

NEOPROTECTIONISM IN WORLD AGRARIAN POLICY: IMPACT ON THE UKRAINIAN AGRICULTURAL SECTOR

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Summary

The main stages of development of neoprotectionism are considered in the article, the basic methods and mechanisms of protection of national interests in agrarian policy of different countries of the world are analyzed. The consequences of the world policy of neo – protectionism on the development of the agrarian branch of Ukraine are studied. In general, the article examines the formation of modern models of economic development based on neoprotectionism. As international experience shows, the use of neo-protectionist measures to protect domestic producers and conquer new markets, they have both positive and negative effects, it all depends on the term of their application.

The aim of the study is to identify current trends in neo-protectionism in world agricultural policy. Theoretical and methodological basis of the study were economic theories of protectionist doctrine, theories of state regulation of the economy, the work of domestic and foreign economists on economic policy and state regulation of economic processes, management of foreign economic activity aimed at restoring the country's foreign trade balance. The following methods were used in the research process: historical, abstract-logical, comparison, methods of economic analysis.

The agricultural sector is a guarantor of food security of the country, as well as a driving force for innovation in production processes. The agricultural sector in terms of the introduction of new technologies and innovations is quite developed, this applies to both technological innovation and the introduction of IT technologies in management and analytics, etc. Thus, support for agricultural production not only guarantees their own food security, but also gives impetus to the development of other sectors of the economy, which in turn increase the productivity of agricultural production and its competitiveness. Therefore, the developed countries of the world build their agrarian policy, first of all, focusing on their own producer, protection of national interests and natural resources, as well as, the conquest of world markets.

Analysis of the development of agrarian policy in different countries shows that the protection of national interests at the beginning of the most developed economies of the world and was the prerequisite that enabled the economic growth of these countries. Thus, developing countries, including Ukraine, must pursue a policy of neo-protectionism in order to stabilize their economies, become competitive, and give impetus to its growth. And this, in the beginning, is impossible without state support and protection. After all, the sometimes aggressive policy of the already developed countries of the world does not allow the formation of its own production, which needs time to increase the pace of development. This requires a national and international policy in which preferences will initially be given to Ukrainian producers, this requires the use of regulatory mechanisms, under which only national producers can participate in public procurement, and through diplomatic and trade-industrial representations to promote their own manufacturer, and open world markets for Ukrainian producers.

Especially during the war, food security issues are very important for Ukraine, so the agricultural sector of the economy needs significant support to provide food for its own citizens and countries that are dependent on Ukrainian agricultural products. Thus, the threat loomed not only over Ukraine, but also over the world, regarding a possible famine. Thus, the protection and security of the national producer is an important component of ensuring international food security.

Keywords: neoprotectionism, economic patriotism, mechanisms of public administration, agricultural sector, economic development, agricultural policy.

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1. Introduction

Research in the field of public administration in the field of agricultural production is quite relevant today. Given the large-scale land reform in Ukraine, the mechanisms of state management of the agro-industrial sector of the economy to ensure food security, economic development, efficient use and protection of land resources need to be improved. Protection of national interests is a priority for public policy of all developed countries.

Thus, most scientists and researchers of the world economy and globalization: J. Eder, J. Kepler, G. Schaffer, M. Kahler, M. Elsuikov, B. Barsbold, P. Rollinson, B. Mackenzie, M. Kahler, E. Reinert, J. Foloves, J. Clift, A. Golobius, J. Wilfred, R. Fischer, B. Balasa, R. Baldwin, A. Mazaraki, T. Melnik, V. Gerasimchuk, O. Bulatova, V. Panchenko, V. Galasyuk, E. Aslanova, O. Sych and others agree that the use of neo-protectionist measures of non-tariff protective instruments in foreign economic activity (technical, sanitary and phytosanitary measures, standardization and certification of products), as well as state aid in the form of grants, subsidies in the short and medium term have a positive effect, especially if they are aimed at restoring production, import substitution, stimulating the country's export potential, and supporting new and innovative products and technologies, otherwise, the effect will be reversed. After all, long-term use of state regulatory instruments can negatively affect the pace of economic development, which may, conversely, reduce production, reduce productivity and competitiveness of products, and as a consequence, reduce international trade. Instead, state support is needed in general in the economy, which is the basis for normal life and development of society, as well as innovation.

