

The state's role in regulating the development of the agricultural clusters in Ukraine

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Abstract. The problems of clustering in agriculture and the necessity of state participation in the revitalization process. The methodological basis is the application of general and special methods of scientific knowledge. The method of synthesis, the combination of analysis and synthesis, move from the abstract to the concrete, empirical method were used in the study of the properties and signs typical cluster problems and their development in Ukraine. The hypothesis of the study: the development of clusters in Ukraine significantly inhibit imperfect legislation and passive state participation in their creation. It is proved that the agricultural cluster is that organizational form between the state and the market that is most conducive to the establishment of mutually beneficial relations, eliminates the gap between science and industry, provides awareness of social responsibility of each individual company. However, you can not ignore the serious problems and risks associated with clustering. In particular, the inclusion of domestic enterprises of the agricultural cluster to global networks driven by international corporations, leading to the replacement of local systems global. It was found that konkurentospromozhnist cluster formations caused by: firstly, the use konkurentnyh benefits areas where concentrated production; secondly, increased konkurentnyh advantages of this formation through direct contact between the parties. The advantages of cluster organization of agroindustrial production are: 1) the competitiveness and innovation of these formations; 2) All participants clusters retain legal independence and have the same number of votes in making joint decisions; 3) higher social dimension of clusters, compared to corporate units through a common interest in the work of the cluster efektyvniy both the main participants and authorities, local government and community organizations. However, cluster organization of production prydamanni disadvantages, including: 1) the removal of government from agro-industrial production on the organization of hospoda-ryuyuchy entities; 2) members of the cluster (hospodaryuyuchi structure and state authorities) are planning and involved in projects that are designed primarily for the short term.

Keywords: cluster, the agricultural sector, government regulation, competitiveness, competition

Abstract. In the period of transformational changes in Ukraine the distribution of clusters in the agricultural sector is one of the best ways of establishing mutually beneficial and competitive relations between agricultural enterprises, institutions and organizations in related industries. Their distribution will allow create conditions for the growth of agricultural production and sustainable development of rural areas, ensuring a high standard of living of the rural population. Within the frame of cluster, based on integration and cooperative relations at a rapid pace will happen the adaptation of agricultural, industrial and processing enterprises in competitive conditions that currently is extremely important for the development of the agrarian sector of Ukraine.

Analysis of recent researches and publications. Problems of the organization and the performance of the clusters dedicated to the works of such foreign scientists as T. Andersen, E. Dahman, M. Porter, A. Marshall, P. Fischer and others. A significant contribution to the study of these problems was made by Russian scientists and economists, among them N. Demjanenko, P. Gaidutskiy, V. Gaets, M. Kropuvko, P. Sabluk, S. Sokolenko, etc. In their works highlights the problems of organization and management of clusters, explores the issues of efficiency of activity of clusters, their influence on the economic development of the agricultural sector and the country in general, etc. However, several issues still require further in-depth study.

The purpose of this article is exploring the nature and problems of clustering in the agricultural sector, to justify the need for active state involvement in the revitalization this process. **The methodological basis** of this work is the application of General scientific and special methods of scientific knowledge. Synthesis method, a combination of analysis and synthesis, the movement from the abstract to the concrete, the empirical method were applied to the study of the properties and characteristics of clusters,

problems and ways of their development in Ukraine. **Research hypothesis:** the development of clusters in Ukraine significantly inhibit the imperfection of the legislation and passive state involvement in their creation.

The main material. World practice have proved the importance of stimulating the development of competition by the state in the rise of industries. Strategic benefits from competition and market presence of competitors are divided into four categories: strengthening of competitive advantages, improving the structure of the industry, assistance in market development and its protection against the invasion of new competitors. Therefore, the creation of a competitive environment is one of the important functions of the state.

Antimonopoly legislation of Ukraine testifies to the interest of the state in the development of economic competition and restriction of monopolies in economic activities, in implementation of measures on demonopolization of economy, financial, logistical, informational, advisory and other support for business entities that contribute to the development of competition.

However, it should be noted that the competitive environment of the agricultural sector has one specific trait that is related to the fact that the end user separated from the primary manufacturer and interacts only with the final link in the agricultural supply chain. At the same time, the primary manufacturer only deals with the first buyer of its products and is isolated from the estimates made by the end user. The behavior of the primary manufacturer to market forms arena score is not the end user, and the first buyer. Furthermore, the presence of numerous links towards the promotion of agricultural products from the primary producer to the final consumer and reduces the share of the primary producer to the final price of agricultural products.

An important task of state regulation of development of competitive environment in the agricultural sector is to promote effective agricultural market infrastructure. Multi-

lateral participation of the state in the development of this infrastructure will serve as a catalyst for the development of agricultural production and competition in the industry, that state regulation of the agricultural market will be effective only if the best interests of all market participants.

