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PROSPECTS FOR THE DEVELOPMENT OF SMALL AGRICULTURAL BUSINESS ENTITIES IN THE MARKET ENVIRONMENT⁵

One of the promising areas for creating a competitive market environment is the development of small businesses. Small businesses need to increase their competitive advantage over other market participants in order not to lose their place in the economic system, especially in a pandemic, while becoming drivers of economic growth.

The purpose of the study is to examine the factors influencing the behaviour of small businesses in the market environment during the epidemic by understanding the existing problems and strategic orientations of their activities. The article forecasts the number of small agricultural business entities in order to understand the problems and prospects for development in a market environment (using retrospective and statistical research methods); the directions of support for exporters of agricultural products have been given; the change in the dynamics of goods export by small enterprises has been analyzed (using the methods of economic and mathematical modelling), the level of social responsibility of agrarian business entities as a necessary element for the implementation of export operations in foreign markets (with a built self-organizing map). It has been proven that small business entities have a basic level of social responsibility, but in order to strengthen their competitive position and the need to enter foreign markets, enterprises need to improve to a sufficient level. It has been found that problematic factors for exports need to be addressed, namely: access to trade finance, inappropriate production technologies, identification of potential markets and buyers; technical requirements and standards. It has been substantiated that it is necessary to strengthen the assistance of small enterprises in access to information,

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implementation of the WTO Agreement on Trade Facilitation, taking into account the interests of small enterprises, their involvement in regulatory activities in the field of trade.

Keywords: development; agricultural sector; micro; small business; market environment; local social responsibility

JEL: Q12; Q13; Q14

1. Introduction

Improving the efficiency of small business development in terms of foreign economic activity is a strategic task of public policy in the context of integrating the national economy into the world economic system, an important component of which is the market environment. The predominance of market principles of management in the agricultural sector on risky activities as result of the increased commercial risk and uncertainty in the situation of sales of agricultural products. Studies show that the number of business entities in Ukraine is declining (2020-2022), but by implementing local social responsibility (LSV), small agricultural businesses have the opportunity to operate stably in a market environment with a positive financial result.

Improving the conditions of small enterprises' access to foreign markets (providing consulting and analytical services related to export-import activities of enterprises, expanding trade and economic ties) and the formation of business culture in a pandemic is of particular importance. At the same time, the agricultural sector, entering foreign markets, have standards of the adequacy of production and – social responsibility, a social example of which are the subjects of the agricultural sector of Mykolayiv region with a sufficient and high level of local social responsibility. The practice of applying the principles of LSV in this area can be an example of research by enterprises in different regions of Ukraine. Taking into account the requirements of external stakeholders, based on the principles of Sustainable Development, business entities should, in addition to obtaining a positive economic result, adhere to the directions of socially responsible policy.

2. Literature Review and Hypothesis Development

A. Aliyeva, M. Orlatyi, A. Velychko, V. Zayats, Y. Lupenko, M. Kropyvko, P. Sabluk, and others study the activity of entrepreneurial formations in the agricultural sector. The role of small businesses in the development of the agricultural sector was considered in the works of V. Galushko, O. Pavlov, K. Prokopenko, O. Radchenko and others.

Thus, K. Prokopenko (2012) believes that “the importance of small agricultural producers (farms and households) in the Ukrainian agricultural sector has increased significantly over the past decade. Despite the existence of serious problems, they are currently important producers of agricultural products in Ukraine”. O. Radchenko (2011) notes: “Small enterprises play a significant role in agricultural production, food security of the state, their activities partially contribute to solving social problems of the village, establishing sustainable development of rural areas, providing employment and income support of the rural population”.

According to N. Stoyanets (2018), international experience in combination with research of domestic scientists proves the justification of turning to the theory and practice of small business development as a tool for systemic solutions to socio-economic problems of rural areas and comprehensive growth of the agricultural economy as a whole. Entrepreneurial competencies and growth of small and medium enterprises, the mediating role of network competence were studied by S. Tehseen, F.U. d Ahme, Z.H. Qureshi, M.J. Uddin, T. Ramayah (2019).

The issues of ensuring export activities by small agricultural business entities in a market environment require further research.

