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ANALYSIS OF THE CURRENT STATE OF AGRICULTURAL CREDIT COOPERATION AND PROSPECTS FOR ITS DEVELOPMENT

This article examines the current state and development prospects of agricultural credit cooperatives (ACC). The study highlights key issues such as weak financial sustainability, limited state support, and regulatory shortcomings that hinder the effective operation of ACCs. It analyzes international experience, particularly in the EU and North America, and explores potential adaptation strategies for Ukraine. Special attention is given to digitalization, risk management, and integrating cooperative crediting into national financial systems. The article proposes measures to improve ACC efficiency, including legislative enhancements, financial incentives, and technological advancements, aimed at strengthening their role in supporting the agricultural sector.

Key words: agricultural credit cooperation, credit cooperatives, financial stability, cooperative development, public administration, credit mechanisms.

Ушкаренко Ю.В., Соловійов А.І. АНАЛІЗ СУЧАСНОГО СТАНУ СІЛЬСЬКОГОСПОДАРСЬКОЇ КРЕДИТНОЇ КООПЕРАЦІЇ ТА ПЕРСПЕКТИВИ ЇЇ РОЗВИТКУ

У контексті розвитку аграрного сектору сільськогосподарська кредитна кооперація (СКК) відіграє важливу роль у забезпеченні фінансової підтримки малих і середніх сільськогосподарських підприємств. Однак в умовах сучасної економіки система СКК стикається з рядом проблем, зокрема з недостатнім державним регулюванням, низькою фінансовою стійкістю кооперативів, обмеженим доступом до кредитних ресурсів та низьким рівнем кооперативного самоврядування. У статті проведено аналіз поточного стану сільськогосподарської кредитної кооперації, розглянуті ключові бар'єри її розвитку та запропоновані можливі шляхи підвищення ефективності управління в цій сфері. Дослідження базується на аналізі існуючих наукових праць, нормативно-правової бази та статистичних даних про діяльність СКК в Україні та за кордоном. Розглядаються основні моделі функціонування кооперативного кредитування, прийняті в країнах ЄС, США та Канаді, а також їх адаптація до українських умов. Особливу увагу приділено питанням державного регулювання, ролі самоврядування в діяльності кооперативів, механізмам фінансування та можливості інтеграції СКК в загальнонаціональну систему кредитування сільського господарства. У статті обґрунтовано необхідність удосконалення законодавчої бази, створення сприятливих умов для кредитної кооперації та посилення державної підтримки у вигляді податкових пільг, субсидій та спеціалізованих програм розвитку. Також підкреслюється важливість впровадження цифрових технологій і автоматизованих систем управління для підвищення прозорості та ефективності діяльності кооперативів. Зазначені в статті рекомендації спрямовані на покращення системи кредитної кооперації, підвищення її стійкості та доступності для аграрного сектору. Реалізація цих заходів дозволить сформувати більш ефективну та стійку фінансову систему, що сприятиме розвитку сільського господарства, зниженню кредитних ризиків та забезпеченню доступності кредитних ресурсів для фермерів і агропідприємств.

Ключові слова: сільськогосподарська кредитна кооперація, кредитні кооперативи, фінансова стійкість, розвиток кооперативів, державне управління, кредитні механізми.

Problem statement. In the context of the dynamic development of the agricultural sector and the need for its sustainable financing, agricultural credit cooperation (ACC) plays an important role in providing small and medium-sized agricultural producers with access to financial resources. Credit cooperatives allow farmers to obtain

loan funds on more favorable terms compared to commercial banks, which contributes to the development of farm enterprises, improving their competitiveness and financial stability. However, despite significant potential, the agricultural credit cooperation system faces a number of serious problems that limit its development and effectiveness.

One of the key challenges is insufficient support from the government. For example, in Ukraine, the share of agricultural credit cooperatives in the total volume of agricultural sector lending remains small – less than 2%, whereas in European Union countries, this figure reaches 20–30% [2]. In Poland, the cooperative banking system Spółdzielcza Grupa Bankowa successfully operates, providing affordable credit for farmers and small agricultural enterprises, offering preferential terms and flexible financing programs. Another significant issue is the imperfection of the regulatory framework. In Ukraine, credit cooperatives are not allowed to attract deposits from the population, which limits their financial stability and competitiveness. At the same time, in Canada and France, credit cooperatives such as Desjardins Group and Crédit Agricole have access to a wide range of financial instruments, allowing them to maintain a high level of capitalization and provide long-term loans to agricultural producers at low interest rates.

