

ISSN 0973-7537 (Online)
ISSN 0973-1385 (Print)

International Journal of Ecological Economics and Statistics



योग: कर्मसु कौशलम्

Year: 2019

Volume: 40

Issue Number: 3

Management of Innovation and Investment Development of Agricultural Economy of Ukraine in the Context of Globalization and Sustainable Development

M.O. Sokolov¹, A.M. Mykhailov², N.V. Stoyanets³, A.O. Klymchuk⁴

¹ Vice-Rector for Scientific and Pedagogical Work and International Activities, Sumy National Agrarian University, 160, H. Kondratiiev St., Sumy, (Ukraine);
E-mail : sokolovnikolay55@gmail.com

² Department of Management of Foreign Economic Activity and Eurointegration Sumy National Agrarian University, 160, H. Kondratiiev St., Sumy, (Ukraine);
E-mail : amykhaylov79@gmail.com

³ Department of Management of Foreign Economic Activity and Eurointegration Sumy National Agrarian University, 160, H. Kondratiiev St., Sumy, (Ukraine);
E-mail : natalystoyanez@gmail.com

⁴ Department of Enterprise Economics Vinnytsia National Agrarian University, 3, Soniachna St., Vinnytsia, (Ukraine);
E-mail : alena_klumchuk@ukr.net

ABSTRACT

The evolution of approaches to the definition of the category of sustainable development and the provision of food security in the context of the growing influence of globalization processes is presented. It has been shown that agriculture is directly related to the achievement of most sustainable development goals. It was investigated that innovation and investment development in the agrarian sector of Ukraine is accompanied by a multidisciplinary approach: on subjects and objects of investment, as well as on terms of return on investments and levels of effect. A comparison of trends of Ukraine's gross domestic product with capital investments into the Ukrainian economy has been made and a reduction in capital investment in the short term and a further reduction in the share of capital investment in GDP. It is proved that constructive changes in the accumulation and efficient allocation of investment resources can be achieved in case of correction of existing approaches and the current mechanism for managing innovation and investment development.

Keywords: globalization, sustainable development, food safety, agrarian sector, economy, innovation and investment development, management, agriculture.

JEL: E22, F21, O13, O16

1. INTRODUCTION

The main tendencies of the present are rapid changes in the system of international relations, progressive tendencies of international integration, new principles of management. The undeniable fact of the present is the presence of rapid changes in the external and internal environment of the functioning and development of enterprises, industries, countries and the world. Innovation-investment development, which can be identified with the locomotive and driver of all changes or reaction to their presence, plays a role in these processes. Recently, the agrarian sector of Ukraine's economy has shown steady growth, a prerequisite for the implementation of innovation and investment activities. At the same time, it is worth noting the merger and acquisition processes that do not overlook agriculture, lead to an increase in the number of agroholdings, to increase competition and expand their land banks. To raise the probability of successful activity of participants in the agrarian sector of Ukraine, one should ask a number of questions. What is the reason for the current processes of globalization, integration and international division of labor in the world? What importance does Ukraine's agrarian sector play in addressing global food security? What is the relationship between the subjects of investment activity and objects of investment? What are the

payback periods and the effect of the implementation of innovation and investment activities? How should the management of innovation and investment activities in the agrarian sector of the economy take place, taking into account the existing concept of sustainable development?

Analysis of the latest studies and publications. To find the answer to the questions posed, it should be noted that, according to many scientists, globalization is a product of the postmodern era, the transition from the industrial to the post-industrial stage of economic development, the formation of the foundations of neospheric-space civilization [Filipenko, A.S., Budkin, V.S., Hal'chyns'kyy, A.S., 2002]. S.V. Fomyshyn notes that the globalization of economic development is an objective process of subordination of the directions of economic development of individual countries to the laws and directions of development of the world market economy [Fomishin, S.V., 2002]. We fully share this understanding of globalization processes, which to a certain extent is confirmed by the results of their influence on the development of the agrarian sector of the Ukrainian economy, and is manifested in various aspects. First of all, there is an increase in volumes of foreign economic activity, namely, export activity; multi-directional and multidisciplinary international trade in agricultural products and food; Ukrainian agricultural production is subject to the needs of the world market and specializes in growing export-oriented crops (sunflower, wheat, corn, soybeans, barley). In publications [Illyashenko, S.M. Illyashenko, N.S., 2016; Vernadsky, V.I., 1989; Klymchuk A.O., Mykhailov A.M., 2018; Jaspers K., 1991; FAO., 1996; United Nations., 1992; The General Assembly of United Nations., 2012], and others, the peculiarities of globalization processes are outlined, a retrospective analysis of perspectives on sustainable development is presented, the goals of sustainable development are singled out, and the problems of food security are outlined and the ways of its solution are proposed. Under such conditions, the innovation and investment development of the agrarian sector is in the sight of many scientists [Sen, A., 1983; Devereux. S., 2006]. Despite the ongoing economic downturn and stagnation in some sectors of the economy, the country has a significant potential for innovation development [Illyashenko, S.M. Illyashenko, N.S., 2016]. At the same time, the factors of the competitiveness of investments in Ukraine were investigated [Sokolov, M., Malyutin A., 2014]. Therefore, it is relevant to study the opportunities and prospects of innovation and investment development of the agrarian sector of the regions and the country as a whole.

