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## THE ESSENCE OF ECONOMIC EFFICIENCY OF AGRICULTURAL PRODUCTION

### СУТНІСТЬ ЕКОНОМІЧНОЇ ЕФЕКТИВНОСТІ СІЛЬСЬКОГОСПОДАРСЬКОГО ВИРОБНИЦТВА

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*Recently, the views of scientists and practitioners on the essence of efficiency, as well as the calculation of its indicators in agricultural production have become much closer, although a single criterion of efficiency in agriculture still does not exist; on the contrary, new features, additions and clarifications, constantly supplement it.*

*The article examines the views of scientists on the definition of the nature and problems of efficiency of agricultural production. It is established that the successful solution of the problems of economic and social development of agricultural enterprises largely depends on the development of other sectors of the national economy, food security of the state, its financial security, and the formation of domestic and foreign markets, improving welfare.*

**Key words:** economic efficiency, agricultural production, results of economic activity.

*Останнім часом погляди вчених і практиків на сутність ефективності, а також на розрахунки її показників в аграрному виробництві значно зблизилися, хоча єдиного критерію ефективності в сільському господарстві до сих пір не існує, навпаки, він постійно доповнюється новими ознаками, доповненнями і уточненнями.*

*В статті досліджено погляди науковців на визначення сутності та проблем ефективності сільськогосподарського виробництва. Встановлено, що від успішного вирішення проблем економічного і соціального розвитку аграрних підприємств в значній мірі залежить розвиток інших галузей національного господарства, продовольча безпека держави, її фінансове забезпечення, формування внутрішнього і зовнішнього ринків, підвищення добробуту населення.*

**Ключові слова:** економічна ефективність, сільськогосподарське виробництво, результати господарської діяльності.

**Formulation of the problem in general.** The concept of efficiency is one of the key concepts of any system, society, country, region, region, enterprise, production. However, the term has gained the greatest meaning in the economy, as it must constantly create such goods that are necessary for human life and without which society will not be able to develop. It is the economy that helps to meet human needs in a world of limited resources and therefore it must be efficient, i.e. meet the conditions for achieving high results with minimal costs of capital, finance, labor, etc.

**Analysis of recent research and publications.** The economy of agricultural production in general develops according to the general economic laws, but its efficiency has quite significant differences from the efficiency of industry or services. And this is due not only to the biological assets of crop and livestock or the use and fertility of soils, but also to the fact that the agricultural sector is in almost every country, even in every region, and its profitability is not always taken into account, as this complex ensures food security of the state.

Many questions remain open in the methodology for determining the efficiency of agricultural producers. Despite the fact that over the last decade the views of scientists and practitioners on the essence of efficiency, as well as on the fundamental basis of calculations of its indicators in agricultural production have become much closer, a single criterion of efficiency in agriculture still does not exist.

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The need to study the efficiency of agro-industrial production in modern conditions is significantly increased in connection with the transformation of the economy towards a socially oriented, as well as the formation of a qualitatively new internal and external environment of agricultural enterprises.

The successful solution of the problems of economic and social development of agricultural enterprises largely depends on the development of other sectors of the national economy, food security, and financial security, the formation of domestic and foreign markets, improving the welfare of the population. Therefore, it is natural that the problems of efficiency of agricultural production are devoted to a significant number of studies, scientific papers, monographs, textbooks and manuals.

**Formulation of the goals of the article.** The purpose of the article is to study the essence of economic efficiency of agricultural production.

**Presentation of the main research material.** The most common approach to the interpretation of the essence of production efficiency, including agricultural, is its characteristics as the ratio of useful result (effect) to the cost of obtaining it [2].

With regard to agricultural production, the definition of efficiency, due to the specifics of agricultural activities, should take into account the influence of such a factor and resource as land, which acts as a single object and object of labor. This position can be traced in the works of economists [10], who considered the efficiency of agricultural production as a category that reflects the social relations associated with obtaining the maximum amount of production per hectare of land at the lowest cost of living and material labor per unit of output.

Modern conditions of a market economy have made their adjustments to the classical definition of production efficiency. Some scientists consider the category of efficiency in terms of the use of resources that would provide their most valuable contribution to total output. They note that cost-effectiveness characterizes the relationship between the number of units of resources used in the production process and the resulting quantity of any product. More products from this cost means more efficiency. A smaller amount of product from a given amount of costs indicates a decrease in efficiency [1].

Exploring the issue of efficiency of agricultural production, we can find a number of interesting provisions that characterize its multifaceted nature. Scientists believe that efficiency is always related to the ratio of the value of the result and the value of costs and is synonymous with cost-effectiveness, as both terms characterize the effectiveness of the use of funds to achieve goals [6].

Even such a brief review of definitions of production efficiency, including in the field of agriculture, shows the complexity and ambiguity of this concept, despite the high degree of its theoretical development. At the same time, the essence of most interpretations of the concept of production efficiency is to optimize the ratio of maximum effect and minimum costs under certain production conditions.