Furthermore, the low level of financial literacy among the rural population and the weak institutional infrastructure hinder the development of ACC. For example, in many regions of Ukraine, farmers do not have sufficient knowledge about the opportunities of credit cooperation, which leads to a lack of trust in this financing system. In contrast, in the Netherlands, Rabobank operates successfully, actively educating agricultural producers on financial planning, which contributes to the development of a sustainable credit system for the agricultural sector.

The relevance of this research is determined by the importance of forming a sustainable and accessible agricultural financing system that will provide farmers and agricultural enterprises with stable credit resources, reduce their financial risks, and promote the development of the cooperative movement in Ukraine.

Analysis of recent research and publications. Scientific research in the field of credit cooperation, particularly in Ukraine, has become widespread due to its importance in the context of agricultural financing and rural development. Special attention is given to improving legislative initiatives, creating legal and economic conditions for the operation of agricultural credit cooperatives. Furthermore, there is active discussion on finding mechanisms that ensure the financial stability of such institutions, as well as developing effective state regulation tools to

support these structures. Among the key areas requiring government intervention, support for small and medium-sized farmers through accessible financial instruments, fostering cooperation between cooperatives and state institutions, and ensuring financial stability during economic crises stand out. The state regulation system should also include measures to improve crediting mechanisms that help reduce interest rates and increase access to loans for small agricultural enterprises.

Among key Ukrainian researchers studying this topic, notable figures include V. Honcharenko, S. Kasian, A. Milka, A. Pozhar, A. Panteleymonenko [1–4] and others. Recent publications emphasize the need for integrating international experience to create effective conditions for the development of agricultural credit cooperatives. This also involves increasing their financial stability in the face of globalization and economic instability, particularly through proper state regulation, which allows Ukrainian cooperatives to adapt to new economic realities and enhances their competitiveness in the international market. Despite the actively conducted research, issues related to the development of effective mechanisms for supporting agricultural credit cooperation in Ukraine remain unresolved.

The purpose of the article. The aim of the article is to identify the problematic aspects of agricultural credit cooperation, analyze the factors influencing its development, and develop proposals for improving the management and regulation system of ACC in the current economic conditions.

Presentation of the research material and its main results. The analysis of the current state of agricultural credit cooperation allows us to state the weak manageability of the system as an object of management, as its organizational structure has not been formed. Government authorities do not provide the necessary regulatory impact, which has led to the development of negative trends in the agricultural credit cooperation system.

The main reasons for the weak manageability of the organizational and economic processes in the agricultural credit cooperation system are: the removal of the state from regulatory functions; the mismatch between the actual organizational structure of agricultural credit cooperation and the goals of its development; the absence of a step-by-step program for the establishment and development of agricultural credit cooperation; and the underestimation of the social factors influencing the agricultural sector.

To enhance manageability in the agricultural credit cooperation system, it is necessary to distinguish it as a single object of management. Management as an economic category can take two forms: direct and indirect (see Figure 1). Direct management cannot extend beyond the boundaries of state ownership. Indirect state management, however, falls under the concept of “state regulation” and involves influencing socio-economic processes through economic methods.

In their works, scholars distinguish between the concepts of “state management” and “state regulation”. However, under market conditions, the principle of distinguishing and closely interacting economic and state management applies. In this case, the differences between the concepts of “state regulation” and “state management” are practically leveled when the latter is carried out primarily through economic methods [3, p. 108].

In the process of creating an effective management system for agricultural credit cooperation, three key problems can be identified. The first problem is defining and clearly distinguishing management functions at all levels. The second problem is creating a management system for agricultural credit cooperation. The third problem is the rational combination of all types of management.

When creating a modern management system for agricultural credit cooperation,

special attention should be paid to the specifics, patterns, and trends in the development of the cooperation itself. The primary task is to ensure manageability, and, first of all, to improve the organizational and economic mechanism for regulating agricultural credit cooperation based on an adaptive approach.

An important aspect is the establishment of the vertical structure of state management of agricultural credit cooperation, the regulation of control functions, its involvement in the implementation of regional target programs, information support, and the development of material and technical infrastructure.

Agricultural credit cooperation, as an open system, has certain characteristics. One of these characteristics is the recognition of the interdependence between the system and the external environment. There is a boundary separating the system from its surroundings. Changes in the environment affect one or more elements of the system, and vice versa, changes in the system impact the environment [5, p. 231].

