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PUBLIC ADMINISTRATION OF AGRICULTURAL EXPORTS: NORMATIVE-LEGAL ACTS OVERVIEW

Global demand for agricultural commodities is rising as a result of the growing global population and rising real incomes. Agriculture is a very important economy sector for both developed and developing countries. International trade is important to the economic well-being of any nation in general and a single region in particular. The growth of agricultural trade helps to provide more and more people with more abundant, higher quality, more varied and less expensive food. Agricultural products exports is not only the foreign currency earning source, but an employer for millions of people working in different industries connected directly/indirectly with agriculture and trade in general.

The importance of the effective public administration for agricultural exports is obvious to help all the spheres of the country function successfully. In order to evaluate how successful the public administration for the agricultural exports of Ukraine is, the normative-legal acts from the legal basis of the international trade economy sphere were presented and analysed regarding their involvement in the agricultural export management. The gaps and shortcomings were detected in the normative-legal acts under analysis. The ways to improve and fill them in were proposed to make the agro-exports promotion more effective.

The data of the agricultural exports amount dynamics of Ukraine for their changeability, trend and projection was analysed in the article. The time frame under analysis is 16 years. The trend line for the data under research was built with the help of the power function, having chosen from the linear, exponential, polynomial, logarithmic and power functions, taking into consideration the R^2 coefficient values. The trend line is upward through the time frame under analysis and during two following years taken for the projection.

The research itself as well as its results will be interesting and useful for politicians, government officials of all the levels, businessmen, not-for-profit institutions employees, representatives of the scientific community as well as decision makers.

Key words: *public administration, agricultural exports, normative-legal act, Export Credit Agency, export strategy*

Formulation of the problem. Global demand for agricultural commodities is rising as a result of the growing global population and rising real incomes [1]. To satisfy the said demand, the international trade comes into the game, providing people with the goods and services they don't have or can't produce in their own countries because of objective/non-objective reasons. Therefore, international trade is important to the economic well-being of any nation in general and a single region in particular [2]. The importance of international trade in general and agricultural one in particular lies

not only in the goods and services provision, but it also generates employment – for more than farmers, ranchers, and growers. Many others depend on agricultural trade for their jobs, including the people who process, transport, and market agricultural output and those who manufacture, transport, and market the inputs used in farming [3]. The growth of agricultural trade helps to provide more and more people with more abundant, higher quality, more varied and less expensive food [4]. That's why, exports, as an integral part of international trade, are seen as an engine for encouraging and stim-

ulating the increase and widening of investments, which in turn leads to an increase in the employment rate and, as a result, the decrease in the number of unemployed and the elimination of poverty [4]. Thereby, agricultural exports have a positive strong correlation with gross domestic product and have a positive effect on economic growth [4]. Taking into account everything stated above, the importance of the effective public administration for agricultural exports is absolutely obvious and the need to continue and expand the research made in the paper goes without saying.

Analysis of recent research and publications. Many scientists researched different issues of public administration in manifold social and economic activity spheres. Among them the following are to be mentioned: A.D. Henry, M.L. Jakobsen, A.M. Kjeldsen, T. Pallesen, M.S. Mangai, S.B. Yang, M.E. Guy, K. Checkland, J. Hammond, A. Coleman, J. Macinnes, R. Mike-lyte, S. Croke, J. Billings, S. Bailey, P. Allen, A.F. Tavares, S.M. Pires, F. Teles and others. The Ukrainian researchers engaged in the public administration issues exploration can be represented by N. Filipova, N. Vasylieva, I. Binko, L. Kosheleva, O. Vasylieva, N. Obushna, V. Kozak, S. Prylipko, Y. Taran, A. Naumenko, A. Ruban, V. Halushka, O. Hentosh, D. Solovei, H. Saburova, O. Sopina, L. Lochshina, H. Kovtun, L. Bobko, N. Shura, R. Schokin, I. Petrova, N. Mykhalitska, O. Sosnin, L. Chernova and others.

