

INFORMATION AND ECONOMIC SECURITY OF THE COUNTRY IN THE CONTEXT OF GLOBALIZATION

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Abstract:

In this paper the questions of the relationship between the presence of domestic and global food markets. The purpose of this paper is to examine the issues of food security and the state of the domestic food market in Ukraine, taking into account the state of the world food market and information component of food security.

Keywords: food safety, information security, internal market, foreign market, open economy

1. INTRODUCTION

Despite the significant achievements of the Ukrainian agricultural sector in recent years, domestic food market is characterized by significant volatility price indices. Quite often there are shocks on individual heading (the skyrocketing value of buckwheat, sugar, meat, potatoes), indicating that the systemic causes that determine them. The frequency of occurrence of these phenomena indicates primarily on systemic causes that are affecting the health food market in Ukraine, or some of its properties that contribute to instability of price indices for some commodity items, regardless of their origin (import or domestic production).

For a long period of time Ukraine has been a country with an open economy in which the arithmetic mean value of exports and imports is a significant part of GDP. The issue of food security should be viewed through the prism of the global food market, which means that the growing significance of the information component of food security.

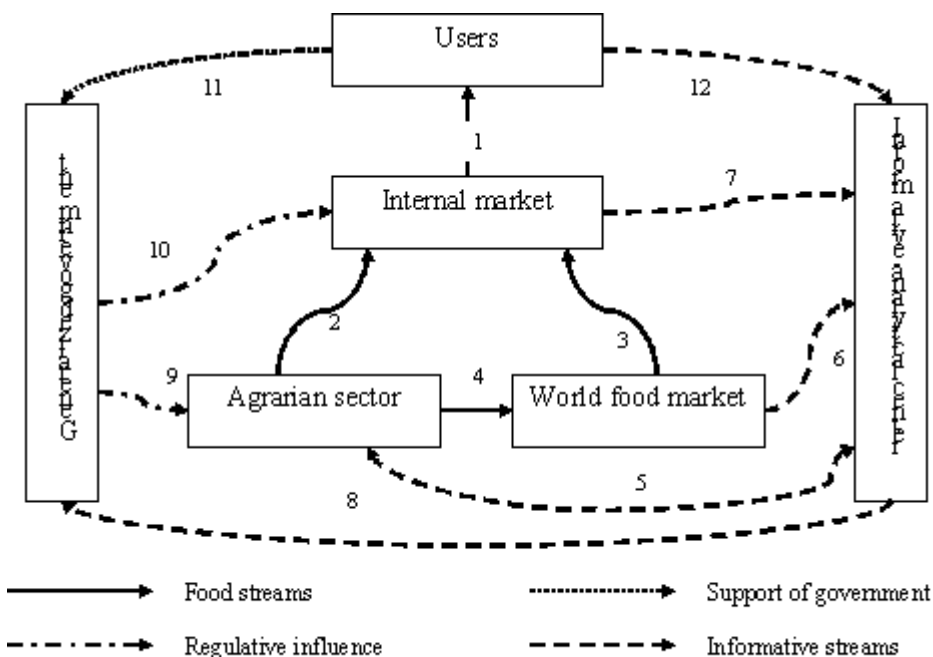
The issue of food security is very important and should be supported by scientific researchers approach.. Ukraine development of food security are examined from the standpoint of self-reliance. In most foreign robot focuses on the existence of a balance between supply and demand on the world food market position. This article opens up new approaches to solving the issue whether the relationship between the domestic and global food markets.

2. MAIN TEXT

Different countries use a number of indicators used to assess and compare the state of food security in the light of information and food security. Information security (according to the legislation of Ukraine) - a state of protection of vital interests of human society and the state, which prevents damage due to: incomplete, untimely and inaccurate information being used; negative information effects, negative effects of information technology; unauthorized distribution, use of the integrity, confidentiality and availability of information.

Dwell on issues of incompleteness, untimely and unreliability of information that is most relevant in the case of food insecurity. Figure 1 shows a diagram of food security in an open economy.

Figure 1: diagram of food security in an open economy



1. Food products to consumers;
2. Foodstuffs domestic production;
3. Imported food products;
4. Export products of agriculture;
5. Information flows on the prospects of agricultural production;
6. Information flows on the state of the world food market;
7. Information flows on the state of the internal market;
8. Information flows on the state of food security;
9. Regulatory actions to the agricultural sector;
10. Regulatory action on the state of the internal market;
11. The degree of voter support for public policy in the agricultural sector;
12. Prediction of consumer preferences.

