratch can be justified when it comes to the construction of elevators, livestock, poultry, greenhouse vegetable growing, and horticulture.

The main factor driving investment in the acquisition of agricultural assets in Ukraine is favourable price. Due to the military aggression, increased cost of fuel, seeds, mineral fertilisers, export restrictions, physical destruction of agricultural machinery and other property, most assets have fallen in price.

However, agricultural companies have not lost their performance; on the contrary, as they adapt, their management is significantly improved and their production becomes more technologically advanced.

This applies to any agricultural assets: shares in agricultural holdings, investment funds, stakes in agricultural companies, privatised assets and other production assets – their price is attractively low at this stage. At the same time, given the demonstrated resilience of agribusiness, its modernisation and reconstruction, the growth potential is very high.

In certain areas of agribusiness, it is possible to take advantage of the benefits offered by the status of an investor with significant investments.

Such areas include, in particular:

- processing;
- storage;
- logistics;
- scientific research and development;
- development of technological (IT) solutions for agribusiness;
- production of bioethanol, etc.

Having obtained this status, the investor is entitled to the following incentives:

- 5-year exemption from income tax, as well as from VAT and customs duties on the import of new equipment;
- the preemptive right to use a state- or municipally owned land plot for the implementation of an investment project. Furthermore, such an investor may be granted a preemptive right to acquire ownership of a land plot upon expiry of a special investment agreement;
- construction, reconstruction, restoration, overhaul of related infrastructure facilities (roads, communication lines, heat, gas, water, electricity, engineering networks, etc.) necessary to implement the investment project at the expense of the state, local budgets and other legal sources;
- compensation for the cost of constructed adjacent infrastructure facilities, costs of connection to engineering and transport networks and exemption from compensation for losses of forestry production.

Investment projects with significant investments must create at least 10 new jobs. The amount of the contribution to the relevant investment objects must exceed the equivalent of EUR 12 million, and the project must provide for the construction, modernisation, technical and/or technological re-equipment of the investment objects, purchase of the necessary equipment and components.

It is also possible to contribute up to 30% of the investment 18 months prior to the conclusion of a special investment agreement. The term of implementation of an investment project with significant investments may not exceed 5 years.

Financial injections from partner countries and the shift in Ukrainian budget spending have rendered public procurement the most financially secure and stable market for goods and services in Ukraine.

There are 3 main ways to conduct public procurement in Ukraine:

- without the use of the ProZorro electronic procurement system – by concluding so-called direct contracts between a customer (manager, recipient of budget funds) and a supplier;
- by concluding framework agreements;
- through open bidding or using an electronic catalogue.

The most common way to conduct public procurement is through open bidding using the ProZorro electronic procurement system.

Foreign companies may participate in bidding as well. In order to successfully participate in public procurement in Ukraine, foreign companies need to consider several key aspects:

- determining whether the company and its products meet the procurement requirements;
- submission of tender proposals;
- resolving disputes.

Industrial parks in Ukraine are particularly suitable for agro-processing and logistics hubs. Out of more than 60 Ukrainian industrial parks, 14 have been created over the past year and a half. Most of these parks are focused on agricultural processing and logistics.

The incentives available to participants of industrial parks include:

- the right to a 10-year income tax exemption;
- exemption from VAT on imports of new equipment to Ukraine imported by industrial park participants exclusively for their own use;
- exemption from customs duties on the import of equipment, machinery and its components, and materials;

- compensation of the interest rate on loans. Such compensation may be granted for loans obtained for the purpose of setting up or running a business within an industrial park;
- financing without obligations to repay the funds received. Such financing is provided on the condition that the funds received will be used for the development of industrial parks and the construction of infrastructure (e.g., roads, communication lines, heat, gas, water and electricity supply, engineering communications);
- compensation for the costs of connecting to engineering and transport networks.

Mechanisms for promoting large investments have been actively implemented in Ukraine since 2021. The Law “On State Support for Investment Projects with Significant Investments in Ukraine” (hereinafter referred to as the “Law”) and the procedures, methodologies and instructions developed for its implementation have been in force since then [28].

However, the Russian aggression and full-scale war have created new realities. Taking this into account, amendments were made to the Law, which entered into force on 17 September 2023. Investors were offered new forms of state support for investment projects with significant investments, certain requirements were relaxed, and new investment opportunities were created.

In order to receive state support for an investment project with significant investments, it must meet a set of criteria established by the Law. The amendments to the Law have expanded investment opportunities and eased project requirements.

Taking into account these amendments, today an investment project with significant investments must meet the following criteria:

- the project must be implemented in Ukraine in the areas of processing industry (except for activities related to the production and circulation of tobacco products, ethyl alcohol (except for the production of bioethanol intended for use as a fuel component), cognac and fruit spirit, alcoholic beverages), biogas and biomethane production (including liquefied or compressed), extraction for the

purpose of further processing and/or enrichment of minerals (except for coal and lignite, crude oil and natural gas), waste management, transport, warehousing, postal and courier activities, logistics, education, scientific and technical activities, healthcare, art, culture, sports, tourism, resort and recreation. Now, following the amendments to the Law, it is also possible to invest in the electronic communications industry;

- the project must involve construction, modernisation, technical and/or technological re-equipment of investment objects, purchase of necessary equipment and components, and, in line with the amendments, may also involve construction of engineering and transport infrastructure necessary for the implementation of the investment project at the expense of the investor or applicant;

- the project must generate at least 10 new jobs with an average salary of at least 50% higher than the actual average salary for the relevant type of activity in the region where the project is implemented for the previous calendar year. Other options are also established: if the salary of employees is at least 30% higher than the actual average salary for the relevant type of activity in the region, at least 30 new jobs must be created, if it is 15% higher, a minimum of 50 jobs must be created. This system is more flexible compared to the requirements that were in force before the amendments to the Law (previously, at least 80 new jobs with a 15% higher salary were required);

- the amount of investment in the investment objects during the implementation period of the investment project must exceed the equivalent of EUR 12 million (previously, this threshold was set at EUR 20 million). Also, investments can now be made prior to submitting an application for an investment project. However, it should be noted that such a prior investment must be made no earlier than 18 months before the date of application, whereby the amount of the investment may not exceed 30% of the total investment;

- the investment project implementation period may not exceed 5 years.

Ukraine provides investors with state support for investment projects in the amount of up to 30% of the planned investment amount.

As per the amendments to the Law, the forms of state support have been expanded. Now, state support for projects with significant investments is provided in the form of:

- 5-year exemption from income tax, value added tax and customs duties on the import of new equipment. Tax preferences for large investors remain unchanged;

- ensuring the preemptive right to use state-owned or municipally owned land plots for the implementation of an investment project. In this case, investors may be granted a pre-emptive right to acquire such land plots after the special investment agreement expires. In addition, the amendments to the Law allow for the change of designated purpose of especially valuable land and forest land plots for their use in implementing an investment project. This is an important novelty, as it expands the possibilities for locating investment project facilities (for example, at the expense of valuable land adjacent to roads or communications);

- ensuring the construction, reconstruction, restoration, overhaul of engineering and transport infrastructure facilities (roads, communication lines, heat, gas, water and electricity supply facilities, engineering communications, etc.) necessary for the implementation of an investment project, at the expense of the state, local budgets, and other legal sources. Pursuant to the amendments to the Law, it is now possible to include the total cost of all engineering and transport infrastructure facilities built for the implementation of an investment project in the calculation of the state support amount;

- exemption from reimbursement of forestry production losses due to the change of designated purpose of especially valuable lands and forest land plots for the implementation of an investment project. Under the amendments, the amount of funds not received by the relevant budget as such compensation will be included in the calculation of the amount of state support;

- compensation for the costs of connection to engineering and transport networks necessary for the implementation of an investment project.

It is important that the amendments are aligned with the Ukrainian legislation on land and industrial parks.

It should be borne in mind that the total amount of state support will not change if, during the implementation of a special investment agreement, the actual amount of significant investment exceeds the amount stipulated in such an agreement.

The total amount of state support will be changed if, during the implementation of the special investment agreement, the actual amount of investment is lower than that provided for in such an agreement.

Note! If the actual amount of investment is less than EUR 12 million, the investor will have to return the entire amount of state support received.

In order for an investment project with significant investments to receive state support, it must be positively assessed by the authorised body, which in this case is the Ministry of Economy of Ukraine (hereinafter referred to as the Mineconomy). The Mineconomy evaluates the project and provides a conclusion on the feasibility or inexpediency of its implementation and the signing of a special investment agreement. It is important to understand how and by what criteria the evaluation is carried out, as this affects the content and composition of the documents submitted by the investor to the Mineconomy.

In order to receive state support, an investor or an applicant must enter into a special investment agreement with the Ukrainian government or a local community (if state support is provided by a local governing body).

Such an agreement shall be concluded for a term not exceeding 15 years. The term of an agreement does not affect the implementation period of an investment project, which may not exceed 5 years from the date of the agreement.

A special investment agreement defines a number of key terms, including:

- terms and conditions of project implementation;
- investment objects;
- types and amount of investment;

- total amount, forms, and terms of state support;
- conditions and consequences of state support termination;
- list of land plots required for the implementation of an investment project with significant investments;
- terms of use of such land plots and the procedure for their return (if allocated);
- the procedure for approving changes in control over an investor during the term of the special investment agreement, etc.

If a decision is made to conclude a special investment agreement, the applicant must establish a legal entity under the laws of Ukraine, which will be the investor. If the applicant is already a legal entity registered in Ukraine specially established for the implementation of an investment project with significant investments that meets all the requirements and restrictions established by the Law, then a new legal entity does not need to be established.

In any case, the applicant must hold 100% of the shares in the authorised capital of such a legal entity.

The amendments to the Law provide for the possibility of negotiating the terms of a special investment agreement. If the Mineconomy decides that the draft special investment agreement needs to be revised, the applicant will be sent remarks on the draft with a proposal to negotiate its terms.

These negotiations are held within 2 months from the date of receipt of such a proposal. If no agreement is reached on the mechanism for taking into account the remarks within this period, the negotiations may be extended for another 2 months.

However, it should be borne in mind that the essential terms of the special investment agreement cannot be changed through such negotiations.

Investors who have already submitted applications but have not yet concluded a special investment agreement should note that the Mineconomy must return their applications within 10 working days from the date of the Law's entry into force.

Such applications must be brought in line with the new rules and resubmitted under a simplified procedure. Hereby, the calculation of the volume of significant

investments may include funds invested prior to the submission of the returned application, but not earlier than 18 months before such date.

When resubmitting applications, it is necessary to take into account the amendments to the Law, in particular:

- the assessment shall be carried out by the Mineconomy within no more than 60 calendar days from the date of receipt of the documents;
- economic indicators should not be assessed (in practice, this means cancelling the calculation of the project economic indicators, including the benefit-cost ratio), and therefore, no related documents should be submitted;
- during the application process, the information and documents submitted as part of the application may be identified as containing confidential information and trade secrets. This does not apply to the information to be entered into the register of investment projects with significant investments after the signing of a special investment agreement;
- if the Mineconomy recognises the need to revise the draft special investment agreement, its terms might be negotiated with the Mineconomy.

In addition, it is very important to note that the regulation of specific mechanisms of state support for investment projects with significant investments will also be amended. They may affect the procedures and algorithms for preparing an investment project, its evaluation, the procedure for state support provision, etc.

It is expected that such changes will be made to:

- requirements for the feasibility study of an investment project with significant investments;
- methodology for calculating the amount of state support;
- methodology for evaluating an investment project;
- the procedure for maintaining a register of investment projects;
- the procedure for importing new equipment (machinery) and its components imported by the investor into the customs territory of Ukraine and for their intended use;

- requirements to the applicant regarding their financial capacity to implement the investment project;
- an exemplary form of a special investment agreement;
- the procedure for providing funds on a non-refundable basis to ensure the construction of related infrastructure facilities necessary for the creation and operation of industrial parks.

In any case, the planned changes may be subject to adjustment. Therefore, it is important to monitor the current legislation on state support for investment projects with significant investments at the time when it is applied by the investor.

In March 2023, the Second Rapid Damage and Needs Assessment (RDNA2) identified \$411 billion worth of investments required for Ukraine's reconstruction. The World Bank Group's new report "Private Sector Opportunities for a Green and Resilient Reconstruction in Ukraine", developed in cooperation with Ukraine's government, assesses the potential for private financing to meet these needs under both a status quo scenario and a scenario with reforms and other sectoral interventions.

Under the non-reform scenario, which envisions a continuation of pre-invasion economic dynamics, private investments are estimated to generate over \$73 billion, or 18 percent of the investment needs identified in RDNA2. Under a scenario where the Ukrainian government accelerates economic reforms, addresses sectoral needs, and deepens EU integration, Ukraine could see nearly \$130 billion in private sector investments flow into the country. This would cover about one third of needs identified in the RDNA2 and open an additional \$282 billion in further private sector opportunities to boost Ukraine's development. This report, which is a synthesis version of the broader assessment, includes an overview of the assumptions used for the projections under both scenarios and lists a table of critical reforms that could help unlock private sector financing.

The report identifies the following reforms as having the greatest potential to achieve a sustainable and resilient recovery:

Agriculture: Completing land and irrigation reforms and strengthening institutions, increasing access to affordable finance, and creating an enabling

environment for the adoption of climate-optimized agricultural technologies could attract \$30 billion in private investment. Reforms in the food and beverage sector could generate another \$16 billion in investment.

Transportation and logistics: Public investment and policy reforms could enable the private sector to cover about \$7 billion in recovery needs, while opening up additional investment opportunities for the private sector worth another \$41 billion.

Energy and mining: Policy reforms in these sectors could create the conditions for \$36 billion in private sector investment to meet RDNA2 needs, while generating additional investment opportunities worth \$132 billion.

Housing: Through the implementation of policy reforms, financial assistance, and increased cooperation with regional developers and financial institutions, household investment could exceed \$30 billion and generate \$60 billion in investment opportunities beyond recovery needs.

The report emphasizes that these reforms, combined with effective macroeconomic management, trade- and investment-friendly government policies, and the use of risk mitigation instruments, are essential to stimulate private capital inflows.

Investment development of the agricultural complex in Ukraine is a key factor for ensuring sustainable economic growth, increasing competitiveness and improving the quality of life of the population.

An important stage of modern investment policy is the creation of a favorable investment climate, which involves ensuring legal protection of investors, introducing fair competition and reducing bureaucratic barriers. Thus, improving the investment climate is a fundamental step for attracting investors to agriculture. It is important to give them confidence that their investment will be protected and contribute to the development of the sector.

Ensuring investors' access to reliable and objective information regarding of the agricultural sector is an extremely important task for the effective functioning of the market of agricultural products and attracting investments. To do this, you can take a number of measures:

- development of web platforms where investors can find reliable information about the agricultural sector. These platforms may provide reports, analyses, forecasts and other materials related to the agro-industrial complex;

- establishment of the same reporting standards for agricultural enterprises and organizations providing services in this area. This will facilitate comparison and evaluation of various objects for investment;

- conducting audits and checking the reliability of the information provided agricultural enterprises;

- events for investors, where experts from the agro-industrial sector provide detailed information about the potential and risks of this industry;

- conducting analyzes of the agrarian sector by independent experts and publications, and also compilation of ratings of the most reliable and profitable industries;

- cooperation with international organizations that specialize in agricultural production and provide reliable statistical and analytical information;

- government agencies may set mandatory standards for provision information by agricultural entities and supervise its quality and objectivity.

- development and implementation of laws and regulations aimed at protecting the rights of investors and creating a comfortable environment for doing business.

It is also important to give investors the opportunity to independently conduct additional research and analysis, as well as consult with specialists in this field. This will help create favorable conditions for the development of the agricultural sector and attraction investments.

It is necessary to encourage representatives of the agrarian complex to develop and implementation of international joint projects and initiatives that will promote engagement additional capital and innovation.

It is also necessary not to forget about the social component of investing in agro-industrial complex. This is primarily related to the development of rural communities and improving the skills of workers in the agricultural sector, which is important an element of successful investment development.

These strategies and measures will help to improve the investment development of agriculture complex in Ukraine, which in turn will lead to increased efficiency and profitability of the agricultural sector and will contribute to the development of rural areas.

The war has destroyed the established links of agri-food chains, which once again proved the vulnerability not only of the current domestic model of agri-food specialization, but also of the current global model of the agri-food system as a whole. All crises create conditions for the transformation of existing economic models, and Ukraine's agricultural sector is at the forefront of changes due to the need for immediate, priority transformation of the export specialization model, and the current situation with food exports to Europe suggests that the change will take place under the pressure of global factors and what impact factors at the national level remains unclear.

In 2019, the State Statistics Service of Ukraine developed Methodological Regulations on the preparation of balances of major crop and livestock products, which reflect the movement of products from the moment of production to the moment of their final use, and allow to present the overall picture of the food and agricultural situation in the country and will include calculations of the population's consumption of basic foodstuffs, the average daily consumption of basic micro and macro elements in foodstuffs per person. Methodological provisions primarily take into account the requirements and recommendations of the Food and Agriculture Organization of the United Nations (FAO) for the development of food balances. It is the data of food balances that should become the basis for economic calculations of the formation of a modern and complete food security system. Ukraine in the postwar economy and participation in the global food security system. security system.

The process of transformation of the agricultural sector in the context of Ukraine's wartime economy and movement towards the European Union is inevitable and should take into account the opportunities and risks of ensuring food security in the context of climate change and loss of biodiversity, reducing its ecological and climatic footprint, strengthening the sustainability of the EU food system, as declared by the European Green Deal of 2019, as it will require a change in the philosophy and

approaches to the cultivation and processing of rural products. Also, in the context of national food security, it is important to ensure that people have physical and economic access to sufficient, safe and nutritious food at all times, regardless of whether it is locally produced or imported; food is locally produced or imported; produced using traditional or innovative technologies; or technologies or innovative ones; or whether its production complies with the principles of sustainability (socio-economic, environmental), etc.

The formation of national food security should take into account Food sovereignty, which implies reliance on local food production with due regard to cultural traditions on local food production, taking into account cultural traditions local population, as well as the ideas of humanitarian justice, multiculturalism, and gender equality. Food sovereignty declares achieving the goal of providing the population with locally produced food, while using certain methods, primarily agroecological ones.

The basis of the post-war reconstruction strategy should be to change the structure of the economy in accordance with national interests, improve the quality of life of Ukrainians, including security guarantees, and make Ukraine a leading player in the global market, which should provide mechanisms for the institutional capacity of the state to win on the economic front. We cannot win a war and lose an economic war, and such facts have already been in the history of mankind. To do so, it is also necessary to change the systemic approaches to the assessment of economic phenomena and results, since the system used in the used in the industrial economy, mainly through GDP, does not does not take into account the quality of life of the population, socio-political problems, environmental impact, production efficiency, consumer price index reflects the change in the value of the "consumer basket", and given the individualization of consumption individualization of consumption, it can be completely different for different groups of consumers, which raises many questions about the average inflation rate.

Ensuring national food security, based on the reproduction and conservation of natural resources of agricultural production, should become the basis for a gradual transition from a highly specialized mono-product structure of agri-food production

and exports to a structure that takes into account national economic interests and security factors in a broad sense.

The efficiency of market activity of enterprises in the agricultural sector is determined primarily by their of the agricultural sector is determined primarily by their existing competitive advantages, which are formed on an innovative basis.

Paying attention to the global sustainable development goals by 2030 proclaimed by the resolution, taking into account the peculiarities of the country's development during the war, it is advisable to comply with the clause 9 of the Decree of the President of Ukraine "On the Sustainable Development Goals of Ukraine for the period up to 2030" on creating sustainable infrastructure, promoting inclusive and sustainable industrialization, innovation and the main guidelines of the Strategy for the Development of the Innovation Sector for the period up to 2030 [3]. Therefore, approaches to intensifying the innovation activities of agricultural enterprises on the basis of marketing; search for levers of managerial influence on the innovation activities of these enterprises are of great importance and priority. Systematization of management methods that influence on the intensification of innovation in the agricultural sector is and remains very very important for achieving a high level of food security and independence of Ukraine as a whole.

The study of the state of innovation management at agricultural enterprises allows us to assert the absence of a perfect system of marketing research, inconsistency in the integration of the functions of planning, organization, motivation and control of innovation processes. The insufficient realization of these functions is one of the main reasons for low validity of innovation projects.

This proves the need to form an adequate organizational and economic mechanism for planning the innovation activities of agricultural enterprises as an integral management function. This is confirmed by the following statements:

- the innovation projects developed in the last few years by Ukrainian agricultural enterprises were mostly formal in nature and lacked sufficient marketing, financial and investment justification and employee motivation;

- the absence or inadequacy of existing marketing and planning departments in the management structure of agricultural enterprises, which do not prioritize innovative changes in development;

- employees of a significant number of agricultural enterprises are completely disinterested in the implementation of innovation and investment projects and are not are unable to achieve the set goals due to the poor management structure and lack of motivation.

At the same time, a significant number of domestic agricultural enterprises have already have already had negative experience in implementing innovative projects due to erroneous financial decisions of managers.

Conducting marketing research on consumer needs and factors of of the marketing environment, the introduction of a mechanism for functional support of the management of innovation activities of agricultural enterprises will, in our opinion, provide an adequate response to unpredictable challenges of the business environment in the context of market turbulence.

Based on the results of works [4; 5; 6; 7; 8; 9; 10; 11; 12; 13; 14; 17], it is established that a systematic approach to the functional support of innovation management contributes to achieving its maximum efficiency. The main condition for the creation and implementation of a mechanism for managing the innovation activities of agricultural enterprises is the development of methodological principles of its formation, the implementation of which will create the basis for the introduction of of reasonable practical recommendations, new forms and methods of innovation activity at these enterprises. In other words, the creation of an organizational and economic mechanism for functional support of innovation activities will form the prerequisites for: adherence to the principles of innovation in the agricultural sector; formalization of its market goals and objectives; development of algorithms for finding and taking into account new ideas and implementing innovations; determining the effectiveness of innovations in terms of their impact on the profitability and value of agricultural enterprises as market units.

From the point of view of strategic management of enterprises, part of which planning of innovation activities, and taking into account the marketing orientation, it is advisable to change and adapt the composition and methods of management activities at agricultural enterprises, their internal organization in order to achieve high economic results, in particular establishing effective marketing planning and implementing successful innovation and investment projects. In this regard, we can state that that in order to implement the organizational and economic mechanism for ensuring innovation, agricultural enterprises should develop scenarios for responding to external factors of influence that would correspond to the dynamics of turbulent changes in the agri-food markets of Ukraine. Challenges arising from the military-political situation and economic collapse have forced Ukrainian agricultural enterprises to make radical changes in the management system, which requires the highest level of market research, planning, organization and control of innovation activities.

In the process of organizing innovation planning at agricultural enterprises, we consider it expedient to take into account the following basic principles Formation of an organizational and economic mechanism for functional support of the innovation management system, namely: purposefulness, systematicity, efficiency in use, optimality, complexity of planned activities, multivariate, reliability, scientific validity, automation of business processes and analytical calculations.

It is difficult to imagine the creation of such an organizational and economic mechanism in in the form of an ordinary list of mandatory actions or normatively defined rules or regulations. The implementation of the innovation planning function looks, by and large, like the concept of putting into practice scientifically based methods within the framework of strategic marketing management by enterprises of the agricultural sector of Ukraine.

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3. Business etiquette: principles of communication with partners

There are no small details in business. Partners, clients and colleagues form an idea about you through dozens of little things - from the strength of your handshake to the style of your clothes. Currently, there is a need to train managers, leaders of a high professional level, able to develop business relationships and relationships in organizations on a civilized basis, which is largely determined by moral values. An important aspect of a manager's professional competence is his level of psychological culture, which includes knowledge of psychological patterns of development and manifestations of the psyche of an individual, psychological aspects of communication and interaction in various social groups, knowledge of management psychology, as well as the ability to use acquired knowledge.

The Code of Business Communication provides for:

- the principle of cooperation - your contribution should be the one required by the jointly developed direction of the conversation;
- the principle of information sufficiency - "say no more and no less than is necessary at the moment";
- the principle of reliability of information - "don't lie";
- the principle of expediency - "do not deviate from the topic, be able to find a solution";
- convey the idea clearly and convincingly for the interlocutor;
- be able to listen and understand the necessary opinion;
- try to take into account the individual characteristics of the interlocutor for the sake of the interests of the case.

Next, let's dwell on the key definitions of the subject of our research. Therefore, business etiquette is a comprehensive concept and includes rules of conduct between business partners and colleagues, speech etiquette in business communication, rules of conducting negotiations, norms of correspondence.

The ethics of business communication of the new century makes corrections to the entrenched algorithms of behavior: now status and age are so important in professional relationships, and gender differences do not matter at all.

The etiquette of business communication is a set of rules of conduct, customs and social norms necessary in business relations and personal communication. A protocol that regulates the relationship between partners, colleagues, subordinates and the boss.

Business ethics is the ability to communicate with subordination, respect other people's opinions, restrain emotions, admit wrongdoing, and sometimes refuse. Business ethics is aimed at forming a positive image and simplifying daily work processes.

Speech etiquette

Speech culture is closely related to speech etiquette, that is, to the rules of greeting, introduction, farewell, gratitude, apology, invitation, approval, etc. People, as a rule, react negatively to violations of etiquette formulas developed by society. In order for business communication to be effective, it is important that its participants address each other as "You" (both employees and customers). Such an appeal is a necessary tool for maintaining normal service relations and labor discipline in the team and establishing partnership relations with clients. It is mandatory to address the other by his first and last name. A timely word "thank you" can be no less effective than a monetary award. Official etiquette has already been discussed. Let's just add that sometimes the effectiveness of communication will also depend on what voice (low or high) a person speaks, what diction, acceptance, etc. he has. The disease of our time is verbosity. Almost every person thinks that they know more and can do something better than others, so they want to speak for themselves. Only a well-educated person knows when to speak and when to listen to others, even those who criticize him. So, speech etiquette is a complex system of language signs that is based on moral rules and requirements and indicates the attitude towards other people as well as towards oneself. The culture of communication is not just a culture of choosing effective strategies and tactics, which are based on humanistic communicative attitudes, knowledge and skills.

This too the result of applying the rules of constructing messages, speaking and listening, is the active use of the rules and norms of humanistic ethics, constant compliance with the requirements of official etiquette.

Types of business communication and practical advice for them

Depending on the circumstances of the communication, different types of etiquette will be appropriate. All types of business communication have their subtleties and nuances.