3. Methodology

The methodological tools of the study were the following methods: historical and logical (study of theoretical views on the need to develop small agrarian business entities for economic growth), monographic (study of the market environment of small business development in a pandemic), statistical (study of the changing dynamics in the number of subjects of “small businesses and enterprises exporting products), economic and mathematical modelling (forecasting the number of small businesses in agriculture, forestry and fisheries as an important element in creating and maintaining an effective agricultural business system). The study of the social responsibility level of small businesses in the market environment, as a necessary component of export operations to foreign markets, was carried out using the method of expert assessments by clustering and building self-organizing maps.

Methods of statistical analysis (average absolute growth, average growth rate) were used to develop a forecast of the number of small enterprises in the agricultural sector of Ukraine until 2022.

Forecast for L steps (time periods) forward using the average absolute increase was carried out using the formula:

$$\widetilde{y}_{n+L} = y_n + L\Delta\bar{y} \quad (1)$$

where:

y_n is the actual value of the indicator at the last n-th point of the series;

L – bias period;

\widetilde{y}_{n+L} – forecast value of (n + L)-th series;

$\Delta\bar{y}$ – the value of the average absolute growth.

To construct Kahonen’s self-organizing maps, the clustering method developed by scientists A. A. Barsegyan, M. S. Kupriyanov, I. I. Kholod, M. S. Tess, S. I. Elizarov was used. Clustering is based on the use of the distance between the vectors. A non-negative number $d(x, y)$ is called the distance (metric) between the vectors x and y , if the following conditions are met:

1. $d(x, y) \geq 0$ for all x and y .

2. $d(x, y) = 0$, if and only if $x = y$.
3. $d(x, y) = d(y, x)$.
4. $d(x, y) \leq d(x, k) + d(k, y)$ – triangle inequality.

4. Results

The importance of small business for the national economic development in the context of economic and social components is characterized by the creation of new jobs in rural areas (according to the WTO, such companies provide about two-thirds of total employment in both developed and developing countries), especially in pandemic conditions, excessive decentralization processes and destruction of territorial infrastructure. In modern conditions, the problems of communication between the government and small business are in a state of aggravation, because they need to address the issue of providing small businesses with government orders, work, loans for the construction of industries, enterprises, job creation. On the part of small businesses, it is necessary to adapt to new realities and master new skills, such as e-commerce, e-marketing, which the government should intensify.

Taking this into account, the forecast of the number of small businesses in the agricultural sector in the national economy for 2020-2022 was carried out.

Table 1

Calculation of forecast values of the number of small businesses in the agricultural sector for 2020-2022 (units)

Years	Forecast values for:		
	average absolute growth	average growth rate	average growth rate
2020	$\hat{y}_{2020} = 73,13 + 1 \times 0,074 = 73204$	$\hat{y}_{2020} = 73,13 \times 1,001^1 = 73204$	$\hat{y}_{2020} = 73,13 \times (0,001 + 1)^1 = 73204$
2021	$\hat{y}_{2021} = 73,13 + 2 \times 0,074 = 73278$	$\hat{y}_{2021} = 73,13 \times 1,001^2 = 73279$	$\hat{y}_{2021} = 55254,2 \times (0,001 + 1)^2 = 73279$
2022	$\hat{y}_{2022} = 73,13 + 3 \times 0,074 = 73352$	$\hat{y}_{2022} = 73,13 \times 1,001^3 = 73353$	$\hat{y}_{2022} = 55254,2 \times 0,001 + 1)^3 = 73353$

Source: own calculations according to the State Statistics Service of Ukraine.

The results of the conducted statistical and retrospective research methods give grounds to assert that in the future, there will be an increase in the number of small forms of agrarian business. Thus, their projected value by the end of 2022 is 73,352 units, which is more than the 2020 study by 148 units. It is worth taking into account the crisis situation in 2020 with measures to limit the activities of business entities in the context of national quarantine.

Quarantine, which began in 2020, has significantly affected the agribusiness in terms of reducing the number of businesses in Ukraine. The reason for this is the losses that companies have suffered from the introduction of quarantine restrictions due to the pandemic. It is worth noting that 6% of businesses stopped working in the first month of quarantine (March 2020). One-third of business owners said that their incomes decreased during March-April 2020 by 90-100 percent. Many workers lost their jobs. Quarantine measures have negatively affected the state's economy, small and medium-sized businesses. During 2020, the number of businesses that started operating decreased significantly, by an average of 20 percent. The

state has provided agrarian businesses with the opportunity to obtain “cheap money” as a necessary tool for rapid economic recovery and increasing the number of jobs. The results of the program “Affordable loans 5-7-9%” show that in 2020 more than UAH 16.5 billion in loans were issued to support the development of small and medium-sized businesses. As of October 2021, the number of loan agreements under the relevant program amounted to UAH 66,956.6 million, and the current debt – UAH 52,102.0 million.