After all, the development of national entrepreneurship and production is the key to prosperity and development of the country, as well as the well-being of citizens. Economic policy of all developed countries aimed at protecting their own producers and maximally stimulating the export potential of countries in international markets. For example, US economic policy is aimed at developing national production and maximizing the representation of domestic goods on world markets. All US presidents have always supported the policy of economic protectionism, for example, Lincoln's speech on customs tariffs: "I do not know much about the tariff. But I know very well that when we buy manufactured goods abroad, we receive the goods, and a foreigner receives money. When we buy manufactured goods at home, we get both goods and money". Thus, in his inaugural speech, US President D.Trump emphasized the protection of national borders, the construction of the country by Americans, and the introduction of two rules: "buy American and hire Americans" (*Donald Trump's Inaugural address, 2017*). Slogans of many countries: "America first!, British jobs – for the British!" also testify to the economic patriotism of these countries. Despite the global processes in the world regarding open markets,

free movement of labor, investment and capital, the strategy of protection and development of own production is increasingly observed. B. Clift and K. Vull see economic patriotism as a search for a compromise between global economic goals and the political responsibilities of governments to their citizens. In practice, economic patriotism is subordinated to the economic goals of protecting national interests (*China Agricultural Policy, 2020*).

Unlike classical protectionism and the policy of economic nationalism of the XIX – XX centuries, which aimed only at protecting national producers, through tariff (barrier) protection measures: closing markets, and the so-called isolation of economic processes in countries, policies of economic patriotism or neo-protectionism is aimed more at stimulating national production, introducing innovative technologies, increasing the competitiveness of its own products and upholding the country's economic sovereignty.

Protectionism (from the Latin *protectio* – cover, protection) – economic state policy, which is expressed in a system of interrelated measures aimed at supporting and protecting their own producers from foreign competition in domestic and foreign markets. It first appears in the days of the initial accumulation of capital in Europe in the 16th-18th centuries. The theoretical basis of protectionism then served as the teachings of mercantilists, who considered the active balance of foreign trade to guarantee the economic well-being of the state. Protectionism, above all, protects the development of industry or its individual industries from competition from other countries. Agrarian protectionism is also widely used in developed countries. The most important means of protectionism are a flexible customs tariff, differentiated in many areas, quotas and other measures that regulate and control foreign trade (*Lazanska.*). Protectionism was the main doctrine in international trade, which was recognized by leading European countries: Great Britain, Austria, Portugal, Sweden, France. Among the well-known researchers of the doctrine of protectionism are the following names: O. Mirabeau, W. Stafford, G. Scarufi, T. Mann, A. Serra, A. Montchretien, F. Liszt, G. Carey and O. Hamilton, J. Chaptal and S. Dupen, A. Mueller, E.F. Kankrin and S.Yu. Witte, D.I. Mendeleev, J. Keynes and others. (*Gerasymchuk, 2016*).

Protectionist policies in international trade are especially evident in times of economic crisis, when the interests of domestic producers clearly prevail over the interests of importers. Critics of the state policy of protectionism emphasize its negative aspects, because, in their opinion, this doctrine creates obstacles to the development of both the national economy and world trade in general.

Neoprotectionism (from the Greek *neos* – new, from the Latin *protektio* – cover, protection) – restrictions on international trade imposed by countries in addition to traditional forms of restricting unwanted imports (*Raizberg, Lozovskiy, Starodupzeva, 1999*). Neoprotectionism is a new doctrine in economic theory, the so-called “new” protectionism, which uses a set of regulatory and incentive measures and tools to restore national production, import substitution and stimulate the country's export potential. The policy of neo-protectionism is aimed at maximizing the needs of its own citizens with goods of its own production, and import substitution may be in the absence of these goods on the national market. Non-protectionist measures and instruments of protection in foreign economic activity include non-tariff instruments: regulatory (technical, sanitary and phytosanitary measures, standardization and certification of products, environmental standards) and incentives (state aid in the form of grants, subsidies and subventions, low lending rates, etc..), in the short term have a positive effect, especially, if they are aimed at resuming production, import substitution, stimulating the country's export potential, as well as, supporting newly created goods.

