

FACTORS OF FORMATION OF ECONOMIC STABILITY OF AGRICULTURAL ENTERPRISES

Introduction

Economic sustainability serves as a framework of stable state of the enterprise and the conditions of its continued operation. Accounting for the formation of economic stability will balance the economic system of agricultural enterprises and to ensure their sustainability.

Such scholars as O. Arefeva, E. Popkova, P. Sabluk, Z. Shershnova and others have paid attention to the studies of the formation of economic stability. In their works they consider the problem of the formation of the economic stability of the enterprises and the possibility of evaluation of this economic category. However, it is necessary to classify the factors shaping the formation of economic stability of agricultural enterprises.

Aim. Classify the external and internal factors of the economic sustainability of agricultural enterprises, arrange them on the grounds of: the impact of the method, place of origin, the nature of the action, the degree of conditionality and justify the need for the formulation of economic sustainability of agricultural enterprises taking into account of whole complex the factors.

Results. Agro-industrial complex (AIC), as a part of the economy that combines the production of agricultural products, its processing and logistical support of the village, belongs to one of the main areas, that provide 16% of the gross domestic product of Ukraine. Agricultural enterprises are the basis of AIC, so the question of formation of economic sustainability of agricultural enterprises is actually. Economic sustainability is the ability to maintain a certain (predetermined) level of achievement of the objectives under conditions of dynamic transformations in the business environment, it is one of the main factors of its functioning in the present conditions, innovation management contributes to its formation, i.e. the effective management of the enterprise.

Management of agricultural enterprises is the process of the direct influence with the aim of increasing the efficiency of industrial, economic and financial activities.

Management functions are interrelated and interdependent, forming a repeating cycle of management.

The key to the success of the agricultural enterprise and the basis of its development in a competitive environment is the stability (economic stability). Different factors affect it:

- strong business position in the market: the production of goods and services that are in demand;
- the high material and technical support and application of advanced technologies;
- established economic ties with partners;
- rhythm of the circulation means;
- the effectiveness of economic and financial operations;
- a slight degree of risk in the implementation of operational and financial performance, and the like.

Let's classify the factors of economic sustainability of agricultural enterprises on the grounds: by the method of influence, by the place of origin, by the nature of the action and by the degree of conditionality.

In the formation of the economic sustainability of agricultural enterprises it is necessary to take into account all of its factors, in particular, internal and external [1]. The internal stability of the enterprise reflects a condition of its production potential, logistical and cost (value) of the structures of production and its dynamics such that upholds consistently high natural material and financial results of operation of the business. Timely and flexible management of internal and external factors is the basis of achieving the internal stability of the enterprise.

External sustainability of the enterprise should be based on the stability of the economic environment in which it operates. It is achieved by appropriate macroeconomic management of the market economy. The overall stability of the enterprise can be ensured only if the stable sales and an income sufficient in volume meet its obligations to the budget, pay suppliers, creditors, employees and the like. It is this situation that expresses the content of economic stability, which is a major component of the overall sustainability of the agricultural enterprise (Fig. 1 – 3).

Economic stability is the result of sustained excess of revenue over expenses, its provides maneuvering of enterprise funds and their effective use contributes to the smooth process of production and sales. Solvency of the company is the ability of the agricultural enterprise to meet its payment obligations arising from trade, investment and other payments transactions character.

That is, the economic sustainability of agricultural enterprise is its ability to evolve in the face of internal and external environment. To do this, the company must have a flexible structure of resources and be able to borrow funds, if necessary, i.e. be creditworthy. The

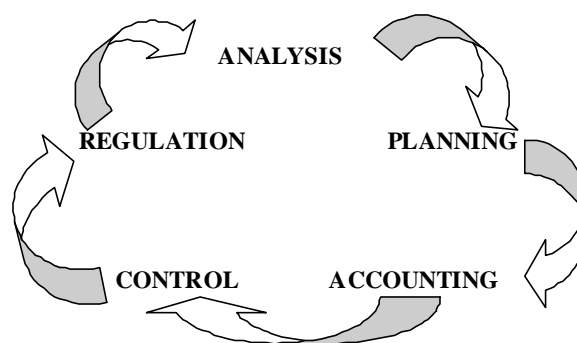


Fig. 1. Management functions

Table 1

Factors formation of economic stability of agricultural enterprises

№	The grounds	Factors
1.	by the method of influence	<ul style="list-style-type: none"> • stabilizing (positively influence the level of economic stability); • destabilizing (negatively affecting the level of economic stability).
2.	by the place of origin	<ul style="list-style-type: none"> • internal; • external.
3.	by the nature of the action	<ul style="list-style-type: none"> • direct; • indirect.
4.	by the degree of conditionality	<ul style="list-style-type: none"> • objective (due to processes developed to objectively); • subjective (deliberately created by separate groups of people).

enterprise is creditworthy if it has the prerequisites to obtain credit and the ability to timely return the loan taken to the payment of interest due to account of profit or other financial resources.