Cheap money is a necessary tool for the rapid recovery of the economy and for the increase the number of jobs. At the same time, the potential for the development of agricultural enterprises is due to the demand for goods and services in a market environment. One way to expand markets is to export to other countries. About 29% of total exports are small and medium-sized businesses (2015-2017), and half of this volume is accounted for by medium-sized enterprises, and among small ones, every 9th company exports, among micro ones – every 44th company. In order to promote exports to foreign markets, in 2018, an Export Promotion Office was established in Ukraine, the assistance of which is manifested in the following aspects: development of export competencies of Ukrainian business; promotion of Ukrainian goods and services abroad; assistance in establishing cooperation and partnership between Ukrainian and foreign business.

The existence of the Office is effective because, in November 2020, it became a finalist of the European Enterprise Promotion Awards 2020 in the category «Support for Business Internationalization». The Export Promotion Office provides assistance to business entities regardless of their size and experience in conducting foreign economic activity (Table 2).

Table 2

Areas of support for exporters of Ukrainian products

Directions	Characteristic
Export consulting	practical advice on entering foreign markets and developing export potential
Exporter education	opportunities to improve knowledge and skills to prepare businesses for export
Analytics and information	analytical materials to study potential markets for exports: country trade reviews, sector analysis, guides and information on tariff and non-tariff restrictions
Partner search	measures to expand export opportunities and find new foreign partners: trade missions, exhibitions, business forums and online services to develop new contacts

Source: systematized by the authors.

At the same time, a number of strategic documents of the government on export activities of domestic enterprises contain a number of factors and priorities that contribute to the conduct of foreign trade policy, namely: Sustainable Development Strategy: Ukraine 2030; Export Strategy of Ukraine: Roadmap for Strategic Trade Development for 2017-2021; National program of Reforming State Control and Supervisory Bodies, etc.

Ukraine and more than 90 WTO members supported the WTO Members’ Declaration on Micro, Small and Medium-sized Enterprises, which will help them enter foreign markets, overcome obstacles faced by businesses in entering foreign markets, and recover from the effects of restrictions introduced through the COVID-19 pandemic.

Let us analyze the tendencies of changes in the export of goods by small enterprises of the agricultural sector in order to identify trends for development in the future (Table 3).

Table 3

Export of goods by small enterprises of the agricultural sector

Indicators	Years				
	2015	2016	2017	2018	2019
Total foreign trade participants					
Number of units	9345	10302	10430	10944	10988
USD million	4658,2	4571,3	5028,7	5775,7	6607,7
In agriculture, forestry and fisheries					
Number of enterprises	456	700	895	965	1059
USD million	154,9	238,6	426,8	447,2	587,7
% to the total	3,3	5,2	8,5	7,7	8,9

* Data are given without taking into account the results of banks, budgetary institutions of the temporarily occupied territory of the Autonomous Republic of Crimea, Sevastopol and part of the anti-terrorist operation zone

Source: constructed using data from the State Statistics Service of Ukraine.

Thus, exports of goods by small enterprises in the agricultural sector tend to increase (587.7 million US dollars in 2019 against 154.9 million US dollars in 2015). The forecast of the enterprises' number, exporting products to foreign markets in 2020, taking into account the retrospective and statistical analysis of the dynamics, indicates an increase in their number by 197 units. (1256 enterprises; polynomial trend of the 4th order: $y = 9,375x^4 - 106,42x^3 + 379,63x^2 - 290,58x + 464$ with the coefficient of determination $R^2 = 1$).

The partial or complete loss of traditional markets, which has occurred in recent years, increases the need to find effective solutions for the development of exports of Ukrainian products. Given that Ukrainian exports consist mainly of raw materials, which indicates inefficient use of resources, makes the Ukrainian economy dependent on price fluctuations in world markets and contains potential risks to economic and social stability. In order to reduce risks and ensure stable growth in the export of Ukrainian products, the Export Strategy of Ukraine («road map» of strategic trade development) for 2017-2021 and a plan of tasks for its implementation have been developed.