Body language in business etiquette

Do not forget that non-verbal behavior gives the interlocutor more information than verbal behavior. Psychologists claim that non-verbal signals account for more than 50% of the information that the brain receives. Posture, gestures, eye contact can play a decisive role and affect the course and success of an important meeting.

Life hack: If a person is standing, his posture should be free, but confident. Look the interlocutor in the eyes - avoiding eye contact, a sign of insecurity and unreliability. Control gestures and facial expressions. Body language should support your words, not contradict them.

The realities of the modern world introduce new rules into the practice of business communication. If a few years ago, hands in pockets or a pose when a man sits with his legs wide apart were considered a sign of disrespect for a partner, today distraction on a smartphone is a "reputation killer".

The culture of business communication involves universal rules that are appropriate in any situation:

- be genuinely interested in the interlocutor;
- smile;
- be an attentive listener;
- encourage the interlocutor to talk about himself;
- communicate with the interlocutor about what interests him.
- rules of business communication

The rules of communication culture are not limited to knowing who should be the first to shake hands, say hello, enter a room or an elevator. It is also a culture of oral conversation and correspondence (including electronic), phone calls.

Social conversation

In business, a social conversation is a small warm-up before serious negotiations, an exchange of ideas that does not commit to anything. Social conversation should be neutral. Topics that are not recommended to touch are politics, religion, economy, morality, ideology, health, family values. Politeness is the basis of professional communication.

Life hack: Be natural. Your goal is to stimulate conversation. To psychologically facilitate the interlocutor's process of maintaining a dialogue, paraphrase some of his statements and finish the phrase with a question.

Welcome rules

Previously, the peculiarities of business etiquette were full of superstitious and, from today's point of view, even incorrect rules. For example, even 10 years ago, it was considered correct for the person who is senior in status to be the first to be greeted at business meetings. Today, society is moving away from stereotypical class thinking. Humanity, civility and simplicity are now more important than status.

Another stereotype that stuck in the minds of representatives of the business world is that a man should be introduced to a woman. Given the emancipation of women and the spread of the feminist movement in the world, it is increasingly inappropriate to set gender conditions for rules of conduct. In the 21st century, in business, women have the same rights as men, so it is tactless to single out the gender of business partners in any way.

The old rules of business etiquette also require that a junior employee be introduced to an older one. Today, conventions of this nature are called "ageism" - age discrimination. It's no secret that young people can become successful entrepreneurs in today's world. Therefore, to avoid awkward situations, it is better to get rid of prejudices about the age of your business partners.

Life hack: When greeting, you should follow the golden mean between friendliness and dry tact. Be friendly and open, but make sure your behavior doesn't become familiar. Simplicity, sincerity, lack of prejudice and willingness to cooperate are now valued much more than the formal etiquette rules of the past.

Tips: when greeting, choose the greeting formula that is suitable for the given situation; smile warmly when greeting. Look a person in the eye; when greeting, do not keep your hands in your pockets. Take off your gloves (only a woman can afford to say hello in gloves); if you are younger, say hello first; if you go somewhere (to an institution, to an apartment or a friend's house), say hello first (first); a man should greet a woman (the woman first extends her hand for greeting); the subordinate must greet his boss (and the boss can shake his hand first); regardless of age, gender, position, etc., the person who enters the room (office) is the first to be greeted; when visiting, do not forget that you should first greet the hostess, then the host, then the guests (in the order in which they are seated).

Rules of business correspondence

In today's reality, it is not always possible to communicate with partners and colleagues in person. Today, a large percentage of business communication is correspondence. Basic rules of business communication in the following conditions:

Respect the addressee's time. Your letter should be clear and understandable. If the essence does not fit into the first paragraph, the letter is poorly composed. Include only one case in one letter. One should not confuse one question with another. This can confuse the addressee, and he will misunderstand the information presented in the letter.

Mark the deadlines. If the task cannot wait, it is better to specify the terms of its execution. This will help the addressee understand the priority of tasks and plan work. Add supporting supporting materials to the letter. This will speed up the task, as the employee will not waste time on search for tables and documents necessary for work. Do not write about organizational issues, if they can be discussed on the phone or in person in 5 minutes. The letter should have a structure. Highlight key points, place important links in a separate line with a comment.

Be polite beyond words. Try to avoid empty words of politeness. It is better to show respect with real concern for the reader - check the correct spelling of his name. Some autocorrect services change unrecognized names to more familiar, similar variants. Write only what can be shared. Avoid wording and words that will embarrass you in front of colleagues if your letter is forwarded. Do not write during non-working hours. Respect the privacy and privacy of your employees, colleagues and partners.

Knowing the rules of business communication and applying them in practice is an investment in one's professional image. However, when studying the rules of behavior for specific situations, do not forget that the basis of any communication should be first of all courtesy and respect for interlocutors.

The topic of our research is certainly extremely multifaceted, which has been covered, is covered and will be covered by scientists, theoreticians and practitioners of different times and eras. We, in turn, tried to concentrate and highlight the main, practically effective methods of business communication ethics. And as a symbolic conclusion, we suggest paying attention to the "Six Basic Commandments of Business Etiquette", where J. Yager notes in his book that all problems related to etiquette, starting from boasting and ending with the exchange of gifts, should be solved in the light of ethical norms. Business etiquette dictates compliance with the rules of conduct, respectful treatment of people.

Knowing these six most important principles of etiquette, you will always have an advantage, no matter what position you hold, no matter what work you do, remember them:

1. Everything must always be done on time. If you were assigned a task and failed to complete it on time, then the employee will no longer be a reliable assistant in the eyes of the manager. And it doesn't matter what the task will be.

2. Always think about what you are talking about. Try to listen more and talk less, unless, of course, it is related to your duties. Sometimes you can "slap" something extra, and then regret it for a long time. If you are called to consult on any issue, do not mislead your firm with answers such as "we can't do this", etc. A negative answer is

not desirable at all. It is forbidden to interrupt the interlocutor during communication. You need to speak in a clearly pitched voice, not shout or whisper.

3. Kindness to everyone. Be kind to any person, regardless of their rank. Compliment, smile, joke. It's not at all difficult to do, but it will make a great impression on you.

4. Think about the interlocutor, more than about yourself. Be a good listener, be interested in a person, ask about what interests him. Interested in the topic of weather and new inventions, chat. Concerned about health - advise something. Smile more, try to increase its significance (this must be done sincerely), address the person by name as often as possible.

5. Dress appropriately. It is advisable to choose clothes carefully. Stability and adherence to the accepted image are important here.

6. Write and speak competently. Everything you write and say must be competent. No mistakes, let alone obscene language. You form an opinion about yourself, and a good impression is much more difficult to earn than a bad one. Learn good manners - they not only help in business, but will also be useful in everyday life.

Apply the above principles and you will become a completely new person, ready for achievements and successful communication.

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4. Main directions of establishing a socially-oriented labor market in modern conditions

The complex process of the formation of a market economy in Ukraine in the conditions of war is accompanied by crisis phenomena, which are manifested in a decline in production, a decrease in investment activity, a reduction in employment, the appearance of unemployment, which takes on a stagnant character, and a decrease in the standard of living of the majority of the population. The consequences of systemic economic transformations are radical shifts in the structure of employment, which is characterized by both positive and negative trends. The formation of the labor market in Ukraine as a subsystem of the market economy takes place under the influence of general patterns of its development at the stage of transformations and specific internal laws.

The lack of a comprehensive systematic study of the process of socialization of the labor market, trends in the transformation of employment caused by systemic economic transformations, the globalization of the economy, Ukraine's transition to information technologies, necessitates a comprehensive study of these problems. The high relevance of the noted problems determined the choice of the research topic.

In our opinion, by the socialization of the labor market we understand the process of the state directing the activities of its subjects to ensure the basic needs of the population at the level of progressive social standards on the basis of achieving high efficiency of the economy and improving the quality characteristics of the labor potential. According to B.M. Genkin , meeting the needs of the population can be considered normal under the conditions when opportunities for the emergence of significant intellectual and spiritual needs are created [4, p.48].

Agreeing with such a methodological approach in essence, we consider it expedient to note that the mere creation of opportunities in the population for the emergence of significant intellectual and spiritual needs is not enough. More important is the level of satisfaction of these needs, which would correspond to the modern trends

in the formation and development of the information society.

The list of partial indicators can be supplemented by such things as the ratio of monetary income and expenses. The socialization of the labor market in Ukraine is an objective process, since economic growth is directly related to the expansion of employment, improvement of welfare and quality of life of the population. At the same time, it is based on the objective requirements and norms of the International Labor Organization, whose tasks in the conditions of economic globalization have expanded and include:

- providing assistance to countries in defining a national strategy for increasing the level of employment and its quality;
- assistance to participating countries in the establishment of national monitoring systems, technical support for the collection of statistical and other information and the creation of labor market information systems;
- monitoring of global trends affecting the state of employment;
- development of international cooperation on a wide range of social and labor problems of employment, improvement of working conditions, trade union activities, professional training, occupational health and safety, combating occupational diseases, the situation of certain groups of workers, social security;
- development and adoption of international norms in the form of conventions subject to ratification by member states and recommendations.

Of particular importance in achieving the goals of socialization of the labor market are the proposals of the International Labor Organization regarding the inclusion of "social articles" in international agreements, which relate to international trade and condition the opening of new markets by the mandatory improvement of living and working conditions, the elimination of abuses and forms of exploitation of workers.

In order to manage the socialization processes of the labor market, it is necessary to have reliable information regarding the assessment of the level of its development. However, determining the level of socialization of the labor market is quite complex both methodologically and methodologically, as it requires taking into account a large

number of indicators that characterize various aspects of employment, the level and quality of life of the population. To some extent, the index of human development, which accumulates life expectancy, level of education, and real GDP per capita, can be considered an integral indicator of socialization of the labor market. We believe that it can be considered as a resulting and very important indicator of the state of the country's economy, suitable for comparison with other countries. However, in our opinion, it does not fully reflect the process of socialization of development, since GDP volumes per capita do not characterize consumption volumes. In an economy where raw materials and industrial industries make up a high share of the GDP structure and underdeveloped industries that produce consumer goods and industries of the socio-cultural complex, final consumption may be insufficient. In addition, in the structure of GDP (in terms of income), the share of wages of employees may be low, as is the case in Ukraine. Therefore, to assess the level of socialization of regional labor markets, we have proposed a system of partial indicators, on the basis of which the integral index of social tension in the labor market is calculated.

The main partial indicators were defined as:

- unemployment rate according to the ILO methodology, % of the economically active population – K_1 ;
- unemployment rate according to the methodology of the State Committee of Statistics of Ukraine, % of the working-age population – K_2 ;
- the level of hidden unemployment, % of employees who worked under conditions of forced part-time employment, to the total number of employees – K_3 ;
- the ratio of the average wage and the living wage, % – K_4 ;
- the share of employees whose wages are lower than the average in Ukraine, % – K_5 ;
- the level of stress on the registered labor market (ratio of supply and demand for labor force) – K_6 ;
- the share of those employed in harmful and dangerous working conditions in the total number of employed, % – K_7 .

We propose to calculate the integral indicator of social tension in regional labor

markets using the following formula:

$$K_{\text{int.sc.sc.}} = \sqrt[n]{K_1 \times K_2 \times K_3 \times K_4 \times K_5 \times \dots \times K_n} \quad (1)$$

The greater the value of $K_{\text{int.s.n.}}$, the lower the level of labor market socialization.

The calculation of the integral indicator of social stress on regional labor markets can also be carried out according to the methodology that was used in 2000. by the State Statistics Committee of Ukraine to assess the standard of living of the regions. It was based on the range of variation of the indicators, i.e. the difference between the maximum and minimum values, and the determination of the standardized values of each indicator on a 10–point scale. In our case, it should be borne in mind that the maximum values of the indicators are estimated at 1 point, and the minimum values at 10 points. The integral index is defined as the sum of points for all indicators of the region. The higher the integral indicator, the lower the level of social tension in the regional labor market, the higher the level of its socialization.

The proposed methodology can be used for a comparative regional analysis of the state of the labor market and employment and the development of specific measures, first of all, for those areas of socialization of the labor market, in which the largest deviations from the average indicators for Ukraine, or higher indicators achieved in individual regions, are noted.

Since the quality of life of the population is directly correlated with employment and labor efficiency, the methodology of socialization of the labor market in modern conditions should be based on stimulating the demand for labor and reducing the unemployment rate, increasing the price of labor to a level sufficient for its normal reproduction and strengthening motivation to work, humanization of work.

Labor market socialization processes require constant monitoring in order to actively influence them. The main elements of monitoring, in our opinion, should be the cost of labor and the level of wages; dynamics of the income level and quality of life of the population; employment and unemployment; professional and social mobility of the workforce; the quality of the workforce, etc.

In these conditions, the task of economic science is the development of a

scientifically based Concept of employment and the labor market, which could be the basis for the development of practical measures and actions aimed at the formation of a national model of a socially oriented labor market. The specified Concept should include a system of theoretical provisions and generalized views on the goals and means of implementing the employment policy and the labor market in the short-, medium- and long-term periods. At the same time, the policy in the field of employment should be considered as a priority direction of the modern state economic policy related to providing the working population with jobs. The purpose of this policy is to create such material, technical and socio-economic conditions that would allow optimal use of jobs and labor potential of the nation. Labor market policy, directly related to employment policy, has its own specific goals. Its goals are related to the regulation of labor relations and wages, material incentives, the nature and conditions of work. Logically, these two types of policies are closely adjoined by the social policy aimed at social development and social protection of the population. However, its essential differences from employment policy and labor market policy are that it goes beyond the sphere of productive employment, and the effectiveness of its implementation is determined by the successful implementation of policies of the first two types. That is why a comprehensive approach to the problem of creating a socially oriented labor market is of primary importance in modern conditions.

The concept that could be put into the theoretical basis of these policies must satisfy certain requirements. First, it should focus on the formation of a national model of employment and the labor market, the contours of which should be theoretically determined. Secondly, the concept should take into account the effect of factors that determine the formation of employment and ways of labor market socialization, highlighting specific goals and objectives for each stage.

At the current stage of the development of market relations in Ukraine, state regulation acquires special importance, it becomes a factor in the socialization of the labor market. It is possible to determine the following main directions in which state intervention in the course of economic processes must be carried out:

in the wage system with the aim of guaranteed wages, necessary for the normal

reproduction of the labor force, and its timely payment;

to create and improve the legal framework that regulates labor relations in accordance with the market environment;

to create an expanded information system for subjects of labor relations;

improvement of the tax policy in the direction of lowering the tax pressure on wages;

creating a favorable investment climate for investments aimed at creating additional jobs;

development of principles and methods of social partnership, improvement of collective agreements between employers and employees.

The socialization of the labor market and the construction of a socially oriented market economic model require the creation of an effective system of vocational training of the population in the country. Vocational training programs must be developed for those specialties that are in demand on the labor market. The defining principle of improving vocational training is the primary training and retraining of all unemployed youth, that is, the implementation of the main position – the predominance of training over unemployment.

The strategic concept of the socialization of the labor market should provide for the expanded reproduction of jobs based on the maximum involvement in production of internal and external investments, a significant increase in investments in the human factor, radical reform of wages and the pension system, legislative and regulatory support for social and labor relations .

The process of socialization of the labor market requires improvement of methodological foundations and changes in the current legislation that regulates social and labor relations. The improvement of social and labor relations should take place in the direction of significantly expanding the range of tasks in this area and creating conceptual, financial and organizational prerequisites at each stage of the economic reform of property relations. The basis of the methodology for improving social and labor relations in the modern labor market, in order to ensure socialization, should be the transition from the dictates of enterprises to the agreement of the parties – sellers

and buyers of labor; in order to reach compromises between them, the state should assume the functions of a mediator with clearly defined legislative boundaries. Strict control on the part of labor organizational structures in compliance with existing laws on labor, employment, social guarantees, insurance makes it possible to prevent state intervention in the sphere of social and labor relations. Before this, it is important to note that labor policy must be formed and implemented in the system of labor bodies to ensure the legitimate interests of social partners.

Legislative and normative legal acts on employment, entrepreneurship, business, unemployment, etc. should be coordinated with each other, ensure a high level of legal protection of the interests of all labor market participants, their social rights and guarantees, and counteract the growth of unemployment.

The state, creating rules for regulating the relations of labor policy subjects, must monitor their implementation. Such a methodological approach to the improvement of regulatory and legal protection of employment, unemployment and entrepreneurship should be the basis of revision of labor legislation.

Summarizing all of the above, it is possible to formulate the following main directions of the Concept of socialization of the labor market at the current stage.

1. Preservation of promising and creation of new jobs

It should be admitted that insufficient attention was paid to this direction in previous years. The main emphasis was placed on passive measures, which to some extent was justified by the need for social protection of citizens for the purpose of their adaptation to economic reforms. However, a significant bias towards social protection, which, by the way, was at a minimal level, led to the accumulation of long-term unemployment and weakened incentives to seek work.

At the same time, the state focused the main attention on the problems of monetary and financial stabilization and anti-inflationary policy, which weakened attention to the development of the production sector of the economy. This led to the moral and physical aging of the production apparatus. Ensuring employment requires new approaches to maintaining high-quality existing jobs and creating new jobs, among which we can highlight the following:

- determination of industry and regional priorities that ensure the development and preservation of promising jobs;
- assessment of the general need for jobs in the economy of Ukraine;
- creation of an information base for the formation of an effective system for creating and maintaining jobs;
- determination of the actual and rational structure of employment (in regional, sectoral, professional –qualification, sex–age, etc. aspects);
- creation of new jobs on the basis of broad development of small and medium–sized businesses;
- formation of an investment and financial mechanism for stimulating the creation of new jobs;
- increasing the efficiency of the use of production facilities .

2. Development of labor potential

In recent years, society's expenditures on professional and qualification training of personnel have been sharply reduced. The reasons are related, firstly, to the shortage of state funds, and secondly, to the inability of enterprises suffering from a drop in production to train and retrain employees. It should be added that the current professional and qualification structure of employment is too rigid, poorly adapted to market conditions. In recent years, the interest of the majority of employees in improving their qualifications has significantly decreased. In addition, serious contradictions have accumulated between the market of professions and the market of educational services. With a general decline in the quality of education services provided by all its branches, it should be emphasized that the branch of secondary vocational education has experienced the greatest quantitative and qualitative deterioration. By the way, modern labor professions are the foundation of the revival of Ukrainian production and its further development.

3. Regulation of wages

In order to strengthen the process of socialization of the labor market at the current stage, the following measures must be implemented in the wage regulation mechanism:

- strengthen state guarantees in the payment of labor by increasing the minimum wage, restore the indexation of the population's monetary income, tie the amount of wages to transformations in the social sphere (increased payments for housing and communal services, treatment and education);
- limit unjustified wage differentiation;
- strengthen the role of social partnership in wage regulation;
- implement a flexible model of regulation of tariff rates and salaries with their periodic review within the limits of established salary brackets;
- to strengthen the connection between wages and the final results of the activity of the employee and the team of the enterprise as a whole;
- reduce the amount of taxation of the wage fund.

4. Improvement of the system of social and labor relations

The process of forming promising employment and establishing a socially oriented labor market requires the creation of a system of social and labor relations, which would be based on a strong regulatory and legal framework. The directions of its improvement are:

- liberalization of labor legislation, which would stimulate the mobility of the labor force, increase its quality;
- strengthening of state control over compliance with labor legislation with the introduction of harsh sanctions for its violation;
- development of legal norms regulating labor relations in alternative sectors of the economy.

The four directions we have considered do not exhaust all approaches to the formation of employment and the formation of a socially oriented labor market. However, they are necessary precisely at the stage of stabilization and economic revival in Ukraine, which is gaining signs of a sustainable trend. On the basis of their implementation, a consistent transition to the tasks of the next stages of creating promising employment and establishing a socially oriented labor market in Ukraine is possible.

Systemic and structural transformations of the economy of Ukraine foresee its

transition to a market-type social economy, the characteristic feature of which is the orientation towards satisfying human needs at the level of high living standards and the free development of the individual, which is achieved thanks to the combination of market mechanisms with the regulatory role of the state. The creation of a social market economic system is based on the formation and establishment of a socially oriented labor market, in which the interaction of its subjects is aimed at ensuring high efficiency of production both in the interests of the participants of this interaction and society as a whole.

The interaction of the subjects of the labor market is realized in the field of labor activity and takes the form of social and labor relations, which determine the conditions for the combination and use of production factors and the methods of distribution of the newly created value. Socio-labor relations, thus, are a necessary element of the formation of a socially oriented labor market and are aimed at the cooperation of all forces of society and the creation of an effective system of protection of the interests of the participants of these relations.

Deep structural shifts in the economy, primarily changes in economic relations, the growing role of human capital in the development of society, changes in the structure of needs and the need to improve the quality of life of the population determine the need to improve social and labor relations. The urgency of forming qualitatively new social and labor relations in Ukraine is explained by the sharp aggravation of social problems in the labor market in connection with large-scale transformational processes.

The strategic goal of the development of social and labor relations, as proven by A.M. Kolot, is the development of an effective system of labor and capital cooperation in the form of labor market subjects – employees and employers [8, 9]. This necessitates a clear definition of their essence and the organizational and methodical mechanism of provision.

The content analysis shows that the economic literature examines certain aspects of social and labor relations (legislation, the content of collective agreements on pay and working conditions, social partnership, the participation of employees in the

management of production) without sufficient methodological and methodical tools that would provide them regulation. First of all, the question of the relationship between social and labor relations with the functioning of the labor market and employment, in particular, the achievement of full, productive employment and raising the standard of living of the population, requires clarification. An important aspect of the study of social and labor relations is their relationship with the results of the structural modernization of the economy. S.I. emphasizes the priority of solving social problems of the labor market in the process of structural modernization of the economy. Bandur, who notes that the strategy of these priorities "...should be based on the following conceptual provisions: real provision in all sectors of the economy and spheres of economic activity of human rights to work in accordance with professional training; optimal combination of state-wide, territorial and industry interests in relation to the effective use of the existing labor potential; the introduction of various forms of labor saving as a basis for the economic rise of the state, increasing the level of labor productivity, and therefore – opportunities for solving social issues; spreading to all sectors of the economy program-target methods of planning and forecasting processes of labor movement with determination of expected social consequences" [11, p.7].

The implementation of these social priorities is directly related to the quality of social and labor relations that arise between the main subjects of the labor market. In this regard, the justification of the principles and methods of formation and regulation of social and labor relations is of theoretical and practical importance. At the same time, the methodological basis is to ensure the most efficient use of production and human capital on the basis of increasing labor productivity and increasing the cost of labor in order to achieve sustainable economic development and increase the standard of living of the population.

In achieving these goals, an important role belongs to the state as a full-fledged subject of social and labor relations. At the same time, the transition from an administrative-command economy to a market economy was accompanied by almost the most significant transformations in the sphere of social and labor relations, which manifested themselves in the emergence of new, market-based forms of recruitment,

distribution, release and redistribution of labor. Inadequate state management of social processes in the field of labor led to a number of negative processes in the labor market and employment. In this direction, the imperfect legislative framework and the underdeveloped system of social partnership acted as well.

Methodologically justified is the approach to the development of social and labor relations based on the activation of the process of deregulation of the economy, when economic entities at the micro level, using the necessary legislative and regulatory materials, independently solve production problems, guided by the principles of achieving social and economic efficiency.

Since social and labor relations accumulate a wide range of problems that arise between subjects of the labor market at all phases of the reproductive process, their formation and improvement requires a systematic approach and the construction of an appropriate model of implementation, which includes the establishment of objects, subjects of these relations, their functions, methods and indicators of interaction.

The organizational and legal foundations of social and labor relations were developed by the International Labor Organization and are based on the following fundamental provisions:

- all people, regardless of race, religion, gender, have the right to realize their material well-being and spiritual development in conditions of freedom and dignity, economic stability and equal opportunities;
- achieving the conditions under which this will be possible should become the main goal of national and international policy.
- Based on this, the main conceptual provisions of the program of social and labor relations in Ukraine, in our opinion, are the following:
 - a person is a multifaceted subject of social and labor relations, whose activity is determined by a wide range of needs, interests, guidelines, value orientations;
 - creation of conditions for meeting needs and personal development is the goal of social and labor relations;
 - social and labor relations are a factor of economic growth and achieving harmony in society;

- social and labor relations are organized on the basis of cooperation and protection of the interests of their participants;
- the humane nature of social and labor relations and adequate methods of their regulation are an important condition for Ukraine's integration into the world economy.

Social and labor relations are based on the theory of human relations, the doctrine of human needs, theories of motivation and work behavior, sociology of small groups, systems of employee participation in profits, described in sufficient detail in the literature. Without resorting to their analysis, we note that all of them to some extent proceed from a psychological approach to the employee as an object of management and do not consider the other side of social and labor relations as objectively existing interdependencies, the interaction of the subjects of these relations in the work process, aimed at regulating the quality of working life [7, p.48].

Undoubtedly, the orientation of social and labor relations on the quality of the working life of employees is extremely important and is their goal.

However, they should not be separated from the general context of economic and social development, production efficiency and the interests of capital owners. Therefore, in our opinion, social and labor relations are cooperation between employees and employers, aimed at the rational use of production resources (factors), increasing volumes and increasing the competitiveness of goods and services, fair distribution of newly created value, ensuring favorable working conditions and personal development, democratization of management. This means that the goal of social and labor relations is to increase the efficiency of work and production, on the one hand, and to improve the quality of life of employees, on the other.

The methodological basis for the formation and development of labor relations is the priority of individual interests in social development.

For employers, such interests are the presence of property, which ensures free entrepreneurship and motivation to obtain profit due to the effective combination of factors in the process of production of socially necessary products and services.

For employees, interests are focused on choosing a field of work or a type of activity in accordance with their abilities and desires in order to receive adequate labor

income in the form of wages, as well as personal development and realization of their creative potential.

Modern hired labor is a combination of economic and non-economic characteristics. The latter include education, health, personal abilities, innovativeness, activity, entrepreneurial functions of the employee. It is due to the non-economic component that the role of human capital, which determines the productivity and income level of an employee, is growing.

An important methodological provision regarding the development and improvement of social and labor relations is the objective regularity of the growth of the role of creative work in production.

With the transition of Ukraine's economy to information technologies, the consumption of high-quality labor will increase. Economic science has proven that an additional product is created not by simple, but by creative work, which appears not only in the form of knowledge, skills, abilities, but also in the form of information embodied in machines, technologies, raw materials, energy, etc. Creative labor ensures the production of products larger in volume than is necessary for the reproduction of labor power. Therefore, creative workers in the system of social and labor relations regarding the distribution of the newly created value are interested in appropriating a part of the additional product. For the highly qualified hired workforce, the problem of employment conditions in socially useful activities, which would provide an opportunity for personal development and increase mobility in the labor market, is becoming more and more important. In connection with this, the conclusion of labor force rental contracts and special labor contracts is becoming more and more widespread.