Unsolved issues as part of the problem. At the same time, the integration and globalization processes give rise to certain positive opportunities and factors, as well as negative consequences and results. In contrast to internationalization, which, through the intensification of international trade, has always provided significant dividends to the most powerful countries, globalization means the inevitable subordination of national economies to global centers on the terms of the latter [5]. Globalization thus becomes a permanent factor in both domestic and international economic life - and this must be taken into account when shaping the foreign economic policy of each country, identifying the priority areas of international economic cooperation and its innovation and investment development. Available publications on the justification of the prospects for innovation and investment development in the agrarian sector are somewhat generalized, do not take into account the peculiarities of the impact of investments on the economic growth of the regions, as well as not linked to international processes of ensuring sustainable development and food security in the world.

The aim of the article is to present the problem aspects of management of innovation and investment development of the agrarian sector of the economy and substantiate proposals for its improvement in the context of globalization challenges and sustainable development.

2. MATERIALS AND METHODS

World-famous scientist Vernadsky V.I. noted that "in the history of mankind, the interests and benefits of all, not of individuals or groups, have become a real public task, and the population will have a greater chance of influencing the progress of state and public affairs. For the first time, the real task was to fight poverty and its consequences (malnutrition), both biological and scientific, and state" [Vernadsky, V.I., 1989]. Considering the priorities of using the term "global" should refer to the work of the famous German philosopher K.Jaspers, who in 1948 pointed out: "Because of the technical capabilities of modern means of communication, our planet has become the only integrity fully available to mankind ... The world is locked ... The globe has become the only one ... All significant problems have become world problems, the situation is the situation of all mankind. Created an opportunity unprecedented in this rate of communication, technology has led to global unity. The history of a single humanity has begun: its only destiny has become." [Jaspers K., 1991].

Recently, in the sphere of international organizations, institutions and scientists, considerable attention is devoted to ensuring food security and sustainable development. It is clear that the expert opinions and judgments on this subject differ widely among themselves, due to differences in the socio-economic conditions of individual countries and the purpose of their representatives. At the international level, many institutions and organizations are involved in the issues of food security and sustainable development. The most professional is the United Nations Food and Agriculture Organization (FAO), which promotes technical and food assistance, develops forecasts for the development of world agriculture, and develops statistics on trends in its state. The concept of "food security" was considered by representatives of this organization through various prisms of perception at different times. So, in 1974 it was Availability, in 1983 - Access, and in 1996 - Sufficiency. [FAO, 1996].

The concept of sustainable development reflects the main current trend of world development. According to the Brundtland Commission, presented in the "Our Common Future" report prepared for the UN and published by the International Commission on Environment and Development in 1987, sustainable development is a development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. The concept of sustainable development has three components - economic, social and environmental. Therefore, such development envisages a comprehensive solution of economic, social and environmental problems, the achievement of a balance and a balance between them, as well as the obligation of present generations before the future to leave sufficient resources necessary to ensure a level of well-being not lower than the existing one.

It should be added that the concept of sustainable development was further developed at the United Nations Organization Summit in Rio de Janeiro in 1992. The United Nations Conference on Environment and Development (UNCED), also known as the Rio de Janeiro The Janeiro Earth Summit, the Rio Summit, the Rio Conference and the Earth Summit, was the United Nations major conference held in Rio de Janeiro from 3 to 14 June 1992. The outcome of the summit can be considered accepted by Agenda 21, which describes in detail the urgency and importance of joint actions in overcoming global challenges [9]. In addition, the general provisions of chapter 33, "FINANCIAL RESOURCES AND MECHANISMS," detail the financial aspects of implementing Agenda 21 intentions and the mechanisms for their implementation. Further development of the concept of sustainable development was obtained as a result of the August 26 - September 4, 2002 in Johannesburg, South Africa. The World Summit on Sustainable Development, the WSSD or the ONG

Earth Summit 2002 was held. It was convened to discuss the issue of sustainable development of the United Nations [World Summit on Sustainable Development].

The "Earth 2012" summit was the third international conference on sustainable development, aimed at harmonizing the economic and environmental goals of the world community. Conducted by Brazil in Rio de Janeiro from June 13 to 22, 2012 Rio + 20 is the 20th year summit of the 1992 summit / United Nations Conference on Environment and Development (UNCED) held in the same city, and 10th Anniversary of the World Summit on Sustainable Development (WSSD) 2002 in Johannesburg. The main result of the conference was the document "The Future We Tried", a 49-page working document [The General Assembly of United Nations]. In it, the heads of state of the 192-member governments renewed their political commitment to sustainable development and expressed their commitment to promote a sustainable future. This document largely confirms previous action plans, such as the Agenda for the twenty-first century.

Sustainable Development Goals (SDGs), officially known as the Transformation of our World: An Agenda for Sustainable Development in 2030 are 17 "global goals" (see Fig. 1), detailed by 169 intermediate tasks [The General Assembly of United Nations Resolution, 2015].

The goals set by the United Nations through an advisory process involving 193 Member States as well as global civil society are contained in Resolution A / RES / 70/1 adopted by the UN General Assembly on 25 September 2015 as a summary document "The Transformation of Our World: An Agenda for Sustainable Development 2030" [Sustainable Development Goals 2016-2030].

The Food and Agricultural Organization of the United Nations, which deals with food security, is part of the UN structure, which in turn cares about issues and shapes sustainable development. Accordingly, these definitions are closely related and emerge from each other.



Figure 1. Sustainable Development Goals.

Source: https://en.wikipedia.org/wiki/Sustainable_Development_Goals

At first glance, these issues are global and somewhat general in nature and are not related to the problems of investment support for the agrarian sector of the Ukrainian economy. However, on the other hand, there is a paradox: our country's agriculture plays an important role in addressing these issues and is a leader in the export of the main types of agricultural products and staple foods, which is then processed, packaged and sold by new buyers in the domestic markets or exported (including in Ukraine), but with the added value created not in Ukraine. Consequently, the growing

export of agricultural raw materials from Ukraine provides job creation and payment of taxes in other countries of the world. Therefore, the management of innovation and investment development in the agrarian sector of Ukraine is conditioned by the demand for agricultural products on the world markets. Proceeding from state positions, in order to improve the socio-economic indicators of the country, its regions, enterprises and the population, it is necessary to create a positive innovation-investment ground for residents and non-residents, which will be an additional impetus in the development of agriculture and rural areas.