The agricultural credit cooperation system, like any system, has an input, a transformation process, and an output. Through the input and output, it is connected to the external environment. The input stimulates the system to function, transforming input flows into outputs, while the output or

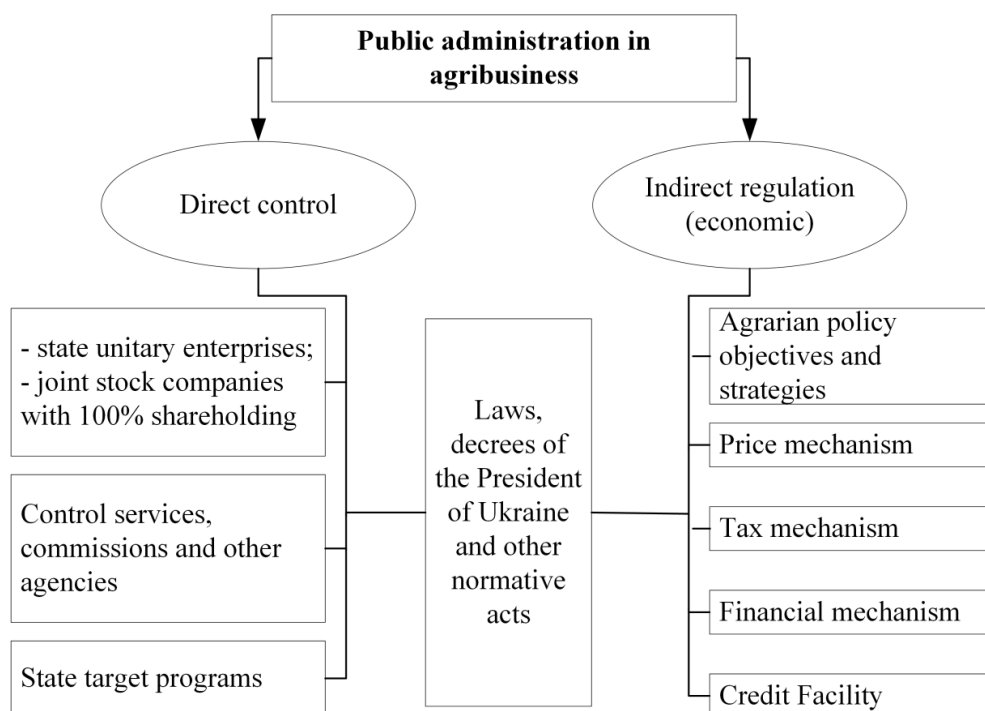


Figure 1. System of state management in agricultural production

Source: own research

response is the main ongoing activity of the system. When identifying the agricultural credit cooperation system as the object, it is necessary to consider the influence of the environment on the object and the object on the environment. The agricultural credit cooperation system is characterized by:

- an input impulse, which represents society's need for credit cooperation;
- a response (output), representing the results of its functioning;
- its state.

Agricultural credit cooperation operates within a specific external environment, which influences it in a particular way. The external environment consists of specific economic and social conditions, laws, norms, rules, needs, and opportunities that define the activity of the ACC at a given time and place. It determines the conditions for credit cooperation and the availability of necessary resources for it: financial, material, informational, human, etc.

Let us conduct a structural analysis of the agricultural credit cooperation system. It is a relatively closed part of the environment, within which there are many constituent elements. These elements have their own characteristics and specific conditions of functioning, related to their location, parameters, etc. Credit cooperation is a polymorphic system, characterized by a variety of diverse features.

The search for the most optimal development paths for agricultural credit cooperation (ACC) today is impossible without considering the influence of external environmental factors. The concept of the macroenvironment of ACC consists of a broad range of its relationships with the forces that make up the external environment, which have a corresponding impact on the activities of the credit cooperative [8].

One of the most important elements of the external environment analysis is the classification of key factors based on various criteria. Within the general theory of management, such a classification is the division of the external environment into distant and immediate surroundings. However, this is not the only approach researchers take regarding the classification of external environment factors. Specifically, the external environment can be viewed as the global economic macroenvironment and the external environment of the country, with the identification of the most significant factors for a particular enterprise at each

of the distinguished levels. The external environment can be represented by such segments as the social, economic, political, technological, ecological, and institutional environments [5, p. 69]. The main indicators reflecting the state can be classified into macroeconomic indicators, financial market indicators, socio-economic indicators of the region, and the activities of the credit cooperative. According to other researchers, the entire variety of external environment factors can be reduced to three main components: market, competition, and the development of information technologies.