2. The reasons for the emergence of neoprotectionism as a basis for the protection of national interests

The following are the causes of neoprotectionism: the uncontrolled process of globalization, economic expansion of developed countries, unfair competition from TNCs (Transnational Corporations) and the reaction to international agreements GATT (General Agreement on Tariffs and Trade) and the WTO (World Trade Organization). Thus, international financial institutions: IMF (International Monetary Fund), World Bank (World Bank), WTO, EBRD (European Bank for Reconstruction and Development), OECD (Organization for Economic Cooperation and Development) implementing a policy of liberalization: freedom of movement of goods, capital, labor, knowledge and information do not always take into account the interests of developing countries, especially their national interests and their advice, and more often directives, virtually throw into the abyss of national economies that are clearly unequal and do not have significant financial and government support, such as manufacturers in developed countries. Then, there is a disproportion between the balance of rights and responsibilities, so the protectionist reaction of the countries is predictable – it is an attempt to protect their economy and their economic sovereignty. If we analyze the experience of developed countries in terms of their economic growth, we will see that they have undergone a long stage of national economic protectionism, which allowed them to make economic breakthroughs and become influential and competitive on the world stage.

At the same time, reforming the centrally planned economies of countries, especially post-Soviet ones, requires a rapid and complete process of liberalization of economic processes, and does not take into account the negative effects of such rapid transformations on national economies and economic security and sovereignty. It is clear that the complete international isolation of economic and trade relations has a detrimental effect on national economies, but reform and the smooth entry into the world of the open market take time to adapt. It is necessary to develop such mechanisms of state regulation on the basis of a market economy, which will balance the interests of national and international. At its core, the economic approaches of both protectionism and mercantilism and liberalism are merely political tools to serve national interests. And the choice of one or the other depends on the time, situation and goals to be achieved.

The main motives of neo-protectionism are the following:

1. Protection of the newest industries of the so-called “sunrise industries” or emerging industries use the latest technology and need time to develop to become competitive.
2. Protection of domestic sectors of the economy, especially industries that are strategically important to the country and also ensure sovereignty and security, such as energy, water, steel, armaments and the food industry. The implicit goal of the EU's Common Agricultural Policy is to create food security for Europe by protecting its agricultural sector.
3. Protection of declining industries “sunset industries”. These are areas such as, in Ukraine, nuclear engineering, shipbuilding, which are strategically important for every country that wants to develop transport infrastructure and be independent in this regard.
4. Protection of non-renewable resources, including oil, are seen as a special case where the usual rules of free trade are often abandoned. For countries seeking to rely on long-term oil exports, such as oil-rich countries in the Middle East, limiting production in the short term through production quotas is one way to conserve resources.
5. Restraining unfair competition. Barriers may be imposed to curb unfair competition, such as dumping by foreign firms at below cost.

6. Saving jobs. Protecting the industry in the short term can protect jobs. After all, as companies grow, they invest in real and human capital, as well as develop new opportunities and skills. Once, these skills and abilities are developed, the need for protection decreases and barriers can eventually be removed.

7. Environmental protection. Some countries can protect themselves from trade to limit damage to their environment, such as CO₂ emissions from increased production and transportation.

8. Limit excessive specialization. Many economists point to the dangers of over-specialization that can result from the theory of comparative advantage. Maintaining some self-sufficiency is seen as a sound economic strategy, given the risks of a global downturn and over-reliance on international trade.

