

СЕКЦИЯ А
БИЗНЕС-АДМИНИСТРИРОВАНИЕ МАЛЫХ И СРЕДНИХ ПРЕДПРИЯТИЙ

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CREDIT COOPERATIVES AS A FACTOR PROMOTING DEVELOPMENT OF SMALL AND MEDIUM AGROBUSINESS

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Abstract – the article is devoted to the development potential of credit cooperation in the agricultural sector of the economy, directions and forms of structural transformations in the agro-industrial complex. The degree of influence of credit cooperatives on the development of small and medium-sized agricultural businesses has been substantiated. The study is based on a systematic approach to studying the characteristics of the development of agricultural credit consumer cooperatives. The main factors influencing the effective activity of credit cooperatives are revealed. The problems of financing agricultural consumer cooperatives, options for state and regional support for small agribusiness entities are considered.

Keywords: agricultural sector, credit cooperation, forms, financing.

Introduction. The system of agricultural credit consumer cooperation in Ukraine is one of the forms of financing for small agribusiness. Cooperation is able to ensure the coordination of the activities of different areas of the agro-industrial complex into a single economic system. The practice of developed countries and the already accumulated Ukrainian experience suggest that one of the most effective ways of lending to small agribusiness is to create a system of credit cooperatives. Cooperation is a classic example of combining personal interests with public ones. It provides the peasant with ample opportunities for self-reliance, enterprise and initiative. The transition of enterprises to a cooperative basis contributes to the development of market relations, primarily through intra-economic turnover.

Main part. In developed countries, the development of a system of credit cooperatives began with the creation of a network of primary organizations based on individual membership in order to meet local needs. Their growth led to the formation of regional credit organizations that served the needs of their members for credit and financial resources. In the course of evolution, national credit cooperative organizations were created, including large banks. Although at first they were created in order to provide loans to agricultural producers and for many years they have fulfilled this very role. Gradually, rural credit cooperatives stopped providing loans only to agriculture and transformed (in terms of their membership and types of operations) into multipurpose credit organizations serving agricultural enterprises and, in some cases, other sectors of the economy, not only in their own country, but also abroad. In 1990, cooperative credit institutions revived in transition economies in Eastern and Central Europe and the CIS. This process is still at the stage of formation, its distinctive feature is the active participation of international state and non-state organizations (and in many cases it was on the initiative of the latter that such cooperative credit organizations were created) [1].

In Ukraine, the share of agricultural production cooperatives in the total volume of agricultural production is less than 1%. At the same time, the number of individuals - members of agricultural service cooperatives - less than 30 thousand people, which is less than 0.2% of the rural population of Ukraine. At the same time, the share of agricultural cooperatives in the EU agricultural market is 40-50%, and in some states and sectors it reaches 70%. At the beginning of 2019, there were 735 operating agricultural service cooperatives in Ukraine. The number of dairy cooperatives in 2018 - 186 (+44 units). The number of cooperatives for land cultivation and harvesting increased to 162 (+16), fruits and vegetables - to 113 (+34), grain - to 41 (1), meat - to 35 (+16), cooperatives for the provision of other services - to 198 (+46) [2].

The source of funds at the initial stage of the formation of a credit cooperative is the share contributions of members of the cooperative. Later, stable cooperatives can attract external funds, such as loans from commercial banks, donor contributions and loans, personal savings of the population. In some cases, local offices accept deposits and issue loans, while the respective regional organization to which they belong is trying to attract external resources.

Among the founders of rural credit cooperatives, legal entities (peasant farms) prevail. Gradually, if the activity of the cooperative is successful, it becomes attractive to wider sections of the rural population (mainly for owners of personal subsidiary plots and garden plots), and individuals begin to dominate among the members of the cooperative. As the circle of members of the cooperative grows, it includes local enterprises, including those that are only indirectly related to agricultural production (enterprises engaged in processing, trade, marketing, service, as well as other enterprises and organizations). In the largest cooperatives, agricultural producers account for only 45% of members. Cooperatives that simplify the life of the Ukrainian countryside are often called the third sector of the national economy. So, on April 22, 2020, the Government adopted the Resolution of the Cabinet of Ministers of Ukraine No. 106 "On Amending the Procedure for Using Funds Provided in the State Budget to Provide Financial Support for the Development of Farms". The decree provides for the improvement of the mechanism of state support for cooperatives [3].