On the other hand, there are plenty of scientists researching different aspects of the agricultural exports amount/functioning, etc. One should name the following foreign ones: E. Ferro, T. Otsuki, J.S. Wilson, B. Lin, Y.Y. Zhang, H. Moon, J.H. Seok, P. Julieth, T. Cubillos, B. Soltész, L. Vasa, P. Tapas, D. Newth, J.J. Finnigan, Y. Cai, L.I. Porfirio, X. He, S. Fei, C. Shouhui, C. Estrades, M. Flores, G. Lezama and others. As for the Ukrainian scientists working in the field of agricultural exports issues, the following ones are to be mentioned here: K. Nakonechna, V. Nelep, O. Vysotska, L. Furdychko, T. Batrakova, I. Kysh, T. Vlasiuk, M. Rakhman, S. Kvasha, N. Komarivska, Y. Bilianskyi, M. Chyrak, V. Nytsenko, Y. Kashuba, I. Cherevko,

I. Salkova, O. Mykhailenko, N. Patyka, H. Fedosieyeva, I. Ponomarenko and others. As you've noticed, there are quite a lot of research works separately on public administration and separately on agricultural exports. And that is the gap, which is being tried to fill in this article.

Goals of the article. Taking into account everything mentioned above, the goals of the article are to evaluate how successful the public administration for the agricultural exports of Ukraine is through presentation and analysis of two normative-legal acts, that is the "Export Strategy of Ukraine ("road map" of strategic trade development) for 2017–2021" and the Law of Ukraine "On ensuring large-scale expansion of the exports of goods (works, services) of the Ukrainian origin by insuring, guaranteeing and reducing the cost of export crediting", regarding their involvement in the agricultural export management; analysis of the dynamics for the agricultural exports amount of Ukraine for 16 years, paying a special attention the period of 2017–2020 as two normative-legal acts analysed came into force in 2017; building a trend line for the data under analysis and making its projection for the following two years.

Presentation of the main research material. Agricultural development fuels economic growth and is crucial to poverty alleviation and food security [5]. Trade is an important part of agricultural markets [6]. Taking into account only some of the challenges the people have to face globally, like COVID-19 pandemic, food prices elevation, world population increase, the international trade of agricultural products become not just merely important, but hugely vitally important.

For centuries, Ukraine has been known as "the breadbasket of Europe". This title is entirely accurate, given that Ukraine is home to around a quarter of the world's super-fertile "chernozem" or "black soil". Ukraine is already among the top three grain exporters and a world leader in areas such as soybeans and sunflower oil. Ukrainian agricultural exports enjoy a growing profile in key global markets like China, Egypt, India, Turkey, and across the European Union [7].

That makes Ukraine one of the key players in the global agricultural market [8].

Having considered everything stated above, one should add, that according to the export led growth hypothesis, exports are the major source of economic growth. Firstly, in Keynesian theory more exports generate more income growth through foreign exchange multiplier in the short run. Secondly, export raises more foreign exchange which is used to purchase manufactured goods, capital goods and technology. These things contribute to economic growth. Thirdly, exports indirectly promote growth via increased competition, economies of scale, technological development, and increased capacity utilization. Fourthly, many positive externalities like more efficient management or reduction of organizational inefficiencies, better production techniques, positive learning from foreign rivals and technical expertise about product design are accrued due to more exports, lead to economic growth [9]. That's the effective public administration of agricultural exports should be the most essential thing for the Ukrainian policy and decision makers. Talking about effective public administration, the one, that drives the agro-exports amount to increase and foreign markets for the Ukrainian agro-exporters – to diversification, is meant. One of the most effective tools to help the local agro-exporters is export promotion.

Export promotion is used by many countries and regions to promote the goods and services from their companies abroad. This is good for the trade balance and for the overall economy. Governments do this by providing assistance in the marketing and product identification and development, by arranging payment guaranty schemes, pre-shipment and post-shipment financing, trade visits, training, trade fairs, and foreign representation. Many governments have subsidies for market research, partner searches or other activities where the aid of a professional is needed to make exports work [10].

As agriculture in general and agricultural exports in particular are vitally important for Ukraine, the effective public administration of them become more and more sig-

nificant for the successful functioning of all the activity spheres of our country. In this context, the normative-legal plane of the public administration is an extremely topical issue nowadays. Among the normative – legislative acts of the public administration for agricultural exports the “Export Strategy of Ukraine (“road map” of strategic trade development) for 2017–2021” occupies an important place. The purpose of the Strategy is the transition of Ukraine to the export of knowledge-intensive innovative products for sustainable development and successful entry into world markets. To implement the Strategy, it is necessary to define the following strategic goals of Ukraine's trade development for the next five years:

- the creation of favourable conditions that stimulate trade and innovation for export diversification;
- the development of business and trade support services that can increase the competitiveness of enterprises, including small and medium-sized ones;
- the improvement of the skills and competencies of enterprises, in particular small and medium ones (that is – entrepreneurship), necessary for the participation in international trade [11].