Being an objective reality that determines the interdependence and interaction of the main subjects in the work process, socio-labor relations are subjectivized because they express the intentions and actions of the participants of these relations. All this leads to the presence of multifaceted relationships between individual individuals and social groups in the sphere of labor activity – economic, legal, psychological, ethical. The vector of development of social and labor relations is aimed at humanizing the

interaction of subjects, protecting their interests and regulating the quality of working life. This is caused by such factors as technological innovations, the introduction of new methods and the democratization of management at all levels, the need to overcome poverty and create conditions for raising the standard of living of the population. Based on this, social–labor relations are a powerful factor in the socialization of the labor market, the formation of the middle class, and the development of the country's labor potential.

In our opinion, the methodology of analysis and assessment of the impact of social and labor relations on the formation and development of a socially oriented labor market should be based on the fact that these relations are a subsystem of economic relations and as such reflect complex relationships with other subsystems – production, technical economic and socio–economic relations.

The set of relations between people in the process of production and appropriation of material and spiritual goods in all spheres of social reproduction (in production, distribution, exchange, consumption) is characterized as economic relations. They are formed as a result of the interaction of such subsystems as technical–economic, organizational–economic and socio–economic relations.

Technical and economic relations are a form of development of the system of productive forces, which is based on the principle of adequacy of the labor force to the means of production. This means that technical and technological progress must be accompanied by continuous improvement of the educational and qualification level and technical and technological culture of employees. This principle creates a basis for the convergence of the interests of the subjects of social and labor relations, since the owners of the means of production, pursuing their own interests of profit, introduce new equipment and technologies and thereby stimulate the development of professional and qualification qualities of employees. Increasing the qualitative characteristics of the labor force allows employees to realize their interests in the form of obtaining a higher income at the expense of more qualified creative work.

Technical and economic relations in unity with productive forces characterize the technological method of production and determine the level of mechanization of

labor, the use of manual labor and its sanitary and hygienic conditions. Unfavorable and dangerous working conditions as a result of imperfect technologies and excessive physical wear and tear of production equipment require employers to improve them and pay workers compensation for deviations from normal working conditions. Workers in such conditions spend part of their energy not on creating products, but on overcoming the harmful effects on the body of unfavorable factors of the production environment. Therefore, the interests of employees and employers coincide in matters of improving the conditions of labor protection, which is the basis for improving social and labor relations.

Organizational and economic relations are implemented in the field of modern management and marketing, the purpose of which is to ensure high efficiency of production, motivation of personnel in achieving the final results of the organization. In the field of social and labor relations, the interest of both parties in high performance results is manifested in production democracy, the main forms of which are the participation of personnel in the distribution of production results.

Socio-economic relations are implemented as production relations arising on the basis of economic ownership. Subjects of social and labor relations in their economic activity are guided by their own economic interests, which are determined by the development of their needs and property relations. Depending on the relationship to the means of production, the form and type of ownership, the degree of economic realization of interests is expressed in the appropriation of the mass of profit by the subjects of social and labor relations. In this case, the subjects of social and labor relations are the owners of equity capital represented by the employer and employees.

Socio-economic relations also express relations of economic ownership of factors of production and are implemented as social-labor relations between owners of capital and owners of labor.

The proportions between the shares of workers and owners of the means of production in the aggregate social product and national income, between wages and profits are established at the stage of distribution of the newly created value and depend on the balance of power between the subjects of these relations, competition on the

labor market, the nature of ownership and the economic condition of economic objects. Naturally, the economic interests of the owners of the means of production and employees are different and there are contradictions between them. The optimal ratio of interests of labor market participants in a market economy can be established on the basis of the theory of marginal productivity of production factors – labor and capital. It is the marginal product that determines the level of profit of the owners of the means of production and the level of wages of employees in accordance with labor costs.

The improvement of social and labor relations on the basis of economic property relations should be aimed at overcoming the social and economic alienation of employees from the ownership of the means of production and the results of production, from the management of property. At the same time, it is necessary to ensure and foresee in regulatory documents and laws on social and labor relations the mechanism of realization of ownership of the labor force in the form of wages and social benefits.

At the same time, the methodological basis for establishing social and labor relations regarding wages is the provision according to which wages act as a motivating factor not only for employees, but also for employers. Trying to minimize labor costs and being interested in a high return on the part of hired workers and increasing production efficiency, the employer creates more favorable working conditions and methods of its stimulation. In this regard, it is quite correct to single out A.M. The optimization function of the wage, the essence of which is that the wage as a component of the cost of production is an important factor in motivating the owner to improve the technical base of production, its rationalization, and the introduction of progressive forms and systems of wages [8, p.18]. In this way, opportunities are created for the development of social and labor relations based on social justice, humanism, human relations and, ultimately, the achievement of harmony in society.

In the system of social and labor relations, the interests of both individuals and certain groups are realized, therefore they cover relations related to hiring, firing, use, development, payment and remuneration of employees. In reality, there is a combination in various ratios of such principles of interaction of subjects of social and

labor relations as solidarity, paternalism, subsidiarity, partnership, conflict, discrimination.

Solidarity involves the joint responsibility of the subjects of social and labor relations, which is based on personal responsibility, unity and common interests. Paternalism presupposes the dominant role of the state in social and labor relations, which has a negative effect on the labor activity and initiative of employees. Unlike paternalism, subsidiarity is aimed at maintaining a person's demands for self-responsibility, self-realization, responsibility for the quality of life and work results. Partnership involves such interaction of subjects of social and labor relations, under which they can actively protect their interests. The conflict is a clash of interaction subjects caused by opposing goals and interests. Discrimination occurs when the rights and opportunities of subjects of social and labor relations are unreasonably limited or violated. As a rule, discrimination against employees manifests itself in hiring, pay, promotion, staff development, etc. Regulation of social and labor relations in the direction of strengthening their influence on the socialization of the labor market involves the development of some and the weakening of other principles of interaction between the subjects of these relations.

The decisive and most productive is social partnership, which is understood as a specific type of social relations, when a certain balance of the realization of the main interests of the most important social groups of society is achieved and a compromise is ensured in the realization of the interests of the main subjects of socio-economic processes of a market society [226, p.499]. Social partnership is organized as two- and tripartism, thanks to which the subjects of social-labor relations actively protect their interests. In tripartite representation, the government, entrepreneurs (unions) and employees (trade unions) act as independent parties performing their specific functions. The state creates the necessary conditions for social dialogue between enterprises and employees – it determines the directions and priorities of social policy, regulates relations between labor and capital on the basis of laws, monitors compliance with legislation in the field of labor, and also acts as a mediator and arbiter between subjects of social and labor relations. The model of social partnership and the

mechanism of interaction between its subjects are presented in fig. 1.

Social partnership relations are implemented on the basis of collective contractual regulation of labor relations through collective negotiations and conclusion of contracts and agreements between trade unions and employers at enterprises, in the industry, region, country. In the intra-company labor market, status –organizational regulation of social and labor relations is applied, which is carried out by committees or councils of various statuses operating at enterprises, which include representatives of employees and employers.

Improving social and labor relations and strengthening their influence on the socialization of the labor market requires their organization on the principles of solidarity and subsidiarity, which stimulates the personal responsibility of employees for the results of their activities, common interests, the desire for self-realization, self-improvement and increasing competitiveness in the labor market.

Content analysis and own research on the state of social and labor relations in Ukraine at all levels testify to the insufficient and unequal level of development of social partnership structures. Trade unions are more structured at all levels, although they do not actively protect the interests of employees, and are more concerned with politics. Employers' unions are less structured and not sufficiently focused on solving the problems of remuneration in accordance with the cost of labor and creating favorable working conditions, and the employers themselves have not yet become civilized owners with high social responsibility.

Employers as business entities are not consolidated in their aspirations. A large number of associations of entrepreneurs, the diversity of their interests do not contribute to such consolidation. In addition, not all employers are aware of their role in the development of social and labor relations and their importance in the development of the national economy. At the same time, there is a point of view among employers about their determining role in social and labor relations, since the number

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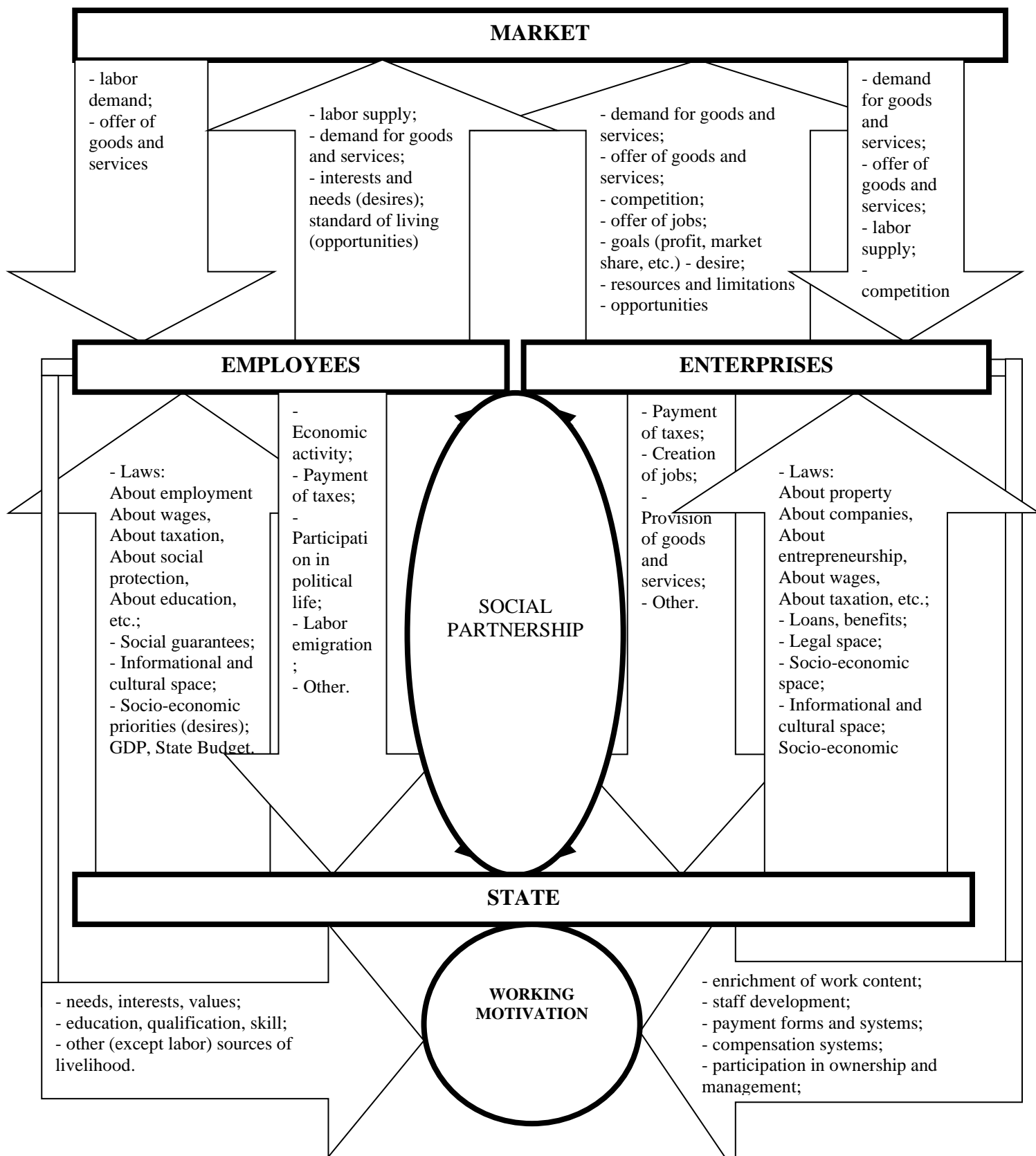


Fig. 1. The model of social partnership and the mechanism of interaction between its subjects.

of jobs and production results depend on them [13, p.125]. We believe that such an approach is unconstructive, as it does not correspond to the principles of partnership

between subjects of social and labor relations. In confirmation of this, we note that the work of hired workers creates from two-thirds to three-quarters of the newly created value.

in market relations are not used .

The organizational and status forms of social partnership are almost undeveloped in Ukraine. At enterprises, there are practically no enterprise councils, and there is no institute of employee representation. An exception is councils and commissions, which are created at some enterprises to solve issues of occupational health and safety.

Numerical studies show that social and labor relations between employees and employers have not yet become truly partnership. In the conditions of a systemic crisis, which led to a sharp decline in production, a slowdown in the investment process and an increase in unemployment, the behavior of employees is often determined by the effort to maintain the status of employed (even in the conditions of forced underemployment and arrears from wage payments), and not by the level of payment and the content of work which would allow them to realize and improve their professional abilities. This provides a reason and opportunity for employers not to fully comply with the terms of collective agreements regarding the amount and payment of wages, improvement of conditions and labor protection. There are rare cases when employers evade the conclusion of collective agreements, and in the agreements that are concluded, their main articles are often violated. This mostly concerns private firms, small forms of entrepreneurship. They violate the requirements of collective agreements regarding the organization of work and rest regimes, pay and labor protection.

On the part of employers and the state, where it is the owner of a controlling stake, violations of the rules of interaction of subjects of social and labor relations are manifested in non-payment of wages; application of illegal forms of remuneration in kind; forced transfer of the employee to part-time work or sending him on unpaid leave; non-payment of severance pay upon dismissal; mass layoffs during privatization; illegal transfer to a lower paid job; release of women and young people during enterprise reorganization or staff reduction; violation of labor protection

legislation, etc.

A systematic approach to reforming social and labor relations requires the development of principles that would allow solving economic, social, and technological problems of production development and effective employment by regulating the interests of the subjects of these relations. In our opinion, the main areas of reforming social and labor relations are the organization of wages, the creation of favorable working conditions, the provision of personnel development and the involvement of workers in production management.

Methodological principles of wage reform as the basis of social and labor relations are:

- ensuring the constitutional rights and freedoms of a person to work, which gives the opportunity to earn a sufficient standard of living for oneself and one's family;
- salary is the price of labor force, which is formed in the labor market and is an external factor relative to the entrepreneur;
- salary is the main motivating factor and catalyst of socio-economic development;
- salary as the cost of the labor force formed at the enterprise is the result of the efficiency of its functioning and the labor contribution of the employee;
- ensuring the necessary level of wages of employees in accordance with the results of work and the cost of labor;
- tariff-contractual wage regulation taking into account progressive social standards, implementation of the state-regulated hourly minimum wage;
- ensuring the employer achieves such a result that would reimburse costs and give profit.

However, the analysis shows that, as a rule, minimum guarantees are established in collective agreements, and the wage itself is formed according to the residual principle, which contradicts the laws of the market economy, in which the payment for the factors of production forms costs.

In our opinion, the negative consequences of the organization of wages and employment of the population are caused by methodological errors in the formation of

the price of labor on the labor market and deficiencies in its regulation at the macro level, the main ones of which are:

- artificial underestimation of the price of labor and the formation of the minimum wage at the level of the poverty line, rather than the subsistence minimum;
- formation of the wage level on the old methodological basis, when relatively low wages were combined with free or preferential provision of material goods and services, primarily social, low tariffs for housing and communal services, transport services, etc.;
- weakening of the role of the state as one of the social partners in wage regulation, in particular its passive position in matters of non-payment of wages by entrepreneurs;
- insufficient justification of tariff regulation of wages, which led to excessive differentiation in its amounts.

Thus, the improvement of social and labor relations and the development of the system of social partnership can be considered as a real condition for solving the problem of wages. To do this, it is necessary to more closely combine remuneration with the results of production activity; practice employee participation in profit sharing; expand the range of methods of reward for final results.

In social and labor relations between employers and employees, partnership relations in the direction of socialization of the labor market will develop due to the strengthening of the importance of labor collective ownership. As a result, the worker and the owner will be combined in the person of the worker, which will contribute to increasing the motivation of work, reducing the alienation of labor from the results of production, bringing together the interests of workers and employers, and their interest in increasing the efficiency of production. In the USA, for example, the "ESOP" program is being implemented, which covers 11 million workers and 10,000 companies and provides for the gradual transformation of employees into business owners. At the same time, the income of employees is formed due to the use of capital.

The subject of social and labor relations is labor protection, and the creation of favorable working conditions and compliance with safety techniques at each workplace is undoubtedly evidence of the socialization of the labor market. However, as the

analysis revealed, there are significant shortcomings in the implementation of legislation on labor protection and contractual regulation of labor protection. This is due to the fact that the current legislation does not clearly define the essence of the terms employer, owner, his functions and duties. The Law of Ukraine "On Collective Agreements and Agreements" does not specify the essence of the contractual regulation of labor protection, it only defines the directions of regulation of relations. Improvement of the legislation in this regard should include the recognition of increased rights and guarantees of workers, strengthening of their social protection.

to make changes to the Law of Ukraine "On Labor Protection" that would establish a mechanism for stimulating labor protection measures (in particular, through preferential taxation and crediting); would regulate the employer's responsibility for non-compliance with labor protection legislation; would determine the functions of labor protection management at different levels; would expand the employee's responsibilities regarding individual labor protection and safety equipment; would demarcate functions and responsibilities between various bodies of supervision and control over labor protection; would strengthen the role of trade unions and public organizations in the management of labor protection.

of participative management in the system of social and labor relations can be considered an important direction of socialization of the labor market . Production management with the participation of employers, employees or their representative bodies contributes to the development of more effective solutions to economic, technical and social problems, strengthens the interest of the parties in achieving the final results, harmonizes relationships in the organization.

Important indicators of participatory management, in our opinion, can be:

- the share of employees involved in production management at different levels;
- variety of organizational forms of participation in management (employee councils; committees of workers and managers; representation of employees in the board of directors; quality circles; working groups, etc.)
- the number of decisions made on the basis of participatory management in relation to the organization's strategic goals;

- the number of decisions made on social and labor issues, in particular on the distribution of newly created value;
- availability of a system of personnel participation in profits and a mechanism for their distribution;
- the level of satisfaction of social and cultural needs of employees;
- favorable social and psychological climate, absence of conflicts between employees and the employer.

Improving social and labor relations based on the implementation and expansion of participative management requires the legislative consolidation of the forms of participation of employees in management, the development of organizational and legal mechanisms for the implementation of industrial democracy as an important condition for the social orientation of employment.

The influence of participative management on the formation of a socially oriented labor market and the socialization of labor relations is manifested through the strengthening of the motivation of employees for highly productive work and, on this basis, the increase in labor income.

The formation of social and labor relations for the purpose of their democratization means that they should take their proper place in the institutional structure of management. For this purpose, it is necessary to clearly define the status of partners and record it in new laws on social partnership, on labor collectives, on employers' unions, on collective agreements and agreements, to develop and include provisions on the role of the state in regulating social and labor relations. At the state level, it is necessary to form a legal framework for labor relations that would correspond to market conditions. The problem of creating an integral multi-level system of conducting the negotiation process, the result of which would be the reconciliation of the socio-economic interests of employees and employers, as well as the expansion of the functions of the system of collective agreements and the reform of labor legislation, is urgent.

The mechanism of regulation of social and labor relations, which would be expedient to implement and implement, is presented in fig. 2.

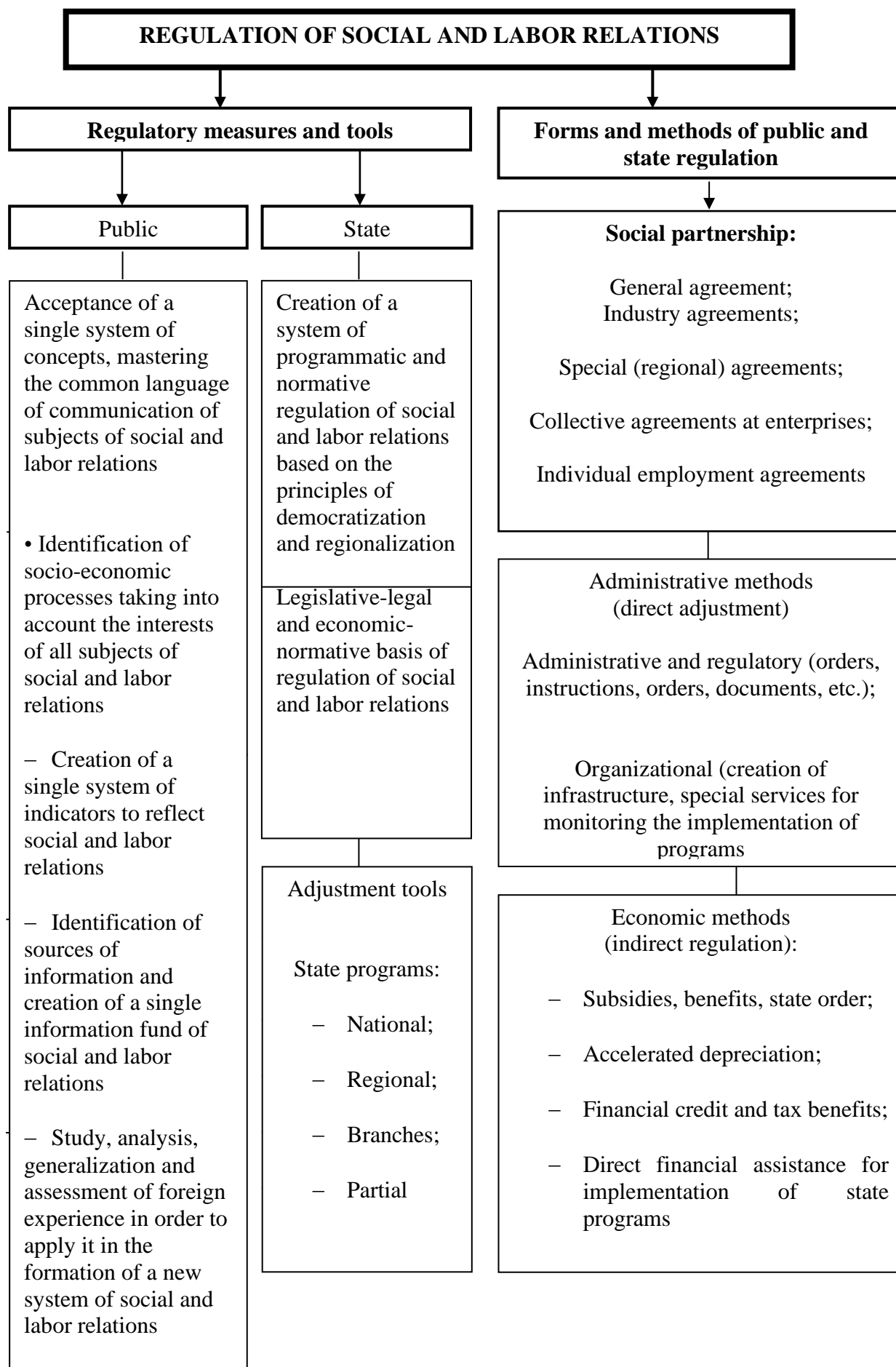


Fig. 2. Mechanisms regulation social and labor relations

We consider social and labor relations as an important element of the state's social policy and characterize the strategic direction of socialization of the labor market, raising the standard of living and improving the working conditions of employees, creating equal opportunities in the labor market on the basis of ensuring high competitiveness of the workforce. In order to implement these strategic goals, it is necessary to make appropriate changes to the Code of Labor Laws. In particular, determine the rights of employees to professional retraining and advanced training, promotion, salary increase, as well as develop the Concept of equal opportunities for young people, identify subjects and institutions that would ensure the implementation and control of the policy of equal opportunities.

In this regard, it is necessary to increase the role of the state in the relationship between labor and capital, to turn it into a guarantor of concluded labor contracts, an equal subject in negotiations between employers and employees. Such functions as coordinating the training and retraining of personnel with the aim of reducing unemployment and improving qualifications, reforming the pension system, and implementing uniform state standards remain with the state.

Special state structures must monitor social and labor relations at all levels, including regarding the development of personnel at enterprises, the state of conditions and labor protection, the organization of its payment in accordance with regulatory and legal acts and collective agreements.

In the formation of new forms of social and political relations associated with the development of the market economy, the problem of implementing an effective social policy becomes quite acute, since there is an aggravation of practically of all social problems of society: decrease in the standard of living of the population, increase in unemployment, difficulties with pension provision, increase in population poverty. In sociological, economic, philosophical and political scientific literature (elements of these sciences are used by social policy), there is no clear generally accepted definition of the concept of social policy as a scientific category.

According to the definition of S.V. Mocherny, "social policy is aimed at increasing the welfare of the population on the basis of the accelerated development of

the social sphere, the active promotion of social factors in the growth and improvement of the efficiency of the economy" [6, p.302].

In a period similar to that experienced by our economy, in economically developed countries, the definition of social policy was also dominated by improving the life of the entire society. Yes, the German scientist O. von Tsvidinek in the work "Social Policy" in 1911. defined social policy as "... the expression of social actions to solve problems inherent in the whole society" [1, p.47].

There are definitions of social policy related to solving the problems of an individual as the basis of social existence, which is ensured by state responsibility. Yes, V.A. Skurativskiy, O.M. Palii and E.M. Libanova understand social policy as a system of managerial, regulatory, organizational, self-regulatory measures, actions, and primarily purposeful activity of subjects, which formed in society at a certain historical stage of its development, is carried out on the basis of certain principles and principles and is aimed at ensuring optimal functioning and development of social existence, in particular social relations, conditions for their self-reproduction and self-sufficiency, comprehensive self-realization of the social potential of the individual, his essential forces, social security of a person, his social protection [10, p.5].

German researcher of social problems of society T.M. Hansli proves that "... social policy is a function of state responsibility for the use of public resources, for the regulation of private activity, for the support of private-individual and collective behavior in order to maximize social benefits and living conditions of the population" [3, p.16].

Studying the peculiarities of the social policy of the Federal Republic of Germany, L.L. Vasyna comes to the conclusion that social policy is "... the totality of all measures of the state, lands, communes, charitable organizations, socio-legal institutions, unions, associations and enterprises in the social sphere, the purpose of which is the achievement of the public good – guaranteeing every member of society a certain living wage, decent working and living conditions "[5, p.125].