Let's outline the transformation of the world view on the issue of food security, serving as a catalyst for innovation and investment development to increase agricultural production and food production in Ukraine and in the world.

The UN Food and Agricultural Organization on its website notes that the overwhelming majority of the hungry, namely 795 million people, live in developing countries, accounting for almost 15% of the population of these countries, while another 16 million hungry people are in developed countries [[SOFI report](#)].

Experts from the same organization working in our state note that in Ukraine the number of people suffering from malnutrition has increased significantly, that is, they consume less than 2,100 calories a day. During 2011-2012 their share increased to 16.2% of the total population of Ukraine [[segodnya.ua](#)].

By the beginning of 2017, the number of those below the poverty line has reached 60% of the Ukrainian population. UN Resident Coordinator Nil Walker said during a UNDP Human Development Report presentation. "As for Ukraine, we are talking about 1.7 million internally displaced persons, 2.8 million people with disabilities, 60% of the population below the poverty line", he said [[UNIAN news agency](#)]. In other words, this indicator is higher than the average world level, but it is striking that these phenomena occur in a country with favorable natural and climatic conditions and the most fertile soils!

Following the World Food Summit held in Rome on November 13-17, 1996, the World Food Security Declaration was adopted. Food security exists when all people at all times have a physical condition and economic access to sufficient, safe and nutritious food to meet their dietary needs for active activities and healthy lives. Food security includes availability, access and utilization [[World Food Summit, 1996](#)].

This definition introduces four basic dimensions of food security:

- physical availability of food;
- economic and physical access to food;
- utilization of food products;
- the sustainability of the other three measurements over time.

Let's look at the meaning of each of these conditions.

One way to understand these four aspects of the broad concept of food security is to study how the overall understanding of food security changes over time.

In recent times, interest in "food security" has been experienced after the world food crisis of 1972-74. An English researcher Sen, in 1981, while investigating poverty and hunger strike, noted that the crisis arose as a result of a combination of factors, including adverse conditions in some parts of the

world, which has reduced the global supply of grain. Subsequently, a sharp increase in grain import demand doubled international grain prices, which jeopardized the food security situation of countries importing agrarian products [Sen, A., 1983].

As a result, the first World Food Conference, held in 1974, focused on the problem of global production, trade and stocks. Consequently, the primary food security discussions are focused on adequate food supply and ensuring the stability of these supplies through food supplies. Further efforts to ensure food security focused mainly on food production and storage mechanisms to offset the fluctuations of the global supply and ensure the possibility of importing food as needed.

The availability of food is due to the activity of the supply side (participants) that meets demand and sells food security and is determined by the level of food production, the level of stocks and net trade. However, it became apparent that adequate food supply at the national or international level does not in itself guarantee food security at the household level [FAO, 2006].

For example, the "green revolution" in Asia in the 1960s and 1970s, when its "package" contained elements such as improved seeds, agricultural technology, better irrigation and chemical fertilizers, was extremely successful in increasing food supplies, but the effect from the sale was not automatically cascaded to improve the food safety of the entire population. This understanding highlighted the problem of lack of effective demand. Since the early 1980s, the importance of access to food has increasingly been recognized as a key factor in food security. So, food production is just one of many ways that people need to buy the food they need.

Food can be accessed through trade, barter, wildlife and community support networks; it can also be obtained as a gift (or even through theft). Concerns about lack of access to food have led to more attention to income and expenditure policies in achieving food security goals. This has provided food security closer to the poverty reduction agenda. Stefan Devre, a UK researcher on food security, poverty and hunger, points out that the practice of considering temporary food insecurity will be more serious than chronic food insecurity, which is questionable. Although both are related to the inability to meet the basic requirements for food consumption, the "chronic" was associated with the constant inability to do so and "temporary" - only a temporary impossibility [Devereux. S., 2006].

The third measurement - food utilization - is becoming more prominent in food security since the 1990s. Utilization is usually understood as the way in which the body uses most of the various nutrients in food. This aspect of food security is determined, above all, by the health status of people.

General hygiene and sanitation, water quality, health practices, and the safety and quality of food products are key determinants of good nutrition. An adequate amount of energy and the amount of nutrients received by individuals is a consequence of the practice of good care and feeding, cooking, diet and food distribution at home. In combination with good biological utilization of consumed food, this determines the standard of living of people.

The realization of the importance of each dimension has added value for our prior understanding. To achieve the goals of food security, all four dimensions must be carried out simultaneously [Food Security Analysis Service., 2009]. That is why the agriculture of Ukraine, each year, positions itself as an all-important player in the world's food security, needs understanding of the place in the global environment and the direction of the movement in the implementation of innovation and investment activities.

For example, when awareness of the importance of the aspect of access to food is growing, it does not eliminate previously existing concerns about the availability of food. Even if people have money,

and there is no food on the market, people are at risk of food insecurity. Italian researchers Kostas Stumulish and Alberto Zezza of the UN Economic and Social Unit's Food and Agriculture Organization focus on combating poverty and hunger in developing a conceptual framework for national agriculture, rural development, food security strategies and policies for its implementation [Stamoulis. K., Zezza. A. A., 2003].