This is understandable, given that there are more than 700 million of them in the world. The largest cooperative alliance in the world, The International Cooperative Alliance, unites 192 million such associations and 250 million members. The money turnover of the 96 largest agricultural cooperatives in the world is \$ 800 billion, including the largest of them - South Korean NH Nonghyup (\$ 63 billion). Against the background of such data, representatives of the cooperative movement in Ukraine understand that this form of management will give them good economic benefits. In

addition, for them, a cooperative is an opportunity, in the context of the upcoming opening of the land market, to remain a responsible and effective manager of their land assets in the future.

With the adoption of the Law "On Consumer Cooperation" [4] and the Law "On Cooperation" [5], a long period of non-recognition of credit cooperatives as a special form of credit organization passed away. However, the problem of membership in a credit cooperative of legal entities remains open. There is no licensing system for credit cooperatives and a government body responsible for the licensing and supervision system. The laws are purely framework in nature, and many important issues of the life of credit cooperatives are outside these frameworks.

In fact, credit cooperatives are not fully integrated into the overall financial system. As a result, one of the serious problems is the distribution of credit resources of rural credit cooperatives during the so-called "dead" season. Demand for loans is higher in spring, summer and autumn. In winter, the available resources of rural credit cooperatives are not really used, while in the "peak" season the demand exceeds the available credit resources. Since such cooperatives cannot freely borrow funds from other financial organizations or, conversely, borrow such funds from the latter, the seasonal nature of their work is a significant problem for them. Unfortunately, until now, at the government level, no decision has been made to channel funds to subsidize the rate of commercial loans to agricultural producers through credit cooperatives.

Conclusion. A number of amendments must be made to the Law "On Consumer Cooperation" and the Law "On Cooperation". In particular: not to establish strict restrictions on the membership of citizens (individuals) and legal entities - small enterprises, as well as restrictions on the targeted use of loans; to allow the creation and development of cooperatives, ranging from simple forms of cooperation to more complex forms, in particular to the level of cooperative banks that provide their members with a full range of banking services; extend monitoring by ordinary banking supervisors to these cooperatives if such cooperatives begin to perform banking functions, while allowing licensing and supervisory authorities to set specific standards and norms for credit cooperatives, taking into account their status as different from that of ordinary banks ...

It is advisable to introduce amendments to the banking legislation, which will allow the credit cooperative organizations existing in the form of consumer cooperatives to be included in the national financial system. In addition, the Government should consider the feasibility of creating a guarantee fund at the expense of state allocations, which could be used to ensure access to financial resources for credit cooperatives that do not have sufficient collateral. It is necessary to include rural credit cooperatives in the list of credit organizations that can participate in the state program of subsidized loans to reimburse 2/3 of the interest rate to their borrowers.

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РЕАКЦИЯ ЛАТВИЙСКИХ ПРЕДПРИЯТИЙ НА ВЫЗОВЫ ПАНДЕМИИ COVID-19

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Резюме - это исследование было проведено в рамках национального исследовательского проекта «ReCOVery - LV» для изучения воздействия пандемии COVID-19 на латвийские компании, в частности, в этой статье были проанализированы ответы на два вопроса анкеты, связанные с новыми решениями, которые предприятия разработали и внедрили, чтобы преодолеть кризис, несмотря на шок и стресс. А также вопрос, связанный с выходом из кризиса. Проведен качественный контент-анализ ответов 334 компаний, который выявил, что, не смотря на негативное эмоциональное состояние, некоторым компаниям удалось увеличить свои доходы, внедряя новые продукты и услуги, создавая новые каналы продаж и привлекая новых клиентов, оцифровав процессы и добившись экономии средств.

Abstract – this research was conducted within the National Research project “ReCOVery - LV” for exploring the impact of the COVID-19 pandemic on the Latvian companies, specifically analysing in this paper the responses to two questionnaire questions related to new solutions that businesses have developed and implemented to cope with the crisis despite shock and stress. And also, a question related to overcoming the crisis. The qualitative content analysis of the feedback from 334 companies revealed, that being in the negative emotional state, some of the companies managed to