B.A. Gaevskiy and O.B. Gaevska define social policy as a set of principles, decisions and actions of state bodies and other organizations aimed at ensuring the

optimal functioning of the development of social communities and individual individuals, their social security in crisis periods of society [2, p.111].

Thus, from the given definitions of the essence of social policy, it becomes clear that in a transition economy it can be carried out in two directions. The first can be called social improvement . It exists as a result of inertia from Soviet times, when social policy was aimed at meeting the needs and improving the life of the population through measures of social regulation and ensuring equality on the basis of low social standards. In the socially oriented market economy, to which Ukraine is transitioning, social policy is aimed at meeting the needs of an individual, a member of society, i.e. it becomes individually oriented.

In modern social and political conditions, several principled approaches to defining the term social policy can be distinguished. The first approach is related to the etymology of the very concept of social, which can be considered as a synonym of the concept of public, that is, social policy can be equated with public policy, and in practice – with the entire set of measures of social regulation. The second approach has the individual personality as the main object of social policy as a constituent part of the whole society, regardless of property ownership, which can change significantly in a market economy (previously, the poor, declassified and unemployed members of society were recognized as the objects of social policy). The third approach is related to the fact that social policy is carried out with the aim of correcting the negative consequences of the market economy, such as: unemployment, demographic crises, migration processes, the gap in the incomes of the richest and poorest sections of the population. The fourth approach stems from the contrast between social policy as a means of regulating the welfare of mainly social groups, on the one hand, and market regulation of the life of an individual, on the other.

In our opinion, social policy is purposeful actions of the state to ensure the opportunities and rights of every member of society for harmonious development. Social policy defines a strategic socio–economic direction that ensures a decent level and living and working conditions of citizens, social security. It is implemented in such areas as employment and income policy; social and labor relations; labor market

regulation; policy in the field of social sphere; demographic policy; social protection of economically inactive and socially vulnerable sections of the population.

The main subject of social policy is the state, its legislative and executive bodies, which operate at the national, regional and local levels in a close relationship with the separation of powers. Effective implementation of social policy contributes to political stability, economic development, prevention and prevention of social and economic tension. Social policy occupies a significant place in the mechanism of satisfying almost all human needs, which are divided into three complementary groups that cannot exist without each other – physiological, labor and spiritual. Due to the limitation of economic resources, all necessary human needs cannot be satisfied simultaneously and to the same extent. The main mechanism of the influence of social policy on the needs of the individual is the formation of monetary incomes of the population through the redistribution of funds with the help of the taxation system.

Methods and forms of social policy depend on specific objects of influence, which can be divided into three groups. The first group includes the least well-off strata of the population – the disabled, pensioners with a minimum social pension, large families, single-parent families, etc. In relation to them, social policy performs a protective function, supporting their incomes through the social security system. The second group of influence is the economically active population. The function of social policy in relation to this group is active and related to the creation of conditions for labor activity, regulation of employment and income, improvement of motivation for productive work. And the third, largest, object of social policy is the entire population of the country. The influence is carried out with the help of a constructive function and is aimed at the development of the human personality, health support, raising the cultural level, providing services of a social nature through the development of social infrastructure. The effectiveness of social policy is determined by indicators that characterize the economic condition and socio-cultural development of each of the selected groups as objects of influence.

Thus, in relation to the first group of objects of influence, such an indicator can be incomes that are formed through the redistribution of primary incomes of the

population through taxation (income tax, mandatory and optional payments to social funds). Social security for these categories of the population is provided by social insurance and social assistance.

The influence of social policy on the monetary income of the economically active population is carried out thanks to the creation of conditions for the development of social and labor relations and participation in the distribution of newly created value based on the principles of social justice. It should be noted that in the market economy, the principles of social justice regarding the distribution of newly created value are implemented at the level of "employer – employee" according to the invested capital and labor, and at the level of employed workers – according to the quantity and quality of work of each of them. Social policy is broadly implemented through economic and social mechanisms and is aimed at large social groups. At the same time, it exerts an individual influence on each member of society, providing him with socio-cultural, educational, and medical services at the level of state standards.

In world practice, liberal and social-democratic (paternalistic) are considered the most common directions of social policy implementation. The first involves providing opportunities to meet individual needs directly to the person, and the state only creates the necessary conditions for this and takes over those functions that the individual cannot perform on his own. The goal of social policy in this case is to ensure equal opportunities to achieve the social status of an individual, which in a certain society is considered the most acceptable for the full satisfaction of material and spiritual needs. In the second, social-democratic direction of social policy, the main goal is to achieve social justice in society, to overcome inequality between its members, which arises during the distribution of economic and social benefits. At the same time, the state guarantees a certain level of income and social services regardless of individual labor contributions and savings. The limits of social spending are determined by the needs of all strata, and spending, which is foreseen by social policy, is considered as an investment in human capital. The latter is recognized as the highest value and a condition for economic growth. This direction is characterized by social homogeneity, increasing economic and social passivity, removing people's worries about solving

their own social problems, and losing incentives for self-realization and struggle for existence.

It is difficult to attribute the social policy currently implemented in Ukraine to any of the above-mentioned directions. The development of the liberal trend is problematic, since the current economic situation in the state does not create adequate conditions for the individual to satisfy his necessary needs. The second direction, almost in its pure form, was dominant in Ukraine in the past, with command-administrative management of socio-economic processes. In general terms, the social policy of Ukraine, which is being implemented today, corresponds to the policy of state social security, which is a softened version of the liberal direction. Its essence lies in the provision by the state of minimum social guarantees (minimum needs and minimum funds for their satisfaction). Their growth is proportional to the improvement of the economic situation in the country and the increase in the standard of living of the population. The mechanism for implementing this type of social policy combines state support and social insurance.

In a democratic society, its members take an active part in the development and implementation of social policy. But in Ukraine, there is no system in the formation of the latter, since foreign models of social policy are taken as a basis, which function under the conditions of a stable economy and the almost complete absence of crisis phenomena in all spheres of social life, without taking into account the real level of development of Ukrainian society, the ideological remnants of another civic consciousness (socialist) socio-historical formation, insufficient perception by the population of market transformations and mental characteristics of the Ukrainian nation as a whole. Any measures aimed at improving the social development of society will not be effective if they are not consciously perceived by the direct objects of social policy.

The results of the implementation of social policy in Ukraine show that its theoretical provisions, which were based on transferring the problems of life and livelihood of the individual directly to the individual, did not work and led to contradictions between the subjects and objects of social policy – ordinary citizens do

not perceive legislative acts, aimed at the need to solve social problems (health care, housing, education, pension increase) directly by the person himself. This is due to the fact that for more than 70 years, a paternalistic psychology was formed in society. Health care, provision of free education, housing, development of public catering of rather low quality and in a limited amount, but nevertheless were guaranteed by the state to all members of society. Taking a course to develop a market economy, the state rapidly began to free itself from the solution of social problems and transfer responsibility for them to citizens, without the appropriate material base and the formation of an appropriate worldview and psychological basis in them, which caused the spread of pessimistic attitudes in society and despair in better future

In the near future, the state will remain the main subject of social policy in Ukraine. The actions of the state in this direction will be more successful if the society through its institutions – public organizations, political parties will control them and direct them in the right direction.

The social policy of the state, determining the strategic goals of the development of the society, acts simultaneously as a goal and a factor of the country's economic development. As a system of goals and tasks of state authorities for managing social development and a mechanism for its regulation, social policy can be implemented on the basis of its appropriate model, which would take into account the peculiarities of socio–economic development at each stage. Therefore, the methodological aspects of the choice and justification of the social policy model have both scientific and practical significance. In our opinion, the key problem in the development of a model of social policy is the combination of the principles of efficient economy and social justice, which cannot be considered as alternatives. They should be interconnected and aimed at increasing the well–being of the general population.

The starting points for building a social policy model should be: guarantees of rights and their provision, which determines the social security of the population; social security standards and threshold values of social indicators; system of distributive relations; regulatory methods.

In the model of social policy, the relationship between such areas of social

security of the population should be decisive, such as:

- social protection, that is, an appropriate system of measures aimed at ensuring the social security of the disabled population and socially vulnerable strata of the able-bodied population;
- social support, that is, a system of measures for the economically active population, aimed at creating conditions for the implementation of its labor activity;
- social assistance, that is, measures of a short-term nature in relation to people who have fallen into difficult conditions.

The basis of the social policy model is the corresponding social security regulations, or social standards, which determine the level of satisfaction of the aggregate social needs of the population.

Legislatively established social standards guarantee the provision of the necessary level of income, education, medical care, free and partially paid services, and social protection of the most vulnerable sections of the population. The main social standards are the living wage; minimum wage; minimum pensions and amounts of social benefits and payments to certain categories of the population; list and set of free and partially paid public services; norms of providing the population with social services, personnel and relevant institutions, etc.

Social standards can be minimal, average, rational. Minimum social standards are established by law and determine the minimum required level of social guarantees expressed in social norms. However, they cannot be lower than the threshold values of social indicators, beyond which the regressive development of socio-economic processes begins.

The social policy model provides for an appropriate system of distributive relations, in the process of which appropriate budgetary and state social extra-budgetary funds are created, which are formed at the expense of state appropriations and on an insurance basis and provide the vital needs of disabled members of society, the unemployed, as well as the normal reproduction of labor potential. This system is based on the distribution of national income and the redistribution of income through tax policy, subventions, subsidies, etc. In developed countries, from 15% of GDP

(USA) to 33% (Sweden) is spent on social needs. The system of distributive relations determines not only the mechanism of formation of these revenues, but also the mechanism of their use, which is based on the principles of generality (applies to all categories of the population); public access; differentiation by types of services and population categories.

The model of social policy should provide for appropriate methods and mechanisms for its implementation, based on a combination of the principles of state regulation and market self-regulation. State regulation in the field of social policy is carried out on the basis of relevant laws and regulations, economic regulators (guarantees, benefits) and programming methods (targeted social programs and regional social programs are developed). Market mechanisms for the implementation of social policy are based on contractual principles of reconciliation of the interests of the subjects of socio-economic interaction, primarily in the field of social and labor relations.

Social policy as a long-term strategy of the state should be implemented step by step on the basis of priorities and sources of financial support determined by its model.

Thus, at the current stage, a model of social policy was implemented in Ukraine, the basis of which was minimum social standards; the dominant role of the state in regulating incomes, primarily of the less protected population; measures to preserve key sectors of the social sphere; stimulation of various forms of self-employment .

At the transition of the country to the stage of economic revitalization and further sustainable development, the establishment of the principles of forming a socially oriented labor market, the introduction of a new (market) model of social policy is necessary. The fundamental differences of this model should be: transition to active methods of social policy in the sphere of employment and income of the population; introduction at the state level of rational, scientifically based social standards with their gradual approximation to the progressive standards of the EU countries; decentralization of regulatory mechanisms for the implementation of social policy measures and expansion of sources of their financing to ensure social protection of the population; an increase in private expenditures for social purposes, provided that the

volume of public expenditures increases; increasing the responsibility of society members for their own well-being, provided that the role of state intervention is reduced; increasing the role of all forms of social insurance with sufficient levels of social assistance to unprotected and socially vulnerable sections of the population and social support of certain categories of the population in order to increase their competitiveness on the labor market; targeting of social assistance.

A condition for the implementation of such a model of social policy should certainly be considered the clear functioning of the system of economic, social, and political institutions designed to ensure the achievement of results in accordance with the developed social programs.

The main directions aimed at the implementation of a perspective model of social development should be:

- creation of conditions for ensuring full, productive, freely chosen employment in accordance with the qualitative characteristics of a person's labor potential, motives for its implementation and market demand for labor services;
- creation of conditions for expanded labor force reproduction, adequate to scientific, technological and social progress, requirements of the information economy;
- creating conditions for raising the standard of living of all sections of the population on the basis of reforming wages, the tax system, the pension system, and insurance systems;
- creation of conditions for increasing labor activity of the population and revival of motivation to work, promotion of positive shifts in the structure of motives due to expansion of their spectrum and actualization of potential motives, primarily among market-oriented categories of the population;
- promoting the processes of professional and social mobility of the population as a condition for progressive sociodynamics of society on the basis of overcoming poverty and forming a powerful middle class.

Thus, a person's acquisition of the status of a complete object of social policy requires the state, first of all, to create economic conditions that would ensure its dignified existence, rights and freedoms, and harmonious social development. When

implementing mechanisms of social policy, it is necessary to use a differentiated approach, take into account the economic, social, demographic and psychological–mental characteristics of the population and the economic situation in different regions of the country. Social assistance to those who need it must be provided not in the same monetary measure, as is currently practiced in Ukraine, but based on the real living wage in some of its regions. However, to date, there is no financial support for the proposed conditions and mechanisms for the implementation of legislation in the labor and financial spheres, the main issues of the safe life of the population have not been resolved, the achievement and overcoming of the critical safety limit of most indicators of social development, and the levers have not been created to eliminate the threat to national security in social sphere. Therefore, it is necessary to more carefully and realistically determine the directions of social policy, to carry out analysis, evaluation and generalization of the social state in the country and the trends of its development on the basis of full–scale monitoring of social policy.

Implementation of monitoring should be phased: preparation and definition of the object of evaluation and methods of its implementation; direct research (collection and analysis of raw data); preparation of the report of the conducted research and correction of its results. For this purpose, it is expedient to create a National Social Policy Monitoring Center and its regional branches, which would take into account the requirements of the customer, who can be represented by the Ministry of Labor and Social Policy, the Pension Fund, other bodies of legislative and executive power. Monitoring should be focused on the activities of organizations that are responsible for the implementation of the social policy system, and on the coordination of the work of various subordinate bodies that implement it. With the help of monitoring, it is possible to obtain comprehensive and reasoned conclusions about the compliance of social policy measures with the priorities of activities for their implementation declared by legislative and regulatory acts, to determine those provisions of documents or facts of activity that do not contribute to effective social work or even harm it, to carry out a preliminary examination draft legislative acts on social policy. In general, the scope of social policy monitoring is aimed at eliminating discrepancies between its regulatory

and organizational and managerial support and the real socio–economic situation in society.

Social policy monitoring is designed to perform the following tasks: to determine the compliance of the state's social policy strategy with the existing legal framework and the activities of state authorities and local self–government bodies for its implementation; assess the scale of negative consequences of the activities of individual subjects and the implementation of the provisions of the documents in a certain period of time and make proposals for their prevention; carry out an examination of drafts of the normative legal framework of social policy in terms of its compliance with the social needs of citizens both in the country as a whole and in its individual regions; evaluate the effectiveness of individual social programs and government social policy strategies; develop proposals for solving social problems and improving the components of social policy and adjust them at certain intervals; to establish the conformity of the strategy and legal framework of Ukraine's social policy with similar provisions of the European Union, of which it aspires to become a member in the future.

Monitoring the social situation of the population in order to identify and study the most pressing social problems, both national and specific, in various regions, is useful for the scientific justification of the social policy strategy. It is necessary to determine the most socially vulnerable strata of the population, to obtain objective information about the effectiveness of social policy measures in the field of health care, housing conditions, educational level, income, spiritual needs and requests, as well as to identify attitudes and expectations regarding the national and own economic and social situation. Forecasting the effectiveness of all social programs also involves monitoring those segments of the population for which these programs are intended. Monitoring the quality of social policy should include surveying the level of satisfaction with the system of social measures, primarily at the local territorial level. It also includes public opinion polls regarding the level of implementation and the population's attitude to social policy.

One of the most important parts of social policy monitoring at the current stage

of the development of productive forces and industrial relations in Ukraine should be monitoring the processes taking place in the labor market, with the aim of providing them with flexibility and dynamism and creating an objective information database for development, implementation and forecasting effective measures to counteract the development of negative trends and to achieve the elasticity of the labor market as a whole. This monitoring should be aimed at smoothing the problems existing in the labor market and at implementing the necessary measures to mitigate them. The specifics of the functioning of the labor market require independent monitoring primarily at the regional level, which will provide a more complete understanding of the situation on the national scale. Only after that, it makes sense to carry out its analysis in order to use the results to improve the effectiveness of social policy planning and the implementation of its specific measures at the regional level.

The monitoring of employment policy and the labor market should also establish its compliance with the rational structure of social needs and outline ways to reduce actual and hidden unemployment, solve the problem of employment of unemployed citizens through the creation of new and modernizing existing workplaces, develop proposals for increasing the mobility of workers and their competitiveness in the labor market. The goal of monitoring in the field of paid services should be the creation of information databases about recipients of housing subsidies for use in determining targeted social assistance. It is clear that the effectiveness of social policy directly depends on the amount of financing of its main directions.

The most significant sources of funds for social needs are collection of taxes on the profits of enterprises, value added tax, income tax on citizens, income to pension and insurance funds, etc.

Differentiated personal income taxation enables the executive power to more fairly distribute aggregate income and provide social protection for the poorest sections of the population. However, the current scale of taxation of citizens' incomes requires economic justification so that extremely high tax rates on high incomes do not stimulate the growth of undeclared shadow incomes, which means a decrease in budget revenues

Significant funds for financing social needs can be generated by extrabudgetary

mechanisms. Thus, an important source of financing social benefits can be the reduction of taxes or tax expenditures, which is carried out to encourage certain types of social behavior.

In the world, a fairly common form of support for the poorest sections of the population is private charity, as well as the provision of social assistance at the expense of seized or socialized funds of enterprises. This becomes possible thanks to the legislation that imposes obligations on a certain group of the population, mainly on employers, businessmen, who must provide material assistance to their employees through deductions from the profits of enterprises for private insurance or social savings, as well as mandatory deductions to social funds, if the quota for hiring people, equipping housing or vehicles for the disabled is not selected.

In our opinion, the main principles of social policy formation in the coming years should be the following:

- comprehensive monitoring of the effectiveness of currently existing measures to provide social support to various groups of the socially vulnerable population;
- reforming the wage system and anticipatory growth of real wages compared to real GDP to restore motivation for productive work and increase the purchasing power of the population, gradual approximation of the minimum wage to the living wage;
- promoting the creation of new jobs, primarily in the service sector, small and medium-sized businesses, by simplifying registration mechanisms and reducing taxation;
- introduction of a new pension system based on the parallel functioning of state and private pension funds with a gradual transition from joint to individual pension accumulation and an increase in the retirement age only after an increase in the average life expectancy and standard of living of the population;
- introduction of new forms of state and private social insurance in case of unemployment, disability, for the provision of medical services;
- creation of conditions for profitable mortgage lending for obtaining housing, educational and other social services;

- stimulating with the help of tax levers the possibility of providing funds for social needs by enterprises and entrepreneurs;
- gradual elimination of social benefits (subsidies for payment of housing and communal services, transport services, etc.) and increasing the level of social assistance to the most socially vulnerable sections of the population.

The proposed methodological and methodical foundations of the formation of the model of social policy in Ukraine and the substantiation of directions for its implementation at the current stage will contribute to the solution of the main social problem – raising the standard of living of the population.

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5. Features of the formation and implementation of the strategy for the development of agricultural enterprises in war and post-war period

In order to ensure long-term functioning in the war and post-war period, it is important to find effective ways of forming enterprise development strategies to obtain competitive advantages. Today, an important task of the management system is to make well-founded, timely and effective management decisions, forecast the activity of the market and the enterprise, and determine the strategic directions of its development.

The processes taking place in Ukraine have demonstrated the imperfection of the mechanism for developing a strategy for the development of enterprises. New challenges that appeared before Ukraine in the war and post-war period give importance to the issue of a comprehensive approach to this process in order to achieve the efficiency of enterprises.

The concept of forming an enterprise development strategy is based on the fundamental works of such scientists as A. Chandler, K. Andus, M. Porter, G. Mintzberg, B. Henderson, S. Shoffler, and others. Among the domestic scientists who were engaged in research in this field of activity, the works of A. Butenko, D. Gorelov, L. Dovgan, P. Klivets, O. Kovtun, O. Sumets, Z. Shershnyova, Ya. Kostetsky, and others should be noted.

The modern stage of economic development requires enterprises to increase the efficiency of production, competitiveness of products and services based on the implementation of achievements of scientific and technical progress, effective forms of management and production management, initiative and executive discipline at each workplace, during each functional operation. The development of a strategy for the development of any enterprise is an integral condition for its successful functioning on the domestic and foreign markets. The issue of justifying strategic directions of development is relevant both for enterprises that are just entering the market and for those that occupy a significant segment of it. Therefore, today enterprises face the task

of ensuring not only survival, but also continuous development, increasing their potential. Achieving the set goal is possible only with a strategic approach to management.

Strategy is an enterprise management plan aimed at strengthening its market position, meeting needs and achieving set goals. Making a strategic choice means connecting business decisions and specific methods of action into a single node. An effective strategy and its timely implementation are signs of perfect enterprise management. An effective strategy is characterized by the following features: occupying a strong position in the market; creation of an enterprise that will be able to work in conditions of risk, strong competition and the presence of internal problems.

M. Meskon, M. Albert and F. Hedouri believe that strategy is a detailed, comprehensive comprehensive plan that should ensure the implementation of the enterprise's mission and the achievement of its goals [18]. B. Karlof notes that strategy is a generalized model of actions necessary for the coordination and distribution of enterprise resources [17]. M. Porter emphasizes that strategy is a way of responding to external opportunities and threats, as well as strengths and weaknesses. The main goal of the strategy is to achieve the advantage of the company over competitors in the long term [19]. G. Hamel points out that strategy is an activity based on the development of the key advantages of the enterprise [16].

A number of domestic economists in their writings define strategy not as a plan of action, but as a long-term, qualitative determination of the path of future behavior of a business entity, whose activities should lead to the achievement of the enterprise's missions set before it. L. Dovgan claims that when defining a strategy, an approach is used, according to which the strategy is created not only to achieve goals and fulfill the mission, but also the main program of the enterprise's functioning in the external environment, work with the activities of competitors, customer satisfaction, realization of the interests of owners and staff, strengthening the positions of enterprises on the market [7, p. 22]. F. Butynets notes that the strategy includes a number of prescriptions necessary for the performance of tasks that the company uses in its actual activity [2, p. 256]. P. Klivets believes that a strategy is a generalized activity program (action

model) aimed at the company achieving the desired stage, goal (market status, socio-economic indicators) thanks to the effective distribution, coordination and use of resources [8, p. 7]. In the opinion of D. Gorelov and S. Bolshenka, strategy is the determination of the perspective orientations of the enterprise's activity based on the assessment of its potential opportunities and forecasting the development of the external environment [5, p. 241]. O. Kovtun defines strategy as long-term, most principled, important instructions, plans, intentions of enterprise management regarding production, income and expenses, capital investments, prices, social protection [9, p. 43]. Z. Shershnyova and S. Oborska note that in modern literature, strategy has two main concepts: as philosophy and organizational management [15].

Based on a unified point of view, strategy is the fundamental basis by which an enterprise can defend its viability. At the same time, the strategy greatly facilitates its adaptation to the changing external environment.

The essence of the strategy, thus, comes down to purposeful management, which allows to achieve a competitive advantage in every type of business in which the enterprise is involved. Therefore, the strategy is aimed at obtaining profit, thus creating the basis for many agreements and social contracts that bind the enterprise to its owners.

Taking into account the conditions of the Ukrainian economy, it is advisable for enterprises to distinguish the main three strategies: development, stabilization and reduction (Table 1).

The strategy of the enterprise is characterized by the formation of a qualitatively new state of the enterprise with the help of various methods and tools. The company's strategy is nothing more than a long-term activity plan developed on the basis of opportunities based on internal norms of tax culture and discipline, taking into account the conditions of the external environment to achieve the defined goals of a qualitatively new state of the company. The proposed definition provides for the formation of internal norms of the company's culture and models of behavior that allow for continuous development.

Table 1 – Types of enterprise strategies

Type of strategy	A subtype of strategy
Development strategy	1. Enterprise expansion strategy. 2. Market expansion strategy. 3. Excellent quality strategy. 4. Strategy for increasing business reputation. 5. Social image strategy. 6. Innovative product development strategy. 7. Strategy of environmental protection and production of goods on alternative energy sources. 8. Strategy for increasing social responsibility and security of employees. 9. Strategy for expansion of foreign markets.
Stabilization strategy	1. Support strategy. 2. Restructuring strategy. 3. Cost reduction strategy. 4. Quality improvement strategy. 5. Strategy of maintaining a stable position.
Reduction strategy	1. Strategy to reduce production. 2. Enterprise reorganization strategy. 3. Liquidation strategy.

Source: compiled by the author for [1; 8; 9]

The task of the company's strategy is not only to achieve goals, but also to counteract economic risks that constantly affect the company's activities. This is explained by the fact that a modern enterprise operates in conditions of extreme turbulence of the external environment and must constantly adapt to its changes.

Therefore, the company's strategy is a clearly formed, complex plan of actions (which are relevant for an individual company, taking into account its internal potential and external environment), which are aimed at achieving positive qualitative changes and counteracting economic risks. In the table 2 shows the basic strategies of the enterprise.

In the conditions of an unstable external environment, in which a large number of risk factors operate, it is very important to ensure the sustainable economic development of the enterprise.

The following are the most important tools for ensuring the sustainable development of the enterprise: an effective system of economic security; information support; financial support; investment policy; marketing policy.

The formation of an enterprise's strategy is a systematic process based on a comprehensive study of the conditions of the enterprise's functioning in a certain industry in order to determine the mission, goals, tasks and main directions of its development. The process of forming an enterprise's strategy is related to monitoring the external environment and a set of factors that influence their development [10].

Table. 2 – Basic strategies of the enterprise

Strategies	Products	Markets	Development
Concentrated growth strategies			
Strengthening positions	Mastered	Mastered	Resegmentation and repositioning
Market development	Mastered	New	Marketing of new markets
Product development	New	Mastered	Innovative developments
Strategies of integrated development			
Reverse vertical integration	Mastered	Mastered	Integration with suppliers
Direct vertical integration	Mastered	Mastered	Integration with merchant providers
Diversified growth strategies			
Centralized diversification	New	Mastered	Expansion of old production to produce a new product
Horizontal diversification	New	Mastered	Development of new technology on old production for a new product
Conglomerate diversification	New	New	New technologies in new production for a new product and a new market
Strategy for improving quality indicators			
The strategy of improving quality indicators due to cost reduction	Mastered	Mastered	Implementation of the cost leadership strategy

Source: compiled by the author for [1; 8; 9; 11]

The factors of the external environment that affect the development of the enterprise include the following:

1. Political and legal factors. Analysis of legal regulation, the level of state support for the development of entrepreneurial activity has a significant impact on the emergence of opportunities and threats to the functioning and development of the enterprise. In view of foreign experience, the formation of state policy for the development of enterprises should be carried out on the principles of long-term stability, legal protection of interests. By correctly combining economic, organizational, legal and other methods, the state is able to stimulate entrepreneurial activity in any branch of the economy. Among the methods of state influence on the development of enterprises and their entrepreneurial activity, the influence of taxation is significant.