We are talking about a fair distribution of profits between the entities of the agricultural sector, which will provide and the solution of social problems of rural areas. One of the promising forms of interaction between government and business in the agricultural sector is the cooperation on the development of agricultural clusters in which for entrepreneurs on the basis of specialization and concentration of production, attraction of innovative development of research institutions, the formation of closed loops of production enhances the competitiveness and profitability of products, and at the state level by equipping rural areas with modern agro service, agricultural, residential and cultural areas (in the form of agro-towns) is a stable socio-economic development of the region. The conceptual idea of the formation of the agricultural cluster is the transition to a new form of the relationship between enterprises and government; focus on the development of cooperation between members of the cluster; the understanding of competition as a "struggle for existence" and as "a mutually beneficial partnership; strengthening of processes of transfer of knowledge and experience and other things.

The first theoretical basis the theory of clusters were laid A. Marshall, who in his work "Principles of economic theory" explored the phenomenon of "special" industrial regions. However, the classic definition of clusters gave M. Porter. In his words, "a cluster is a geographical group of interdependent companies, organizations and related agencies, which are linked by common goals and complement each other. Territorial coverage of the cluster can vary from producer groups one city or region to country and even neighbouring countries" [3, P. 215].

P.T. Sabluk, writes on this subject: "... a cluster system are the embodiment of a combination of scientific, industrial and commercial structures, and on the basis of the benefits of cooperative interaction contribute to the formation and effective use of competitive advantages of individual companies, industries, regions and national economies in the term of increasing global competitive confrontation. At this stage of development of economy of Ukraine clusters can act as an effective tool of intensification of domestic enterprise development and strengthening of market positions of individual economic actors" [7].

V.V. Bakun treats the cluster as a "competitive organizational form of territorial-hierarchical model of production with different levels of localization, which allows find out for maximum economic and social effect for the minimization of costs in comparison similar industries"[1, P.54].

According to M.F. Kropuvko, "a cluster is interterritorial association not only complementary businesses, working together, forming a closed technological cycle of the large-scale production and implementation of competitive final products, with maintaining the legal autonomy of its participants, but also finish infrastructure components, such as governments and research institutions, which create favorable conditions for the production and promotion of members products of cluster on the grocery market" [5, P. 6].

From these definitions rise to the surface that the organization of clusters initiated on a geographical basis, in other

words, there where see a high concentration of such enterprises as for manufactured goods, and so on. The center of the cluster is often a few powerful enterprises between which is retained a competitive relationship.

Agrarian clusters are similar with the associations, because they allow the participants not only retain legal independence and to compete among themselves but also to participate in it all economic actors – business, government, population. The role of the leader in the cluster render the legislative and executive authorities, because they determine the total for all participants of the cluster strategic guidelines in accordance with the objectives of socio-economic policy and operational management and coordination of joint activities of the participants in close cooperation with local authorities. Participants of the agricultural cluster can be: agricultural enterprise; enterprise engineering; processing enterprises of the food industry; integrated agricultural systems; consulting organizations; academic institutions; educational institutions; legislative institutions; governments; financial institutions and the like. Agricultural cluster is the organizational form in the relations between the state and the market, which contributes to the formation of mutually beneficial relationships, eliminates the gap between science and industry, provides an awareness of the social responsibility of each individual business. However, we cannot ignore the serious problems and risks associated with clustersize. In particular, the inclusion of national enterprises of the agricultural cluster to global networks managed by international corporations, leads to the substitution of local systems global.

It can be marked the main features of the agricultural cluster:

- the presence of a group of interrelated companies. In their structure one or a few large business leaders, forming the centre (the nucleus) and determine a long-term strategy of the cluster, the core of the agricultural cluster can be as large agricultural enterprise, and the enterprise processing industry);
- geographical localization. The scale of the agricultural cluster can vary from one city or region to country in General, or of several neighboring countries;
- cooperation of enterprises of the agricultural cluster. The cluster is characterized by the stability of economic relations and their dominant value for the majority of cluster participants. In the agricultural cluster includes companies from different sectors, technologically connected with each other and specializing in the production of basic and related products or services;
- competition within the agricultural cluster. This encourages their participants to continuous improvement of its activities and innovative search;
- innovative orientation of the agricultural cluster. Cluster members are able to respond quickly to the needs of customers with access to new technologies within a cluster, cooperate for the implementation of scientific research; competitive pressure stimulates the enterprises to create innovation;
- interplay of interests of the enterprises of agrarian cluster and region.