The aim of the Strategy is Ukraine's transition to the export of innovative high-tech products for sustainable development and successful entry into world markets. At the same time, business entities should have a sufficient level of local social responsibility (LSV) to ensure: the use of modern agricultural technologies, environmentally friendly herbicides and pesticides, organic waste in the fields, anti-erosion measures; reduction of emissions into the environment; development of the enterprise social infrastructure and employees' social security.

To study the level of local social responsibility of small business we have chosen the enterprises of the Mykolaiv region. As of 2019, in the Mykolaiv region, there were 3913 enterprises of an agricultural direction, from which 31 enterprises of the Mykolaiv region (value of the coefficient of determination), were chosen for research. It should be noted that enterprises of different sizes of entrepreneurial activity were selected for the study, where manifestations of local social responsibility are observed (Table 4).

Table 4
Score assessment of the level of local social responsibility of the investigated agricultural enterprises of the Mykolaiv region

Enterprise	LSV level	LSV Evaluation (Score)	Correction factor	Total score of LSV	LSV rating
Small business entities (including micro-enterprises)					
«Agroalliance» LLC Arbusynsky district	Base	3	1.0	15.30	10
Agricultural firm «Vasylivka» Berezansky district	Base	3	0.7	10.71	14
«Valentina» FC Bereznehuvatsky district	Base	2	0.8	8.16	15
«Gavenko IV» FC Yelanets district	Base	3	0.8	12.24	13
«Promin» ALLC Novoodesky district	Sufficient	6	1.0	30.6	4
«Bila Tserkva» LLC Novobuzhsky district	Base	2	0.8	8.16	15
«Argo» LLC Novobuzhsky district	Base	2	0.7	7.14	16
«Zirka» JLLC Novobuzhsky district	Base	3	0.8	12.24	13
Novosillya LLC, Kazanka district	Sufficient	6	1.0	30.60	4
«Dumitrash» LLC Novoodesky district	Sufficient	4	0.9	14.28	11
«Urozhainyi» APC the Mykolaiv aregion	Sufficient	6	0.8	24.48	6
«Vladam» FC Vitovsky district	Sufficient	6	0.8	24.48	6
«Toftul» FC Novoodesky district	Base	2	0.7	7.14	16
«Soyuz-Agro» LLC Novoodesky district	Sufficient	4	0.7	13.35	12
«Zoloty Kolos» LLC Vitovsky district	Sufficient	6	1.0	30.60	4
Medium business entities (medium)					
«Named after Taras Shevchenko» ALC Novoodesky district	High	7	1.0	35.70	3
T.G. Shevchenko ALLC Bereznehuvatsky district	Sufficient	5	1.0	25.5	5
«Vradyivsky» JSC Vradyivskyi district	Sufficient	6	1.0	30.6	4
«Ukraine» JSC Domanivka district	Sufficient	6	0.7	21.42	8
«Victoria» PLC Novobuzhsky district	Sufficient	5	0.9	22.95	7
«Lan» PLC Novobuzhsky district	Sufficient	5	0.9	22.95	7
«Pivdenyi Kolos» ALC Novoodesky district	Sufficient	6	1.0	30.60	4
«Ochakiv district agrochem» LLC Ochakiv district	Base	3	1.0	15.30	10
«Kozyrske» PAE Ochakiv district	Base	3	1.0	15.30	10
«Velyky Kut-III» PRAE Snihuriv district	Sufficient	4	0.9	18.36	9
«Pivdenne» SE Snihuriv district	Sufficient	4	0.7	14.28	11
«Area-Snihurivka» LLC Snihuriv district	Base	3	0.7	10.71	14
Macro-business entities (large)					
JV Nibulon LLC	High	9	1.0	45.90	1
Kernel Trade LLC (Kernel)	High	9	1.0	45.90	1
Agrarian Holding Avangard LLC	High	8	1.0	40.80	2
«Ukraine-2001»	High	7	1.0	35.70	3

Source: calculated and formed as of 01.01.2020 using materials Lunkina TI.