2. Economic factors. The general state of the economy, trends in its development change the external environment, according to which enterprises form the strategy and tactics of economic activity. The most important factors that require constant diagnosis

and assessment in the activities of enterprises include: the price of loan capital, the level and pace of inflation, the exchange rate and stability of the conversion of the national currency, the level of solvent demand, the purchasing power of the population, credit rates, etc.

3. Technological factors. The influence of technological factors on the development of enterprises is manifested in the application of innovative technologies in their activities. Through the introduction of innovations, enterprises must solve not only the task of survival, but also ensure the achievement of the priorities of their sustainable development.

4. Social factors. The social component is studied in order to identify the impact on economic activity of such social phenomena as the demographic structure of the population, the level of qualifications of the population, the level of unemployment, the system of social values, mobility of the population, etc.

5. International factors. The main factors that reflect the influence of international processes are: the contractual and legal basis of foreign relations, the conclusion of agreements of an intergovernmental and interagency nature on cooperation, the implementation of the progressive experience of developed countries.

In the process of forming the strategy of enterprises, simultaneously with the factors of the external environment, it is also necessary to take into account the factors of the internal environment. As part of the analysis of the internal environment, it is advisable to study four groups of factors of the internal environment: marketing (the image of the organization, sales methods and the rank of goods (services), prices, marketing systems); financial (cost and profitability of fixed capital, financial stability, state of assets); properties of products (services); personnel (educational level of the team, adaptability, means and working conditions).

The considered factors in relation to one or another enterprise play a different role and may, depending on the circumstances, affect its activity positively, negatively or remain neutral. The combined composition of factors, their variations, priorities and importance depend on the goals of the enterprise, organizational structure, production and commercial relations, as well as on specific situations in which the enterprise may

find itself.

The formation of the company's strategy begins with the analysis of the company's positions, the study of its strengths and weaknesses.

Determining the goal of the enterprise development depends primarily on the vision of the managers of the conceptual changes of the enterprise in the future, the market situation, the further direction of the economic development.

The strategy is formed on the basis of three components. The first is goals, the second is tactics, that is, the way in which these goals will be achieved. The third is step-by-step actions that must be performed within a certain period in order to achieve the specified goals.

Stages of enterprise strategy formation: 1. Analysis of the external environment of the enterprise. 2. Determination of the strengths and weaknesses of the industry. 3. Assessment of the company's current development strategy. 4. Defining the mission of the enterprise. 5. Determination of the purpose and tasks of the enterprise. 6. Generation of alternative strategies. 7. Choosing the most optimal strategy. 8. Development of enterprise strategy. 9. Implementation of the company's strategy. 10. Evaluation of the strategy at the full stage of its implementation. 11. Adjustment of the company's strategy.

The formation of the company's strategy does not end at the stage of its implementation. It is carried out continuously and at subsequent stages in the form of adjusting the strategy in accordance with the identified shortcomings or new conditions for its implementation. In order to ensure the sustainable development of the enterprise in the long term, it is not enough just to form an effective strategy. It is also particularly important to evaluate the company's strategy in order to improve its efficiency in the future. The purpose of evaluating the company's strategy is the formation of resulting information about the development of the company, which corresponds to certain characteristics and is useful for managing the development of the company from the standpoint of making decisions about ensuring or supporting this development. Achieving the goal of the company's strategy requires the performance of separate tasks. All the tasks that need to be solved are divided into two different groups in terms

of content and purpose: organizational and implementation.

Organizational tasks include: choosing a tool (tools) for assessing the development of the enterprise; adjustment of the selected tool by adapting it to the specifics of the company's activity; determination of the necessary primary information needed in the assessment of the development of the enterprise.

Implementation tasks include: organizing the collection of primary information needed in the assessment of the enterprise's development; formation of intermediate and resulting information for evaluating the development of the enterprise; interpretation of the results of the enterprise development assessment and its presentation in a format suitable for making further management decisions.

Solving organizational tasks involves the preparation of instrumental and information bases for evaluating the company's strategy. The tasks of this group do not involve obtaining a final assessment of the enterprise's development.

Organizational tasks are solved once, and in the future their results can be used repeatedly. The selection of evaluation tools and their adjustment (specification of the type of model, calculation of the used coefficients) and determination of primary information should be carried out before the implementation of the evaluation procedure. Implementation tasks can be solved after organizational tasks. They are aimed at forming the resulting assessment of the company's financial strategy.

Implementation tasks are solved multiple times, because such tasks as the collection of primary information, the formation of intermediate and resulting information regarding the assessment of the development of the enterprise, the interpretation of the obtained results are solved repeatedly.

The strategy of agro-industrial complex enterprises is based on the combination of a number of other strategies, namely: production, functional, investment, innovation and marketing, the main of which is the price strategy.

It should be noted that there are two ways to approach the formation of the strategy of agro-industrial complex enterprises: 1. To develop a mechanism for each component of the enterprise's strategy, and then to combine them into a single whole. 2. Apply an integrated approach to the development of the company's strategy.

The first option is longer, as it makes it possible to take into account the maximum number of factors affecting the activities of agro-industrial complex enterprises and to develop a rational strategy. The second option takes less time, but is more difficult to implement, since it is necessary to find a general mechanism for forming a single effective strategy, taking into account the peculiarities of each of its components. If the desired result is achieved, the optimal strategy of the enterprise can be obtained.

First, let's dwell on the formation of the strategy for the development of agro-industrial complex enterprises using the first option. It is necessary to build a mechanism for the development of each component of the strategy of agro-industrial complex enterprises, and then to combine them together.

The first component of the company's strategy is the production strategy. This is a specific type of strategy, as it is not based on the diversification of production, but on the constant improvement of the technical and technological component of its activity, and on which the success of the enterprise depends most. When forming the production strategy of the enterprise, it is advisable to focus on the assessment of the improvement of the technical and technological capabilities of the enterprise and to make a decision about the appropriate level of production capacities that will be involved in its activities for the purpose of its further development.

Stages of formation of the production strategy of agro-industrial complex enterprises: 1. Analysis of global technical and technological achievements in the field. 2. Analysis of the technical and technological level of development of the enterprise. 3. Evaluation of the technical and technological capabilities of the enterprise. 4. Diagnostics of the company's available resources. 5. Evaluation of alternative sources of attracting financial resources to improve the technical and technological equipment of the enterprise. 6. Making a decision on the use of the enterprise's production facilities.

When forming the functional strategy of agro-industrial complex enterprises, special attention should be paid to the correct choice of management methods and methods in order to improve the personnel management system, prevent staff turnover

and rationalize the management structure of enterprises.

Stages of formation of a functional strategy of agro-industrial complex enterprises: 1. Determination of the functional goals of the enterprise. 2. Determination of structural elements of the enterprise. 3. Determination of the components of the enterprise management system. 4. Determination of management principles and regularities. 5. Determination of methods and methods of management activity. 6. Formation of the management structure of the enterprise.

When forming a financial strategy, it is necessary not only to determine the necessary amount of funds for the implementation of modern technological solutions, but also to evaluate the effectiveness of such a project in order to determine the feasibility of investing.

Stages of formation of the financial strategy of agro-industrial complex enterprises: 1. Assessment of the financial state of the enterprise. 2. Determination of the financial results of the enterprise. 3. Determining the amount of additional funds needed to improve the company's activities. 4. Determining the financial results of the enterprise after making investments. 5. Evaluation of the effectiveness of investment and financial activities.

The development of a financial strategy includes an assessment of the expediency of costs for improving the enterprise's activities, which will ensure its uninterrupted economic development. The enterprise cannot function without a planned, gradual and comprehensive assessment of the market, which involves the formation of a marketing strategy.

Stages of formation of a marketing strategy of agro-industrial complex enterprises: 1. Assessment of demand for the company's services on the market. 2. Evaluation of the company's service offerings on the market. 3. Determination of the level of competition of the enterprise in the service market. 4. Determination of competitive advantages of the enterprise. 5. Selection of methods of promotion of goods and services on the market. 6. Choosing the best ways to advertise the company's goods and services. 7. Formation of the pricing policy for the company's goods and services. 8. Evaluation of the effectiveness of the enterprise's marketing activities.

Pricing policy is very important for agro-industrial complex enterprises, therefore the main component of the marketing strategy is the price strategy of the enterprise, which very often determines the entire further course of events both in the middle and beyond.

Stages of formation of the price strategy of agro-industrial complex enterprises:
1. Research of prices on the market of goods and services. 2. Determination of pricing methods on the market. 3. Analysis of the needs of potential consumers of goods and services. 4. Assessment of the solvency of consumers of goods and services. 5. Determination of the amount of production and other expenses of the enterprise. 6. Selection of optimal pricing methods for the company's goods and services. 7. Evaluation of the effectiveness of the enterprise's pricing policy.

Thus, after considering the first version of the enterprise strategy formation mechanism, you can see that the process of developing each component of the strategy is quite time-consuming, requires a lot of time, effort, and even money, since all this work must be performed by specific employees of agribusiness enterprises who need to be paid wages, and since the work is quite voluminous, the remuneration should be appropriate.

On the other hand, while the process of developing one of the components of the company's strategy is being carried out, others may change and the whole mechanism is disrupted. In addition, the long processes of any activity do not contribute to its effectiveness, and therefore, the considered mechanism for the step-by-step formation of an enterprise strategy is imperfect and requires a review and search for other ways of faster and more perfect development of an enterprise strategy.

The environment is constantly changing and requires an immediate response to these changes from the management of enterprises, therefore it is advisable to use an integral mechanism for forming the strategy of agro-industrial complex enterprises. This possibility is provided by the second option of developing this strategy. The integral strategy formation mechanism of agribusiness enterprises shows the importance of the components of this strategy for a specific enterprise. Each of the higher stages forms a strategic environment for the lower level and limits it in some

way. The scheme of the integrated strategy system of agro-industrial complex enterprises is shown in fig. 1.

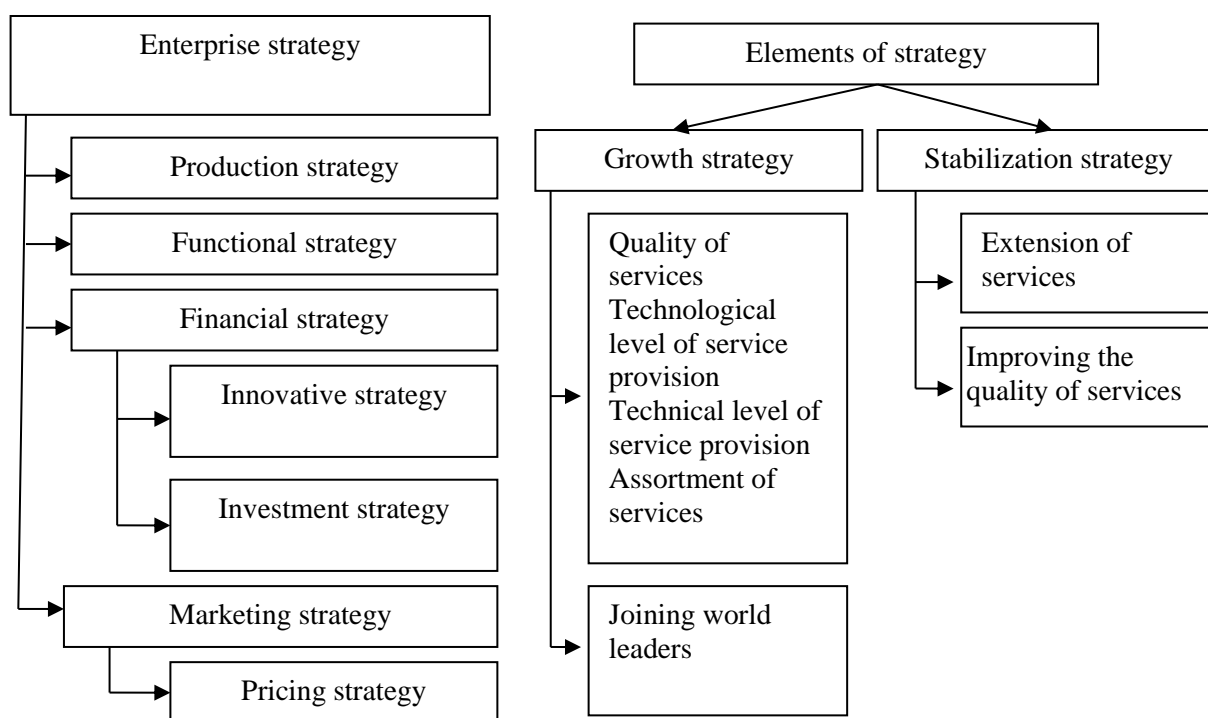


Figure 1 – Integrated system of strategy for the development of agro-industrial complex enterprises

Source: compiled by the author for [11]

Its main elements are the growth strategy, which includes the constant improvement of the process of providing services, thereby ensuring the concentration of the production process, and the expansion of the enterprise's business.

In order to achieve a better result of strategic management, the proposed mechanism contains a comprehensive analysis of the enterprise's activity and a forecast of possible options for the development of the situation. Such an analysis includes an assessment of the external and internal environment of the enterprise (Fig. 2). When assessing the external environment of the enterprise, it is advisable to focus on the diagnostics of the market for goods and services, having analyzed the level of demand and supply of certain goods and services, the range of goods and services, the dynamics of the movement of consumers of certain goods and services, the level of development

of the market for goods and services of agribusiness enterprises in Ukraine, to determine the trends prevailing in the market.

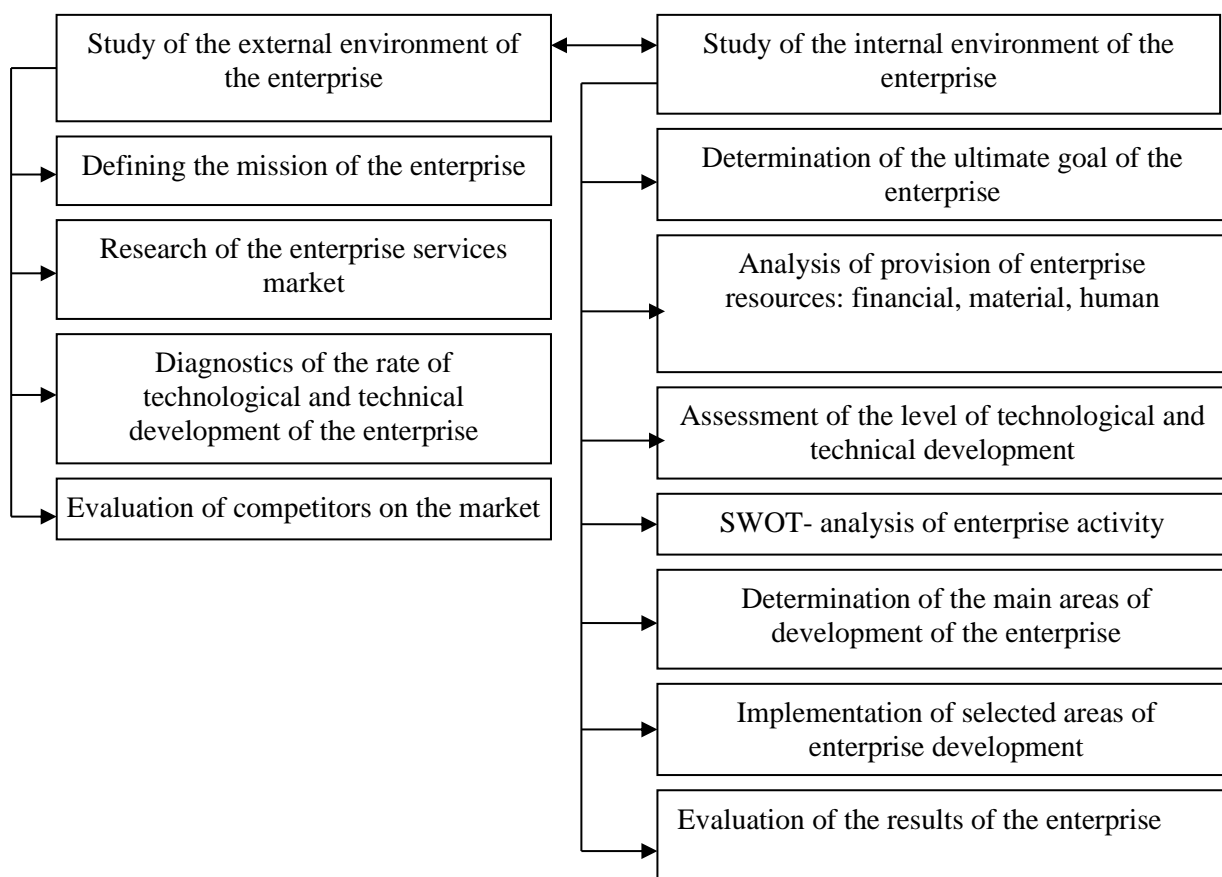


Figure 2 – The strategy formation mechanism of agro-industrial complex enterprises

Source: compiled by the author for [10; 11]

Analysis of the technical and technological state of the activities of agro-industrial complex enterprises should be carried out by the technological department and make its corrections when forming a strategy.

Having assessed the situation on the market of goods and services, it is advisable to analyze the level of competition in this field, namely, to determine the main competitors of the enterprise, to investigate the advantages and weaknesses of its activity, the methods of competitive struggle and the possibility of its further development and strengthening or weakening of the market position. This procedure should be carried out by the company's marketing department and, based on the

analysis, prepare proposals that will be taken into account when developing the company's strategy.

It is impossible to ignore the technical and technological aspect of the activity of agro-industrial complex enterprises, since the final result of the enterprise's activity depends on the level of its development. Studying the external environment of agribusiness enterprises, it is expedient to analyze the level of technical and technological development of the industry in Ukraine, as well as its prospects in the future. This analysis should be carried out by the technological department of agro-industrial complex enterprises and make their suggestions when forming a strategy.

The diagnosis of all the mentioned factors of the external environment must necessarily be consistent with the mission of the enterprise, which must be determined at the beginning of the activity, and in fact at the creation of the enterprise. The mission forms the final goal of the activity, determines the desired results and directs the process of the enterprise's functioning in the desired direction. The mission determines the ways of doing business, the methods of conquering the market, the rules for forming the client base and the image of the enterprise as a whole. Without defining the mission, the further effective functioning of the enterprise is impossible, so this issue should be approached with all responsibility.

Having formulated the mission, assessed the conditions of the enterprise's activity, that is, its external environment, it is possible to proceed to the diagnosis of the internal environment of the enterprise. After defining the mission, it is necessary to formulate the ultimate goal of the enterprise. As a rule, these are interdependent things, but not identical. If the mission is what sets the enterprise apart from others and determines its uniqueness, then the ultimate goal is what the enterprise wants to achieve as a result of its activities. It can be profit, meeting the needs of consumers, conquering the market, providing various services or, on the contrary, providing a small number of unique services for a certain circle of consumers, high quality of the company's services, etc. Having formed the final goal of the enterprise, it will be much easier to determine the priority directions of one's activity and ensure their implementation.

The next stage of the strategy formation mechanism of agro-industrial complex enterprises is the analysis of the resources available to the enterprise, special attention should be paid to the assessment of financial resources, since, first of all, their further development, the implementation of modern technological solutions, the involvement of qualified workers, the purchase of high-quality equipment will depend on their number. If their number is insufficient, it is necessary to consider possible sources of attracting additional funds in order to ensure effective activity and avoid additional problems. Therefore, such sources can be investments or recapitalization of the enterprise. This work should be carried out by the financial and economic and planning departments.

In order to comprehensively evaluate the activities of agricultural enterprises, identify their weaknesses and strengths, opportunities and threats, assess the types and level of risks inherent in it, it is advisable to conduct a SWOT analysis of its activities. It is this method of strategy formation that makes it possible to see the real situation regarding the functioning of the enterprise and, if necessary, to develop the necessary measures for its improvement. Such a task should be assigned to the analytics department.

According to the results of the SWOT analysis, it is possible to develop options for the development of the activities of agro-industrial complex enterprises, taking into account all the factors influencing the process of its functioning, which take place in the external and internal environment. Having a certain range of possible directions of the company's activity, it is advisable to evaluate each of them and choose the most effective ones. Such an assessment can be made using statistical methods, such as correlation analysis, factor analysis and dynamic analysis, or using mathematical modeling methods, which provide an opportunity to investigate the development of events and choose a more rational option. This work should be performed directly by the management of the enterprise [11].

Having chosen the most effective areas of the company's activity, it is necessary to implement them and evaluate the consequences of their implementation. For this purpose, the following indicators can be used: income, profit, level of profitability.

Moreover, these indicators can be determined both for a specific direction or type of activity, and for the enterprise as a whole. The results of such a study will show how effective the company's activities are and how effective the chosen strategy is.

In the case of carrying out all the listed operations and obtaining positive results, we can talk about the formed effective strategy of the enterprise, which contributes to both the social activity of the enterprise, ensuring the needs of consumers in quality goods and services at affordable prices and creating jobs for the population, and economic, – bringing desired financial results.

Formation of the strategy of agro-industrial complex enterprises is impossible without the calculation of the forecast of its main indicators. Indicators of the social component of the strategy: the level of professional training, the level of premiumization of indicators, the effectiveness of social investments. Indicators of the economic component of the strategy: labor productivity, profitability of the enterprise.

The main strategic directions of the development of agro-industrial complex enterprises are: improving the qualifications of employees due to the training of a larger number of personnel; improvement of the employee motivation system; implementation of social projects aimed at improving the welfare of society; increasing the efficiency of the enterprise.

The implementation of the company's strategy causes the emergence of a socio-economic effect.

The social effect is a result that contributes to the development of society by satisfying its needs, and is evaluated mainly by qualitative indicators, for example, improving health, increasing the intellectual coefficient, developing democracy, education, satisfying aesthetic needs, etc. As a rule, the greater the social achievements, the more difficult it is to give them an integral quantitative assessment. The social effect of the activities of agro-industrial complex enterprises can be assessed by the level of supply of goods and services, the level of quality of goods and services, etc.

The social effect reflects the contribution of the activities of agribusiness enterprises to the improvement of the social environment, namely, the improvement of people's quality of life. The social effect of agro-industrial complex enterprises

includes a large number of components, starting from the enterprise itself: ensuring decent wages, career growth, working conditions, a favorable psychological climate in the team, that is, everything related to the implementation of an effective personnel policy of the enterprise. On the other hand, the components of the social effect are the external activities of the enterprise, namely, its social projects, charitable activities, sponsorship, provision of social services.

The more social projects the enterprise implements, the more famous it becomes, the more attractive its activities, the stronger its image, the stronger its position in the competitive environment. All this contributes not only to increasing the social effect, but also has a positive effect on financial activity and its results.

The economic effect is the result obtained as a result of the costs of business development (for example, the introduction of innovative technologies into the enterprise's activities), which makes it possible to increase the level of technical equipment, which contributes to the provision of high-quality goods and services for a certain period. The economic result is evaluated by a system of value indicators and criteria: costs for the purchase and implementation of technological equipment, the amount of investments in activities, costs for marketing activities, the availability of financial resources, the amount of income, the amount of profit, the level of profitability, absolute and relative efficiency of activity.

The economic effect shows the economic benefits of the enterprise, which it can receive as a result of effective economic activity. In addition, there is a close relationship between the components of the economic effect, since it is the expansion of the range of goods and services, the expansion of the level of technical and technological capabilities, the increase of the client base that contributes to the increase in the level of competitiveness and the attraction of investments, and the latter, in turn, to the increase in the profitability of the enterprise. Only in a combination of all components can a high level of economic effect be achieved, which will contribute to increasing the economic development of the enterprise.

The socio-economic effect of the activities of agro-industrial complex enterprises should be understood as the totality of the results of social and economic

activity, which can be evaluated using the following indicators: expenditures on social and economic activities, expenditures on social projects related to environmental protection, charitable activities, expenditures on purchase of high-tech equipment and other resources necessary for running a business, labor costs and personnel development, other production costs; revenue from the provision of goods and services, income, profit, level of profitability, etc. The components of the socio-economic effect of the activities of agro-industrial complex enterprises form their socio-economic development.

Social activity contributes to attracting investments, increasing the client base, increasing the level of competitiveness, and as a result, strengthening positions on the market; the production of quality goods and the provision of quality services has a positive effect on the expansion of the client base, in turn, a high level of technological development contributes to the production of quality goods and the provision of quality services and an increase in the number of consumers, and all this together forms high profits of agro-industrial complex enterprises and is the main reason for their rapid growth socio-economic development.

It is more difficult to estimate the income from social activities, since, as a rule, they have a qualitative expression – these are highly qualified personnel, consumer loyalty, the company's position on the market, its image.

The work of highly qualified personnel can be evaluated in quantitative terms - the size of their remuneration. The position of the company on the market and its image in quantitative terms are more difficult to assess, but it can be done by studying the dynamics of changes in the number of customers of the company after it has held certain social events and the amount of additional funds received by the company after joining the specified consumers.

Of course, the considered indicators, although they will have a quantitative expression, will not be perfect, since all the data will be approximate, but they will give an idea of the level of social activity of agribusiness enterprises and the effect of its implementation.

For a comprehensive assessment of the socio-economic effect of the activities of

agro-industrial complex enterprises, it is advisable to use an integral indicator that will include the main indicators of costs and income from the social and economic activity of the enterprise and, as a result of the calculation, obtain the value of the socio-economic effect. Depending on the value of the obtained indicator, conclusions should be drawn regarding the introduction of changes in the socio-economic activity of the enterprise or, on the contrary, to leave everything as it is and simply maintain it at the existing level. It is advisable to take all data in dynamics in order to better see the trends inherent in the company's activities and correctly take into account their impact in the future.

Let's consider the indicators of the company's activity, which should be included in the integral indicator. As for the costs of the enterprise, they are completely defined. These are material costs, labor costs, social event costs, sales costs, administrative costs, financial costs, depreciation, other costs. Labor costs and costs of social activities should be attributed to social activity costs, all others to economic activity costs. Unfortunately, it is difficult to estimate the costs of charitable and special social projects related to environmental protection, since they are carried out at the expense of net profit, it is advisable to operate with those data that are publicly available.

Regarding performance indicators, in our opinion, it is worth focusing not on the company's profit, but on its income. The company receives its income mainly from two sources: from the provision of services and from the sale of products. As for income from social activities, their quantitative expression can be obtained by calculating the income from the provision of so-called social services.