3. RESULTS

It is important to understand the relationship between the participants in investment processes and investment objects that are formed as a result of investment activity. Depending on the parties to the process (state, private investor or company, enterprise staff, rural population) and / or their combination, investment resources may be directed towards the creation of various investment objects (new institutional environment, tangible and intangible assets, human capital, improving the quality of agricultural land) see Fig.2

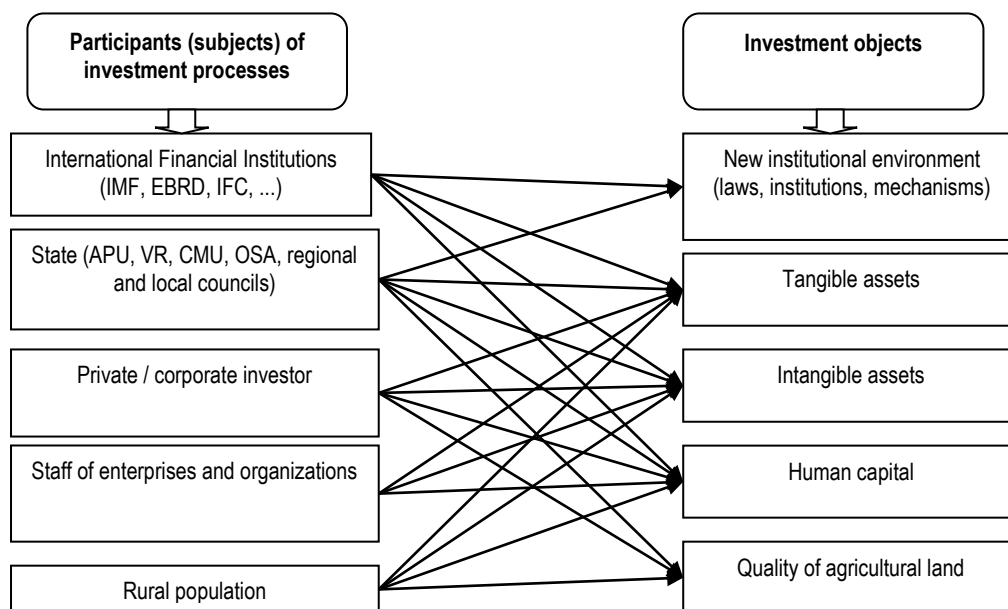


Figure 2. Connection of subjects and objects of investment in the agrarian sector of the economy.
(Developed by the authors)

Here are also important differences in the length and severity of the way people suffer from food insecurity. As a result of combining the complex of efforts of various participants of investment processes that can be directed to various investment objects, there may be a different expected return on investment or a social effect created at different levels (Fig. 3).

We should note, that at each stage, the priority of some of them may vary. Therefore, understanding various aspects of food security is important in defining policy priorities and establishing a food security program, making long-term investment decisions and evaluating emergency response options in the food sector.

The result of investing in the agrarian sector of the economy can be seen through the multi-level prism: the global (achieving sustainable development goals) national or state, sectoral, regional, local

and personal. The problems of agricultural production are global because they relate to the ability of the world's population to provide themselves with food in volumes that are recognized as optimal. Until recently, economic theories determined the following main factors of agricultural production: natural, climatic and economic conditions; natural resources (land, water); human resources; logistics; scientific support; the organizational and productive culture of the country [Mykhailov. A., Halich. M., 2012].

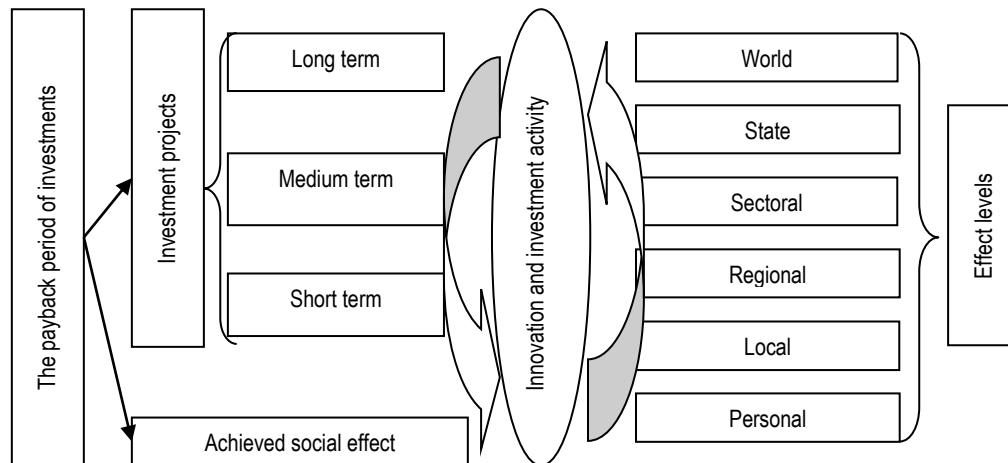


Figure 3. Terms of return on investment and the level of effect on the implementation of innovation and investment activities
(Developed by the authors)

Some evidence of the influence of the world economy and globalization processes on the economic development of Ukraine can provide data on the ratio of capital investments to gross domestic product during 2002-2015 (Table 1).

Listed in tab. 1 data indicate a significant deterioration in the financial provision of capital investments during 2010-2015. The negative dynamics in reducing the share of capital investments in GDP bear not only clearly evident consequences, but also an obstacle to becoming a European development path, because it is mandatory for implementation member states of the European Union are investing in fixed assets not less than 30% of national GDP [Lanovoy. V., 2011].

Taking into account the indicators of 2006-2008, the fulfillment of this condition for Ukraine was quite feasible, however, considering the indicators of 2013-2015, reaching the level of 30% is possible only if the volume of capital investments is more than doubled. In addition, the critically low proportion of capital investment in the total value of fixed assets (less than 5%) raises the question of the availability of an investment resource for the modernization of production and its innovation development.