It was found out that the social agricultural enterprises have formed a social policy and are working on local social responsibility. Regardless of the form of ownership, size, financial resources, there are manifestations of local social responsibility at all levels. Namely, the basic: it is the payment of taxes, non-discrimination; on average: social programs (packages), advanced training of employees; high: interaction with the public, responsible attitude to consumers, formation of non-financial reporting. On the positive side, agricultural enterprises

do not stay away from the problems of vulnerable groups, actively participate in various activities that promote a healthy lifestyle and environmental protection.

It should be noted that the tendency to improve social activity in medium-sized agricultural enterprises, the rating of local social responsibility is higher and large agricultural enterprises, which occupy leading positions in this indicator.

In percentage, among the surveyed enterprises of Mykolaiv region (31 agricultural enterprises), the largest share of LSR is at the basic and sufficient level – 42%, respectively, for each level, the third position is occupied by a high level of responsibility – 16%.

The conducted rating of the specified enterprises allowed to estimate leading positions of the agrarian enterprises of the Mykolaiv region with the maximum rating 45.9 (among which there are 2 business entities) and low level of local social responsibility introduction with the minimum rating 7.14 (among which there are 2 business entities).

This rating makes it possible to assess agricultural enterprises for their use of local social responsibility and is decisive in shaping the image of agricultural enterprises, which directly affects their financial results.

According to the methodological aspects and on the basis of the conducted research, we have built self-organizing maps in assessing the level of local social responsibility of the studied agricultural enterprises of the Mykolaiv region. The variables used to define the business models calculated using MS Excel for Deductor Studio Academic, together with their descriptive statistics, are shown in Table 5.

Table 5
Indicators of variable business models of an estimation of local social responsibility level of the investigated enterprises in the Mykolaiv region, scores

Variable	The average value of local social responsibility	Standard deviation of local social responsibility	Minimum local social responsibility	Maximum local social responsibility	Midpoint local social responsibility
Small business entities (including micro-enterprises)	3,87	1,68	2,0	6,0	3,0
Medium business enteties (medium)	4,75	1,36	3,0	7,0	5,0
Macro-business entities (large)	8,25	0,96	7,0	9,0	8,5

Source: based on MS Excel for Deductor Studio Academic.

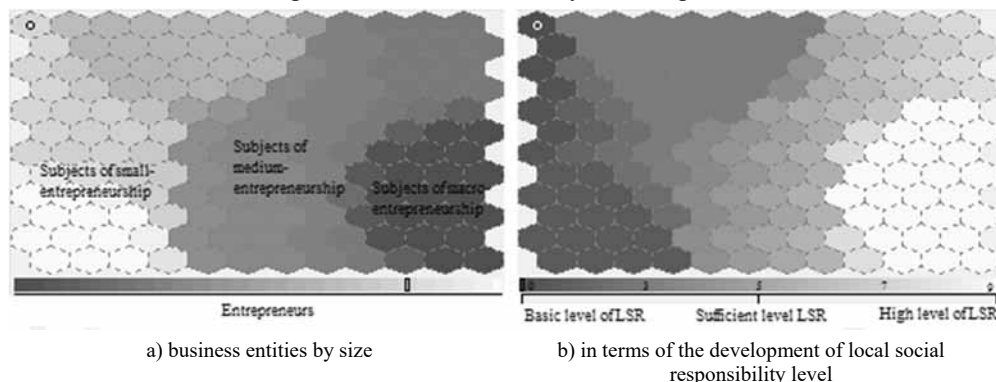
These variables are the basis for constructing self-organizing maps, which show the location of each business model.

On map shows how 300 neurons are organized in a two-dimensional lattice. Each neuron can contain one enterprise, several business entities or can be empty. The different clusters of subjects on the map are marked with appropriate shades and have their own boundaries. The maps are coloured according to the values of the variables. A darker colour on the map indicates a higher value for the variable. Maps show the characteristics of specific clusters.

Based on the data, the Kohonen map was constructed, which contains the level of local social responsibility of business entities in terms of large, medium, small (including micro-enterprises) of the agricultural sector in the Mykolaiv region (Figure 1).

Figure 1

Map for assessing the local social responsibility level of the studied enterprises of the agricultural sector of the Mykolaiv region



Source: built using Deductor Studio Academic.