The effect of social activity or the social effect of agro-industrial complex enterprises is calculated according to the formula:

$$E_s = I_{sa} / E_{sa}, \quad (1)$$

where E_s –the social effect; I_{sa} – income from social activities, UAH; E_{sa} – expenses for social activities, UAH.

The social effect indicator, like any other coefficient, is better the closer it gets to 1.

To calculate the economic effect of the activities of agro-industrial complex enterprises, we will derive the economic effect formula. It is expedient to include all

expenses, except for labor costs and expenses for social activities, as expenses for economic activity, and as income from economic activity – all income of the enterprise, with the exception of income received as a result of the implementation of so-called social activities. Then we will get:

$$Ee = Iea / Cea, \quad (2)$$

where Ee – економічний ефект; Iea – income from economic activity,, UAH; Cea – costs of economic activity, UAH.

The higher the value of the economic effect indicator, the higher the economic efficiency of the enterprise.

As for the socio-economic effect, it can be calculated in two ways: based on the indicators of the total income and total costs of the enterprise, since they all participate in both the social and economic activities of the enterprise. The socio-economic effect of agribusiness enterprises is determined by the formula:

$$Ece = It / Eg, \quad (3)$$

where Ese – socio-economic effect; It – total income from the enterprise, UAH; Eg – general expenses of the enterpris, UAH.

The indicators obtained as a result of such a calculation do not give a complete picture of the situation at the enterprise. They testify only to the trends taking place in it. According to their value, very generalized recommendations can be given, which in the end will not have a serious impact on the company's activities and will not bring about the desired improvement. This is due to the fact that, like all general indicators, they cannot characterize the situation in detail and depth. The use of the above theoretical and methodological approaches and practical experiences will contribute to the successful formation of the strategy of agribusiness enterprises.

Thus, the strategy of the development of agro-industrial complex enterprises foresees the processes of qualitative changes in which the exploitation of natural resources, directions of investments, the orientation of scientific and technical development, personal development, and institutional changes are interdependent and mutually complementary (integrated) with each other and serve to strengthen the potential for the satisfaction of human needs. needs for necessary agro-food products.

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6. Formation of the organizational and economic mechanism of recreation of the production and resource potential of agricultural enterprises

Russian military aggression against Ukraine caused total problems, which were also reflected in the activities of enterprises in the agrarian sector of the economy. Agricultural lands occupy 68.5% of the territory of Ukraine, and therefore agricultural enterprises form the main «backbone» for the post-war reconstruction of our country, as well as its food and resource provision during the war. Instead, the destruction of the structure and infrastructure of the agrarian sector requires renewal and reconstruction, in connection with which the need to attract investments for the functioning and development of agrarian enterprises becomes more urgent.

The main obstacle on this path is the significant level of uncertainty caused by the war, which leads to a decrease in Ukraine's investment attractiveness, which, in turn, further aggravates the situation. In such conditions, the effect of a «closed circle» arises, the breaking of which is necessary for investment revival and stimulation of the post-war recovery of our state.

The range of activities of enterprises in the agrarian sector includes the production of agricultural raw materials and food (crop and livestock), their harvesting, storage, processing and sale. Land and labor are the factors of production that have always been traditional for Ukraine and became the foundation of its historical and economic state formation, formation and development. American politician D. Webster, who twice served as US Secretary of State, claimed: «Only on cultivated soil do other arts flourish. Therefore, farmers are the founders of civilization». Using the example of Ukraine, one can prove the veracity of his quote: first of all, the agricultural sector provides the necessary raw materials for the food industry, without which the existence of all living things, and therefore civilization as a whole, is impossible. Thanks to the developed agricultural sector, the production capacity of which allows the export of relevant products, Ukraine prevents hunger in the countries of North Africa and the Middle East, where grain crops are the main resource for the production

of food products. Even despite the full – scale war on its territory, Ukraine is doing everything to ensure that the population of other countries of the world does not experience hunger. The agricultural sector is also important for the economic life of the state, as it creates new jobs, brings significant revenues to the state budget, contributes to increasing the international importance and authority of the country in the international market, creates a significant share of GDP and contributes to its growth. Thus, according to the data of the State Statistics Service of Ukraine [3], in 2021 a record high value of the share of agriculture, forestry and fisheries in the GDP of the country was observed – 10.6% (for comparison, in 2020 the share was – 9.3%, and in 2019 – only 3.0%), which occurred, in particular, due to the increase in the production of agricultural products by farms of all categories by 16.4% compared to the previous year [33].

However, production in 2022 will still exceed domestic needs, and thus the recovery of the export supply chain will play a vital role. Before the Russian military aggression, more than 90% of Ukrainian crop exports went through the ports of the Azov and Black seas. For a long time, these ports were inaccessible due to the ongoing war, and some of them are still inaccessible due to the temporary Russian occupation. Other export channels – road, rail and river ports – do not have the capacity to handle the same volumes as sea terminals. Thus, the established industry estimates indicate that during the first half of the war, exports amounted to only about 20% of the usual volume. Some storage and processing facilities were also damaged, which further delays and limits the export of agricultural products from Ukraine.

At the national and international levels, many efforts have been made by the authorities to increase the capacity of alternative export channels, as another problem is brewing here, namely the need to store agricultural products, the sale of which is currently limited. Since the beginning of the full – scale invasion, the sale of agricultural products has practically stopped, that is, the warehouses of agricultural producers contained a significant amount of last year's harvest. a new harvest, which further complicated the problem of storing grain, legumes and industrial crops. It is worth noting that the problem lies not only in the lack of warehouse space, but also in

ensuring proper conditions for the storage of agricultural products, which can often deteriorate due to the presence of pests, excessive humidity, etc., which makes it unsuitable at all or only partially suitable for further sale. This, in turn, affects the purchase prices of intermediaries and causes substantial losses to agricultural producers [62].

In addition, partner countries provide assistance to Ukraine in terms of ensuring the storage of agricultural crops. So, in particular, with the support of the governments of Canada, Japan and the Australian charity Minderoo Foundation, in September 2022, the Program to provide farmers with means of temporary grain storage was launched, the purpose of which is to overcome the shortage of grain warehouses to maintain global food security. As part of the program for Ukrainian farmers, it was planned to distribute 30,700 units free of charge. grain sleeves with a capacity of 200 tons each, which can potentially accommodate for storage about 30% of the harvest from the national need. The assistance also provided for the provision of equipment for loading/unloading grain sleeves. As of the beginning of January 2023, more than 87% of the total number of sleeves have already been received by farmers [43].

Therefore, the development of the market economy, instability of the external environment, war, reform of property relations, irrational distribution, inefficient use of available economic resources, aggravation of contradictions in the development of productive forces and production relations bring to the fore the need to increase the efficiency of using the potential of agricultural enterprises.

Under these conditions, the issue of effective use and reproduction of production and resource potential at the level of the agricultural sector is widely covered in the economic literature. The acuteness of the problem of resource provision of agricultural production and the multi-vector nature of the ways of solving it put it among the leading ones in modern scientific research.

At the current stage of the development of the agricultural market, which is characterized by significant dynamics of demand, the uncertainty of development in the global dimension, the instability of food supply due to climatic, production-economic and socio-political factors, one of the primary tasks of corporate

management is the formation and assessment of current and prospective opportunities of agricultural enterprises. That is, it is about assessing their potential, balancing the capabilities of corporate formations with the potential of the external environment to achieve defined goals and to function in competitive conditions.

Yes, Kaletnik G.M. notes that the development of agricultural production and its economic efficiency is determined by the production and technical potential, the most important component of which is technology. Today, updating the material and technical base is one of the most important tasks of the agricultural sector. But due to limited budget funds, lack of own sources of agricultural enterprises, high credit rates, it is impossible to accelerate the renewal of production and technical potential. That is why the formation and development of the material and technical base becomes especially relevant [20].

It is worth noting that modern researchers usually consider a larger set of components of resource provision and resource potential, distinguishing fixed and working capital, information, finance, etc. In particular, O.V. Ulyanchenko substantiates that the resources of the agrarian sphere, depending on their origin, should be divided into two groups: primary resources are those that are created by nature regardless of the will and desire of man, but are used in social production, and secondary resources are the products of the production process, which are directly or indirectly used in the production of material goods. To the first group, the author assigned land and labor resources, to the second-fixed and circulating material resources, financial and informational resources [50].

However, information resources take part in the production process indirectly through technological and management decisions made by administrative and management personnel in the process of their implementation of the work process, and fixed and working capital are components of the capital of the enterprise. Thus, modern conceptual approaches only expand and deepen, but do not deny the scientific ideas of the classics of economic theory regarding the composition of resources of an agrarian enterprise [49].

The basis of production and resource potential is its components as factors of production. Means and objects of labor form material resources that are set in motion by labor resources. That is why the production and resource potential of agricultural enterprises includes labor, material and technical, informational, financial and natural resources. The production and resource potential of agrarian corporations is characterized by a large concentration of the system of interconnected resources and their mobilization, the achievement of competitive advantages based on the systematic and consistent implementation of innovations. He participates in the creation of agricultural products, which is the main result of production activity, and its implementation ensures profit as the ultimate goal of the enterprise. Production also determines the potential, as it ensures the reproduction of agricultural production [32].

Production and resource potential should be understood as the unity of resources used in economic activity and forming the basis of organizational forms of production, its structural features and complexity in managing their use. Due to the indicators of their use and the scale of involvement in production, the connections between separate production systems and subsystems of production and consumption of products are determined. The main structural components of production and resource potential are (Fig. 1): natural resource – a set of reserves of all natural components, namely, mineral raw materials, water, land, forest, air, climatic conditions in a specific territory for the established date; production-property – the ability of existing real assets to ensure their effective functioning and production activity. The structure of the main productive assets has a great influence on the results of agricultural enterprises; financial potential – includes the availability of all financial resources and investment opportunities belonging to the enterprise. Financial resources represent monetary income and receipts at the disposal of the enterprise and intended for the fulfillment of financial obligations to the state, the credit system, suppliers, insurance bodies, other enterprises and individuals, the enterprise's employees, and the implementation of expenses for the development of economic activity; intellectual potential – a set of intellectual abilities of employees, in particular knowledge, skills, information, values, skills, etc., and the possibilities of their disclosure, development and use at the enterprise. The intellectual potential of the

enterprise includes two components: creative potential and professional qualification potential;

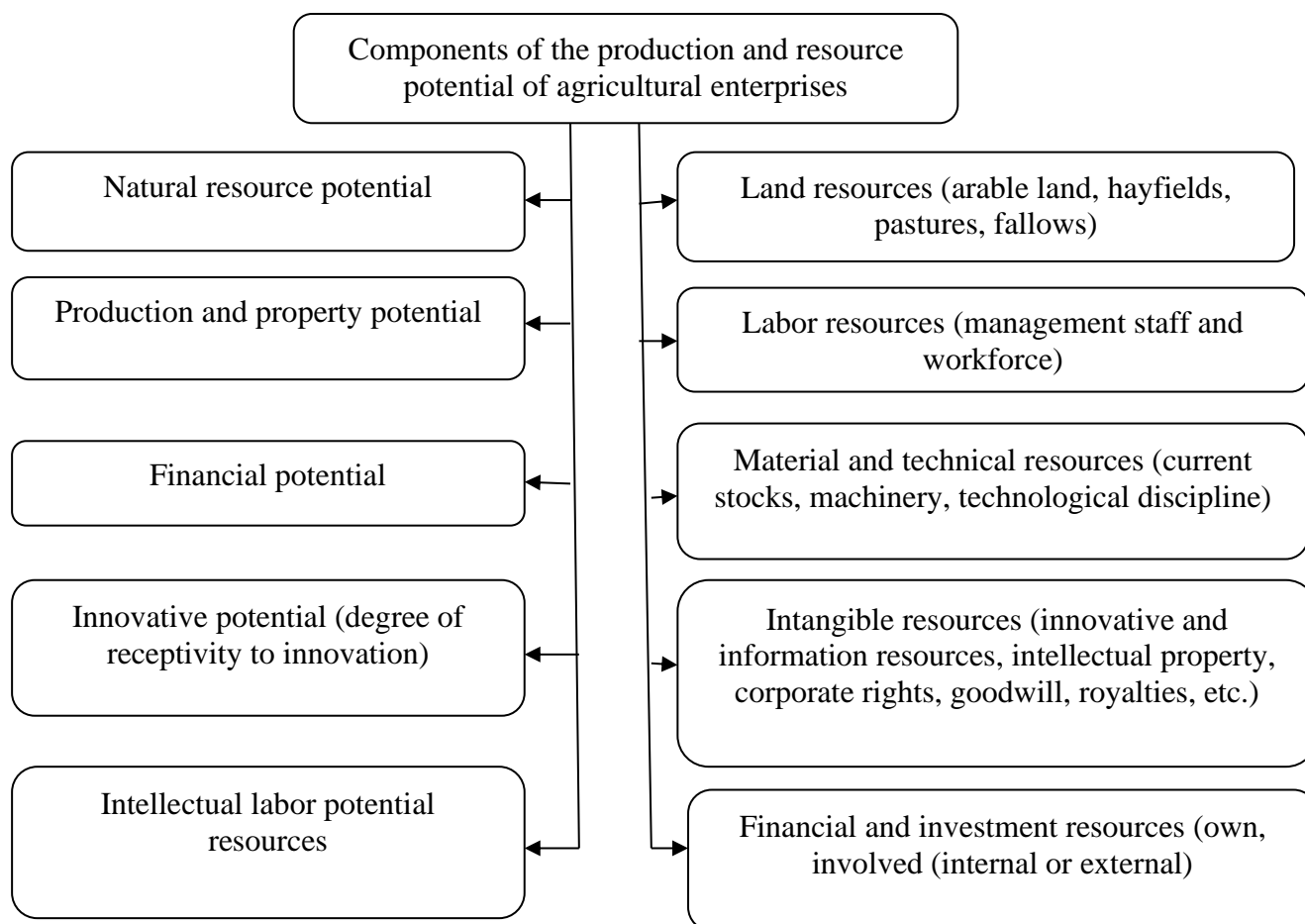


Fig. 1. Structural components of the production and resource potential of agricultural enterprises [49]

– innovative potential is a set of interconnected innovative resources and procedures create the necessary conditions for the optimal use of these resources in order to achieve the relevant benchmarks of innovative activity and increase the competitiveness of the enterprise as a whole;

– land resources – have a number of specific features that significantly distinguish it from other means of production and significantly affect the economy of agricultural enterprises;

– labor resources – the number of employees employed at the enterprise and those who are part of it by auxiliary and main activities. High-quality training and

retraining of personnel, which contributes to a wide range of their skills and practical abilities, is an important factor in the effective operation of agrarian formations;

- material and technical resources are resources in kind that are used in the economic activity of agricultural enterprises. They include fixed assets and part of current assets;

- intangible resources are resources that do not have a material structure. They are incorporeal, intangible, invisible. In addition, intangible resources, similar to the main means of production, can be used for a long time without losing their consumption value. cost;

- financial and investment resources are a set of cash receipts and profits that are at the disposal of enterprises for the implementation and fulfillment of financial obligations [1].

Production resources of agricultural production are a complex, integrated system that connects groups of material and non-material resources with different characteristics, which, when used in their organic unity, allow to obtain results through the creation of agricultural products. At the same time, the economic results of the use of resources are formed only under certain conditions, which, in turn, can be managed, unmanaged and partially managed by the enterprise. Thus, the difference between resource provision and resource potential consists in taking into account the specified conditions and possibilities of their use or management [8].

That is, if the resource support of production represents an integrated system of available resources, then the resource potential is an ordered collection (or system) of the possibilities of using and combining resources in order to obtain economic results in the context of the imperatives of the internal and external environment of the enterprise. Organic development of tools and means of taking into account the specified imperatives, integration into management systems for the development of the potential of functional components or functional potentials ensures the transformation of resource potential into production potential, and further into economic potential [45].

It is worth noting that the structural components of the production and resource potential for each agricultural business entity are individual, based on the specifics of

the industry in which it operates, the level of economic development, the state of the development potential, the chosen future strategy development

The effectiveness of the formation and use of production factors is characterized by a system of indicators of the efficiency of economic activity: gross income, net income and gross profit per 1 ha of agricultural activity. land, one employee, 1 UAH. fixed assets; net profit, profitability. The relationship between resource potential, factors of production and the results of the activities of economic entities in the agrarian sphere of production is shown in fig. 2 [7].

The combination of production factors is a dynamic phenomenon that involves solving a number of problems related to ensuring the balanced development of means of production and labor resources, their mutual qualitative and quantitative correspondence; formation and support of motivation to reproduce the resource potential on an innovative basis, which will make it possible to significantly reduce the costs of all resources per unit of the created product; search and implementation of new, progressive forms of inclusion of workers in the production process [17].

In addition to the main resources of entrepreneurial activity (land, labor and capital), there is a special, fourth – entrepreneurial ability. Entrepreneurial abilities find their material embodiment in the income received by the entrepreneur.

In order for the started economic activity to continue to operate and develop, it must be organized daily, take risks, find sources of financing, buyers and suppliers. With the help of entrepreneurial abilities, economic resources are transformed into new value, which is formed in goods [23].

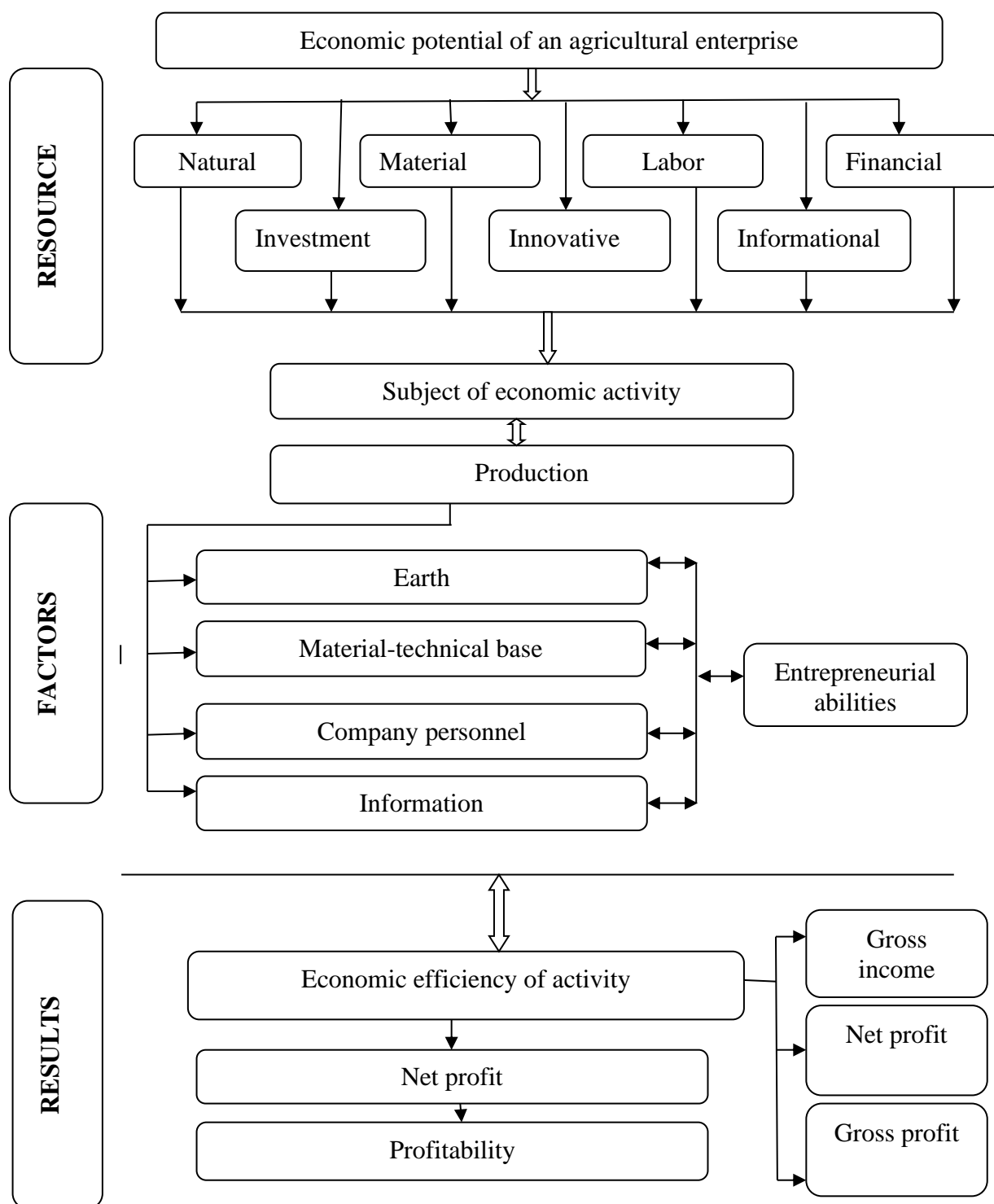


Fig. 2. Resources, factors of production and results of agricultural enterprises [7]

The study of the factors of formation of the production and resource potential of agricultural enterprises determined that the most important are: human, intellectual, natural, financial and legal factors (Fig. 3).

At the same time, in our opinion, the main role in the formation of production and resource potential is played by human factors with their inherent intellectual ability to combine production factors in the right way. The conceptual scheme of strategic management of the production and resource potential of an agrarian enterprise provides a set of elements, as a result of which the efficiency of development is achieved. Based on the analysis of the operating environment, the chain «mission => goals (strategic, tactical, operational) => management levels => management structure => management quality is formed => methods management => rating production and resource of potential=> forecasting production and resource potential => strategy selection and its implementation». Adherence to such a sequence of actions will allow any agricultural enterprise to maintain and strengthen its position on the market through development [38].

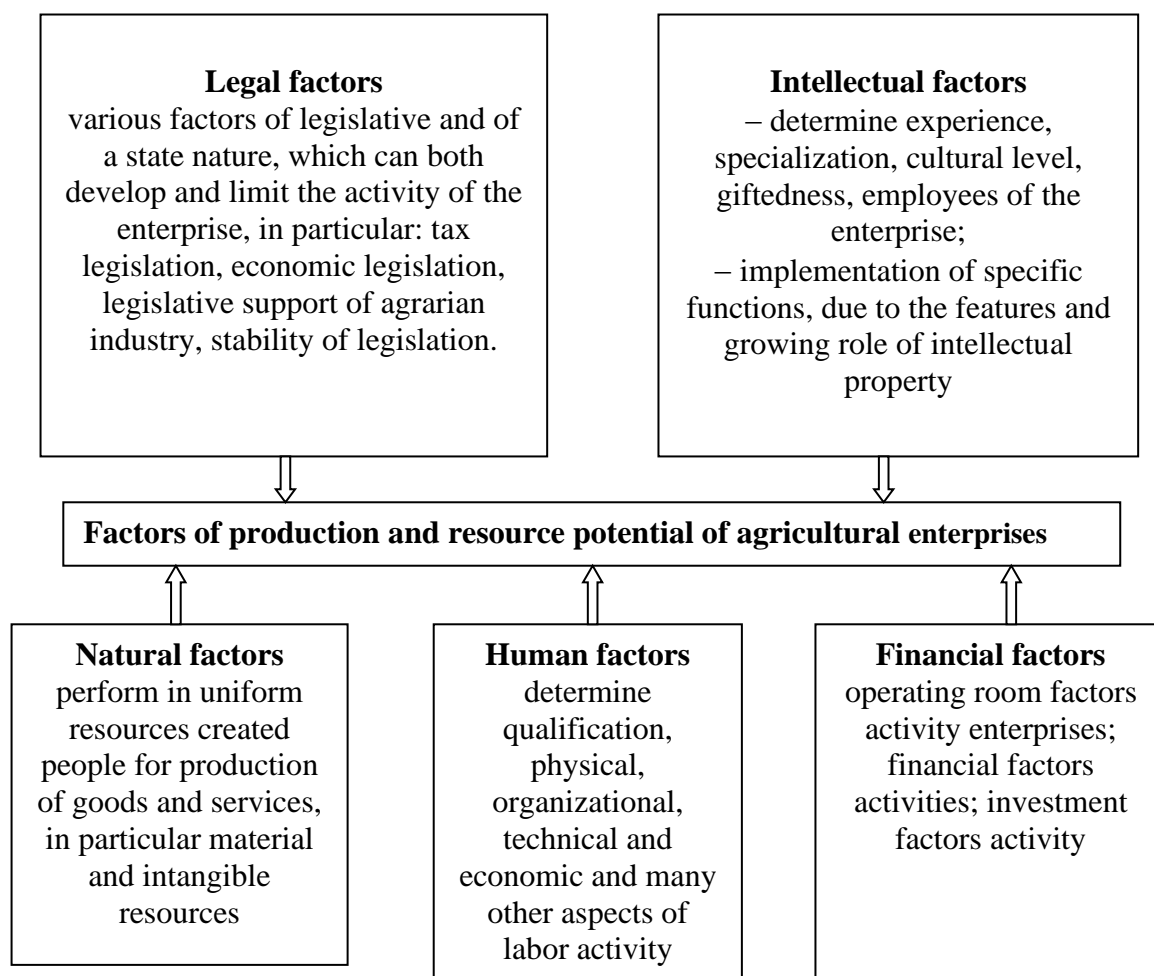


Fig. 3. Factors affecting the formation of the production and resource potential of agricultural enterprises [11]

In modern business conditions, the set of production relationships between business entities are implemented in the system of a complex economic mechanism that takes into account the requirements of objective economic laws. Regarding the concept and structure of the economic mechanism, many researchers agree that this category covers organizational, legal, economic and social elements. However, in our opinion, the economic mechanism is a complex and multifaceted phenomenon, therefore it should be considered as a complex and integral system of forms and methods of management, which are based on elements of economic regulation by the state.

The process of developing the production and resource potential of agricultural enterprises requires constant monitoring, collection and analysis of information on the influence of external environmental factors, which can be divided into four groups: economic, social, political-legal, scientific-technical. It should be noted that the factors of the external environment mainly exert a negative limiting influence on the development of potential. Therefore, the enterprise of the agricultural sector should form such an economic mechanism that would allow to quickly adapt to these changes.

In economic literature, the concept of «organizational and economic mechanism» is often used, which is used, as a rule, to outline the organizational elements of an economic mechanism. Such an interpretation is quite appropriate, since the category «economic mechanism» is a rather broad concept and includes various aspects and methods of economic regulation, in particular organizational and management decisions. The operation of the economic mechanism in the conditions of the market economy is considered as a system of interrelationships of economic phenomena arising as a result of the functioning of the objective economic laws of the market [7].