The following aspects can be highlighted as the most significant when analyzing the external environment factors for agricultural credit cooperatives:

- the basis of the external environment for ACC (conditions of their functioning) is determined by the financial and monetary potential of the agricultural sector of the economy (the profitability of the real sector of agro-economics, monetary income of the rural population, the state of the budget sphere);

- a strong feedback loop between ACC and the economy, which manifests itself in the fact that, by interacting with different sectors (in particular, contributing to the most efficient use of financial resources in small agribusiness, the accessibility of rural populations to monetary resources and financial services), ACC policy influences changes in relationships directly between the sectors of the economy. This leads to a certain level of state regulation and self-regulation within this area of activity. The regulatory impact on credit cooperatives can be considered a significant factor in the external environment of ACC.

The main methods for evaluating the factors of the external environment include macroenvironment analysis (the state of the economy and the nature of monetary and credit regulation), industry analysis (financial market analysis), and competitive analysis (assessment of the level of competition in the financial services market) [7].

The influence of a particular macroeconomic factor on a specific ACC can be assessed using methods for evaluating the macroenvironment such as: the method of analyzing and evaluating homogeneous external environment factors based on self-organizing feature maps; the method of analyzing the external environment in complex situations using cognitive maps;

the scenario development method; the expert forecasting method; the method of analyzing the instability of the external environment. Within the framework of the expert forecasting method, the following analysis scheme for the influence of external factors can be used (Figure 2).

One of the methods for assessing how an external factor affects the activity of an agricultural credit cooperative (ACCC) is the analysis of performance indicators that reflect the impact of both internal factors (such as the ability to organize optimal business processes, manage costs, etc.) and the influence of external environmental factors. The factor related to the regulation of ACCC activities is determined by the following main components: general legislative norms and financial-economic regulations for the operation of credit cooperatives.

The relationships between the external environment actors and the credit cooperative are quite diverse. In terms of the impact of factors from the ACCC, they can be classified as controllable and uncontrollable. Therefore, the task of the management of the ACCC is to minimize uncontrollable environmental factors and identify opportunities for indirect influence on them.

Methods of regulating the development of agricultural credit cooperation can be classified according to the objects they affect, i.e., the elements of the external environment of credit cooperation:

- methods of influencing the resource base to expand the financial capabilities of credit cooperatives;
- methods of influencing the operating conditions of credit cooperatives to eliminate unfavorable elements for the development of credit cooperation;
- methods of influencing the infrastructure of credit cooperation to ensure its comprehensiveness and effectiveness.

By scope, methods can be distinguished based on their impact on specific elements of the credit cooperation system, extending to:

- all credit cooperatives in the country;
- the credit cooperation system of the region;
- the subsystem of credit cooperation in a specific industry (agricultural credit cooperation).

Methods of regulating credit cooperation can also be classified by their target orientation, aimed at achieving specific goals or solving particular tasks. Methods of regulation, based on the speed of their impact or the quickness of results, can be classified into:

- methods that immediately affect the object of regulation, i.e., when the results of implementation are immediately visible;
- methods that gradually affect the object of regulation, with the results appearing gradually;
- methods whose results will manifest in the future.

To regulate the development of agricultural credit cooperation, it is necessary to understand its current state, the degree of societal demand for its capabilities and outcomes. By understanding the state of the issue, the needs of the country or region, and their resource capacities, recommendations can be developed for further advancement of agricultural credit cooperation.

Effective regulation of agricultural credit cooperation involves creating favorable external conditions for its development in accordance with the goals and objectives of the country and region, with minimal costs for their implementation. The process of regulating credit cooperation is a chain of actions aimed at the credit cooperation system to achieve quantitative and qualitative changes in the cooperative sector. The recommended model of the credit cooperation regulation process is presented in Figure 3.