Determining factors in the management of internal economic stability are:

- sectoral affiliation of the business entity;
- structure of the products or services that are available now, its share in the total effective demand;
- size of paid-up share capital;
- size and cost structure, their dynamics compared to cash income;
- the composition of assets and financial resources, including reserves and provisions, their composition and structure.

Among the set of internal and external factors it is necessary to highlight those that create conditions for the formation of economic stability farms.

Let us systematize the components of internal and external factors shaping the economic sustainability of agricultural enterprises (Table 1 – 3).

Availability of economically reasonable strategy of development of agricultural enterprises is one of the priorities for the formation of economic stability. Production sustainability, financial stability, sustainability of business activity and social sustainability are components of the economic sustainability of agricultural enterprises.

As the production stability, financial stability, the stability of economic activity and social stability are the components of the economic sustainability of agricultural enterprises, so in order to identify weaknesses in the enterprise it is necessary to assess the components of the categories of economic stability by using a set of indicators that characterize these categories, therefore:

Table 2

Internal and external factors of formation of economic stability of agricultural enterprises

№	External factors	Internal factors
1.	Public legal factors	Production potential
2.	Macroeconomic factors	Organizational and management capabilities
3.	Market factors	Financial potential
4.	Social factors	Development Strategy

Table 3

Internal variable factors

Factors	Constituents
Production potential	<ul style="list-style-type: none"> • land (natural resources); • capital and its structure; • production capacities; • technological methods of production; • availability of workers.
Organizational and management capabilities	<ul style="list-style-type: none"> • objectives; • tasks; • structure; • management methods; • management principles.
Financial potential	Sources of funding: <ul style="list-style-type: none"> • own; • borrowings; • resource (funds).
Development Strategy	<ul style="list-style-type: none"> • availability and economic validity.
	EXTERNAL VARIABLE FACTORS
Public legal factors	<ul style="list-style-type: none"> • political stability; • demographics; • legal framework; • state administrative resources.
Macroeconomic, scientific and technological factors	<ul style="list-style-type: none"> • state and economic resources; • foreign economic relations; • the status of the development of science; • the availability of modern technology.
Market factors	<ul style="list-style-type: none"> • suppliers; • distributors; • consumers; • competitors.
Social factors	<ul style="list-style-type: none"> • social system of society.