At the present moment in the absence of information-analytical center of information regarding the condition of the domestic food market comes to generalized government relevant department of the Ministry of Agriculture and Food. Another organization that collects information on statistics in the agricultural field is the State Statistics Committee of Ukraine. However, information Goskomstat due to significant delay in time can not be used for operational forecast. It is not clear which department of the Ministry of Agrarian Policy is analyzing the state of the world food market, but rather the functions assigned to the Department of Economics and Management, but any forward-looking indicators of the Ministry no. All this leads to the fact that instead of the 6 components of the scheme (Fig. 1) with 3 cell, ie the overall scheme excluded the impact of the world food market and influence consumer opinions regarding the condition of food security are not reflected in official statistics. Therefore, the information signals coming from the world food market can not find a receiver and change the world situation as well as the domestic market is always surprising for managers agricultural sector. In combination with existing institutional complexities external economic activity leads regular price shocks on certain product. In this case, the institutional difficulties refers to the time required for customs clearance at the border trade flows.

The existence of information-analytical center of the agricultural sector, which is responsible for the timeliness and accuracy of information regarding the current and future state of food security, able to significantly improve the situation. There are two basic direction of activity of this center: evaluation of the current state of food security with a time horizon of 1 year, the assessment of long-term with a time horizon of 5 years.

In assessing the current state to analyze the level of transitional food stocks, the yield forecast indicators, the level of world prices with the world food market. Evaluation of long-term should be based on the basic trends of the agricultural sector, which are influenced by changes in market conditions as world food market and consumer sentiment inside the country.

As regulatory instruments government uses the level of support specific sectors of the agricultural sector and support for the establishment of agricultural infrastructure sector, the implementation of institutional reforms (the right to sell agricultural land), changes in taxation, cheaper financing and insurance of agricultural production.

Using the tools of customs and tariff regulation of the agricultural sector, though much limited due to our adopted country's WTO obligations, even to the extent may significantly affect the level of foreign economic activity, and thus affect the level of domestic prices (eg implementation in July 2011, export duties on grain).

As an example, consider the risk of food entirely unforeseen by regulators jumps domestic prices into separate headings. Shock phenomena that occur regularly in certain segments of the Ukrainian food market demonstrates shortcomings medium term, based on a forecast of production and consumption, both domestically and abroad.

Define signs of shock phenomena separate heading food market. Lack of any commodity market position primarily manifested in unpredictable price increases. Therefore, we propose the following method of determining the shocks separate heading.

Price shock phenomenon heading called increasing its prices beyond 2 relative to the cumulative consumer price index (CPI). The value is defined as the standard deviation of the cumulative price index investigated heading to the base range of cumulative CPI. We believe that the lunar year discreteness enough time interval to set the value. Cumulative CPI at time t is calculated based on monthly values by the formula:

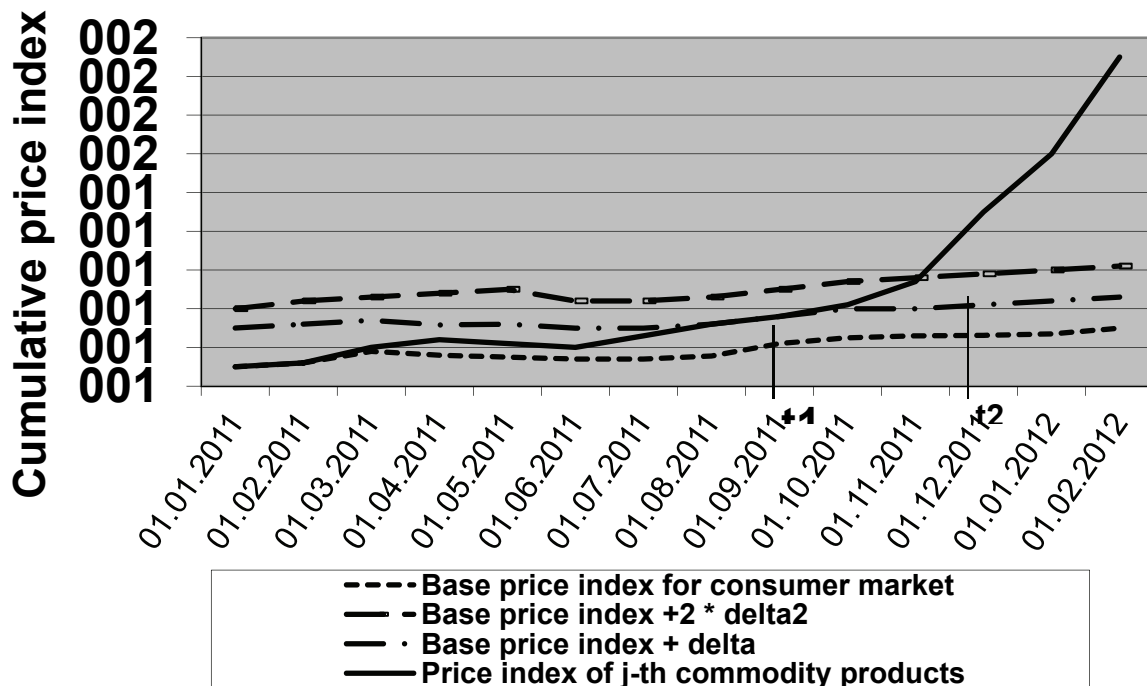
$$I_c^k(t) = 100\% \cdot \prod_{u=1}^t r_u / 100$$

Similarly calculated by cumulative price index j heading - The difference between the cumulative consumer price index and the figures for j heading calculated annual time interval:

$$\Delta = \sqrt{\frac{\sum_{t=1}^{12} (I_c^k(t) - I_j^k(t))^2}{12}}$$

Figure 2 presents the cumulative increase in prices in 2010 and the first two months of 2011 the annual time horizon (2010) calculated the value of the standard deviation j heading from the price index of the consumer market. For conditional j-th heading (buckwheat) standard deviation found to be 0.071. The figure given curves that follow the time evolution of the basic price index in excess and 2. Time section price index heading to the first of these means that the price situation starts to go out of control and need to analyze the causes of abnormal rise in prices of heading (shortage of stocks, traders conspiracy, random fluctuation, the impact of world market trends, etc.).

Figure 2: The emergence of a situation of shock prices j heading. Opening the first signs of shock growth interval decision



At the time interval (t1-t2) to find the cause and take action to correct the situation. The algorithm allows us to identify shocks in the food market at an early stage of development and time to take appropriate measures.

In addition, it allows you to select the price dynamics characteristic of the investigated heading of general market trends. There may be cases when the basic price dynamics and the dynamics of the

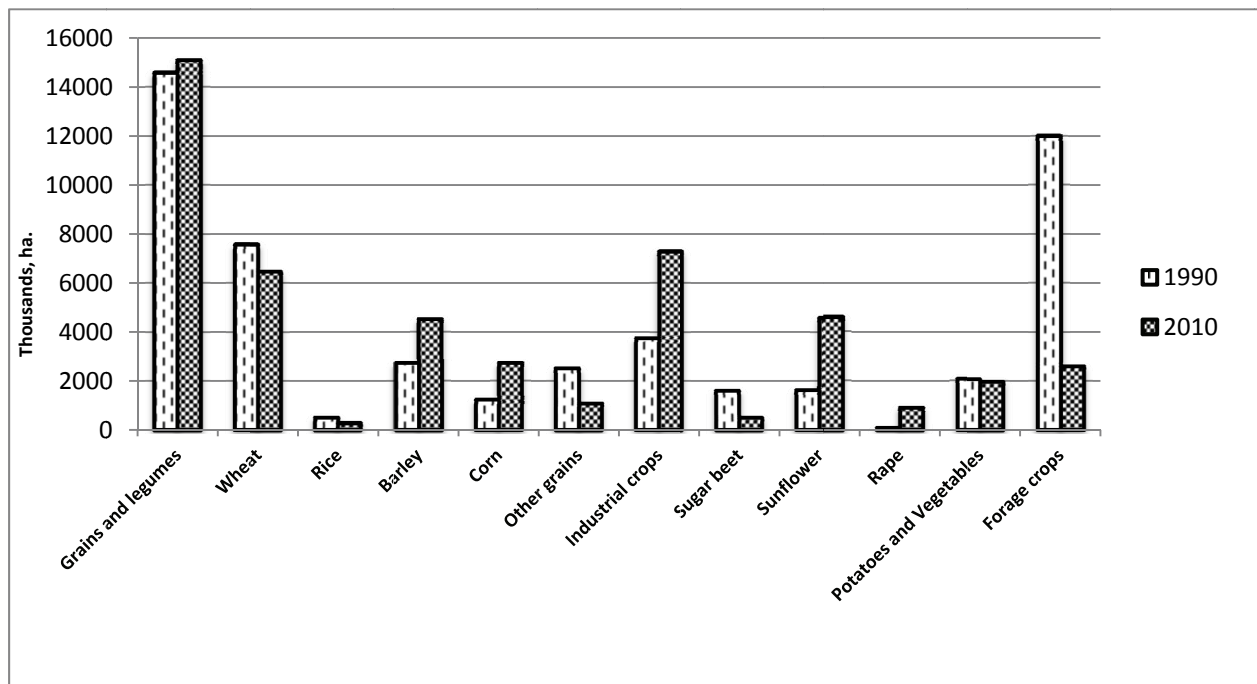
investigated product prices do not differ on baseline interval, whereas the standard deviation using the standard deviation of the base price index.

