

Vdovenko Nataliia
Doctor of Economics, Professor,
and Honored Agriculture Worker of Ukraine,
Head of the Department of Global Economics,
National University of Life and Environmental
Sciences of Ukraine;

Gechbaia Badri,
Doctor of Economics, Professor,
Correspondent Member of the Academy of Sciences of Georgia Business,
Head of the Department of Business Administration
Batumi Shota Rustaveli State University

COMMON FISHERIES POLICY OF THE EUROPEAN UNION AND THE AGRARIAN SECTOR IN UKRAINE

For the first time, the Common Agricultural Policy (CAP) is aimed at agriculture supporting that provides food security and contributes to the balanced development of the whole Europe at rural areas, including those where the conditions of production are difficult. The five European structural and investment funds supporting the Europe economic recovery for period up to 2020 (ESI Funds), administrated by the European Commission and EU countries as researches show. Within the framework of the Common Agricultural Policy (CAP) reform, the European Commission proposed that the European Maritime and Fisheries Fund (EMFF) was also included to the new common strategic concept, accompanied by the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) [1]. The EU rural areas development policy is funded through the European Agricultural Fund for Rural Development (EAFRD), which is going to function in 2014-2020. It's consists of 100 billion euro at the reporting period. The funds are distributed from the Fund for 7 years for each EU country. These funds also involve government funding of 61 billion euro. During this period, there are 118 different rural development programs in 28 member countries, from which 20 are common national programs, while 8 member countries have chosen a decision with two or more (regional) programs. Member countries and regions are developing the rural development programs based on the needs of their area and focus on at least four from the six EU's common priorities: promote knowledge and innovation in agriculture and forestry industries, rural areas; increase the profitability and competitiveness of all types of agriculture and promote an innovative agrarian technology and sustainable forest management; promote food chain organization, animal welfare and risk management in agriculture and fisheries industries; restore, preserve and enhance the ecosystems associated with agriculture and forestry industries; promote the efficient usage of resources and support the crossing to a low carbon economy prepared for climate change in agricultural industries; promote social integration, poverty eradication and economic development of the rural areas.

Priorities for rural development are divided into priority areas. Particularly, priorities of resource conservation include “reducing greenhouse gas and ammonia emissions in agriculture” and “promoting carbon conservation and inclusion in agriculture and forestry industries”. Member countries and regions set quantitative targets in these priority areas in its rural development programs. Then they outline in which ways these goals would be achieved and how much it would be directed at each action. At least 30% of funding for each rural development program has to direct towards actions which connected with environment and climate changes. Agriculture is important for natural environment of EU. Agriculture and natural environment are affecting to each other: a) for centuries agriculture has contributed to creation and maintenance of unique rural areas. Land management in agriculture has become a positive force for the development of rich diverse landscapes and habitats, including mosaics of forests, wetlands and large massifs of open rural areas; b) ecological integrity and original value of the landscapes make the rural areas attractive for the creation of business, places for living, as well as for tourism and recreation business. The connection between the richness of the natural environment and practices of agriculture is complicated. Many valuable habitats in Europe are supported by a large farming, and they rely on a wide range of wildlife species. But an unacceptable agricultural practices and land management can also have a negative impact on natural resources, such as soil, water and air pollution, fragmentation of habitats, loss of wildlife. The CAP ensures that the rules are compliant with environmental requirements and that the CAP measures contribute to development of agricultural practices, preservation of the environment and protection of the rural areas. Farmers are encouraged to continue play a positive role in supporting rural areas and environment.

The primary tasks of the central authority that ensure implementation of the policy in the fishery field are: ensuring the sustainable fish catching from the environment; harmonious development of the fish industry of Ukraine; ensuring the protection of water biological resources and struggle against illegal, unreported and unregulated fishing, other illegal economic activities for fish catching and fish sale as interfere the implementation of sustainable development principles, rational usage of the existing natural resources base, restoration of the fishing fleet. The indicated directions fully correspond to the basic theoretical-methodological principles and provisions of the Common Fisheries Policy of the European Union, Regulation (EU) of 11.12.2013 № 1380/2013. The Common Fisheries Policy of the EU (CFP) – the fisheries policy of the European Union which was introduced in 1957. The CFP as known as “Blue Europe” has become a full-fledged community policy only since 1983. The CFP has legal grounds (Articles 32-38 of the Treaty establishing the European Community) and similar objectives with agrarian policy such as: stabilization of markets; fish productivity increasing; guarantee of security and delivery products to the consumer at a proportional price. The CFP is a sphere of common responsibility of the European Union and its member countries as the Common Agricultural Policy of the EU.