Analysis of the map of assessment of the level of local social responsibility of business entities of agricultural enterprises shows that macroeconomic entities (JV Nibulon LLC, Kernel Trade LLC (Kernel), Agrarian Holding Avangard LLC) have a high level, which is the result coordinated strategic approach to the formation of LSR and non-financial reporting; interaction with the community and participation in the development of rural infrastructure; charity; compliance with product quality on the basis of certification; maintaining a healthy lifestyle; social entrepreneurship (various forms of manifestation); social investment. The subjects of medium-sized enterprises in the agricultural sector generally have a sufficient level of local social responsibility (T.G. Shevchenko ALLC Bereznehuvatsky district, «Ukraine» JSC Domanivka district, «Named after Taras Shevchenko» ALC Novoodesky district others), by directions: advanced training of employees; application of the latest technologies (there are appropriate thanks); provision of social packages; development of social programs for employees (health insurance, vouchers to sanatoriums and health camps); material and moral incentives for employees (social benefits, intangible reward programs); training of specialists of the enterprise in the Free Economic Zone of Ukraine; reduction of emissions into the environment; use of environmentally friendly herbicides and pesticides; compliance with the conditions of feeding animals (feed mixtures only natural, balanced); production of quality products.

According to the constructed map, small business entities (including micro-enterprises) have a basic local social responsibility level «Agroalliance» PE Arbuzytsky district, agricultural firm «Vasylivka» Berezansky district, «Valentina» farm Bereznehuvatsky district, «Agro» PE Novobuzhsky district, «Toftul» farm Novoodesky district and others) and are characterized by timely payment of taxes (fees, charges); non-discrimination; timely payment of wages; implementation of measures to improve working conditions and safety;

certification of jobs; opportunity for employees to receive the company's products at cost; sales of products to schools (kindergartens) at cost; using modern agricultural technologies; using waste as organic in the fields; relationships with suppliers and partners.

It should be noted that, on average, there is a tendency to depend on the categories of enterprises; the larger is the enterprise, the higher is the level of local social responsibility.

However, there are vivid examples of enterprises that belong to small businesses («Zoloty Kolos» LLC Vitovsky district) – there is an average level of local social responsibility; medium business («Named after Taras Shevchenko» ALC Novoodesky district) – a high level of local social responsibility. And among the subjects of small agricultural business, there are manifestations of a sufficient level of LSR (Novosillya LLC, Kazanka district, «Urozhainyi» APC the Mykolaiv district, «Vladam» FC Vitovsky district).

We have presented a detailed description of the tools for building self-organizing maps Kohonen:

Standard deviation – the scattering index of the values of a random variable relative to its mathematical expectation shows how much, on average, the specific values of local social responsibility deviate from their average value.

The lowest standard deviation is concentrated in the field of macro-business entities, which is due to the minimum deviation of the values of the assessment of the level of local social responsibility. Of the four enterprises, JV Nibulon LLC and Kernel Trade LLC (Kernel) have a high level with a score of 9 points, Agrarian Holding Avangard LLC has 8 points and Ukraine-2001 has 7 points. Local social responsibility of medium-sized enterprises has moderate deviations, which is due to the presence in this segment of enterprises with a high level of local social responsibility (7 points) – «Named after Taras Shevchenko» ALC and the basic level of local social responsibility (3 points) – «Area-Snihurivka» LLC, «Kozyrsk» PAE, «Ochakiv district agrochem» LLC.

The largest standard deviation is concentrated in the field of small businesses, which is due to the presence in the cluster of enterprises with a basic level of local social responsibility (2 points) «Valentina» FC, «Bila Tserkva» LLC, etc., and enterprises with a sufficient level of local social responsibility – «Vladam» FC. The segment of small business entities has the lowest average value of local social responsibility – 3.67 points, which is associated with different levels of LSR (from 2 to 6 points) and a large number of enterprises at the basic level. Medium-sized businesses have an average value of 4.75, which is due to the larger number of enterprises with a sufficient level of local social responsibility. The segment of macroeconomic entities has the highest average value, which is associated with a high level of local social responsibility and a small number of enterprises.

For small businesses, the minimum value of the level of local social responsibility is 2 points, medium business – 3 points, macro business – 7 points. The highest value of the level of local social responsibility is typical for the segment of macro-entrepreneurs with its score of 9 points, for medium-sized enterprises – 7 points, for small businesses – 6 points, i.e. the maximum value of local social responsibility for medium-sized enterprises corresponds to the minimum for large, which clearly demonstrates the gap in the development of their local social responsibility.