The main objectives of the establishment and activities of clusters in the industry are: 1) increasing the competitiveness of cluster members through the introduction of innovative technologies; 2) reduction of industrial costs and

improve product quality at the expense of the action defect synergies, including the harmonization of approaches to quality management, logistics, engineering, information technology; 3) the potential possibility in creating new workplaces and securing permanent employment in the conditions of reforming and macrostructure stabilization processes; 4) social realization of interests the members of the cluster; 5) ensuring the adequacy of resources; 6) access to world markets for agricultural products and agricultural exchanges; 7) creation of an effective system of access and exchange information on supply and demand in the market, increasing competitive advantage [9, P. 441].

For the successful activity of the agricultural cluster requires the following conditions: the presence of the earth as a spatial basis for the distribution of productive forces as the principal means of production; the presence of several companies, United by a common purpose and desire to achieve competitive advantage by combining their efforts; the availability of scientific and educational institutions that contribute to generating new ideas, suitable for implementation into production, and carry out training of highly qualified specialists of the corresponding profile; obligatory presence of the enterprise-cluster core, which will function as a coordination management body; the existence of an effective infrastructure at all levels, especially of the agrarian market infrastructure; availability of state programs of development of cluster formations, the relevant mechanisms of the state support; preferably the availability of financial institution Bank type, which is designed to provide a high level of financial discipline, crediting of the enterprises-participants of the cluster, create appropriate conditions for the development of leasing operations, insurance and the like [11].

According to Porter, the most competitive sectors develop in clusters and public policy that supports the creation of clusters increases the competitiveness of the companies-participants of the cluster and the national economy as a whole. We are talking about what the state should play the role of mediator, helping to reduce information asymmetry and to reduce transaction costs through the creation of platforms for interaction, speaking in some cases a guarantor of the obligations, shaping and refining the rules of the game, etc. Such activities allow the participants of the agricultural cluster to intensify interaction and to exploit more fully the potential of the positive externalities [4].

However, for the success activity of the agricultural cluster is necessary, first of all, the availability a particular area of several companies, united by a common purpose and a desire to achieve competitive advantages by combining their efforts. In order, for forming a cluster mandatory components are presence of scientific and educational institutions that ensure the generation of new product ideas and train highly qualified personnel of the profile [7, P.11]. It is equally important that the spread and effective activity of clusters is the presence of an effective infrastructure of all levels and government programs to support cluster formations [8, P. 19]. Thus, the competitiveness of the cluster formings due to: 1. using of competitive advantages of the territories in which concentrated production; 2. by strengthening the competitive advantages of this formation through the establishment of direct links between its members. Identify the following principles of cluster organization of production:

1. Common brand for all participants (product, service, brand...).
2. The presence of a leader (integrator) is a large enterprise that determines long-term economic and innovation strategy of all cluster participants.
3. Voluntariness and openness of the cluster membership of the independent enterprises, the organizational form is a formal (statutory) and informal (contractual) partnerships.
4. Common distribution network of getting products to market (including international).
5. Cooperation and trust based on equal sharing between the participants of the product chain.
6. Higher standards of product quality. In a clustered mechanism integration of low-quality intermediate product, which is produced by one of the participants of the product chain, will be rejected by others.
7. The presence of the arbitrage. All disputes, arising between members of the cluster, have the opportunity to decide within a cluster.
8. Close cooperation the cluster associations with authorities and local self-government on the principles of private-public partnership [5, P. 6-7].

However, it should be noted that cluster development is a long process, which can be implemented only on the basis of strategic management of socio-economic development of territories and economic structures aimed at exploiting territorial and resource advantages. Advantages of cluster organization of agricultural production are: 1) the competitiveness and innovativeness of such units; 2) all members of the cluster retain their legal independence and have the same number of votes in the joint decision-making; 3) high social orientation of the clusters, compared with corporate parties, through a common interest in the effective operation of the cluster from both major parties and authorities, local government and community organizations etc. Also, for the cluster organization of production inherent disadvantages, among which are: 1) the removal of the bodies of state management of agroindustrial production from the organization of business entities; 2) the members of the cluster (economic structure and the government) make plans and implement projects that are designed primarily for the short term.

The most appropriate in the agricultural sector is the formation of two types of clusters – innovation and production. The innovation cluster is the most progressive form of competitive advantage, because it is a coalition of academic, research institutions, educational institutions, consulting firms, engineering firms and other organizations based on the overall Central coordination of their actions. Production cluster unites the enterprises for the production, processing and storage of products, logistics network and marketing companies, and service companies. Its main advantages are the close economic links, the presence of conditions for application of the effect of scale through sharing of productive forces and achieve significant competitive advantages by creating a closed cycle of production, storage and processing [11]. As the world experience shows the organization of clusters, in virtually all EU countries have national programs for the development and support of cluster formations, especially in the innovation and agricultural areas, which contributes to improving the competitiveness of industries and are inextricably action chain "science–education– production".