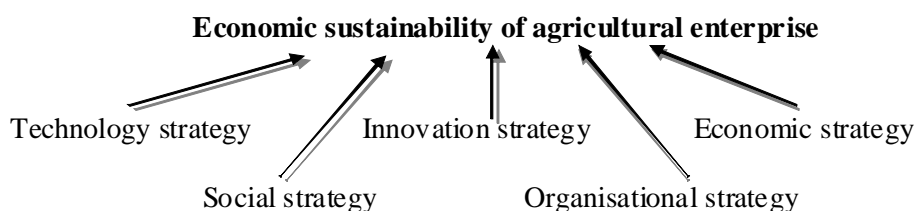


Fig. 2. Strategic ensure of the economic sustainability of the enterprise

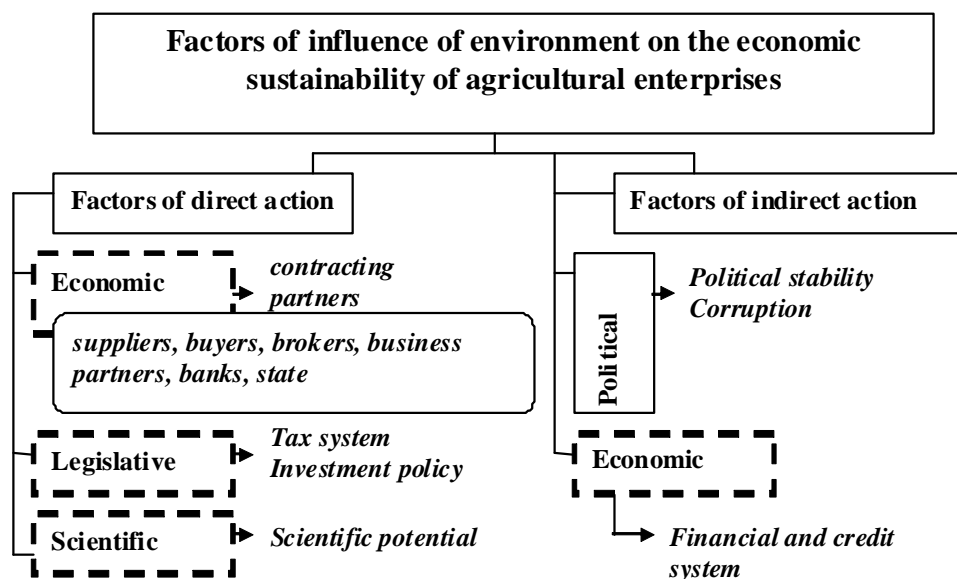


Fig. 3. Factors of influence of environment on the economic sustainability of agricultural enterprises

- production sustainability is a factor of life and renewal of fixed assets, depreciation of fixed assets ratio.
- social stability is the replacement ratio of staff.
- sustainability of business activities is a breadth of markets, the volume of sales of products (works, services), total capital turnover ratio, return on assets, etc.
- financial stability is the current ratio, the ratio of financial stability, the coverage ratio, etc. [2, p. 56].

In turn, factors of impact of external environment on the economic sustainability of agricultural enterprises are divided into factors of direct and indirect action.

Phase of the economic cycle of the economy of state has a significant impact on the economic sustainability of agricultural enterprises. Rate of sales behind of the production, in times of crisis is always the case, as observed in recent years in Ukraine. The profits of the business entities are falling down. All this leads to a decrease in the liquidity of enterprises, their solvency and increased competition. It is a significant external factor of economic sustainability of agricultural enterprises in turn.

Thus, the economic sustainability of agricultural enterprises is determined by a variety of socio-economic factors.

The overall stability of the agricultural enterprise involves its ability to manage internal factors and adaptation to the external factors of making optimum support of effective management. Because availability of finance is an important condition of the formation of economic sustainability of agricultural enterprises. After all, the ability of enterprises to dynamically expanded reproduction process on the scientific and technical basis is dependent on the availability of finance and its effective use.

Conclusions. In order to form an economic stability of agricultural enterprises it is necessary:

- to create conditions for expanding the scope and scales of demand, supply and distribution of scientific and technical knowledge to become an integral part of the national innovation policy [3, p. 30];
- to have flexibility and responsiveness to changing market conditions, competitiveness of production, the high investment activity, liquidity and financial stability;

- to generate economic sustainability of agricultural enterprises implemented taking into account all factors that contribute to its stability.

After all, the practice of management based on market principles requires that the agricultural enterprises improve production efficiency by taking into account all the factors in the formation of economic stability, the use of the latest achievements of scientific and technical progress and effective forms of organization of production and labor, enhancing business activities in the context of institutional changes that have taken place in Ukraine.

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Дяченко В. С. Чинники формування економічної стійкості сільськогосподарських підприємств

У статті визначено, що практика господарювання на ринкових засадах вимагає від сільськогосподарських підприємств формування економічної стійкості з урахуванням всіх чинників, що дозволить збалансувати економічну систему, забезпечить ефектив-

не функціонування та утворить базис високого потенціалу їх розвитку в перспективі.

Ключові слова: економічна стійкість, чинники економічної стійкості, сільськогосподарське підприємство, соціально-економічний розвиток.

Дяченко В. С. Факторы формирования экономической устойчивости сельскохозяйственных предприятий

В статье определено, что практика хозяйствования на рыночных принципах требует от сельскохозяйственных предприятий формирования экономической устойчивости с учетом всех факторов, это позволит сбалансировать экономическую систему, обеспечит эффективное функционирование и образует базис высокого потенциала их развития в перспективе.

Ключевые слова: экономическая устойчивость, факторы экономической устойчивости, сельскохозяйственное предприятие, социально-экономическое развитие.

Dyachenko V. S. Factors of Formation of Economic Stability of Agricultural Enterprises

The practice of management based on market principles requires the formation of economic stability of the agricultural enterprises, taking into account all the factors, it will balance the economic system, will ensure efficient operation and forms the basis of the high potential of development in the future.

Key words: economic sustainability, economic sustainability factors, agricultural enterprise, social and economic development.

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