

## 1. Introduction

Since the end of XX century and during almost two decades of XXI one the main problem of the agrarian sector of such post-Soviet countries as Byelorussia, Russia and first of all Ukraine may be considered as just the growing imbalance of plant and animal husbandry branches because of the evident decay of the latter. Moreover, the deformation within the first one also became a problem in the context of the agrarian sector development, because a certain increase of crops production is accompanied by the exaggerated spread of technical cultures that negatively influences not only its financial-economic indices because of arrears of added value that is more inherent to animal products than to processed plant ones, but also the development of rural population centers because of limiting working places and so decreasing incomes of peasants – on the one hand, and the absence of tax incomes to the budget of their communities – on the other.

Despite the fact that the permanent crisis condition of the Ukrainian agrarian sector is in the center of scientists' attention long since, studies of its causes are mainly disintegrated. For example, one scientists pay attention to shortcomings of reformation [1], other – on problems of innovations [2]. Works of foreign scientists, adjacent to the agrosector, consider causes of regional disparities [3, 4] and uneven development in European countries [5], but not in such aspect as the outlined problems of Ukraine.

## DEFORMATION OF THE AGRARIAN SECTOR AGAINST THE BACKGROUND OF DILEMMA: GROWTH OR ANTI-DEVELOPMENT

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**Abstract:** It is accented, that since the end of XX century and during almost two decades of XXI the main problem in Ukraine has become the growing imbalance of plant and animal husbandry branches because of the evident decay of the latter. There is offered a thesis, according to which a cause of such deformation of the agrarian sector in Ukraine is distorted levers of the financial-economic of its development regulation. There is stated the fallacy of a stake on the concentration of agricultural production in agrohholdings that take a lion share of budgetary dotations, whereas it is difficult for farmers even to get soft loans. As an argument, there are cited agricultural indices of Poland, where the problem of balance between plant and cattle branches doesn't exist, because farm economies are their base like in countries of the European Union. Attention is accented on a necessity of the cardinal review of financial-economic development levers of the agrarian sector of Ukraine. It is offered to reject budgetary dotations that usually pass over most farmers, and are given selectively, not always for ones, who cannot develop their production without them, and at the same time don't influence in any way the agrarian sector development because of their insufficiency.

There is substantiated the expediency of reorientation of these costs to the privileged crediting of agrarians. It is expressed a conviction that due to that, it will become a financial level that creates possibilities for the development of production not only in agrohholdings, but, by the Polish example, in small commodity producers that abruptly increases a need in the working force in villages, so prevents such negative phenomenon as the rural population decrease, mainly caused by the modern tendency of monocultural plant husbandry, ignoring its harmonization with animal husbandry.

**Keywords:** agrarian sector, agrohholdings, soils degradation, deformation, concentration, imbalance, farm economies.

Only seldom there is indicated in the world literature: "One of main causes that decelerate positive changes in Polish agriculture, is the agrarian structure disintegration" [6] and it is accented that "there are no enough publications in the aspect of agricultural development balance" [7], and attention is concentrated on the role of small agricultural economies in it [8].

## 2. Methods

The study has been conducted using the methods of: analytic comparison of dynamic series of gross output of agriculture and livestock in Ukraine and Poland for the period of 1990–2017; synthesis; structural-logic one – for substantiating conclusions by the outlined problem and offers as to overcoming the distortion of financial-economic regulation levers of the Ukrainian agrarian sector and for providing its balance; graphic – for visualization of statistic indices.

## 3. Results

The false understanding of basic principles of market economy caused the distortion of financial-economic regulation levers of the development of the Ukrainian agrarian sector. Today it is counted on the concentration of agricultural production in agrohholdings that take a lion share of budgetary dotations, whereas it is difficult for farmers even to get soft loans. Farm economies are just a base of the agrarian sector of European countries, including Poland.

As a result, dynamic indexes of the gross output, its structure and ratio between plant and cattle branches differ essentially (**Table 1**).

**Table 1**  
Comparison of indexes of the agrarian sector of Ukraine and Poland

Indexes	Countries	1990	1995	2010	2015	2017
Indexes of gross output	Ukraine	1.00	0.65	0.69	0.88	0.92
	Poland	1.00	0.75	146.0	170.5	194.6
Plant and animal husbandry, %	Ukraine	52:48	58:42	63:37	70:30	72:28
	Poland	51:49	58:42	53:47	50:50	48:52
Number of cattle, mln. heads	Ukraine	24.6	17.6	4.5	3.8	3.5
	Poland	10.0	7.3	5.7	6.0	6.1
including cows	Ukraine	8.4	7.5	2.6	2.2	2.0
	Poland	5.2	3.6	2.6	2.4	2.4
Pig population	Ukraine	19.4	13.1	8.0	7.1	6.1
	Poland	19.5	20.4	15.2	11.6	11.3

Source: *Agriculture of Ukraine (2008)*. – S. 118, 208; *Agriculture of Ukraine (2017)*. – S.164, 270; *Rocznik Statystyczny Rolnictwa i Obszarów Wiejskich (2018)*. – P. 154, 222

Thus, in Poland the level of 1990 was exceeded already in 2010, whereas Ukraine even today hasn't reached this not very high production level, when the productivity of animals was too much low for considering it as a sign of animal husbandry development: for example, cows gave within 3 thousand of liters of milk per year, although it is considered as a threshold in the world, after which they are condemned, because it is obviously unprofitable to keep such livestock.

Thus, although the director of the Center of economic studies at Warsaw university, named after Kozminsky, G. Kolodko notes, that it often said about the Polish economy as if "it is the same Soviet Union, but named otherwise" [6], this conclusion is obviously more suitable for Ukraine. Because despite the initial turn to the imbalance of volumes of animal and vegetable products in both countries during 1991–1995, it didn't become a long-term tendency in Poland, and a share of animal ones is a bit more there. On the contrary, in Ukraine the negative trend of this ratio is continued today, despite the fact that the volume of animal products is almost 2,6 times less than the one of vegetable ones. The main cause is the abrupt fall of the livestock.