The CFP represents a certain set of rules for managing European fishing fleets and preserving of fish stock. It designed to manage common resources and provides equal access to EU waters and fishing ground for all European fishing fleets and

allows fishermen for actively compete. The initial objectives of the CFP during several reforms were supplemented and cover the following issues: rational usage of resources, environmental protection, ensuring a high level of health protection, as well as economic and social cohesion. A new updated CFP came into force at January 1, 2014, aimed at ecological, economical and social sustainable usage of common resources, including the competitive production of aquaculture products. At the same time, Eurostat based on EU legislation collects and processes data on fishery, fish production and production of fish commodities, aquaculture products and fishing fleets.

Taking into account the above and analyzing the market environment surrounding fishery producers, we have investigated the specific features of the CFP, including fact that fishery activities and aquaculture have been environmentally, economically and socially sustainable, and have supplied food for population. Its purpose is encourage the dynamic development of the fisheries sector and ensure fair standards of living for fishing communities. Despite the fact that it is important to maximize a catch, some of aspects should be limited. Humanity has to make sure that the fishing activities do not harm fish populations to reproduction. The current CFP provides for necessarily to establish between 2015 and 2020 years fixed catch limits that are sustainable and support fish stocks in the long period.

It's evident that, until now, an impact of fishery activities on the marine environment is not entirely understandable. It is for this reason; the CFP had adopted a precautionary approach that recognizes an impact of human activities on all components of the ecosystem. It focuses on making the fishing fleets are going to be selective for catching and stopping the practice of throwing unwanted fish. The research is lights the issue that the problem of diversification national economies is actual nowadays. Obviously, these aspects are directed to the sustainable development of coastal regions, areas with activities in the field of aquaculture, fishery in inland waters. Thus, it has been established that fishery be able to increase the catches only in case of the suspension of overfishing and the opportunities of restoration fisheries stocks. In addition, in view of market and financial measures, the CFP includes the freshwater bioresources protection, activities in the field of aquaculture, as well as the processing, fish and fish production marketing. The Common Fisheries Policy is able to ensure fisheries activities which are contribute to long-term environmental, economic and social sustainability, including rules direct to ensuring the origin, traceability, safety and quality of products.

The results of researches are disclosing the basic principles of the reform in the PSA, highlighting its characteristics, since it gives the EU-countries more control over the national and regional levels. The analysis of economic literature allowed to distinguish four directions of the PSA: a) fisheries management; b) international politics; c) market and trade policy; d) financing policy (The European fisheries fund, EFF (2007-2013) and The European Maritime and Fisheries Fund, EMFF (2014-2020)). It can be noted that the European Marine and Fisheries Fund (EMFF) is one of the five European structural and investment funds which is supporting recovery economy at Europe up to 2020 and has specifically dedicated to addressing European seas and coasts. It's one of the five EU-funds that complement each other and aimed to improve the economic growth, fishing industry competitiveness and employment

in Europe. From mentioned above the conditions for the approval of the provisions of the European Fund for Marine and Fisheries, which replaced the existing European Fisheries Fund had created. The European Fisheries Fund provided financial support to enterprises in 2007-2013 to adapt for changes in the fisheries sector, achieve sustainable development and be economically vital. The EFF budget had amounted to 4.3 billion euro.