It should also be added, that the focus of the Roadmap mentioned above is the modernization of the Ukrainian business environment and economy. The existing and potential sectors, which are of the greatest priority for the state's economy development improvement, were defined in the Strategy. These are Information and Communication Technologies (ICT) Sector, Creative Services Sector, Tourism Sector, Aircraft Maintenance and Repair Sector, Sector for the Production of Spare Parts and Components for the Aerospace and Aviation Industries, Mechanical Engineering Sector and Food Industry Sector [11]. And here there arises a question – where is the agricultural exports sector in the list of priority sectors? The sector, that helped the country survive after many political and economic tempests. The sector, that brings millions of dollars to the Ukrainian economy and millions of jobs for its citizens! Let's have a closer look at the Food Industry Sector, which is directly connected with the agriculture being its raw materials

source. This sector is one of the most important sectors of the economy and includes in particular: food ingredients, finished foods and organic products. The sector has a huge resource base, human capital, well-established production and experience [11]. As you see, there is a mention about a huge resource base in the explanation given in the Strategy, but it is not stated, that it is agriculture, which is an important economy sector of Ukraine in itself. It is clear, that the main emphasis in the Strategy is made on the Ukraine's transition to the export of knowledge-intensive innovative products and departure from the predominant exports of raw materials. The goal is extremely noble, but it is the agricultural products exports that saved and continue saving our country in these difficult times, increasing its importance on the global economic and political scene. So, taking into account the vital importance of the agricultural exports for the economy of Ukraine, it would be logical to include the said economy sector into the Strategy and define the steps and measures of the exports promotion and the agro – exports procedure clearer and easier for the Ukrainian exporters.

Another normative – legal act, that is to be analysed here, is Law of Ukraine "On ensuring large-scale expansion of the exports of goods (works, services) of the Ukrainian origin by insuring, guaranteeing and reducing the cost of export crediting". The Law mentioned in the previous sentence was adopted in December, 20, 2016 under the number 1792-VIII and came into force in January, 1, 2017. This Law defines the principles of state support for export activities through insurance, reinsurance, guarantee, partial compensation of interest rates on export credits in order to create conditions for large-scale expansion of the exports of goods (works, services) of the Ukrainian origin into the foreign markets, ensuring the protection of Ukrainian exporters from the risks of non-payment and financial losses and increasing the competitiveness of the Ukrainian producers in the world markets [12]. According to the Law, to stimulate the export of goods (works, services) of Ukrainian origin, the Cabinet of Ministers of Ukraine creates the Export

Credit Agency (hereinafter – ECA), which, on a voluntary basis, carries out insurance, reinsurance, provides guarantees under the contracts that ensure the development of exports, and also participates in the implementation of the program of partial compensation of interest rates on export credits. ECA is formed in the form of a joint stock company. The founder and shareholder of ECA, which owns at least 50 per cent of the authorized capital plus one share, is the state represented by the Cabinet of Ministers of Ukraine [12]. The main areas of state support for export activities are:

- introduction of credit support programs for Ukrainian exporters from the state budget through authorized banks;
- operations of ECA on the insurance of export credits, direct investments from Ukraine and foreign economic agreements (contracts) against commercial and non-commercial risks, reinsurance and provision of guarantees;
- partial compensation of the interest rate on export credits, which is provided depending on the difference between credit rates in the country of the exporter and the country of the buyer;
- ECA's provision of loans from the state budget for the payment of insurance indemnities under export credit insurance agreements, investments and foreign trade agreements (contracts) against commercial and non-commercial risks;
- provision of government guarantees to ensure the fulfilment of ECA's debt obligations [12].

So, the purpose of ECA is to stimulate large-scale expansion of exports of goods (works, services) of the Ukrainian origin. In addition, the main tasks, management and control bodies, organizational structure, types and conditions of activity, the right to delegate the performance of certain functions or business processes to the specialized companies on contractual terms, insurance contracts currency, basic insurance rates, insurance payment amount, guarantees of the obligations fulfilment, sources of funding, areas of support, regulation of activity, publicity of activity, procedure and conditions for providing state financial support for export activities as well as the procedure for

reorganization and liquidation of the Export Credit Agency are defined and explained in the Law mentioned above. So, there is no direct mention of the agricultural exports in the said Law, that is no preferential lending terms for the agricultural exporters are defined in the Law.