A thorough study of the results of a study by other authors on the processes of investing in agriculture, as well as the desire to conduct a proper, original study, different from the methodological approaches and views from the known to us, and based on personal experience in agricultural production studies in enterprises in Germany, USA, Great Britain, etc., prompted us to conclude that the starting point for realizing the agricultural potential of the country and securing the food security of the world should be rational the ratio of all source (institutional, material and non-material) elements in the cultivation of agricultural crops, which ensures the most efficient use of all types of resources and generates profit as the main source for innovation and investment activity.

Table 1. - Indicators of economic development in Ukraine, 2002-2015

Indicators	Years							
	2002	2003	2004	2005	2006	2007	2008	
Gross domestic product, UAH million	225810	267344	345113	441452	544153	720731	948056	
Cost of fixed assets, UAH million	964814	1026163	1141069	1276201	1568890	2047364	3149627	
Capital investment in the economy, UAH million	46563	59899	89314	111174	148972	222679	272074	
Share of capital investments in GDP,%	20,6	22,4	25,9	25,2	27,4	30,9	28,7	
Share of capital investments in the total value of fixed assets,%	4,8	5,8	7,8	8,7	9,5	10,9	8,6	
	2009	2010	2011	2012	2013	2014	2015	
Gross domestic product, UAH million	913345	1079346	1299991	1404669	1465198	1586915	1988544	
Cost of fixed assets, UAH million	3903714	6648861	7396952	9148017	10401324	13752117	7641357	
Capital investment in the economy, UAH million	192878	189061	259932	293692	267728	219420	273116	
Share of capital investments in GDP,%	21,1	17,5	20,0	20,9	18,3	13,8	13,7	
Share of capital investments in the total value of fixed assets,%	4,9	2,8	3,5	3,2	2,6	1,6	3,6	

* indicators for 2014-2015 are calculated without taking into account the temporarily occupied territory of the Autonomous Republic of Crimea and the city of Sevastopol

Source: formed and calculated according to the data of the State Statistics Committee of Ukraine

We explore the prospect of increasing the share of capital investment in gross domestic product using a graphical tool of regression analysis. It is substantiated that the effect of the main factors on a certain indicator during the time series is accumulated and can be expressed by the trend equation and presented graphically in Fig. 4 and 5

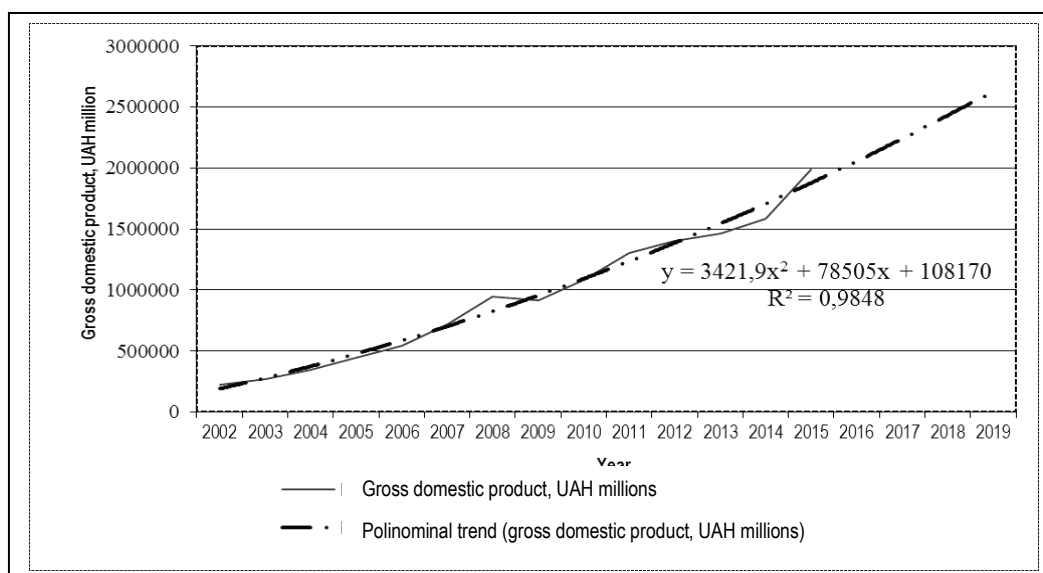


Figure 4. - Dynamics of GDP of Ukraine, 2002-2019 (projected values for 2016-2019), UAH million

Source: built according to the State Statistics Committee of Ukraine.

Taking into account the close connection between macroeconomic indicators and investments, one of the key tools for building a stable economic environment of the country in the context of globalization processes, financial and economic and political instability is the availability of sufficient financial support for capital investments [Sokolov, M., Malyutin A., 2011].

In this context, it is advisable to assess key indicators that characterize the possibility of identifying an internal reserve for the formation of financial support for capital investment, by examining the dynamics of the share of capital investment in gross domestic product (GDP).

The use of trends to determine the dynamics of Ukraine's gross domestic product and capital investment in the Ukrainian economy for the period from 2002 to 2015 structures the reflection of changes in data and broadens the possibility of analysis for the implementation of the forecast. The main criterion for choosing the kind of equation, as a rule, is the determination coefficient. The most appropriate models of the trends of the gross domestic product and capital investments were the polynomial second degree, the quality of the constructed polynomial regression models was reasoned by the calculated determination coefficients of 0.9848 and 0.8524, respectively.