It is worth noting that in the first stage, clusters were created spontaneously, randomly, but over time, this process in many countries scored goal-oriented. For example, according to the Harvard business school in the U.S. economy more than 32% of employment provide clusters; in the economy of Sweden in clusters occupied 39% of the working population (excluding public sector). Studies have shown that workers of the cluster, receive a salary by 30-40% greater than the national average [13, P. 139]. The development of agricultural clusters in Ukraine today is hampered by the lack of cooperation between competitors in the field of scientific research, education, marketing; ignorance of business and government in the benefits of cluster connections, network cooperation and public-private cooperation; the lack of development of partnership relations with local public administration authorities; weak links between enterprises and higher educational and scientific institutions; the absence in Ukraine legal framework for the regulation of public-private cooperation; low efficiency of trade Union organizations the lack of a non-profit organization that brings together actors of the cluster in the region [13, P. 138]; the absence of normative-legal regulation of creation of cluster organization of production and the lack of support for cluster initiatives of enterprises from the state; an insufficient level of competition in the market; the constraints in attracting foreign investment and venture capital, which are an important source for the development of clusters; the lack of a common systematic information base on existing and potential clusters, which prevents the creation of a public understanding of the benefits of cluster associations, as well as a holistic system for the operation of existing agricultural clusters.

Based on the analysis of national legislation in Ukraine, you can create three types of agro-industrial associations on the basis of cluster organization of production:

1) as territorial self-governing production association that operates on the basis of the contract of joint activity without establishing a legal entity and without combining the contributions of its participants. The purpose of activity such cluster should become provision the competitiveness of its members and the development of regional (district, regional) agricultural production through the development of medium-term programs, which involve the using the advantages of the region through the production concentration and specialization of participants, and also through the implementation of programs through consolidation of efforts and the finance Lists.

2) as food self-production association, associative enterprises legal form. The purpose of this type of Association is the implementation of the overall economic activity on the basis of innovation from the production and promotion of certain kinds of agricultural products;

3) as a self-governing scientific production association, producers of a particular agricultural products, manufacturers of technical means and other material and technological resources for its production and specialized research institutions, providing the transfer of innovation in this industry. Its main purpose is to provide innovative development of its members. It can operate in the form of a general partnership that operates on the basis of the contract on joint activity without a legal entity or in the form of association [5].

In Ukraine there are only a few examples of the practical establishment and functioning of agrarian clusters and mainly in industry, agriculture, construction, tourism and other fields. Thus, in particular, the program for sustainable development in Kharkiv region till 2020 provides for the

formation and development of clusters in areas such as gas and oil production and processing; production and processing of agricultural products and production of food products; light industry; construction and production of building materials; high-tech manufacturing; science and education; health; housing and utilities; transport and trade logistics direction. Today promising areas of cluster development in the agricultural sector of Ukraine are: rural green tourism; organic production; niche production of a particular product, and innovation. It is advisable to pay attention to scientific developments of Russian scientists-economists on the state regulation of building organizational structures of clusters in different areas of specialization. According to them [2], the process of clustering of the regional AIC is advisable to carry out gradually through the adoption of scientifically-based regional medium-term programmes for the development of cooperative integration and cluster associations. In the early stages of clustering need to provide government incentives, control and coordination processes through the development and adoption of the State target program of development of the cluster for the period up to 2020, which should include the bilateral relationship between science, education and production of competitive products. Before the clustering, we need to establish regional centers of scientific support of agricultural production and to hold them accountable for proper operation of the chain "science – production". It is necessary to develop and implement a national system and full prompt provision of information to participants of clusters and research and educational institutions to accelerate the coordination of joint actions; can be easily and fully to harmonize Ukrainian legislation in accordance with the requirements of the European community to ensure proper quality control of products and free access to global food and agricultural markets; to develop mechanisms for allocating financial resources to meet the rational needs of cluster members and their owners, to ensure the development of rural depressed areas and adjacent infrastructure; to establish inter-industry linkages and to create a system of state orders for the products of various branches of agricultural production for sustainable development; to develop and implement mechanisms to promote the full cycle of production and processing of agricultural products, to avoid turning a large national agricultural groups in the raw material base for other countries [2, P. 8].

In addition, for the formation of an effective mechanism of state regulation of activity of agrarian clusters should: define the levels of responsibility of elements of the cluster and identify groups of items that are subject to influence managerial decisions strategic, tactical and operational nature; to carry out the decomposition of the subsystems in the cluster, to identify General and specific functions of regulation, the basic principles and methods of acquisition, processing and analysis of baseline information for the development of control actions [13].

Further reform of the system of national agricultural production of Ukraine shall occur on a cluster basis, which will improve the level of competitiveness of agricultural enterprises and agricultural sector, to establish effective and transparent market mechanisms of economic management in rural areas. Competitiveness cluster formations are due to: first, use of competitive advantages of the territories in which concentrated production; secondly, by strengthening the competitive advantages of this formation through the establishment of direct links between its members.

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