Of course, the assessment of the current state of food security should not be limited to the analysis of price indices, because it significantly reduces the time horizon for the state of food security.

Consider the major trends in world food market, which significantly affect the structure of agricultural production in Ukraine. It is, first of all, the EU's transition to renewable energy sources. Thus, biodiesel production is projected to increase from 7.96 tons in 2010 to 10.72 tons in 2020, by 34.7% over 10 years, and about 3% per year, which is significantly less than the growth rates observed in previous years. This means that the demand for raw materials for the production of biodiesel is almost stabilized.

Implications for Ukraine will stabilize acreage sown canola. Yes, FAPRY predicts that in 10 years they will grow only by 5.4% (from 1.3 million ha to 1.37 million ha). In turn, the increase in production in Ukraine from 1.62 million tons to 2.16 million tons driven by a growth yield of 1.46 t / ha to 1.96 t / ha. Analyzing the situation in previous years, we can assume that time (2004-2008) when simultaneously with the rise in oil prices increased acreage of raw material for biofuels in the past and is now estimated area of 1.3 million hectares of rape from 2010 . according FAPRY is overpriced and does not correspond to the actual state (Fig. 3).

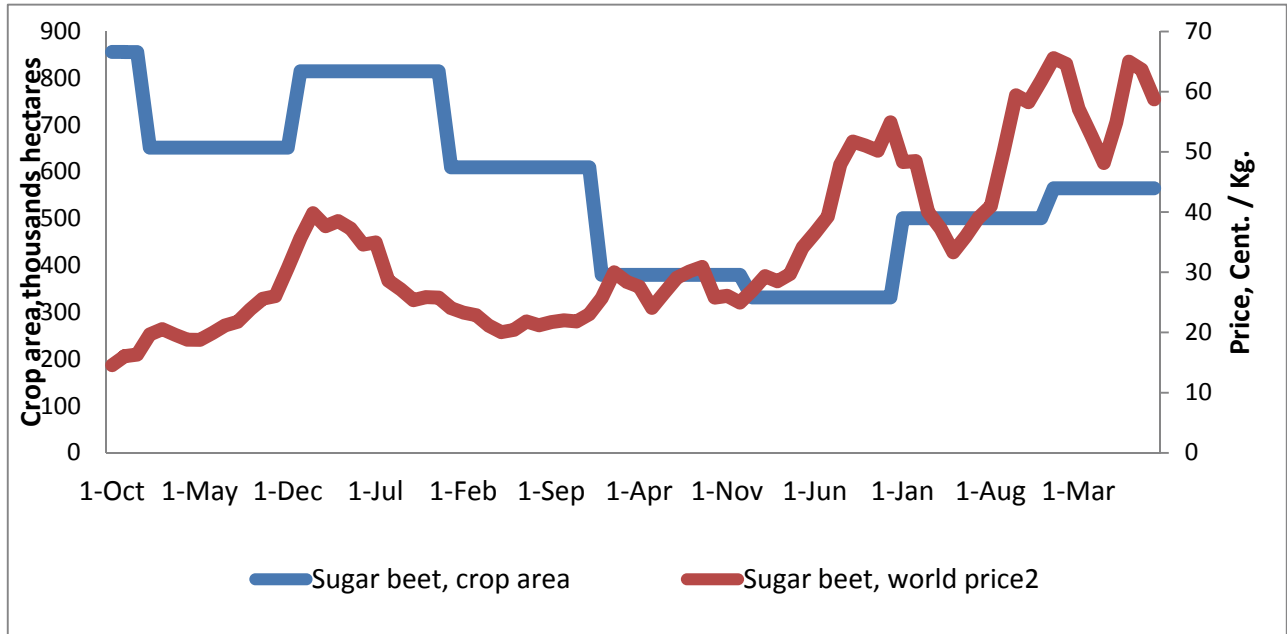
Figure 3: Chart changes acreage of basic crops for 1990-2010 years