The signing of international trade agreements between the GATT and the WTO has significantly reduced the level of customs duties, but in turn has contributed to other methods and instruments of influencing international trade that cannot be detected immediately, the so-called "non-tariff" methods. For example, governments in many developed countries have expanded their legislation by enacting legislation to set standards for goods and production processes to improve environmental safety and address societal, health, and environmental issues. These requirements apply in particular to third countries. Neo-protectionist measures, such as technical regulations or quality standards, have a significant impact on the business environment, reducing the competitiveness of foreign products. This is mainly due to the additional costs incurred due to the need to adapt products to specific standards or norms and to undergo procedures for assessing the conformity of products of importing countries. These are the so-called measures that form the basis of neo-protectionism, such as sanitary, phytosanitary and technical barriers. Although they are not new to the international trade environment, non-tariff measures are less visible, complex and diverse in terms of objectives and application. Given these characteristics, some analysts emphasize that non-tariff measures are dangerous because they threaten the goal of establishing stable international cooperation. Non-tariff instruments of neo-protectionism used by governments to restrict imports and stimulate exports include:

1. Quotas. Import restrictions on the number of goods.

2. Giving preference to domestic producers. The government favors domestic firms. Countries can protect their domestic industries through public procurement policies, where national governments favor local firms. For example, national or local authorities may purchase goods or equipment from local manufacturers. Although many WTO members have signed the Government Procurement Agreement (GPA), most have not signed the Agreement, which aims to ensure open, fair and transparent conditions of competition in public procurement markets. Ukraine signed this Agreement on May 18, 2016 (Agreement on Government Procurement).

3. Internal subsidies. Governments can also provide subsidies to domestic firms, which can then be used to help reduce prices and curb imports. This financial support can also take the form of an export subsidy that encourages firms to export. Such subsidies can take the form of start-up or start-up aid, which can be provided to large projects such as the EU with the development of Airbus and the US with Boeing support.

4. Basics of safety and health. National governments may also use occupational safety regulations to discriminate against imported products, such as banning the importation of goods for health or safety reasons, while local producers should not be subjected to such rigorous testing.

5. Quality standards. Similarly, governments may set strict quality standards that may be difficult for foreign manufacturers to meet.

6. Bureaucracy. Excessive bureaucracy associated with the import and export process can also restrict trade. For example, goods may be deliberately detained at ports and airports, and may be excessively complex and time-consuming documents related to international transactions.

7. Exchange rates. Monetary protection involves the deliberate devaluation of exchange rates to stimulate exports and deter imports.

8. Voluntary export restrictions. Voluntary market-sharing arrangements adversely affect international trade and often harm developing countries, which are obliged to comply with commitments to restrict the export of products that are considered “sensitive” to the market of developed countries. Against the background of the emergence of neo-protectionism at the European level, some experts have identified the effects of voluntary restrictions on exports. These measures, which are considered “market-sharing arrangements”, are often included in existing EU economic policy, for example in the development of the EU's Common Agricultural Policy.

9. Anti-dumping measures are a "major weapon in the protectionist arsenal", given that for-profit international companies may be unfairly accused of engaging in unfair pricing practices that harm the terrain. Thus, anti-dumping measures supported under the pretext of protecting good competition are essentially “both instruments of industrial policy” and instruments of power in trade and the imposition of severe dumping measures. In addition, although anti-dumping measures are taken under the pretext of counteracting unfair commercial practices, they are often based on pressure from some relevant actors in the internal market, so they do not have a real purpose to punish unfair practices, but protect national industries (*Holobiuc, 2017*).

The main differences between traditional protectionism and neo-protectionism are revealed through the impact of trade instruments on the country's economy. Thus, classical protectionism was mainly based on customs duties, which are “instruments of a market economy”, in contrast, non-tariff barriers, which are more common with the arrival of neoprotectionism, negatively affect the market economy, limiting consumer choice and restricting competition between domestic and foreign manufacturers.

Although politicians take into account the benefits of free trade, they often advocate restricting trade flows, because they believe, that income distribution is more important than economic development created by free trade. Moreover, subsidies for commercial reasons are difficult to "politically discipline". This can be explained by the fact that customs duties are perceived as trade policy measures, and subsidies become “the prerogative of national policy”.

It is clear, that the methods of protectionism of the XXI century are fundamentally different from the early mercantilism. These methods are manifested in special forms – subsidies, encouraging consumers to buy products of domestic producers. The methods of protectionism used by industrialized countries express the interests, first of all, of powerful national and international monopolies – TNCs, which traditionally carry out the capture, division and redistribution of markets for industrial goods, capital and services. Such actions, although formally constrained by legislation in many countries, are only increasing their impact on international trade.