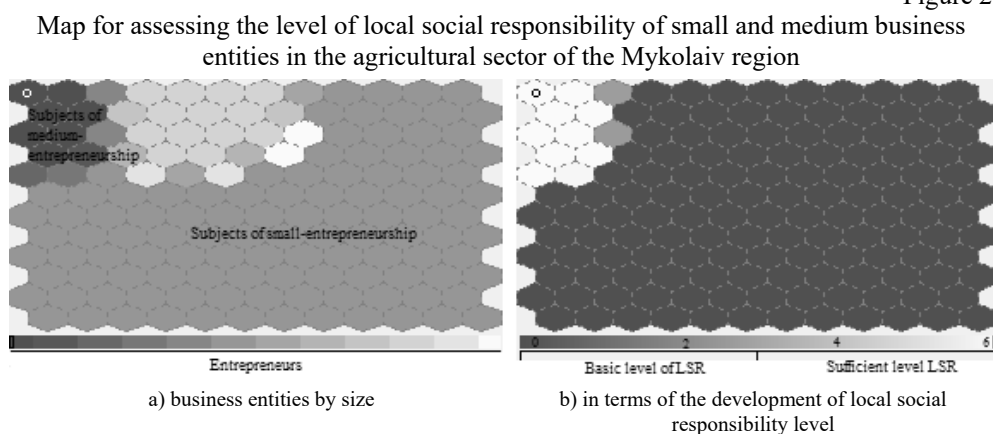
For local social responsibility of small businesses, the median score is 3 points, for medium-sized businesses – 5 points, for macro-businesses – 8.5 points, which indicates the location in the middle of a number of values of business entities with different levels of local social responsibility development.

For a detailed assessment of the local social responsibility level of business entities in the Mykolaiv region, we have built self-organization maps of medium and small enterprises (Figure 2). Analysis of the data of the local social responsibility assessment map of small and medium enterprises confirms that the subjects of medium-sized enterprises have a sufficient level (4-6 points), and the subjects of small enterprises – basic (0 to 3 points).

Macroeconomic entities are characterized by a high level of LSR (7-10 points) because they develop a strategy for the development of local social responsibility; generate non-financial reports; actively cooperate with public authorities on the basis of state and social partnership; make social investments.

With regard to medium-sized businesses, the level of development of local social responsibility is at a sufficient level; in the future, it is possible to move to a higher level, in the case of the above measures.

Figure 2



Source: built using Deductor Studio Academic.

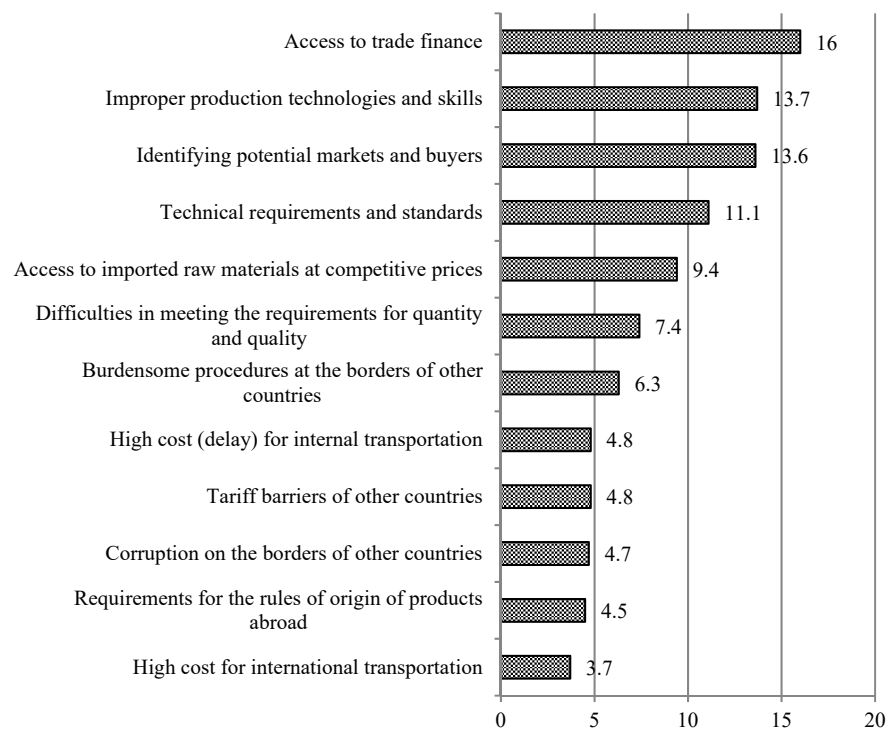
Thus, on the basis of the conducted research, it is established that the level of local social responsibility at business structures of the agrarian sector of the Nikolaev area depends on their sizes and on the existence of a strategic approach. Thus, in large enterprises, as a rule, the level of local social responsibility is the highest (from 7 to 10 points). In medium-sized enterprises, the level of local social responsibility is at a sufficient level (from 4 to 6 points, and in small (micro-enterprises), there is a basic level of local social responsibility (from 0 to 3 points)). However, there are some isolated positive manifestations both among medium-sized enterprises of the agricultural sector – there is not only a sufficient level, but also high (one enterprise), and among small (micro-enterprises) of the agricultural sector there is not a basic level, but sufficient (five enterprises).