However, the dynamics of oil prices rather unpredictable and therefore it is probable and the other scenarios. In general, the area under commercial crops grown in the interval 1990-2010 years from 3.7 to 7.3 million hectares, due to the increasing demand for another one export crops - sunflower and food processing area in which increased over this period from 1.6 to 4.6 million hectares. The inverse trend for sugar beet, where the area has decreased from 1.6 in 1990 to 0.3-0.4 million hectares in 2009. It Ukraine moved from the category of exporters to importers of sugar cane. The greatest rate of area under sugar beet decreased during the rapid rise in oil prices during 2001-2009, most likely underwent a process of transfer of these areas under rapeseed (raw material for biodiesel). The existing space is sufficient to produce about 85% of sugar consumption, the rest is compensated by importing sugar from cane. However, due to substantial volatility of production affected by instability as sugar beet acreage and yield instability, imports in some years greatly exceeds the quota and because world market prices have a significant impact on domestic prices.

In 2010 there was some imbalance in the sugar market, due to a decrease in support for EU sugar production, which led to an increase in world prices (Figure 4) and the internal market and affected the growth of the area under sugar beet in Ukraine in 2010 Level wholesale prices world market 0,55-0,6 dollars. / kg in 2010 soon enough for revitalizing domestic production in 2010-2011.

Figure 4: The dynamics of world prices for sugar and sugar beet acreage in Ukraine



However, if the price level is maintained for a sufficiently long period of time, and the rate of inflation in Ukraine remains at 10-13% at stable exchange rate, this level of world market prices will no longer contribute to the growth of domestic production. This example clearly shows that the issue of food security and development of the agricultural sector is strongly dependent on the range of issues that are outside the agricultural sector. These issues primarily related rate and monetary policy, which seriously affects the competence.

3. CONCLUSIONS

Detailed analysis of the assessment of food security for the effects of information and economic factors in Ukraine showed that the formation makroekonomics performance has a significant impact global market where at the balance between food supply and demand.

Ukraine belongs to the group of countries where the state of food security depends on the level support quantitative and qualitative parameters of food security. The main tasks in the fields of food safety are: 1) promote dynamic development of all sectors of Ukraine's agrarian sector, maintaining the high level of competitiveness; 2) establish an effective system of soil fertility of agricultural lands; 3) ensuring that domestic production of quality and safe food to the extent necessary to guarantee the food security of Ukraine; 4) the availability of food in sufficient quantities and in the wide range for all groups; 5) maintaining the stability of the domestic food market by forming strategic stocks of staple foods; 6) to prevent internal and external threats to food security, minimizing their negative effects; 7) propaganda among the population of the principles of nutrition; 8) improvement of state regulation and management of food security.

Compared with industrialized countries in Ukraine does pay sufficient attention pridilyayetsya development of information and economic safety. Safety is a significant gap between supply and demand for products and internal prices makes ineffective measures of food security and significant expenditures on agriculture.

Significant impact on the level of fluctuations of food security in comparison with global tendencies development of information and economic security by showing unsystematic and lack of stability of

Agrarian Policy in Ukraine. The analysis found that the production growth may not warrant Management in Rural ultimately macroeconomic equilibrium in the market without the development of information and economic security. The main strategic goal of Ukraine flood to be a long-term strategy for food security on the basis of information and economic support which would make a stable and long-term development of agricultural policy.

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