Yu. A. Poltavskyi and O. M. Suprun define the economic mechanism as a system of objectively operating and consciously regulated legal, organizational and economic levers, which collectively determine the final results of economic activity. The composition of the market economic mechanism includes: state regulation of agrarian

business, general economic mechanism, intra-economic economic mechanism. The system-forming core of this system is the economic mechanism of management [42].

Similar is the definition of the organizational and economic mechanism proposed by V. M. Butenko, who considers it as a set of systems that contribute to the comprehensive coordination of the economic interests of the enterprise of the agro-industrial complex, local authorities and residents of rural areas in the field of meeting aggregate needs.

He defines the following systems as components of the organizational and economic mechanism: financial and credit; management system; organizational system; regulatory and management system. The interpretation of this category deserves attention: «The organizational-economic mechanism of enterprise management is a system of technological, economic, organizational blocks that include their elements» [6].

At the same time, it is worth stating the fact that the interpretation of the organizational and economic mechanism is related, first of all, to the field of agricultural production management and does not relate to a comprehensive assessment of the directions of the agricultural enterprise in modern economic conditions. Well-known scientists of IAE NAAS P. T. Sabluk, M. Y. Malik, V. A. Valentinov define the economic mechanism as follows: a) as a system that sets the economy in motion; b) as an integrated system of economic, organizational, legal forms and methods of managing the national economy [45].

In order to study the essence of the formation and functioning of the organizational and economic mechanism of the management of agricultural enterprises, we established a system of organizational components that affect the efficiency of the economic activity of agrarian formations. The issue of formation and improvement of the organizational and economic mechanism of management attracted the attention of a significant number of academic economists – agrarian farmers. Yes, Kutsenko A.V. interprets the organizational and economic mechanism as a system of goals and incentives that allow to transform the movement of material and spiritual needs of members of society into the movement of means of production and its final

results aimed at satisfying the solvent demand of consumers in the process of labor activity [29].

Modern literature shows that the mechanism as a category is the tool that ensures the progressive development of the object, which is directed to the driving force of the factors of the external environment. The structure and content of the mechanism undergo changes in the process of development of social production, that is, an adequate mechanism corresponds to each socio-economic system. Taking into account the interdependence of the set of elements of society and their stability, the essence of the considered mechanism reflects the directions of solving the problem of matching elements and goals at a certain stage of the development of society [8].

In the process of the development of society, improvement of technical capabilities and the system of industrial relations, the number of levers and methods affecting the effectiveness of the organizational and economic mechanism is increasing. The lever is a means by which the combination of the components of the mechanism into a single system and the integrity of its functioning are ensured. The functioning of the levers of the organizational and economic mechanism is carried out on the basis of a system of legal norms that correspond to the current legislation. The levers of the organizational-economic mechanism include: organizational-administrative and economic.

Organizational and economic include: personnel support, information support and information protection, organizational and legal form and management structure. Economic levers include depreciation policy and pricing policy, taxation, lending and insurance. Organizational and economic levers differ from administrative ones in that they do not directly force economic agents to act in a certain way, but make other behavior disadvantageous for them; allow only the possibility of choosing a solution to optimize costs and improve their activities. The application of organizational and economic levers of the mechanism consists in combining objective and subjective aspects of human activity in the context of continuous development based on the introduction of technological innovations and increasing the efficiency of the use of production potential [5].

Similar is the definition of the organizational and economic mechanism proposed by V. M. Butenko, who considers it as a set of systems that contribute to the comprehensive coordination of the economic interests of the enterprise of the agro-industrial complex, local authorities and residents of rural areas in the field of meeting aggregate needs [6].

The effectiveness of the functioning of the enterprise depends on the correct application of the methods of the organizational and economic mechanism, which include the legislative and regulatory framework, as well as methodological support for the enterprise's activities. It is possible to implement an organized system and regulate it only with the help of existing elements. The use of methods of the organizational and economic mechanism ensures compliance with legal norms and powers, as well as the application of coercive measures and disciplinary responsibility in resolved issues regarding the efficiency of economic activity. For effective functioning, the enterprise must organize numerous interrelated types of activities, because the enterprise can achieve the expected results under the condition of effective use of resources and interaction of functional systems in the process of production and economic activity, which is connected with the use of fixed assets of working capital, financial resources, provision sales of products and profit, which is decisive in increasing the level of economic efficiency of the enterprise.

Increasing the economic efficiency of agro-industrial production should take place on the basis of a radical reform of the economic mechanism. It includes: 1) mechanism of balanced development of agro-industrial production; 2) the mechanism of development and improvement of commodity and monetary relations within the agricultural enterprise and between farms and the state; 3) the mechanism of a harmonious combination of economic interests based on the equalization of agricultural production management conditions and the provision of food to the population [51].

The defining characteristic of the modern organizational and economic mechanism of management in the conditions of market relations is the stimulation of producers to effective management through the economic interest of its participants,

which is positioned as the most adequate tool for implementing agrarian transformations and becoming an effective agricultural owner.

The formation of an effective organizational and economic mechanism for the use and reproduction of the resource potential of an agricultural enterprise makes it possible to quickly identify priority activities that must be coordinated so that they ensure its competitiveness on the market. Properly formed conditions of the organizational and economic mechanism for evaluating the effectiveness of use and reproduction are a prerequisite for the effective use of resource potential [35].

In the combination of various scientific and practical studies of scientists, the questions of forming applied aspects of the evaluation mechanism for determining the efficiency of the enterprise's resource potential remain open. According to experts, the resource potential and its effective organizational and economic mechanism of an agricultural enterprise should be considered as a potential opportunity and ability of the enterprise, using available resources, to carry out production and economic activities due to the implementation of strategic goals and objectives [35].

The resource potential of an agricultural enterprise is a set of all available resources, organized and agreed on the principles of their arrangement and summation in the form of organizational and economic relationships, which are important in ensuring production processes during the implementation of the goals of the economic development of the coal industry of Ukraine [34]. In other words, resource potential is the objectification of quantitative and qualitative indicators of the use of resources, their condition, the potential of their management with a view to the perspective of «expansion» of reproduction, which reflects the basic conditions and level of intensity, not the content and purpose production process.

Also, this approach involves assessing the influence of ownership relations on the efficiency of reproduction of the resource potential of agricultural enterprises, because only in this case the greatest synergistic effect on the reproduction of the resource potential of agricultural enterprises as the main factor of agricultural production is ensured [5].

The components of the organizational and economic mechanism of reproduction of resource potential shown in Figure 4 are interconnected, especially at the final stage of application through analysis and control over the use of resources at all levels of management, providing the necessary information to owners or managers regarding the main indicators and indicators of the activity of agricultural enterprises with the aim of optimization of resource reproduction.

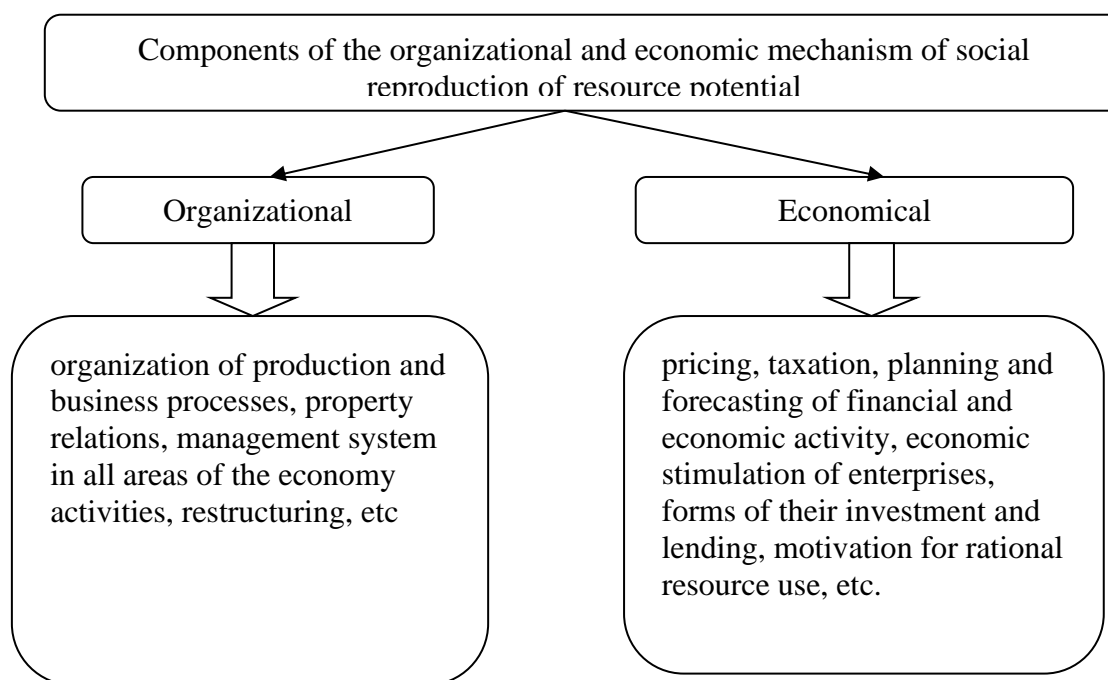


Fig. 4. Components of the organizational and economic mechanism of social reproduction of the resource potential of agricultural enterprises [12]

The organizational and economic mechanism for managing the resource potential of an agricultural enterprise should be considered as the most active element of the management system, the main purpose of which is the constant identification of the situation in the competitive environment and ensuring the speed of reaction to its changes.

The process of managing the production and resource potential of agrarian enterprises consists of the following components: subjects and objects of management; purpose of management; organizational and economic management mechanism. Management of a specific enterprise is the subject of management of production and resource potential. The objects of management of production and resource potential of

agrarian enterprises are the sources of its formation, cost characteristics, structure, combination of resources, resource conservation technologies and efficiency of use of resource potential, which is determined by its assessment. The main goal of resource production potential management is to strengthen the competitive positions and advantages of the enterprise and, as a result, increase production volumes, profits, profitability to ensure further growth, profitability and competitiveness.

The effectiveness of the functioning of the enterprise depends on the correct application of the methods of the organizational and economic mechanism, which include the legislative and regulatory framework, as well as methodological support for the enterprise's activities. It is possible to implement an organized system and regulate it only with the help of existing elements. The use of methods of the organizational and economic mechanism ensures compliance with legal norms and powers, as well as the application of coercive measures and disciplinary responsibility in resolved issues regarding the efficiency of economic activity.

For effective functioning, the enterprise must organize numerous interrelated types of activities, because the enterprise can achieve the expected results under the condition of effective use of resources and interaction of functional systems in the process of production and economic activity, which is connected with the use of fixed assets of working capital, financial resources, provision sales of products and profit, which is decisive in increasing the level of economic efficiency of the enterprise. Management, like any other type of activity, requires a specific assessment – determination of effectiveness. The effectiveness of management consists in achieving the most favorable ratio between the results of the management apparatus and the financial and material resources used to obtain these results. An effective enterprise management system creates favorable conditions that ensure the achievement of set goals by the production team and contain social, economic and psychological elements [52].

The economic efficiency of using the production and resource potential of corporate agrarian formations depends on many factors, especially on the level of their resource availability. The development of agriculture based on the concept of the

concentration of production resources leads to an increase in production and an increase in its efficiency. With the increase in resource availability and the scale of agricultural entities, the volume of production of gross products grows at a relatively high rate.

To assess the efficiency of production as a whole, first of all, the efficiency of the use of production and resource potential, it is necessary to analyze the current state, structure and supply of agricultural enterprises by size with all types of resources. Such an analysis allows you to see the structure of the processes of resource use, agricultural production and reproduction in general, to diversify them as an economic phenomenon into separate components, and to obtain, through abstraction, the most detailed idea of the dynamics, problems, trends of changes in components, etc.

To study the economic, ecological, and social efficiency of resource use and production, it is necessary to be guided by appropriate criteria, evaluation methods, and economic indicators. Accordingly, an important element of research into the effectiveness of the use of the production and resource potential of corporate agricultural enterprises is the selection of the main feature (criterion) of the evaluation of efficiency, which reveals its essence. The content of the criterion of the efficiency of the use of production and resource potential stems from the need to maximize the obtained results and/or minimize production costs, economy of production resources, based on market positions, existing competitive advantages, the strategy of the development of corporate-type agrarian enterprises [44].

In modern economic literature, there is no unanimous opinion on the methodology for calculating the aggregate, comprehensive assessment of the efficiency of the use of production and resource potential. Its modern methodology involves the calculation of indicators of labor productivity, return on capital and capital intensity of products. These indicators are criteria for evaluating each type of resource and are indicators of the efficiency of agricultural production. Therefore, depending on the indicator that is considered effective, the whole set of trends in the efficiency of various factors of production affects the variation in the ratio of the production result to one of the types of resources. Therefore, production efficiency is evaluated from the point of

view of the use of each type of resource. Therefore, it is necessary to calculate, according to economists, the integral indicator of efficiency as a ratio of the volume of production to the total consumption of each type of resources [18].

The main generalizing indicator, due to which the efficiency of the use of production and resource potential is evaluated, is considered to be the volume of production of agricultural products and provision of services. It is the basis for calculating other performance indicators of agricultural enterprises. In particular, this is the resource return, which indicates the received volume of production in the calculation of 1 hryvnia. invested resources and return on capital (capital intensity), which shows the cost of manufactured products per UAH 1 of invested fixed and working capital. In the conditions of constant economic changes, the continuation of reforms in the organization of rural areas for corporate agrarian enterprises, which are the most significant from the point of view of influence on their development, considerable attention should be paid to the expansion and deepening of research in the field of management of production and resource potential. Effective corporate management of production and resource potential should be a flexible system that will change, adapt to new market conditions, while producing quality products and ensuring the overall sustainable development of agricultural enterprises.

After analyzing the factors of the external and internal business environment as factors of resource use and production, a strategy for the development of a corporate agrarian enterprise and resource use in its composition should be formed [2].

Strategy development is characterized as a complex process in which leaders of all levels of management must participate. The formation of such a strategy involves focusing on the development of existing opportunities and competitive advantages of an agricultural enterprise. The basis of the formation of the strategy should be a concept that would take into account the peculiarities of the activities of the corporate agricultural enterprise, the stage of its life development cycle, the position on the market, and the state of the external environment. Taking into account the formed activity development strategy, the next stage is the formation of the structure and composition of production and resource potential. This is aimed precisely at the rational

provision of the enterprise with resources, their structuring and the construction of certain organizational forms of management, which will ensure stable development and their effective use and reproduction [12].

When summarizing the organization's activities for the reporting period and developing a strategy for increasing its resource potential, it is important to comprehensively assess the effectiveness of the use of all its resources based on the study of a set of indicators reflecting individual aspects of economic processes. One of the areas of comprehensive assessment of the efficiency of the enterprise is the analysis of extensification and intensification of the use of aggregate resources. Summarizing indicators of extensification and intensification of resource use are given in Table 1 [51].

An integral component of effective management of production and resource potential is, as already mentioned, monitoring of the resource utilization process. This will make it possible to control management and make the necessary changes, additions and improvements [34].

Table 1

The main indicators of the use of production resources of the enterprise

Type of resources	Indexes	
	Quantitative (extensive)	Quality (intense)
Personnel	Average number of staff	Productivity Labor intensity of production of products
	Labor costs, deductions for social events	Payroll
Fixed assets (equipment)	Average annual cost of fixed assets; Amount of accrued depreciation	Return on fixed assets (fund return) Depreciation return
	Production area	Output of products from 1 m ² of production area
	The value of intangible assets	Return of intangible assets
Material resources	Cost of material stocks	Inventory turnover
	Costs of raw materials and materials	Material yield
Financial	Equity	Equity turnover
	Loan debt	Turnover of credit debt
	Payables	Turnover of accounts payable

Source: [51]

Estimating the efficiency of resource use is the next stage of forming a system of effective management of production and resource potential. Such an assessment should contain a certain set of indicators and criteria for determining priority resource management measures. This will give an opportunity to find out how the enterprise works, whether the set goals are achieved, how changes and improvements in the management process affect the production and resource potential. At the same time, the economic effect is achieved due to the production of quality products and earning profits, the ecological effect is due to safe products and an ecological environment, the social effect is achieved through productive employment, labor productivity, affordable food consumption [18].

The management of the efficiency of the production and resource potential must be considered as a system that should contain such directions as the quality of management and the management of results. The quality of management involves, first of all, the management culture, business behavior, image and reputation within which the corporate agrarian enterprise strives to achieve its goals. This direction should include effective motivation and control with a clear definition of the goals and priorities of the company's development and an unambiguous division of powers and responsibilities. Performance management should contain a set of systematic procedures and approaches used for their evaluation and feedback for improvement [15].

At the same time, decision-making must meet the general requirements and principles put forward for any management decisions. They should be justified, targeted, quantitatively and qualitatively defined, legitimate, optimal, timely, comprehensive and flexible. Only under the conditions of compliance with these principles, the adopted decisions will perform managerial (contribute to the achievement of set goals), coordinating (coordinating individual actions, decisions, activities of individual specialists and units) and mobilizing (activation of executors and resources) functions. The final stage of building a system of effective management of the production and resource potential of corporate agricultural enterprises is control. Control, as an important and necessary stage, should include the application of a system of observation (monitoring) and verification of the compliance of the use of resources

in the process of economic activity with the established standards and other regulations, adopted plans, programs and operational management decisions, as well as the detection of permitted deviations from the accepted principles of organization and management of the economy.

For the effective formation and development of resource potential, the agricultural enterprise needs to develop new management models oriented to consumer requests, creating a base of permanent partners and increasing the effectiveness of production and economic activity.

In modern conditions, domestic agricultural enterprises must be resistant to crisis situations associated with a decrease in production volumes, a lack of investment, and the entry of foreign producers into the market.

The task of forming and improving the strategic management system for the development of the resource potential of an agrarian enterprise becomes one of the main factors of effective functioning in conditions of impermanence and variability of the environment.

The search for ways of effective use of available resources, competences, development opportunities of agricultural enterprises is important, because their solution will allow to ensure the maximum use of production capacities, reduce costs and increase the quality of products, increase the competitiveness of the enterprise and increase the share of a stable contingent of consumers.

In the conditions of fierce competition, the primary task of agricultural enterprises is the development of internal resource capabilities and the formation of new abilities. One of the management tools is the assessment of the enterprise's resource potential and the sustainability of its development.

Among the key tasks of strategic management at an agrarian enterprise is ensuring the rational distribution of resources between areas of activity and their effective use for a positive solution to the set strategic goals.

Strategic management of the resource potential of an agrarian enterprise should be carried out in an appropriate manner by forming resource strategies that are focused on solving a set of tasks: outlining the needs of an agrarian enterprise in relevant resources for the long term; determination of permissible resource limitations and

development of progressive spending norms of relevant types of resources; determination of the level of necessary strategic resources, possible directions of their use based on the balancing of volumes and composition, delivery terms with the dynamics of use; formation and use of directions for rational transportation, storage and use; activation of logistic approaches regarding the resource implementation mechanism strategies.

That is, to ensure the sustainable development of an agricultural enterprise, it is necessary to choose an effective strategy for the formation and development of their resource potential.

Thus, the key to successful management of the resource potential of agrarian enterprises is the implementation of a complex of organizational and economic measures, and the coordination of interaction between them, aimed at ensuring the effective functioning of the strategy for the development of the resource potential of agrarian enterprises in the conditions of a changing economic environment (Fig. 5).

Strategic management of the resource potential of an agricultural enterprise is a dynamic and changing process focused on making important decisions regarding the enterprise's activities, aimed at ensuring advantages over competitors due to the constant formation of an effective combination of resources and their compliance with changes in the external environment.

In view of the above, resource potential is considered by us as a system of interconnected types of resources that are at the disposal of an agricultural enterprise or can be involved in its production and economic activity, the complex use of which contributes to the implementation of the mission and the achievement of strategic development goals by determining its compliance with needs internal environment taking into account modern external requirements environment

In order to obtain the desired results from the implementation of the resource potential development strategy of agricultural enterprises, it is necessary to carry out an analysis of the external environment, which involves an assessment of suppliers, competitors and consumers, as well as an analysis of the goods offered by the enterprise and competitors in order to identify the stage of the product's life cycle and the

possibility of its replacement. This analysis is carried out on the basis of drawing up a map of strategic groups to determine the level of development of an agrarian enterprise

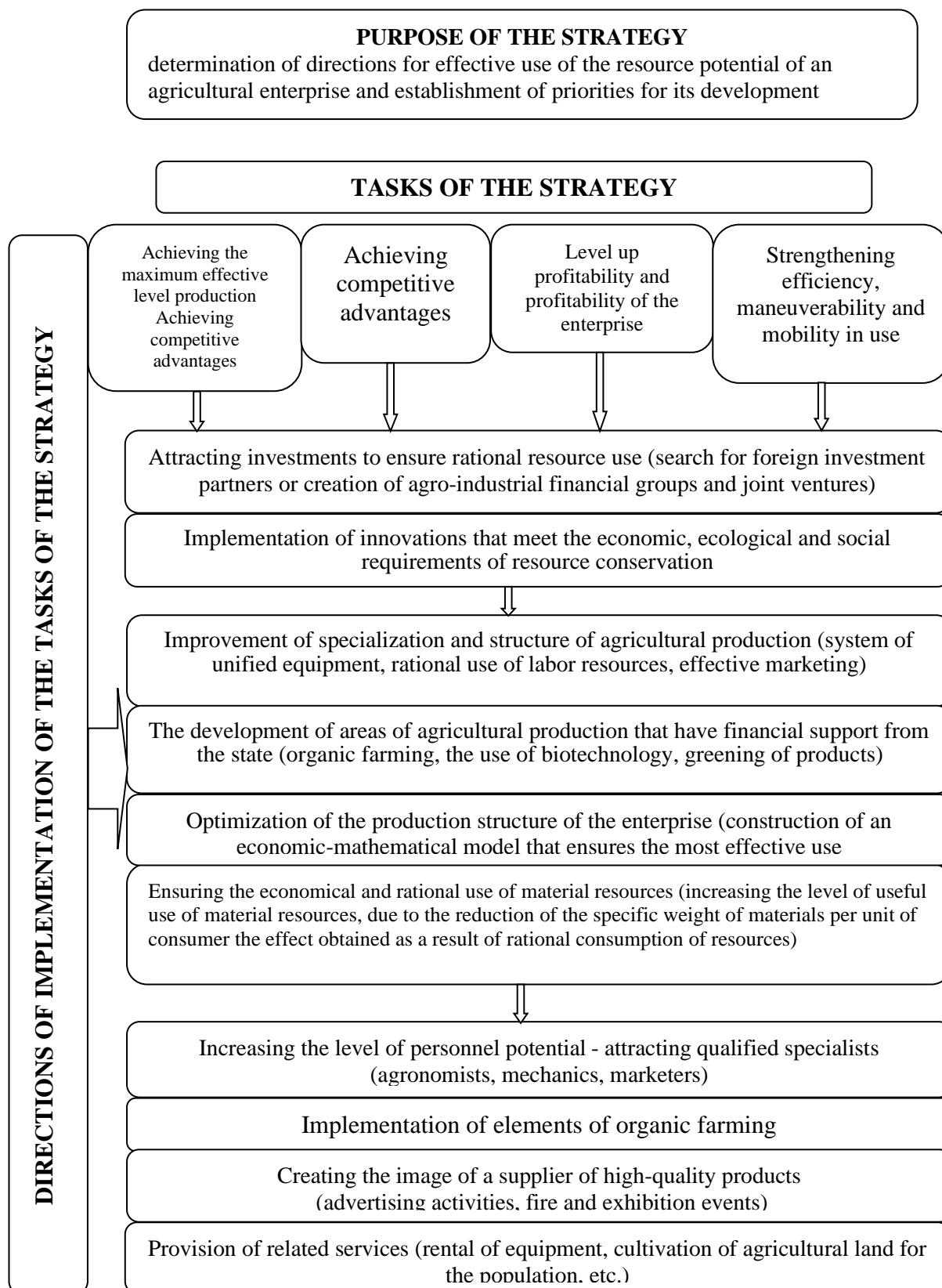


Fig. 5. The purpose and objectives of the strategy for the development of the production and resource potential of an agrarian enterprise [27]

among competitors and the direction of its adaptation to the modern requirements of the competitive environment. Attention should be paid to conducting marketing research of the market in the context of identifying consumer preferences and assessing suppliers to determine the quality of raw materials and the level of prices.

The functioning of an agricultural enterprise in the conditions of a changing market environment determines the need for it to conduct a successful competitive struggle, the need for the formation of certain competitive advantages.

The nature of these advantages depends on the modern economic environment and the available resource potential of the agricultural enterprise.

Taking into account the set of rules that are proposed for the strategic process, a model of strategic management of the resource potential of an agricultural enterprise is formed.

The proposed model represents the process of forming the resource potential of an agricultural enterprise, which exerts a managerial influence on business processes, and its strategic development with the help of a functional subsystem of the management system, which is focused on the effective performance of its inherent functions.

The basis for the model we developed was the task of rational formation of the resource potential of an agricultural enterprise and its competitiveness, which helps to choose an effective strategy depending on the direction of the enterprise's production and economic activity and its development: growth strategy (integrated or concentrated), diversification or reduction strategy. The proposed model is an auxiliary tool for developing the direction of development of the resource potential of an agricultural enterprise and the successful implementation of its management strategy, taking into account the variability of the economic environment in the country.

The strategic management of an agrarian enterprise in this context allows us to characterize the concept of management strategy for the development of the resource potential of agrarian enterprises as a set of management decisions that make up the program for the formation of the resource potential of the enterprise, which ensures the qualitative development of its key competitive advantages and promotes

comprehensive development. That is, the process of developing and implementing a strategy should be carried out taking into account the peculiarities of the functioning of an agricultural enterprise and its accumulated resource potential.

The following key sequential actions are the basis for the formation of the strategy management strategy for the development of the resource potential of an agricultural enterprise: identification of the most important factors of the functioning of an agricultural enterprise, which determine the direction of its development and competitiveness (competitive dominants); identification of the most important components of the resource potential of an agricultural enterprise or their proportion (priority of resource potential); analysis of the effectiveness of using the resource potential of an agricultural enterprise and its components in the context of determining strategic measures development.

The proposed algorithm is implemented with the help of three main phases: preparation, construction and implementation of the strategy, the sequence of which is determined by the execution of 14 stages.