In Fig. 4 and Fig. 5 shows the dynamics of the actual data of the gross domestic product and capital investments for the period from 2002 to 2015 and calculated the predicted values of the studied indicators for the period from 2016 to 2019 (for the reliability of the data the forecast is made by one-third of the investigated interval).

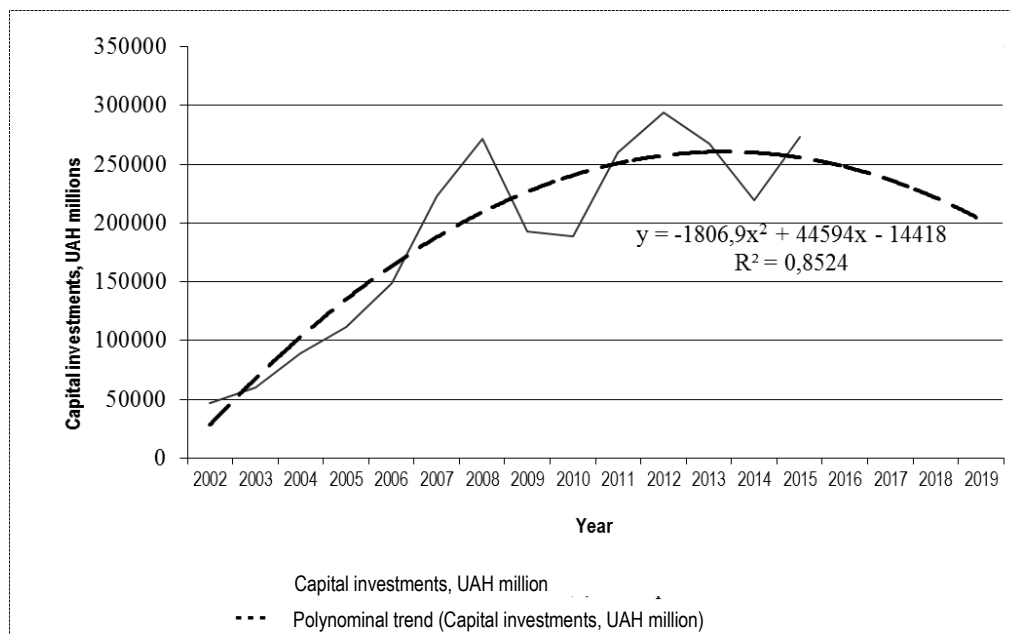


Figure 5. - Dynamics of capital investments into the economy of Ukraine, 2002-2019 (projected values for 2016-2019), UAH million.

Source: built according to the State Statistics Committee of Ukraine.

It is quite evident that the growth of the gross domestic product trend is evident (Fig. 4), which confirms a steady tendency to increase this indicator over the period under investigation. As a function of the time trend function, which is shown in the diagram, the projected growth of gross domestic product for the next four years is evident. Therefore, in order to form a positive tendency

towards the ratio of capital investments to gross domestic product, the trend of capital investment should, at a minimum, reflect a similar trend.

As can be seen from Fig. 5 the trend of capital investment reflects the opposite trend, indicating a projected decline in capital investment in the short term and a further decline in the share of capital investment in GDP. In addition, the different trends of GDP trends and capital investments indicate a lack of significant correlation between indicators.

The profitability of operating activities of enterprises by types of economic activity during 2010-2015 is presented in Table 2.

Negative dynamics of the trend of capital investment is due to a decline in resource opportunities for the accumulation of capital due to factors such as: falling production, depreciation of fixed assets, reducing the number of jobs in the economy, investing in the non-profit sectors of the national economy, reducing financial investment, including foreign, into the economy and so on. The results of the research substantiate the priority of introducing measures, mechanisms, economic instruments for increasing capital investments into the Ukrainian economy and activating innovation and investment activity.

Table 2. - Cost-effectiveness of operating activities of enterprises by types of economic activity, 2010-2015

№	Types of economic activity	Level of profitability (loss), %					
		2010	2011	2012	2013	2014	2015
Total:		4,0	5,9	5,0	3,9	-4,1	1,0
1	including:						
2	agriculture, hunting, forestry	23,2	23,6	21,7	11,3	20,6	41,7
3	industry	3,6	4,7	3,4	3,0	1,6	0,9
4	construction	-1,2	0,8	-0,1	0,0	5,8	-7,6
5	trade; repair of cars, household products and personal items	9,8	15,0	12,2	10,2	-12,8	-0,9
6	the activity of hotels and restaurants	-1,8	-0,1	-2,9	-2,5	-13,6	-11,9
7	transport and communications activities	7,2	7,5	5,4	3,5	-1,7	1,1
8	financial activity	3,2	6,3	6,1	5,9	-15,2	-8,9
9	real estate operations, leasing, engineering and services to entrepreneurs	-4,2	-0,7	2,8	3,1	-46,9	-33,4
10	education	6,7	8,6	8,2	8,4	5,5	5,7
11	health care and social assistance	3,9	2,7	2,7	3,1	-3,7	-0,6
12	provision of communal and individual services; cultural and sporting activities	-14,8	-13,8	-17,6	-8,0	-11,8	-25,3

Data for the period 2010-2015 are given without taking into account the performance of banks, budget institutions; data for 2014-2015 do not include the results of the activity of the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and parts of the zone of anti-terrorist operation.

Source: built according to the State Statistics Committee of Ukraine.

There is a completely different tendency towards investing in agriculture, as growth of capital investments in 2015 compared with 2014 by 60.4% ensured an increase in the profitability of agriculture twice and amounted to 41.7%. At the same time, the volume of invested capital investments in the construction industry in 2015 exceeded the investments directed to agriculture by 1.5 times, but production by this type of economic activity was loss-making (-7.6%). The investigated trend points to the lack of a reasonable approach to the distribution of capital investments, taking into account the profitability of economic activities, and confirms the sustainability of the tendency to send capital investments to low-yielding fixed assets.

