

ADMINISTRATIVE AND LEGAL SUPPORT FOR FUNCTIONING OF THE AGRO-INDUSTRIAL COMPLEX OF UKRAINE

Hanna Ivanova, Yaroslav Mudryi National Law University
Serhii Podoliaka, Interregional Academy of Personnel Management
Vira Aliieva-Baranovska, Interregional Academy of Personnel Management
Volodymyr Vasyliiev, Kharkiv National University of Internal Affairs
Valentyn Liudvik, Dnipropetrovsk State University of Internal Affairs

ABSTRACT

The article deals with a complex study of the peculiarities of administrative and legal support for functioning of the agro-industrial complex of Ukraine. In particular, according to the results of the analysis of doctrinal sources in the context of the investigated problems, the author offers definition of the concept of "administrative and legal support for functioning of the agro-industrial complex of Ukraine". The legal documents regulating peculiarities of the agricultural policy of the state within the framework of the European integration processes in general, including strategic directions and certain types of legal relations in the agro-industrial sphere, have been determined. Attention is paid to explaining the content of certain provisions of the Strategy for the Development of the Agrarian Sector of the Economy for the period up to 2020 and the Concept of the State Target Program for the Development of the Agricultural Sector for the Period until 2022. The basic principles according to which administrative and legal support of functioning of the agro-industrial complex is carried out are highlighted. Emphasis is placed on the need to resolve the problematic issues of regulating legal relations in the agro-industrial sphere.

Keywords: Administrative and Legal Support, Agricultural Policy, Agro-industrial Complex, Competitiveness.

INTRODUCTION

Since declaration of independence till now, many changes have taken place in Ukraine both in the socio-political and economic systems. Cardinal transformation processes have not passed by the agricultural sphere. Active development and efficiency of functioning of the agro-industrial complex of the state, as an integral part of the national economy, has an important impact on its economic development, which in turn determines the state of competitiveness of the country on the world market.

Therefore, on Ukraine's path to the European Union, one of the strategic and priority directions of the state's activity is development and support of the agro-industrial sector. In this context, an adequate level of legal support for functioning of the agro-industrial sector is

important, which not only defines strategic goals of agricultural policy but also establishes guarantees for protecting interests of legal entities in this field.

Problem Statement

The essence of the concept and peculiarities of administrative and legal support in various spheres of legal regulation of social relations have repeatedly been and remains the object of study of many scholars. However, despite the aforementioned, in the context of the problem of defining the concept and analysis of peculiarities of administrative and legal support for functioning of the agro-industrial complex of Ukraine, a comprehensive study in domestic legal science was not conducted. This, in turn, explains relevance of the issue under consideration, taking into account particularities of the European experience in regulating legal relations in the agro-industrial sphere.

LITERATURE REVIEW

Establishing the essence of administrative and legal support for functioning of the agro-industrial complex of Ukraine first requires definition of the terms "*administrative and legal support*" and "*agro-industrial complex*".

Igonin & Viktorchuk (2018) consider administrative and legal support as a guarantee of realization, protection of human and citizen's rights and freedoms in administrative and legal relations. Upon that, among basic elements of administrative and legal support scientists identify the following:

1. Regulatory and legal guarantees, which include a set of legal norms ensuring realization and order of human rights and freedoms protection;
2. Organizational and legal guarantees of human and citizen's rights and freedoms, including mechanisms of authority and administrative activity in the field of law-making and law enforcement, aimed at creating favorable conditions for the citizens to exercise their rights and freedoms in administrative legal relations.

Humin & Priakhin (2014) understand the administrative and legal support as a regulation of social relations by dedicated state organs, their legal consolidation through legal norms, protection, implementation and development.

Studinski & Romanchuk (2018), defining the agro-industrial complex of Ukraine as a component of the national economy, understand by this concept a single integrated production and economic system that unites a number of agricultural, industrial, scientific-industrial and educational branches aimed at obtaining, transportation, storing, processing and sale of agricultural products. In the context of European integration processes, scientists list transformation, optimization and adaptation among the most important tasks of the state agrarian policy considering current market conditions and global trends.

According to Derhaliuk (2018), the agro-industrial complex should be regarded as a complex integrated socio-economic system of interrelated industries for production, distribution, exchange and consumption of agricultural products, which are characterized by specific (certain) functional characteristics that reproduce production forces and production relations.

Kravets et al. (2015) emphasize that the agro-industrial complex is a holistic economic system of interrelated in their development industries that ensure production of agricultural raw products and food, their stockpiling, storage, processing and sale to consumers.