On the basis of this algorithm, the formation of a management strategy for the development of the resource potential of an agricultural enterprise is based not only on the analysis of environmental factors, but also on the strategic management of the resource potential, the result of which is expediently measured by indicators of the efficiency of its use.

An important priority in the implementation of the management strategy for the development of the resource potential of an agrarian enterprise is the concentration of efforts and relevant resources to stabilize the production and economic activity of an agrarian enterprise and its social and economic development, which is aimed at stimulating systemic reformation, where the main priority is the synergistic effect, supporting the balanced development of the agrarian enterprise enterprises.

The substantiation of the strategy implementation mechanism is based on the spatial resource, which, like other types of resources, needs to attract capital. The main requirements for the implementation mechanism of the resource potential management strategy of agrarian enterprises are: prioritizing the development of the agrarian sphere,

increasing the specific weight of indirect financing; activation in the development of social infrastructure; improvement of land and environmental legislation.

The directions of implementation of the proposed measures for the development of the resource potential of agricultural enterprises should be based on the development of a set of factors in order to build a strategic plan for the use, restoration and protection of natural resources, ensuring the effective use of all types of resources with minimal damage through the implementation of innovative resource-saving technologies, including innovative ones, in the activity agricultural enterprises.

It has been proven that the development of agricultural enterprises should take place not only with the focus on the activation of investment flows, but mainly through systemic restructuring and the creation of favorable conditions for the activities of agricultural enterprises and their partners in the external environment based on the development and implementation of a strategy for managing the development of the resource potential of agricultural enterprises.

Taking into account the research conducted by us, we believe that the problem of protection of the natural environment from the anthropogenic load, which is constantly increasing, is becoming larger and larger.

A methodical approach to assessing the protection of environmental components consists in comparing indicators of the quantitative and qualitative composition of substances that come to the surface from the atmosphere, with the possibility of their absorption and self-purification in separate territories, which characterizes their assimilation capacity.

The need to transition the development of agricultural enterprises to the principles of greening is due primarily to the dynamic changes that are taking place in all regions of the world.

The man-made load on certain territories has already reached a critical value, which is why it is necessary to pay more attention to those factors and resources that are destroyed without the possibility of recovery, in order to achieve the well-being of society.

The orientation of the activities of agrarian enterprises only on growth leads to the appearance of negative consequences, namely, an increase in the level of environmental pollution and intensive use of natural resources, which leads to a decrease in natural resource potential.

It is clear that such relationships between natural and economic systems lead to serious environmental threats [17].

Functioning in the conditions of limited and high cost of resources puts qualitatively new demands on the enterprise in management approaches, which involve its orientation to the implementation of a resource conservation strategy. Moreover, it is not important what resources resource conservation requires: financial, material, labor or investment investments in the development of production, but how it is necessary to study the process of resource conservation management and the effectiveness of management decision-making in this sphere

The formation and implementation of a resource conservation strategy at all levels of management is one of the most important issues of competitiveness management, since: firstly, resource intensity is the second side of the product (the first is quality), secondly, Ukraine is several times behind developed countries in terms of the efficiency of resource use.

A promising direction in the development of the market of resource-saving products is the use of new opportunities that open up to business entities. They include:

- improving the quality of already existing products and services by adapting them to environmental protection requirements, requirements of international resource efficiency standards, which makes it possible to significantly increase the competitiveness of enterprises on the domestic and foreign markets;

- the development of fundamentally new resource-saving products and the creation of specialized companies for this (for example, the production of new products from waste, the development of man-made mineral deposits);

- attraction of foreign capital and creation of joint ventures with representatives of countries where the resource conservation market is developed. This allows the use

of leading technologies, management methods of resource–saving activities, increasing its effectiveness in Ukraine;

– further development of specialized companies providing consulting, engineering, educational and other services for resource conservation, etc. The considered areas mostly concern the state, regional and local levels of management. At the same time, at the microeconomic level, it is advisable to intensify work with [4,5]:

– assistance by the subjects of the resource conservation infrastructure to increase the awareness of the population and enterprises about the novelties of resource-saving technologies, their ecological, economic and social advantages and disadvantages through exhibition activities, advertising promotions, personal sales, etc.;

– forming for the public the image of energy, water service and other companies in the field of resource conservation as economically efficient and environmentally friendly through the release of press releases and informational materials about the activities of enterprises, commissioned articles, drawing up reports, holding press conferences and presentations;

– development and implementation of flexible financial schemes and performance contracting by infrastructure subjects, which allow working even with low–liquidity enterprises;

– carrying out explanatory work with managers and employees of enterprises of various industries and types of activity regarding the expediency of resource conservation, the principles of activity of audit firms in the field of resource conservation with the aim of forming a favorable attitude towards the work of auditors at the enterprise;

– expansion of the range of services provided by resource conservation infrastructure entities, in particular, provision of practical assistance to customers in drawing up a step-by-step plan for the implementation of resource–saving measures based on their «self-financing», training the personnel of customers' enterprises in the basics of resource and energy management. Economical use of natural resource

potential, which is provided by a number of production–technical and organizational–economic measures, becomes important.

During resource conservation management , a reasoned choice of the main areas of resource conservation at the enterprise in general and for each structural unit in particular is made; formation of complex target programs, definition and specification of tasks according to the goals of these programs, definition of criteria and confirmation by executors; establishment of calendar terms for carrying out works according to projects; calculation of the need for resources and their distribution by performers.

During the implementation of the resource strategy, the management of the agricultural enterprise must change its approach to enterprise management.

Practical implementation of the proposed system strategic management resource saving in agricultural enterprise is important a condition for the systematic growth of resource efficiency of production and capable of ensuring the formation of a self-reproducing management mechanism.

The main task at the enterprise is the organization of constant search and implementation of resource conservation reserves, which significantly increases the level of adaptation of the enterprise to changes in both the internal and external environment, contributes to the growth of the competitiveness of its products. Therefore, the longer the period of use of resource-saving measures lasts, the more profit the company receives, the higher the level of motivation for the introduction of the latest technologies and innovations.

Rising prices for resources, limited access to resources, increased consumer demands to quality products, increase roles innovative factor in maintaining the competitiveness of the enterprise on the market, the role of resource-saving activities in motivating the development of the business entity is increasing.

The application of effective and timely resource-saving solutions in agricultural enterprises, effective use resource potential, reducing the material intensity of products will help increase competitiveness products

Resource conservation management will make it possible to optimize production costs and help increase the company's profitability.

The practical implementation of the resource conservation management scheme involves the creation of an integrated organizational structure in the agricultural enterprise, which will perform the functions of monitoring and adjusting resource-saving processes in production.

The establishment of an effective resource conservation management system at the enterprise is a set of measures that ensure a balance between the final results of work, characterized by increased productivity, rational use of resources and their saving – on the one hand, and an increase in the volume of sales of products (works, services) – on the other.

The practical implementation of the scheme involves the creation of separate or built-in organizational structures at the industrial enterprise, which will perform the functions of monitoring and correcting resource-saving processes in production.

In our opinion, the formation of a separate structural unit dealing with resource conservation issues at a modern enterprise is impractical for the following reasons.

First, a characteristic problem of domestic business entities is excessive overhead costs, which are associated with the functioning of the management apparatus and cause a decrease in the competitiveness of the products of an industrial enterprise due to an increase in its cost price. The creation of another management structure in production will lead to an increase in overhead costs, and therefore, there will be an automatic decrease in the already low level of competitiveness.

Secondly, specialists who are part of such a structure should be highly qualified and perfectly aware of all the changes that occur at the stages of supply of raw materials and materials, production of products, their transportation, storage, and sale to the consumer [10].

Therefore, it is necessary to have direct contact with the production process, to participate in it, in order to be able to control such changes. From these positions, it will be more appropriate to delegate additional functions of resource conservation management to individual highly qualified employees of each structural unit, rather than creating new positions in a separate unit, which will also mean more effective use of qualified personnel. Thirdly, the collection of information about the progress of

resource saving processes is carried out directly in the company's divisions by its employees as part of the collection of general production information, and the allocation of a separate organizational structure engaged in the collection of similar information will lead to duplication of the functions of the main divisions. Fourthly, the implementation of corrective effects on resource conservation processes is periodic in nature, therefore, there is no need to create a separate permanent service for these issues, it is enough to introduce a system of periodic meetings on resource conservation problems.

Taking into account the mentioned comments, in our opinion, the most effective in modern economic conditions is the formation of integrated into already existing organizational structures, management of resource saving processes at enterprises. In particular, it can be the creation of a permanent resource conservation commission or the provision of additional functions related to resource conservation management to the already existing coordinating council for enterprise development. In the case of the formation of a separate commission, in our opinion, it is advisable to introduce the deputy general director for technical issues, economics, marketing, as well as the main specialists of each service (subdivision) of the enterprise into its composition [16].

The commission should be headed directly by the general director. The optimal mode of its work is the holding of scheduled monthly meetings, as well as additional, unscheduled meetings if necessary. It should be noted that such organizational structures (coordinating councils) exist today at large agricultural enterprises of Ukraine and deal with issues of enterprise development.

Since they include the heads of all divisions of the enterprise and the top management apparatus, it will be advisable to expand the range of their functions on resource saving and extend this experience to medium-sized enterprises. For a small business, in our opinion, the formation of the mentioned structures is unjustified: considering the small size of the enterprise, it will be more effective to add to the duties of the director of the enterprise and his deputies the performance of functions of managing resource-saving processes in production and making corrective management decisions.

Therefore, the process of establishing a resource conservation management system at the enterprise should: include increasing the material interest of employees in increasing labor efficiency, reducing the unit cost of production due to the rational use of resources; to allow clear accounting of labor and material costs in the production process, to carry out measures of a technical, organizational and economic nature (application of new equipment and technologies, automation of production, organization of work and production, improvement of personnel qualification levels and their motivation, etc.); ensure productivity growth and economic effect in the form of income (profit). The implementation of these provisions will allow to create a qualitatively new and effective resource management system at the enterprise [4].

Innovative priorities are extremely important for the development of modern agricultural production in Ukraine. Since the intensification of the innovative activity of enterprises is a necessary condition for the development of the economy, in particular the production sphere, the improvement of product quality and the growth of market opportunities of enterprises, the appearance of new products, as well as the means by which adaptation to changes in the external environment takes place. The effectiveness of innovative activity in the agro-industrial complex under the conditions of globalization is achieved by: regulation of regulatory and legal support in the sphere of stimulating innovative activity; creation of a staffing system based on taking into account the specifics of agro-industrial production; reduction of the lag of innovations through the mobilization of own funds of agricultural enterprises, as well as activation of investment in innovations through state support; provision of affordable lending conditions and attraction of other financial sources for the development of the infrastructure of innovative activities and the use of effective mechanisms for managing scientific and technical activities using new developments in practical activities [13].

Resource-saving innovations are a market segment with significant growth potential, this type of innovation has high social significance, as it provides access to economic benefits to those categories of the population that cannot afford to purchase advanced, expensive technologies.

Resource-saving innovations are innovative solutions for the sustainable development of local communities, meeting their needs. Unlike other types of innovations, resource-saving innovations are based on finding solutions to the problems of sustainable development of alternative energy, agriculture, ecology, etc. Flexible approaches and new tools are needed to manage innovations based on resource-saving technologies, the successful implementation of such innovations requires effective organization of business processes [3].

In modern conditions, the effective development of agriculture is possible only on the basis of intensification and implementation of the achievements of scientific and technical progress in the agricultural sector (agro-industrial complex). The problem of intensification of the activity of agricultural enterprises takes on special importance in connection with the decrease in the level of resource provision and the need for the formation and effective use of production potential.

The impact of intensification on the development of agriculture is due to the possibility of increasing the economic efficiency of production and foresees an increase in its productivity based on the increase in the level of technical support, the wide use of the latest means of production and the involvement of qualified personnel. High final results of intensification of agricultural production are ensured as a result of consistent combination of improvement processes and rational use of all its factors.

The innovation-intensive type of agricultural production as a set of its organizational, economic and technical features is based on the focus on the use of the latest scientific achievements for the improvement or introduction of new production technologies with the aim of reducing the cost of production, increasing its quality, and as a result, increasing competitiveness [1].

The objective need for intensification is due to a number of factors, among which should be mentioned first of all such as the growing need of the population for food products, the rapid development of scientific and technical progress, the impossibility of expanding the area of agricultural land suitable for the production of products [2].

The basis of the further development of the agrarian sector of the economy currently consists of scientific and technical progress, the use of advanced technologies

in combination with a set of organizational and economic measures. The formation of a new technological order, the basis of which is innovations based on the use of electronics, robotics, computing, telecommunications, genetic engineering, etc., is of particular relevance, so the issue of the spread of innovations in agro-economics comes to the fore [3].

Considering individual elements of the system of forming the innovative potential of agricultural enterprises with the aim of increasing the competitiveness of products on the market and identifying the influence of external and internal environmental factors, there is a growing need to implement this or that type of innovation in business practice, assess its condition and determine development directions.

This allows us to assert that the basis of the formation of innovative potential is the internal reserves of increasing the efficiency of agricultural production on the basis of a material-and resource-saving form of intensification, which involves the use of more economical labor items and more rational use of labor items, as well as the consumption of a smaller amount of raw materials, electricity and other types resources

The innovation-intensive type of development is determined by a set of conditions and their impact on ensuring economic growth, which is a consequence of the reproduction of an innovative component of the economic system and is characterized by the improvement of the production and sales management system, more effective resource consumption and involves continuous updating of production technologies, products and services [35].

Innovative and intensive technologies in crop production are based on the management of the process of crop formation, which ensures the reduction of the gap between the potential and actual productivity of agricultural crops and is based on supporting the process of innovation implementation through the implementation of an appropriate system of sets of methods and a complex of organizational and economic measures aimed at the rational use of labor time of workers, machines and other resources. Provided that traditional production technologies are used, material and

technical resources are created based on the available capabilities of a particular enterprise.

With the use of innovation-intensive technologies, the need for such resources is taken into account in order to achieve the planned results in terms of production volumes, while the amount of costs to achieve them is subject to adjustment, since they provide for: new crop placement systems with scientifically based crop rotations; use of high-yielding varieties and hybrids of the intensive type; application of fertilizer rates calculated for the programmed harvest and optimization of nutrition during the growing season through a system of fractional application of fertilizers in periods of their need; application of an integrated system of protection against weeds, pests and diseases; timely and high-quality performance of all technological operations based on complex mechanization of production and scientific organization of work; ensuring protection of soils from erosion and loss of fertility and preservation of the environment.

The use of innovation-intensive technologies implies an increase in production costs, but it ensures a corresponding increase in yield and the level of profitability of production. As for the consequences of the introduction of innovation-intensive technologies, they can be both positive and negative. The negative consequences of the use of intensive technologies are: danger of pollution of the natural environment, imbalance in the structure of the environment, ecological pollution of territories due to the use of chemical preparations and mineral fertilizers.

In this context, the introduction of innovations is not only an effective tool for ensuring food security and increasing labor productivity, but also contributes to environmental protection, attracting foreign investments and catalyzes factors for improving the level and quality of life of the population [37].

A set of factors, which can be conditionally divided into external and internal, organizational-management, scientific-technical, technological, and informational, play a decisive role in the formation of an innovation-intensive type of development in modern conditions.

In modern conditions, there is a close interaction of internal and external factors influencing the formation of an innovation-intensive type of development, and therefore those agricultural enterprises that rationally and quickly implement the latest achievements of science and technology, which are the result of changes in the macro-environment and, in particular, can ensure its implementation in such a link as the scientific and technical environment. Under the conditions of the innovation-intensive type, economic growth is achieved by qualitative improvement of the entire system of productive forces, primarily material and personal factors of production to increase the scale of production.

In this way, the acceleration of the implementation of the achievements of scientific and technical progress is achieved; raising the technical and technological level and increasing production volumes; increasing the quality of products and the level of their competitiveness; growth of investment attractiveness, activation of capital circulation; improvement of the organizational and economic mechanism of increasing the efficiency of production and economic activity, etc. (Fig. 6).

Among the measures to ensure the economic growth of agricultural enterprises based on the intensification of land use, a significant place should belong to agro-industrial integration (at the same time, an important role should be played by the optimization of the size of raw material zones of processing enterprises, transport flows of raw materials and technological processing waste, improvement of the use of by-products, promotion of specialization processes and concentration of agricultural enterprises, solving their social problems) and justified implementation of their cooperation (which ensures obtaining maximum production and profits per unit of costs under the condition of state regulation and support for its development) [5].

Therefore, the most complete comprehensive intensification of agricultural production takes place under the condition of increasing the efficiency of the use of natural resources and production potential in the process of economic activity. The organizational and economic mechanism for the introduction of innovation-intensive production technologies ensures the process of developing sectoral and regional innovative development programs, the implementation of relevant standards and

determines the order of interaction of agricultural enterprises and organizations, as well as their divisions, participating in the innovation process.

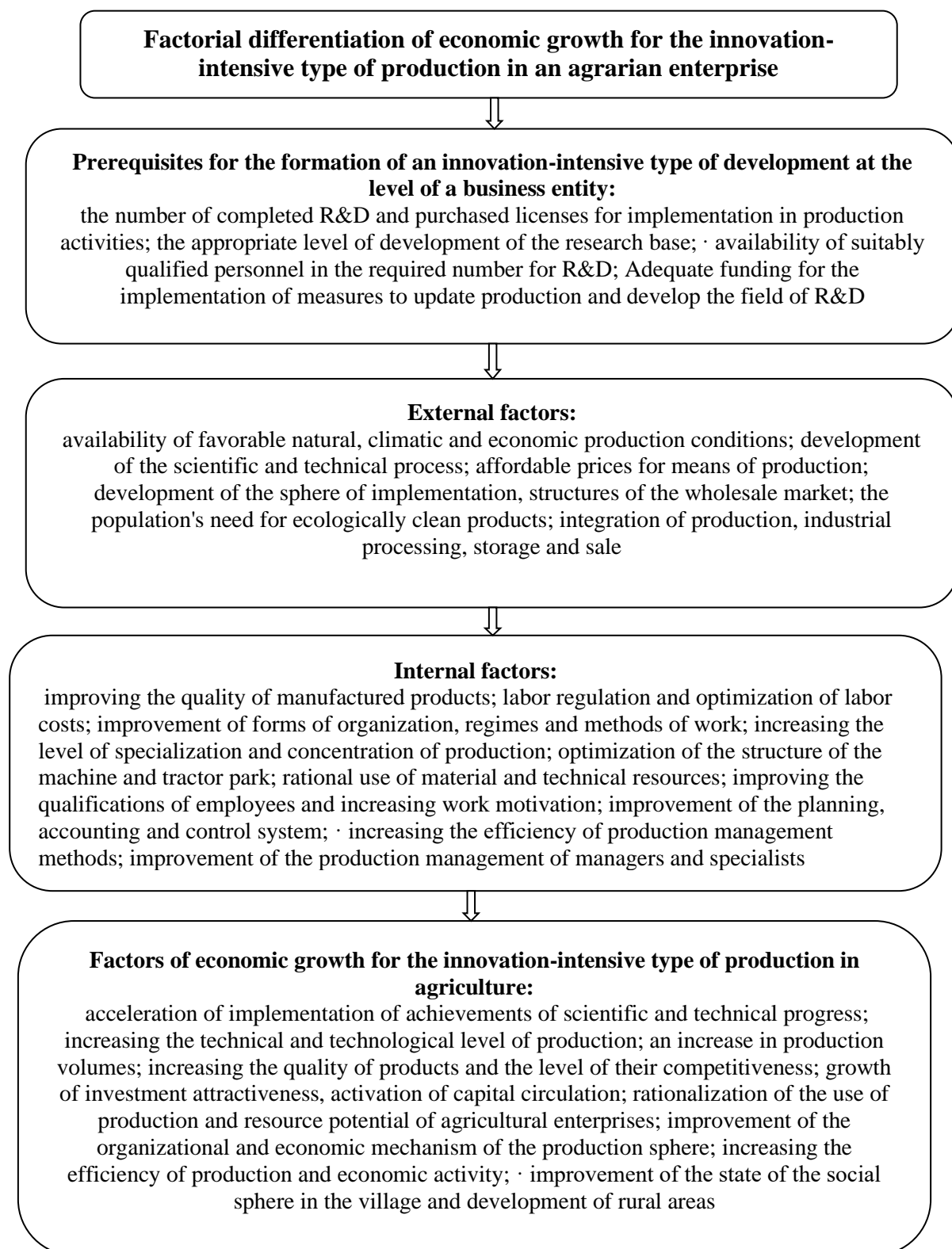


Fig. 6. Factorial differentiation of the economic growth of an agrarian enterprise for the innovation-intensive type of production in agriculture [45]

It is aimed at the implementation of consistent performance of works, the formation of appropriate organizational structures, within the framework of which innovative activities are carried out. At the same time, it is necessary to coordinate the activities of all participants in innovative processes and to balance material and labor resources. Simultaneously with high-tech innovations, organizational and innovative developments related to land reform and the introduction of the value of land into economic circulation, the creation of new market mechanisms of credit support for long-term innovative projects, as well as the formation of market infrastructure should be implemented on a large scale.

In our opinion, the organizational and economic mechanism for the introduction of innovative and intensive technologies for the production of agricultural products also consists of a combination of the following forms of activity and management methods:

- detection of proposals on the industry market of innovations (demand for innovations is initiated directly by the product manufacturer);
- development of innovation-intensive technologies by industry research institutions;
- patenting of the developed innovation-intensive technology;
- transfer of innovation (innovation-intensive technology, new variety, etc.) to a business entity under a license agreement;
- introduction of a new kind of technology under the scientific support of an innovation developer;
- determination of the economic effect of the introduction of innovation [6].

Accordingly, the assessment of the efficiency of economic activity should be properly carried out, namely in the specified sequence:

- equal enterprises: analysis of the economic efficiency of the innovation, determination of the level of competitiveness of financial support at the expense of own funds, cyclical production, etc.;

– at the level of the innovation project: analysis of the effectiveness of decision-making and determination of basic performance indicators for the identified innovation project;

– at the planning level: determination of the main influencing factors for achieving the desired result and assessment of the compliance of the actual state of innovation activity with forecast indicators. At the current stage of the development of the innovative sphere, the activation of cooperation between agricultural producers and research institutions is of particular importance, which creates objective conditions for the introduction of a comprehensive form of production intensification and ensuring the competitiveness of agricultural products on regional and international markets [7].

Currently, alternative models of intensification need to be developed, therefore scientists are researching the following types: resource-saving, biologized, ecologically innovative, etc., aimed at activating the biological capabilities of crops, producing immune-resistant properties and creating an agrotechnical system based on them with a new approach to the use of material and technical means, organization of an effective system of production of agricultural products.

Ways of scientific support for innovation-intensive development of the industry include:

– creation of innovations based on the results of scientific research, their transfer to the production and processing industry for implementation;

– creation of information databases on genetic resources;

– production of the necessary seed material, new varieties and hybrids of various crops, new breeds, types, lines for producers by the research farms of the network of scientific research institutions of the National Academy of Sciences of Ukraine;

– development of standards and other normative documents;

– involvement of agricultural producers in the testing of new developments and the transfer of innovations in the agricultural sector;

– creation of a data bank ready for introduction into production of the developments of research institutions;

– formation and development of the market of innovative products;

- conducting exhibitions of scientific developments, their advertising in mass media and publication of scientific journals, recommendations, handbooks, technological documentation;

- conducting consultations and training managers of various levels and specialists to study innovative support for economic development in regional centers of scientific support.

Based on the results of the research, the scientific foundations of the development of various areas of agricultural science are being developed, and innovations will be developed on their basis, in particular in the following areas:

- the introduction of intensive technologies for growing agricultural crops and the use of environmentally safe methods of using land, water and biological resources;

- modern technologies for the application of organic, biological and mineral fertilizers, as well as new-generation chemical meliorants, taking into account soil and climatic conditions and the characteristics of crops;

- differentiated technological processes and new technical means for the production of competitive livestock products in farms of various categories, which will make it possible to minimize manual labor costs, improve product quality, increase labor productivity, and contribute to the preservation of the environment;

- the latest technical means for converting solar and wind energy into energy suitable for use in production;

- methodical recommendations for the formation and organizational forms of effective use of the machine-tractor fleet and the provision of services for the performance of mechanized works;

- technological processes and technical means for maintaining the machine-tractor park in a workable condition, which will be based on the latest methods of diagnosing and restoring agricultural machinery;

- technologies of using nanomaterials for the restoration of parts, working organs and nodes subjected to significant loads;

– measures to ensure the break-even of agricultural production and the financial and credit policy of the state, which will contribute to the expanded reproduction of agricultural production.

Carrying out the planned fundamental and applied research will provide an opportunity to gain new knowledge about the regularities of the functioning of existing biological and physical objects in agro-industrial production and, on their basis, to create objects of a new generation, as well as to develop organizational, economic, technological solutions and methodological recommendations for increasing of production of agricultural products, their storage, processing and production of quality food products [34].

The most important prerequisites for the implementation of the proposed measures in an agricultural enterprise are: a new level of interaction between science and production, formed on the basis of strategic partnership; acceleration of the process of dissemination of new technologies; economically more attractive framework conditions for innovative activity; broad international cooperation with the aim of increasing one's own scientific and innovative potential; a sufficient number of qualified specialists capable of solving the tasks of innovative development and production intensification at all levels.

The implementation of economic activity by subjects of agricultural production, ensuring the achievement of its efficiency is impossible without the involvement and use of certain resources. The enterprise achieves the maximum efficiency of the main activity with the optimal combination of limited resources involved in production. It is worth noting that the combination of resources in the production process affects not only the realization of existing opportunities, which is a characteristic of the realization of production potential, but also the opening of additional opportunities, which makes it possible to talk about its development.

In turn, it is the development of the production potential of agricultural enterprises that is the basis of their economic growth, because the creation of conditions for the realization of certain opportunities for increasing economic efficiency due to changes in the volume of production, product quality, product nomenclature of output,

deepening the processing of agricultural raw materials in the enterprise, solving storage problems are a challenge for structural changes in the provision of resources for all production processes at the enterprise.

Therefore, the numerous obstacles to the development of agricultural sector enterprises that existed in peacetime, including those caused by the specifics of the industry, were supplemented by war risks. In these conditions, it is extremely important to promote the improvement of the investment climate of both the economy in general and the agricultural sector in particular, which should become the primary task of our state when planning post-war recovery.

The state should support farmers by using existing tools (tax benefits, lending at low interest rates, etc.) and attracting new ones (for example, digitalization of the economy and tokenization of assets).

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