Analyzing the state of formation and direction of capital investment in Ukraine in terms of sustainability and globalization should be noted that during the 2002-2015 biennium. The desired effects of invested capital investments are not achieved. It is argued that constructive changes regarding the accumulation and efficient allocation of investment resources can be achieved in case of correction of existing approaches and the current mechanism for managing innovation and investment development.

In forming the positive image of Ukraine in the international community, the Government hopes to stop the outflow of foreign capital and develop new partnerships to attract foreign investment resources. That is why the tendency to intensify investment processes in the agrarian sector of Ukraine's regions is more than ever. In the context of these transformations, the removal of interregional imbalances in the regions of Ukraine in terms of the investment activity of the agrarian sector is a prerequisite for the economic growth of the regions and the formation of a positive investment climate for the Ukrainian agrarian sector.

4. CONCLUSIONS

Summing up the analysis of the above material, we can draw the following conclusions:

1. The rapid globalization processes led to the formation of a concept of sustainable development, which was supported by the leadership of almost all member countries of the UN. Over time, approaches to defining the concept of sustainable development and ensuring food security in the world have changed, shifting the emphasis from the availability and suitability of food to its fullness and safety to the fullest.
2. The concept of sustainable development has three components: economic, social and environmental. The 17 goals of sustainable development have been formed, detailing the human activities for food security and sustainable development. Most of the goals are directly related to the agrarian sector and the rest - have a mediocre relation to agriculture. Ukraine is an important player in world agriculture, and therefore in achieving the goals of sustainable development.
3. One of the characteristic features of the modern agrarian sector of Ukraine is the typical global processes of "mergers and acquisitions", resulting in the formation of large organizational and managerial structures in terms of output, number of employees, land bank, and capital. A higher level of efficiency of farm management compared to traditional or farm enterprises, provides them with an opportunity to innovate.
4. It has been shown that in the agrarian sector of Ukraine innovation-investment development is accompanied by a multidisciplinary approach: on subjects and objects of investment, as well as on terms of return on investments and levels of effect.
5. The ratio of capital investment and gross domestic product of Ukraine from 2002 to 2015 ranged from 30.9% in 2007 to 13.7% in 2015, which is insufficient for realizing the country's innovative potential. The experience of the European Union member states should become a benchmark for Ukraine, where investment in fixed assets should be at least 30% of national GDP.
6. The study of the prospects for increasing the share of capital investment in gross domestic product gave reason to predict a decline in capital investment in the short term and even more decline in the share of capital investment in GDP. In addition, the different trends of GDP trends and capital investments indicate a lack of significant correlation between indicators.

7. It was established that during the period of 2002-2015 the desired effect of invested capital investments into the Ukrainian economy was not achieved. It is argued that constructive changes regarding the accumulation and efficient allocation of investment resources can be achieved in case of correction of existing approaches and the current mechanism for managing innovation and investment development.

The results obtained suggest that at the global level, achieving sustainable development and ensuring food security can be realized under conditions of scientifically grounded management of innovation and investment development in the agricultural sector of Ukraine. At the meta-level, Ukraine's agriculture should take into account the global challenges of the present to stimulate innovation and investment, forming institutional preconditions. At the level of enterprises, the branch of innovation and investment development management should contain the highest innovative component in the structure of investment objects for the implementation of innovative potential of enterprises. Future studies should be aimed at developing organizational and economic measures for balanced provision of investment resources of the agrarian sector and stimulation of its innovation and investment activity.

5. REFERENCES

Cili stalogo rozvytku 2016-2030 [Sustainable Development Goals 2016-2030] (n.d.). Access mode: <http://www.un.org.ua/ua/tsili-rozvytku-tysiacholittia/tsili-staloho-rozvytku>. [in Ukrainian].

Devereux. S. (2006). Identification of methods and tools for emergency assessments to distinguish between chronic and transitory food insecurity, and to evaluate the effects of the various types and combinations of shocks on these different livelihood groups. Rome: United Nations World Food Programme, Access mode: <http://www.livestock-emergency.net/userfiles/file/assessment-review/Devereux%202006.pdf> [in English].

FAO. (1996). Rome Declaration on the World Food Summit. October 1996. Access mode: <http://www.fao.org/docrep/003/w3613e/w3613e00.htm> [in English].

FAO. (2006). Integrated Food Security and Humanitarian Phase Classification (IPC) *Framework, ESA Policy Brief*, 06-01. Access mode: <http://www.fao.org/docrep/010/i0275e/i0275e.pdf> [in English].

Filipenko, A.S., Budkin, V.S., Hal'chyns'kyi, A.S. (2002). Ukrayina i svitove hospodarstvo: vzayemodiya na mezhi tysyacholit' [Ukraine and the world economy: interaction at the turn of the millennium]. Kyiv: *Lybid'* 470 [in Ukrainian].

Fomishin, S.V. (2002). Mezhdunarodnie ekonomycheskiye otnosheniya na rubezhe tisyachelety [International economic relations at the turn of the millennium]. Kherson: *Oldi-plus* 560 [in Russian].

Food Security Analysis Service. (2009). Emergency Food Security Assessment Handbook - second edition, *World Food Programme (WFP)*, Access mode: http://documents.wfp.org/stellent/groups/public/documents/manual_guide_proced/wfp203246.pdf [in English].