Though, there is no mention of the agricultural exports in both normative-legal acts mentioned above, they determine the general export policy of Ukraine and the rules for carrying out the said activity. It is extremely difficult to assess the effectiveness/non-effectiveness of any normative-legal act. Many researchers, either foreign or local ones, suggest different methods and indicators to evaluate normative-legal act effectiveness. In this article, it is proposed to evaluate the effectiveness of the normative-legal acts according to the effectiveness of the activity sphere it governs/manages/monitors. To do that let's have a look at the dynamics for the exports of the agricultural products amount of Ukraine, visualized in Figure 1. As both normative-legal acts came into force in 2017, let's pay a special attention at the period of 2017–2020 (the data visualizations of the said years were deliberately coloured differently from the rest of the data under analysis).

Having cast a look at Figure 1, it can be stated, that the data dynamics under analysis is rather changeable. We can divide the agro-exports dynamics into four groups – three upward and one downward one. The first group comprises the data from the years 2006–2008 included, the second one – from 2010–2012 included and the third one – from the year 2016 till the end of the time frame under analysis. The fourth, that is downward, group includes the data from the years 2013 to 2015 included. We could even talk about the cyclicity of the data under research if not for the last group, that is the upward one, which lasted for five years. To add to the analysis, it should be said, that the smallest amount of the agricultural exports of Ukraine can be observed in the first year of the data researched and the biggest one – in 2020. As the normative-legal acts analysed above came into force in 2017, let's have a closer look at this period. The data of the time period 2017–2020 have an upward dynamics through the whole time frame. That sounds rather optimistically if not for the data of the year 2020. The matter is, that in 2020 we can observe the smallest positive data difference from the previous year.

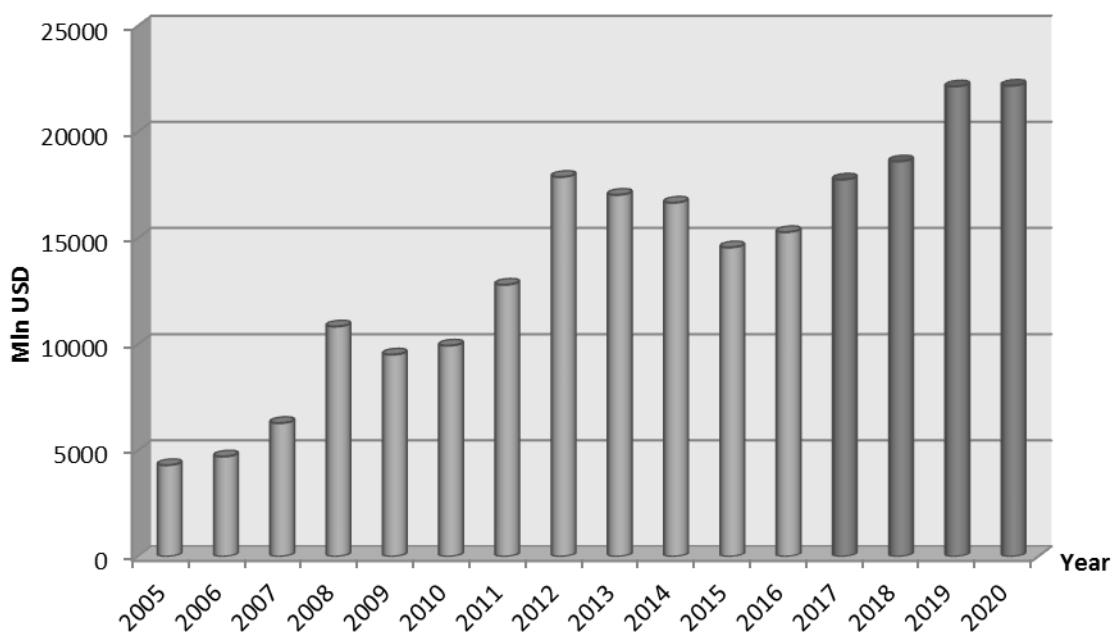


Figure 1. Exports Dynamics of Agricultural Products Amount of Ukraine, mln USD

Source: author's own elaboration on the basis of the data from [13]

To make the research more profound, let's build the trend line for the data analysed and two more years taken to make a projection (Figure 2).

The data visualised in Figure 2 allow us state, that, despite the data analysed changeability, the trend line is upward not only through the time frame under analysis, but during two following years taken for the projection as well. The trend line was built with the help of the power function, having chosen from the linear, exponential, polynomial, logarithmic and power functions, taking into consideration the R^2 coefficient values. Only two years were taken for the projection making because of many challenges we face nowadays and the decision to make the projection for a longer period of time would make the projection less reliable.