With regard to the legislative consolidation of the concept of the agro-industrial complex of Ukraine, it is worth noting that to date there is no definition of it in the current regulatory documents. It should be noted that there was an attempt to consolidate the concept under study at the legislative level. This is evidenced by the Draft Law of Ukraine "*On stimulating the development of the agro-industrial complex of Ukraine*" of November 3, 2015, according to which the agro-industrial complex was proposed to be defined as a set of branches of the national economy, covering agriculture and fisheries, food industry and processing of agricultural products, their technical and financial support. The text of the draft law is published on the official information-analytical portal of AIC of Ukraine (Law of Ukraine, 2015).

Thus, proceeding from the analysis of the studied concepts, we propose to consider the administrative and legal support for functioning of the agro-industrial complex of Ukraine as activity of specially authorized by the state bodies, their officials, whose competence includes regulation of social relations in the agro-industrial complex as a coherent system of interrelated branches ensuring production of agricultural raw products and food, their procurement, storage, processing and subsequent sale. At the same time, regulation of relations in the agro-industrial sphere should be carried out by legal consolidation by means of legal norms in the relevant normative documents, and also provide guarantees for the protection of interests of the subjects of these legal relations.

METHODOLOGY

Definition and analysis of peculiarities of administrative and legal support for functioning of the agro-industrial complex of Ukraine were carried out using such methods as dialectical, formal-legal and system-structural analysis. The dialectical method enabled to define the concept of administrative and legal support for functioning of the agro-industrial complex of Ukraine. Using the formal-legal method, the content of the norms of some of the current normative-legal acts of Ukraine, which regulate both peculiarities of the agricultural policy of the state within the framework of the European integration processes in general, including strategic directions and certain types of legal relations in the agro-industrial sphere, were revealed. The method of system-structural analysis allowed to identify the basic principles, in accordance with which administrative and legal support of functioning of the agro-industrial complex is carried out.

FINDINGS AND DISCUSSIONS

An active development and efficient functioning of Ukraine's agro-industrial complex, as an integral part of the national economy, is considered possible provided there is an effective legal framework. The current Ukrainian legislation that regulates functioning of the agro-industrial complex has a large number of legal acts. These include, in particular, the Laws of Ukraine "*On Enabling Large-Scale Expansion of Exports of Goods (Works, Services) of Ukrainian Origin by Insurance, Guarantee and Easing of Export Credit*" of December 20, 2016; "*On State Control of Compliance with Food, Forage, Animal By-Products, Animal Health and Welfare*" of May 18, 2017; "*On Environmental Impact Assessment*" of May 23, 2017, "*On*

Forage Safety and Hygiene” of December 21, 2017; “*On Privatization of State and Communal Property*” of January 18, 2018; “*On Limited and Additional Liability Companies*” of February 6, 2018; “*On Strategic Environmental Assessment*” of March 20, 2018, etc.

The current Strategy for the Development of the Agrarian Sector of the Economy for the period up to 2020, approved by the Cabinet of Ministers of Ukraine on October 17, 2013 № 806-p, determined that entering the world economic space, strengthening the processes of globalization, trade liberalization requires adaptation to the constantly changing conditions, and accordingly-further improvement of agricultural policy. The Strategy also sets out key reform priorities. These are:

1. Approximation of laws to the EU standards and deregulation;
2. Improving competitiveness of agricultural sector;
3. Rural development and environmental protection (Ministers of Ukraine, 2013).

Important attention should be given to such a priority area as improving the competitiveness of agricultural sector. For competition is the driving force behind the development of facilities and market players. The ultimate goal of any business, including those in the agro-industrial complex, is to achieve certain competitive results depending on the competitiveness of the company's goods and services, i.e. how much better they are than their partners (Bondarenko et al., 2018).

The strategy envisages improvement of budget support for agricultural enterprises, which should be achieved through priority direct support, taking into account the socio-economic role of farms for rural communities, differentiation of state policy towards large, medium and small farms, maintaining a special tax regime, etc. (Petryshyn, 2017).

Regarding the course on European integration and bringing Ukrainian legislation governing functioning of the agro-industrial complex to the requirements of the European Union laws, it is emphasized in the Concept of the State Target Program for the Development of the Agricultural Sector for the Period until 2022 (approved by the Order of the Cabinet of Ministers of Ukraine № 1437-p). Among challenges that have affected the current situation in the agricultural sector, the following were identified as most urgent:

1. Improvement of business conditions;
2. Qualitative transformations, capable to improve competitiveness of agricultural production on the domestic and foreign markets, food security of the state;
3. Approximation to the European agricultural policy (Ministers of Ukraine, 2015).

Solution to the problems identified in the Concept is seen through application of the best practices of countries with developed agrarian economy, implementation of the Association Agreement between Ukraine, on the one part, and the European Union, the European Atomic Energy Community and their Member States, of the other part, ratified by the Law of Ukraine of September 16, 2014 No. 1678-VII, as well as improving the business climate in the agricultural sector, creating conditions for improving attraction of investments, expanding capability to export products of the domestic agricultural sector, providing domestic consumers with proper quality food at affordable prices (Ministers of Ukraine, 2015).