Financial assistance covered all areas of the fisheries sector. The projects were funded based on the strategic and operational plans which were prepared by the national authorities. The EFF covered 5 priorities: a) adaptation of the EU fleet and assistance in decommissioning fishing vessels; b) aquaculture, fishing in internal waters, processing and marketing, assistance in application of environmentally friendly methods of production; c) measures to improve the traceability of production and labeling of commodities; d) sustainable development of the fisheries zones; e) technical assistance (funds' management assistance). The functioning of the European Marine and Fisheries Fund contributes to the application of new rules of the EU's CFP and the maintenance of initiatives which improve the economic, environmental and social performance of the sector. The total budget of the European Marine and Fisheries Fund is 8.6 billion euro (EU + national budgets). The EU contribution consists of 6.4 billion euro and is aimed not only at reinforcing the renewed CFP, bringing fishing activities and aquaculture to profitable business. There is 5.7 billion euro from these funds using in general management. The EMFF operates on the basis of six main priorities. There are main blocks: 1. Sustainable fishing (26,9%). Forecast of balance between fishing capacities and available natural resources, fish extraction in a selective way, cessation of fish catch caught as by-catch, which is not a target fishery [2]. 2. Sustainable aquaculture (21%). Directed to make the sector profitable and competitive with a focus on improving the quality of products, human health, and the production of ecologically safe aquaculture products. It is also intended to provide consumers with high-quality, nutritious and trustworthy fish products. 3. Introduction of the provisions of the updated Common Fisheries Policy of the European Union (19.1%). Improvement of the procedure for collecting information, scientific knowledge, and fisheries legislation in terms of control and application of legal acts. 4. Marketing and processing (17.6%). Improvement of market organization, market infrastructure, coverage of market information and informing consumers about the state of the world's largest fish and seafood market. 5. Population employment and strengthening the unity of territories (9%). Assistance is provided to coastal fishing communities and engaged in fishing in inland water bodies. Providing communities with aquaculture activities. Growth of income from activities in fisheries and aquaculture. Diversification of national economies into other areas of maritime business, including the provision of recreational services. 6. Integrated maritime policy (1.2%). Improve knowledge in the field of marine science. Obviously, planning of marine activities is important, promoting cooperation in marine monitoring and management of sea basins in accordance to their basins needs in current conditions. The remaining 5.1% relates to technical assistance.

References

1. European Fund for Marine and Fisheries. URL: http://ec.europa.eu/fisheries/cfp/emff/index_en.htm
2. Vdovenko N. M. Fishery economy of Ukraine in the conditions of globalization of economy: [monograph]. Kyiv: Komprint, 2016. 476 p.

*Басак Олександр Юрійович,
магістрант,
спеціальність «Фінанси, банківська справа та страхування»;
Науковий керівник:
Залюбовська Світлана Сергіївна,
кандидат економічних наук,
доцент кафедри фінансів, банківської справи та страхування;
Національна академія статистики, обліку та аудиту*

ФІНАНСОВІ РИЗИКИ В ДІЯЛЬНОСТІ СТРАХОВИХ КОМПАНІЙ

Фінансова діяльність суб'єктів господарювання в сучасних умовах розвитку економічних відносин пов'язана з ризиком. Через реструктуризацію економічних процесів потреба в страховому захисті підприємств в Україні з кожним роком посилюється. Якщо раніше ризики підприємств покривалися переважно за рахунок коштів бюджету, то сьогодні ситуація змінилася і саме страхування найбільше об'єднує інтереси підприємця, держави та страховика.

Ринкові відносини в сфері страхування потребують чіткого управління фінансовими ризиками, які справляють великий економічний вплив на діяльність будь-якої страхової компанії. Унаслідок зростання фінансових ризиків у діяльності страхових компаній питання визначення їх сутності та систематизації, встановлення причинно-наслідкових зв'язків та вибору методів управління ними набувають особливої актуальності, стаючи важливою науковою та практичною проблемою [1].

Цікавим і відносно новим стало дослідження різноманітного світу ризиків. Аспекти управління ризиками, його теоретичні та практичні засади розглядали у своїх працях такі визначні вітчизняні економісти, як В. Базилевич [1], І. Бланк [2], В. Вітлінський [3], К. Воблій [4], Т. Ротова [5].

Так, В. Вітлінський і Р. Пікус зауважують, що через специфіку своєї діяльності такі фінансові інститути, як страхові компанії, працюють в умовах подвійного ризику. З однієї сторони, вони приймають на страхування чужі ризики за договорами страхування та перестраховування, а з іншої – під час інвестиційної та іншої діяльності у страховиків виникає низка власних фінансових ризиків, пов'язаних з неповерненням вкладених коштів або недоотриманням прибутку, що може навіть призвести до банкрутства [3].