The priority task for agricultural enterprises is to increase the level of social responsibility in the context of compliance with product quality based on certification, since a condition for entering foreign markets is the proper certification of exported products.

The foreign economic policy aimed at forming new and sustainable existing competitive advantages of agricultural producers should be aimed not only at concluding and implementing international agreements, but also be consistent and effective in maintaining the internal competitiveness of agricultural producers through the implementation of tariff and non-tariff exports, imports of agricultural products and products for agriculture. However, there are a number of problematic factors for exports from Ukraine (Figure 3).

Figure 3

The most problematic factors for exports to Ukraine, %



Source: constructed using the materials of GS Fedoseeva.

At the same time, the export situation itself is purely formal in terms of a set of procedures, the complexity, duration and cost of which can be a barrier for exporters. Within the WTO, the issue of micro, small and medium-sized enterprises was not on the agenda of trade negotiations. Only a few WTO agreements contain provisions that affect the reduction of

trade costs for IHR (Agreement on Technical Barriers to Trade, Agreement on Sanitary and Phytosanitary Measures, Agreement on Trade Facilitation).

5. Discussion

The strategic goals of the development of small businesses in a market environment are: creating favourable conditions that stimulate trade and the development of social responsibility for export diversification; development of business and trade support services that can increase the competitiveness of enterprises, including small ones (improvement of the mechanism of coordination of trade support institutions involved in trade policy and export development, strengthening the network of institutions providing business and trade support services to exporters); improving the skills and competencies of enterprises, in particular small ones, necessary for participation in international trade, etc. Maintaining a sufficient level of social responsibility of small agricultural businesses will allow them to become full participants in foreign markets and improve the country's export potential. At the same time, an important component of small business development is the focus on the innovative component of goods and services exported by small businesses.

6. Conclusion

Thus, the development of small agrarian business of Ukraine in the market environment requires a comprehensive analysis of factors that have a significant impact on it: the number of small agrarian businesses and their export operations support for exporters of Ukrainian products at the state level; level of local social responsibility; risks inherent in export transactions in a market environment.

Taking into account the forecast results, it has been found that the number of small agricultural businesses in general (including enterprises engaged in export operations) tends to increase, which indicates a positive dynamic in a pandemic. It has been found that the Office for Export Promotion, which promotes the development of small businesses in a market environment, was established to properly support exporters of Ukrainian products. It has been proved that export operations of small agricultural enterprises should be carried out, taking into account the standards of the external market space with observance of socially responsible components.

It is proved that export operations of small agricultural enterprises should be carried out, taking into account the standards of the external market space with observance of socially responsible components. On the example of enterprises of Mykolayiv region, it is substantiated that small agrarian business entities currently have a sufficient and high level of social responsibility, but only those enterprises that will promote and support the principles of LSV will be able to achieve effective development in a market environment.

Problem factors for exports need to be addressed, namely: access to trade finance, inadequate production technologies, identification of potential markets and buyers; technical requirements and standards. It needs to strengthen assistance to small businesses in access to

information, to implement the WTO Agreement on Trade Facilitation, taking into account small businesses, to involve them in regulatory activities in the field of trade.

Taking into account the above factors of influence on small agricultural business entities will contribute to the effective development and achievement of competitive advantages in the market environment.

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