Analysis of provisions of the Strategy for the Development of the Agrarian Sector of the Economy for the period up to 2020 and the Concept of the State Target Program for the

Development of the Agricultural Sector for the Period until 2022 enables to emphasize the following. Both regulatory documents have been developed taking into account the European approaches to setting the basic goals of development and functioning of the agro-industrial complex of Ukraine. Thus, we consider the following principles as basic according to which administrative and legal support of functioning of the agro-industrial complex is carried out:

1. Compliance with the European standards;
2. Competitiveness of the domestic agricultural sector;
3. Ensuring national economic security.

In the European Union, the agricultural market is characterized by slow growth and high levels of competition. Within the EU, among the barriers influencing competitiveness in this sphere an important role is played by restrictions to access the market based on the trade policy and internal support based on the Common Agricultural Policy (CAP) (Kulish, 2019). The EU agro-industrial policy is characterized by a high level of protection of its own agricultural producers among the developed countries. It is CAP that has the greatest influence on the current stage of competition development on the EU agricultural market. The recognized priorities of the agricultural policy include the sphere of regional development, the environmental protection, etc., which creates additional challenges for the agricultural sector and imposes on the agricultural producers an obligation to ensure that their products meet the standards introduced by the CAP (Borodina & Prokopa, 2019).

Among the priority areas of economic security of any country, an important place is given to maintenance of social cohesion in the society, ensuring competitiveness, sovereignty, as well as entering the world economy system (Reznik & Shevchenko, 2015).

The Association Agreement between Ukraine and the European Union of June 27, 2014 identified as one of the strategic areas introduction of conditions for enhanced economic and trade relations that would lead to the gradual integration of Ukraine into the EU internal market, including through creation of a deep and inclusive free trade zone, and support Ukraine's efforts to complete transition to a functioning market economy, including by gradually adapting its legislation to the EU *acquis* (European Union, 2014).

In the current context of implementation of the Association Agreement with the EU, the strategy of price competitiveness is transformed into a strategy of differentiation of agricultural products of Ukrainian companies, which is a consequence of the transition of Ukrainian companies to European standards of quality and production management (Borodina & Prokopa, 2018).

Among the most recent developments within the framework of the EU-Ukraine Association, on January 28, 2020, an agreement was signed in Brussels between the Government of Ukraine and the European Commission on financing of “*The EU Support to Agriculture and Small Farms in Ukraine*”. The purpose of this document is to attract European Union assistance to promote development of a more inclusive and competitive agricultural sector in Ukraine, focused on the growth and sustainable development of small and medium-sized farmers and small and medium-sized enterprises. The total contribution under the agreement is EUR 26 million. Such assistance from the European Union will be aimed at supporting key areas of agricultural sector development. In particular, this concerns:

1. Supporting land reform by combining the state land cadaster and the state register of property rights, the reform of institutions and the land use system;
2. Institutional and sectorial reforms in agricultural sphere and rural development (Legislation of Ukraine, 2020).

RECOMMENDATIONS

Analysis of the current state of administrative and legal support for functioning of the agro-industrial complex of Ukraine enables to confirm that the legislative framework includes a large number of regulatory documents, which regulate both peculiarities of the agricultural policy of the state within the framework of the European integration processes in general, including strategic directions and certain types of legal relations in the agro-industrial sphere. At the same time, absence of a separate legal act in the legislation that would comprehensively regulate issues of the agro-industrial complex of the country poses a problem. Development and adoption of a consolidated legislative act is explained by the necessity to determine peculiarities of functioning of the agro-industrial complex of Ukraine, as well as the principles of state regulation in this sphere. Regulation of relations in the agro-industrial sphere should be carried out by means of legal confirmation through legal norms in the relevant normative documents, and also provide guarantees for protection of interests of the subjects of such legal relations.

CONCLUSION

An active development and efficient functioning of the country's agro-industrial complex requires an effective legal framework. The current Ukrainian legislation, which regulates these issues, includes a large number of normative-legal acts, provisions of which define both the strategic directions of the state agricultural policy and certain types of legal relations in the agro-industrial sphere. Important regulatory documents are the Strategy for the Development of the Agrarian Sector of the Economy for the period up to 2020, as well as the Concept of the State Target Program for the Development of the Agricultural Sector for the Period until 2022. Analysis of the provisions of these documents made it possible to conclude that their development was carried out taking into account European approaches to setting fundamental goals for development and functioning of the agro-industrial complex. In the European Union, agro-industrial policy is characterized by a high level of protection of own agricultural producers among the developed countries. Efficiency of functioning of the agro-industrial complex of the state has an important impact on its economic development, and therefore requires proper legal support in order to enhance the country's competitiveness on the world market.

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