Illyashenko, S.M. Illyashenko, N.S. (2016) Perspektyvy i zahrozy chetvertoyi promyslovoyi revolyutsiyi ta yikh urakhuvannya pry vybori stratehiy innovatsiynoho zrostannya [Perspectives and threats of the fourth industrial revolution and their consideration in the choice of strategies for innovation growth] *Marketynh i menedzhment innovatsiy - Marketing and management of innovations*, 1, 11-21 [in Ukrainian].

Jaspers K. (1991). Smisl y naznachenye ystoryy [The meaning and purpose of history] Moscow: *Politizdat* (Thinkers of the XX century) 527 [in Russian].

Klymchuk A.O., Mykhailov A.M. (2018). Motyvatsiia ta stymuliuвання personalu v efektyvnomu upravlinni pidpriemstvom ta pidvyshchenni innovatsiynoi diialnosti [The motivation and stimulation of personnel in effective enterprise management and innovation activity improving] *Marketynh i menedzhment innovatsiy - Marketing and management of innovations*, 1, 218-234 [in Ukrainian]. DOI:10.21272/mmi.2018.1-16

Lanovoy. V. (2011). Kapital`ni vy`kly`ky`: ukrayins`ka ekonomika pry`rechena na kry`zy` [Capital Challenges: The Ukrainian economy is doomed to crises]. *Ukrayins`ky`j ty`zhen` - Ukrainian week*, № 39 (204), 28–31. [in Ukrainian].

Mykhailov. A., Halich. M. (2012). Agrarny`j sektor Ukrayiny` v globalizacijny`x procesax. [Agrarian sector of Ukraine in the globalization processes.] *Visny`k Sums`kogo nacional`nogo agrarnogo universy`tetu. Seriya: Ekonomika ta menedzhment - Journal of the Sumy National Agrarian University. Series: Economics and Management*, 8(53), 173-176 [in Ukrainian].

Sabluk, P.T., Belarus, O.G., Vlasov, V.I., eds. (2008). Hlobalizatsiya i prodovol'stvo [Globalization and food]. Kyiv: SSC IAE, 632 [in Ukrainian].

Sen, A. (1983). Poverty and Famines: An Essay on Entitlement and Deprivation. : Oxford University Press. Access mode: <http://www.oxfordscholarship.com/view/10.1093/0198284632.001.0001/acprof-9780198284635>. [in English].

SOFI report. v my`re ot goloda y` nedoedany`ya stradayut 795 mln chelovek. Polozheny`e del v svyazy` s otsutstv`em prodovol'stvennoj bezopasnosty` v my`re. [795 million people are suffering from hunger and malnutrition in the world. The situation is due to the lack of food security in the world.] (n.d.). Access mode: <https://ria.ru/world/20150527/1066743842.html> [in Russian].

Sokolov, M., Malyutin A. (2011). Konceptual`ni pidxody` vy`znachennya investy`cijnogo procesu [Conceptual approaches to the definition of the investment process] *Visny`k Sums`kogo nacional`nogo agrarnogo universy`tetu. Seriya: Ekonomika ta menedzhment - Journal of the Sumy National Agrarian University. Series: Economics and Management*, 5(2), 3-7 [in Ukrainian].

Sokolov, M., Malyutin A. (2014). Investment competitiveness factors of Ukraine. *International Journal of Business and Social Science*. 22, Vol.3. pp.112-121 [in English].

Stamoulis. K., Zezza. A. A. (2003). Conceptual Framework for National Agricultural, Rural Development, and Food Security Strategies and Policies, *Working Paper 03-17, ESA Division, FAO*. Access mode: <http://eldis.org/vfile/upload/1/document/0708/DOC15222.pdf> [in English].

State Statistics Service of Ukraine (n.d.) Access mode: www.ukrstat.gov.ua. [in Ukrainian].

The General Assembly of United Nations Resolution. (2015). Preobrazovanye nasheho myra: Povestka dnya v oblasti ustoychivoho razvytyya na peryod do 2030 hoda [Transformation of our world: An Agenda for Sustainable Development for the period until 2030] Access mode: <http://www.un.org/ru/ga/70/docs/70res1.shtml> [in Russian].

The General Assembly of United Nations. *The future we want. 2012* (n.d.). Access mode: http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/66/288&Lang=E [in English].

UNIAN news agency. Bly`z`ko 60% ukrayinciv zhy`vut` za mezheyu bidnosti – OON. [Nearly 60% of Ukrainians live below the poverty line - the UN.] (n.d.). Access mode: <https://www.unian.ua/society/1850746-blizko-60-ukrajintsiv-jivut-za-mejeyu-bidnosti-oon.html>. [in Ukrainian].

United Nations. (1992). *AGENDA 21 Conference on Environment & Development Rio de Janeiro, Brazil, 3 to 14 June 1992*. Access mode: <https://sustainabledevelopment.un.org/content/documents/Agenda21.pdf> [in English].

V Ukray`ne rezko viroslo koly`chestvo golodayushhy`x lyudej. [In Ukraine, the number of starving people has sharply increased.] (n.d.). Access mode: <https://www.segodnya.ua/ukraine/V-Ukraine-rezko-vyroslo-kolichestvo-golodayushchih-lyudej.html>. [in Russian].

Vernadsky, V.I. (1989). Byosfera y noosfera [Biosphere and noosphere] Moscow: *Nauka*, 261 [in Russian].

World Food Summit. (1996). Declaration on World Food Security. Held in Rome, Italy 13-17 November 1996 Retrieved from <http://www.fao.org/docrep/003/w3613e/w3613e00.htm> [in English].

World Summit on Sustainable Development. *Environment and sustainable development: implementation of Agenda 21 and the Programme for the Further Implementation of Agenda 21* (n.d.). Access mode: http://www.un.org/ga/search/view_doc.asp?symbol=A/C.2/57/L.83&Lang=E [in English].