Conclusions and suggestions.

Agriculture is a very important economy sector for both developed and developing countries. International trade in agricultural products provide citizens of foreign countries with more variety of foods of better quality and lower prices and the local citizens – with foreign currency inflow. Agricultural products exports is not only the foreign currency earning source, but an employer for millions of people working in different industries connected

directly/indirectly with agriculture and trade in general. The exports increase is mostly associated with the bigger foreign currency inflow into the state budget but it's not that simple – bigger amount of the agricultural products exports is a great trump for making the country a stronger player on the global economic and political scene. That's why many countries and countries unions do their best to increase the agro-exports amount. Export promotion drive boosts economic growth of developing countries in particular through the multiplier effects that the income earned from exports has on the economy [14]. In order to evaluate how successful the public administration for the agricultural exports of Ukraine is, two normative – legal acts from the legal basis of the said economy sphere, that is "Export Strategy of Ukraine ("road map" of strategic trade development) for 2017–2021" and Law of Ukraine "On ensuring large-scale expansion of the exports of goods (works, services) of the Ukrainian origin by insuring, guaranteeing and reducing the cost of export crediting", were presented and analysed regarding their involvement in the agricultural export management. According to the analysis presented in the article, no direct mention of the agricultural exports was found in any of the analysed normative-legal acts.

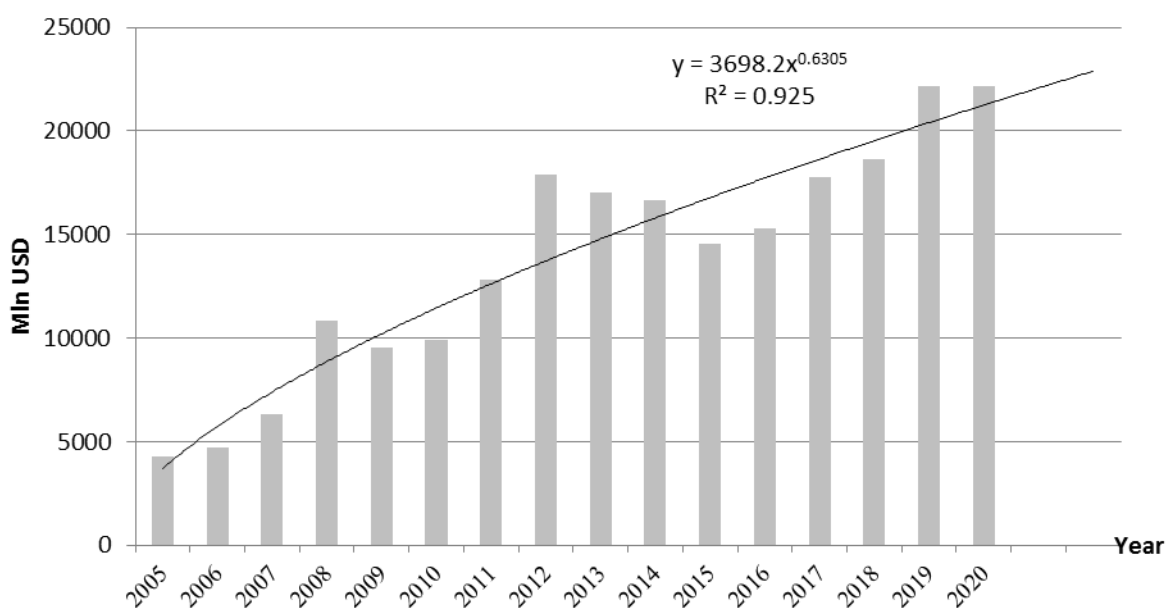


Figure 2. Exports Trend of Agricultural Products Amount of Ukraine, mln USD

Source: author's own elaboration on the basis of the data from [13]

The main emphasis in the Strategy is made on the Ukraine's transition to the export of knowledge-intensive innovative products and departure from the predominant exports of raw materials. The goal is extremely noble, but, taking into account the vital importance of the agricultural exports for the economy of Ukraine, it would be logical to include the said economy sector into the Strategy and define the steps and measures of the exports promotion and the agro-exports procedure clearer and easier for the Ukrainian exporters. Hope, the politicians and decision makers of Ukraine will realise the growing importance of the agricultural products exports and will make the necessary changes in the next strategy, suggesting effective measures to promote Ukrainian agro-exports. The same situation is with the Law of Ukraine analysed in the paper – it is concentrated mostly on different aspects of the Export Credit Agency (ECA) creation and functioning, without mentioning agricultural exports promotion. It would be great for the promotion of the exports mentioned above to add certain provisions for the agricultural products exporters soft loans/insurance/compensations.

