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THE ROLE OF AGRICULTURAL SECTOR IN THE INTEGRATION OF UKRAINE INTO A GLOBAL ECONOMY

ABSTRACT

Domestic corporate structure has its specific forms. In the agricultural sector, they are usually Agrocorporation and agriholdings. Ukrainian agrarian corporate entity – it is mostly non-agricultural vertically integrated companies for which agricultural production is the main activity, but engaged in creating the structure of agricultural enterprises. They are based on foreign investment funds and domestic financial-industrial groups in order to provide own production of raw materials and increase in equity due to the transfer of agricultural production on an industrial basis. Large investments in the development of production and vertical integration gave them the possibility to easily overcome the barriers to entry into the industry and become its leaders. However, these structures do not contribute to socio-economic development.

Lobbying for their interests, they tend to directly integrate into society their goals and procedures as institutional rules. From an institutional point of view it can be identified as unbalanced institutional development that generates some motivation in the behavior of economic agents, directing them to exploit natural resources and ignore the socio-economic problems of society. The tendency to expand into all areas of social life is threatening to disbalance specialized and complex roles as in the institutional structure of the agricultural sector and in society in general, the destruction of local agricultural systems, and reaching a critical point poses a threat to the functioning of the whole agro-economic system.

In contrast to large corporate entities other organizational structures should be established, based on self-organizing institutions which should be public. State policy should aim at human capital development, the formation of entrepreneurial

resources in rural areas and support self-organizing structures that may be promising forms of corporatism in the agricultural sector. They can be seen as an innovative product obtained by the interaction of state and agrobusinessmen, whose goal is to minimize transaction costs in the generation of industrial innovation.

Competition of corporate farms with large corporate structures is possible for finding its niche in the agricultural market, agricultural market infrastructure, the deployment process of corporate self rural population, creating a network of business incubators, where the wish to learn the basics agricultural entrepreneurship will receive skills of farming and corporate BECOME PROFICIENT culture. Modern information and market infrastructure combined with agrobusinessmen on the basis of state management company will create agricultural holding, the founders of which are residents of the village, which fully corresponds to agroeconomical paradigm.