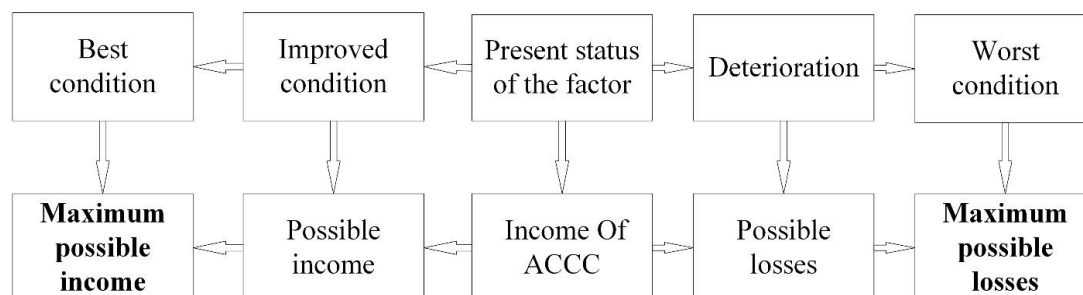


Figure 2. Scheme for assessing the impact of external environment factors on a credit cooperative

Source: own research

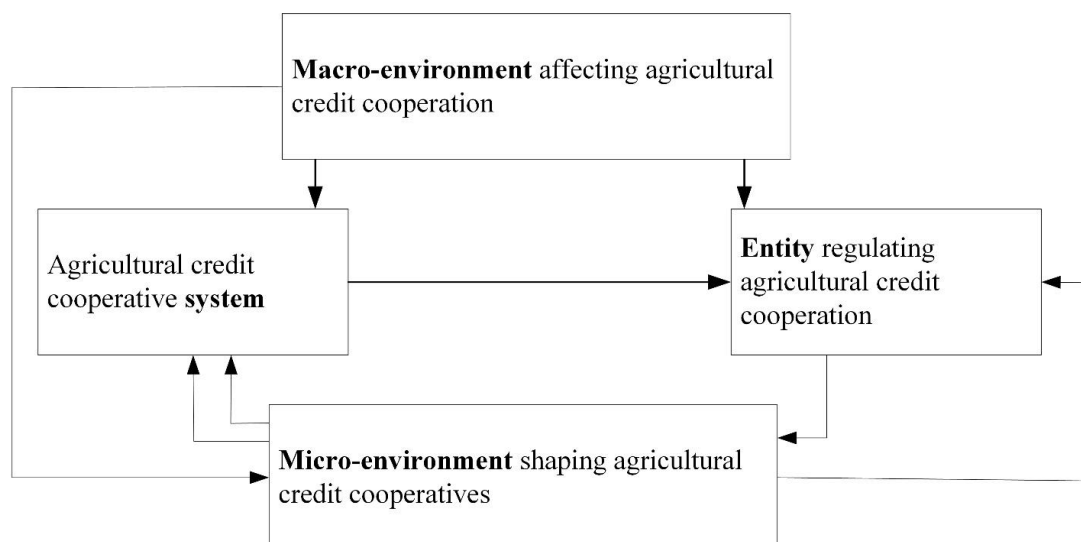


Figure 3. Generalized model of the agricultural credit cooperation system regulation process

Source: own research

The process of regulating agricultural credit cooperation should be carried out as follows:

1. The external environment influencing agricultural credit cooperation.
2. The agricultural credit cooperation system.
3. The microsystem shaping agricultural credit cooperation.
4. The entity regulating agricultural credit cooperation.

The choice of tools to influence the development of agricultural credit cooperation is determined by the socio-economic condition, the specific task at hand, and the availability of resources at the disposal of the relevant state and local executive authorities.

The definition of the functions and competencies of state and local executive authorities in regulating the economy, as well as the legislative establishment and limitation of rights, are important elements of the regulation mechanism. Furthermore, each of the methods, ways, measures, and tools of regulation mentioned above should have its own mechanism for influencing the economy, including the development of the credit cooperation system. As a result of regulating agricultural credit cooperation, favorable conditions for the development of the entity are created in a direction that most effectively meets the interests of the management entities.

Conclusions. Modern agricultural credit cooperation faces issues of manageability, legal regulation, and a lack of financial

resources. State support plays a crucial role in the development of agricultural credit cooperatives (ACC), but its mechanism requires refinement and adaptation to current economic conditions. International experience shows that the successful development of cooperatives is possible with a comprehensive approach to regulation, combining state instruments and cooperative self-governance. The implementation of digital technologies, the development of audit unions, and the integration of ACC into regional support programs are key areas for enhancing their sustainability. To ensure the long-term stability of cooperatives, it is essential to consider the influence of macroeconomic factors and create a favorable external environment for their activities. The proposed recommendations could serve as a basis for further research and the development of effective mechanisms for supporting agricultural credit cooperation in Ukraine.

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