In Poland the livestock of cattle and pigs also decreased during the analyzed period, but the negative influence of this factor was leveled at the expense of increasing the animals' productivity that is in general higher comparing with indexes of the animal branch of Ukraine by 15 %.

So, taking into account such contrasts, a response to the question by G. Kolodko: "Why we have succeeded at least for two third parts, and you have no" [9] is that "instead of the true reformation of the agrarian sector, Ukraine tried for a long time to keep afloat former collective and state farms, by all means decelerating privatization of land, in which result almost 85 % of sowing areas belong to large land-owners, who prefer the monoculture export-oriented plant husbandry, following a profit, not desiring to invest costs in such capital-holding branch as animal husbandry.

That is why the predatory exhaustion of Ukrainian soils takes place that leads the native agrarian sector to degradation, because today businessmen don't think about introduction of organic manures for renewing humus in the arable layer. And the continuation of this status quo may lead to the repetition of the tragic destiny of the Incas imperia that unconsciously spread corn areas to critical limits, in such a way destroying formerly fertile soil that stopped to fruit.

Although it is understood even at the governmental level that "the absence of the full-value property right for soil is the main cause of the fact that crops with the shortest production cycle such as grains and sunflower prevail in plants cultivation", and "unrealized potential, ... conserved because of the moratorium for the free circulation of soils, ... is 43 bil USD by simplest calculations, totally growing since 2004 from the moratorium effect" [10].

In general effective indexes of the native agrarian sector are essentially lower than ones in developed European countries, despite the higher quality of Ukrainian soils and provision of tillage – 0.7 ha for one person that is 2.8 times higher than the European index, and in total there is the paradox: the higher qualification of workers (confirmed by their highest share among migrants, who work in the European agrarian sector, especially in Poland, Germany, Italy, Czechia) gives at better Ukrainian soils 5–6 times less result of the gross output than in the aforesaid countries.

Such disproportion of labor productivity, even at much lower salaries in Ukraine, conditions the low competitiveness of

native agricultural products, surprisingly, just because of their excessively high prime cost. Because the insufficient motivation for labor conditions its low efficiency also relative to the rational use of means and tools of labor, overexpenditures of which are often some kind of compensation of insufficient incomes for rural workers.

At the same time the low price of labor conditions also the non-rational use of labor resources and, as a result, excessive amount of hand labor for a unit of ready products that conditions the next paradox – expenditures for this element are higher in Ukraine than in developed countries. Especially, expenditures for labor compensation with allocations for social arrangements in the structure of costs for agricultural production were 37.8 % in 1990.

It seems to be, that the today index as 12.8 testifies to positive changes. But it must be taken into account, that it is a result of comparison of, as if to say, incomparable indexes, because there not considered the change of structural ratios by the element of lubricant-combustible materials that became more expensive in dozens of times in Ukraine with transferring to market relations, so at decreasing specific costs for one hectare of tillage, their share in the structure of costs for agriculture abruptly grew: if earlier it varied within 7–8 %, today it exceeds 17 %.

Moreover absolute values of physical units of spending these resources in recalculation for one hectare remain all the same much higher than in developed European countries, because modernization of the machine-tractor stock in the Ukrainian agrarian sector by investments for buying high-productive and economically effective tractors, combines and technologically improved agricultural tools is realized too much slow. In the combination with the low labor motivation and absence of the effective stimulation of the rational use of technical production means and effective consumption of energy resources it conditions too high material- and energy-consumption of agricultural production, so the essential growth of material losses and amortization make the previous and today structures of production costs incomparable.

But the worst thing is that the critical deformation of the Ukrainian agrarian sector, when visiting businessmen come to villages for several weeks for sowing and gathering a harvest on the as if unsold land, but in fact on their latifundia, tragically influences its development. Especially, an approach to brigade forces, formed in depths of the collective-state farm production way, at which they were always devoid of infrastructure, became typical for most rural population centers, in which result they decreased during 2005–2017 by 207 units. Moreover "the population fall in Ukraine is mainly connected with its rural part, which decrease for the last 16 years is 2.9 mln. persons or 18 %, that exceeds the city population fall by 60 %" [2].

#### 4. Discussion

So, it is necessary to conduct a cardinal review of financial-economic levers of the development regulation of the Ukrainian agrarian center. First of all, taking into account an impossibility to solve the problem of balance between plant and animal husbandry by another way than stimulation of farmers for keeping animals, because this only way can help to destruct the tendency, when among more than 2.5 thousand of agricultural enterprises that produce over 5000 t of seeds, only a fifth part produce a comparable amount of milk and meat (1500 and 500 t respectively).

For this aim it is necessary to stop budgetary dotations, given selectively because of an impossibility to satisfy all recipients, not

always for ones, who cannot developed own production without them, usually passing over most farmers and at the same time not influencing at all the development of the agrarian sector because of their insufficiency. It reorient these costs to the privileged crediting of agrarians, it turns out that instead of selected lucky ones, whose part doesn't reach even 5 % of the potential number of pretenders to such loans, and their sum is 5 times less than the needed one, calculated by Ukrainian scientists as 18.1–19.7 bil.

hrn, they will become available for all borrowers, in such a way creating possibilities for the production development of not only in agrohholdings, but, following the example of Poland, in small commodity producers that abruptly increases a need in the working force in villages, so counteracts to such negative phenomenon as the aforementioned fall of the rural population, caused to the great extent by the today tendency of monocultural plant husbandry, ignoring its harmonization with animal husbandry.

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