In order to evaluate the effectiveness of the public administration of the agricultural products exports the effectiveness of the activity sphere it governs/manages/monitors was analysed as for the agro-exports amount dynamics of Ukraine. The data for 16 years as for the agricultural exports amount dynamics of Ukraine for their changeability, trend and projection. The data dynamics under analysis is rather changeable and can be divided into four groups – three upward and one downward one. The smallest amount of the agricultural exports of Ukraine can be observed in the first year of the data researched and the biggest one – in 2020. Though, the biggest amount for the agricultural products exports can be observed in 2020, the smallest positive data difference from the previous year can be found in the same year. That suggests, that many challenges we face nowadays, like COVID-19 pandemic, the turbulences in the institutional frame of the public administration for agriculture, the gaps in the normative-legal acts governing

the said economy sector, etc. influenced the data under research dynamics rather than the exports amount itself. Though, some gaps were found in the normative-legal acts analysed in the article, the data dynamics during the period 2017–2020 is upward. The possible explanation of such a contradictory conclusion is the positive influence of the other global challenges, like the increase of the world's population and therefore food demand, the increase of the food prices on the global market, etc. Though, the smallest positive change of the agro-exports amount is to be seen in 2020, the trend line is upward not only through the time frame under analysis, but during two following years taken for the projection as well. That sounds rather optimistic, but, taking into consideration all the challenges we face nowadays and the changeability of the global economic and political situation, we should work hard to make the made projection come true. All the gaps and shortcomings detected in the normative-legal acts analysed, make this research worth continuing and expanding. The research itself as well as its results will be interesting and useful for politicians, government officials of all the levels, businessmen, not-for-profit institutions employees, representatives of the scientific community as well as decision makers.

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Кіфоренко О. В. Публічне управління експортом сільськогосподарської продукції: огляд нормативно-правових актів

Глобальний попит на сільськогосподарську продукцію зростає як результат збільшення кількості населення у світі й підвищення його реальних доходів. Сільське господарство є дуже важливим сектором економіки як для розвинених країн, так і для таких, що розвиваються. Міжнародна торгівля має важливе значення для економічного добробуту будь-якої країни загалом та окремого регіону зокрема. Зростання обсягів торгівлі сільськогосподарською продукцією сприяє забезпеченню все більшої кількості людей якісними, різноманітнішими й дешевшими продуктами харчування. Експорт сільськогосподарської продукції є не лише джерелом надходжень в іноземній валюті, а й виступає роботодавцем для мільйонів людей, які працюють у різних галузях, прямо й опосередковано пов'язаних із сільським господарством і торгівлею загалом.

Важливість ефективного публічного управління експортом сільськогосподарської продукції очевидна для успішного функціонування всіх сфер життєдіяльності країни. Для того, щоб оцінити, наскільки успішним є публічне управління експортом сільськогосподарської продукції України, були представлені й проаналізовані нормативно-правові акти з правової бази такої сфери економіки, як міжнародна торгівля, щодо їх залучення до управління експортом продукції сільськогосподарського господарства. У результаті аналізу в досліджуваних нормативно-правових актах виявлено прогалини й недоліки. У статті запропоновано шляхи їх виправлення та заповнення для підвищення ефективності просування аграрного експорту на ринки інших країн.

У роботі проаналізовані дані обсягів експорту сільськогосподарської продукції України в динаміці щодо їх мінливості, тренду й прогнозу. Часовий проміжок аналізованих даних становить 16 років. Лінія тренду для досліджуваних даних була побудована за допомогою степеневі функції, будучи вибраною з-поміж лінійної, експоненціальної, поліноміальної, логарифмічної та степеневі функцій з урахуванням значень коефіцієнта R^2 . Лінія тренду досліджуваних даних висхідна протягом аналізованого часового проміжку й протягом наступних двох років, узятих для прогнозування.

Саме дослідження, а також його результати будуть цікавими й корисними для політиків, урядовців усіх рівнів, бізнесменів, працівників некомерційних організацій, представників наукової спільноти, а також тих, хто приймає рішення.

Ключові слова: публічне управління, експорт сільськогосподарської продукції, нормативно-правовий акт, Експортно-кредитне агентство, експортна стратегія.