The efficiency of agricultural production is the effectiveness of financial and economic activities of the economic entity in the agro-industrial complex, the ability to achieve high performance, efficiency, profitability, product quality. This economic category today is considered as a set of several types of efficiency, which together represent a single whole.

The variety of economic results allows us to identify such types of efficiency as technological, economic, social and environmental. Technological efficiency means the degree of use of resources in the process of expanded production; under economic - the degree of realization of production relations, expressed in the presence of a certain production effect; under social - a certain degree of social development of the team, aimed at improving the living standards of its members; and under the ecological - the maximum possible provision of social needs of people with food obtained at optimal unit costs of production, full preservation of soil fertility and conditions of reproduction of the environment [5].

Some authors supplement this classification with their own developments, in particular, point to the need to study such types of efficiency as investment and innovation [3, 7]. The authors understand the investment efficiency of agricultural production as increasing the rate and volume of agricultural production through investment in economic facilities and processes related to production activities [8].

In addition to certain types of production efficiency, some economists consider their combined categories, such as production and technical, production and economic, socio-economic efficiency. Thus, Gudž O.E. believes that socio-economic efficiency expresses the degree of realization of the purpose of production, and production-technical and production-economic – a means of achieving it [4].

The process of combining individual types of efficiency has led to the emergence of such generalizing categories as integrated efficiency, synergetic efficiency, multiplier efficiency, etc. According to V.V. Rozsokha, the concept of synergetic efficiency expresses the combined impact of a set of innovations on the financial and economic condition of the entity, when the total (total) effect exceeds the sum of the results of the impact on production (activity) of each innovation separately [9]. In other words, each innovation alone increases the influence of all others.

Summarizing the above, it can be noted that all the considered types of efficiency of agricultural production, both individual and complex, are in one way or another related to economic efficiency. In our opinion, in a market economy and commodity-money relations, the efficiency of production, including agricultural - is the economic efficiency, which already includes such structural elements as technological, social, environmental, energy efficiency, etc. This modern interpretation of the concept of efficiency of agro-industrial production is because any efficiency ultimately has a value and must lead to a certain economic effect.

Such types of efficiency as ecological and social also deserve special attention. If the relationship between technological, energy, psychological efficiency and economic efficiency is quite simple and direct, the cost of environmental measures and maintenance of living standards of workers, on the contrary, have the opposite effect - reducing the profitability of the enterprise. But this is only what lies on the surface: a study of the synergistic manifestation of such costs shows that the methods of organic farming significantly improve the quality of agricultural products and, consequently, its price, and the answer to creating optimal working conditions for workers - increasing their interest and productivity.

The proposed approach to the interpretation of the category of efficiency of agricultural production has a truly synergistic form, in which the total result exceeds the sum of its factors. In other words, each individual form of efficiency reinforces the influence of all others embodied in the economic form.

Today, the agricultural sector is a highly competitive environment, so the efficiency of agriculture in almost every region comes to the fore. Depending on how efficient and profitable the company will be, it will be able to gain a foothold in the market. However, agricultural production has some specifics related to the products produced.

In most cases, the state cannot afford to bankrupt an agricultural enterprise if it supplies consumers with the necessary foodstuffs. In this situation, traditional market mechanisms do not work, and they are replaced by the obligations of the state to the population. For this reason, in many countries with developed economies, the state is most often present in agriculture.

**Conclusions.** The efficiency of agriculture is a relatively relative concept. Often, by all accounts, it turns out that it is easier and cheaper to import any product, but in fact it turns out that dependence on imports leads to even more negative consequences for the country's economy than even loss-making production. And since agriculture is focused on food production, there is no doubt that the stability of the agricultural sector is one of the most important conditions for the progressive development of each state.

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## INTELLECTUAL CAPITAL AS A FACTOR OF KNOWLEDGE ECONOMY GROWTH

### ІНТЕЛЕКТУАЛЬНИЙ КАПІТАЛ ЯК ФАКТОР ЗРОСТАННЯ ЕКОНОМІКИ ЗНАНЬ

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*The key factor in the development of any enterprise is the accumulation and use of new knowledge. The basis for the formation of innovative enterprises is the presence and strengthening of their intellectual capital, which is based on the intellectual potential of the enterprise.*

*The article is devoted to the study of the influence of intellectual capital on the growth of the knowledge economy. It is established that human capital in the structure of intellectual capital of the enterprise is basic and determines the successful development of other components, which increases the competitiveness and development of the enterprise in modern conditions. The formation of an effective system of human capital development is relevant for all companies that are moving forward and planning their future. The development strategy of innovative enterprises is mainly formed on the basis of knowledge management, which is understood as an enterprise management strategy focused on the development and maximum use of its intellectual potential.*

**Key words:** *intellectual capital, human resources, knowledge economy.*

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