3. Agrarian neo-protectionism in world politics

3.1. The EU's Common Agricultural Policy

The Common Agricultural Policy (CAP) is the EU's policy to provide financial support to farmers in the Member States. It is one of the fundamental policies of the common market and integrates national intervention programs into one system that allows farmers to compete on an equal footing, while protecting against price volatility (and therefore incomes) and ensuring common agricultural policy.

CAP objectives:

- increase the productivity of agriculture by promoting technical progress and ensuring the optimal use of factors of production, including labor;
- ensure equal living conditions for farmers;
- stabilize markets;
- ensure the availability of stocks;
- provide reasonable prices for consumers.

For most of its existence, the CAP has provided income support to farmers by supporting the prices at which they are paid for their products. But the system has been widely criticized for encouraging overproduction, which has led to notorious wine lakes and oil mountains, products that were then often dumped on third markets with negative consequences for local agriculture.

After the large-scale reform of the CAP in 2005, two major areas of CAP payments were identified: one was direct income support (Pillar 1) and the other was rural development (Pillar 2). Payments under the first pillar are direct payments to support farmers' incomes. To eliminate any incentive to overproduce, wages are based on the amount of land a farmer has, not on how much he produces. This money comes directly from the EU and is administered by national governments. To be eligible for payment, farmers must meet certain standards of environmental management, animal husbandry and traceability standards – these conditions are known as “cross-compliance”. Member States may also apply market support measures under certain conditions, for example, to support farmers when prices were particularly low. Pillar 2 requires co-financing from the governments of the Member States in order to:

- increasing the competitiveness of agriculture;
- ensuring sustainable management of natural resources;
- combating climate change;
- achieving balanced territorial development of rural economies and communities, including the creation and maintenance of employment.

The EU's multiannual financial base for 2021-27, adopted on 17 December 2020, is € 1.21 trillion (in current prices), an additional € 808 billion as a next-generation EU recovery tool to help address the COVID pandemic-19. The total allocation for the Common Agricultural Policy (CAP) is € 386.6 billion, distributed between two funds (called “two pillars” of the CAP):

- **European Agricultural Guarantee Fund (EAGF)** (first pillar) The CAP allocates € 291.1 billion for income support schemes, up to € 270 billion, and the rest for agricultural markets.

- **European Agricultural Fund for Rural Development (EAFRD)** The second pillar of the CAP is € 95.5 billion. This includes € 8.1 billion from the EU's next-generation reconstruction tool, which will help address the COVID-19 pandemic. About 30% of the funds for rehabilitation will be available in 2021, the remaining 70% will be paid in 2022.

During the first two years of the new CAP strategy for 2021-2027, the existing provisions of the CAP 2014-2020 will continue to apply, as stated in the transitional regulation adopted on

December 23, 2020. The regulation works to ensure a smooth transition to future CAP strategic plans (*Common Agricultural Policy*). The strategic plans of the CAP should be implemented from January 1, 2023. The strategic plans will provide more flexibility between the two funds and will include the ambitions (the European Green Deal) of the European Green Course, in particular the expansion of the farming strategy. In total, 40% of total CAP expenditures will go to climate action. EU agriculture ministers have agreed to reform the Common Agricultural Policy, and the agreement, which has been in place for several years, will focus more on environmental protection. Thus, the European Union determines a large financial support to its own farmers and thus guarantees its own food security for the next 7 years. Although European politicians understand the importance of free trade, they are trying to find a balance between international and national interests. Therefore, we can say that in the 21st century, EU trade policy continues to have a neo-protectionist dimension, despite the prevailing trend of liberalization of international trade.

3.2. China's agricultural policy

China has the largest population in the world and is the second largest territory. However, despite the fact that China is home to almost 20% of the world's population, it has only 7% of the world's drinking water and 10% of the world's agricultural land. Thus, it can be stated that China is a scarce country, which leads to fierce competition between agriculture and other users of land and water resources.

Agriculture still accounts for 26.8% of employment, but its share in GDP is 8.2%, which indicates that labor productivity in agriculture is much lower, than in other sectors of the economy. Even if rural incomes grow at a high rate, they remain about a third lower than urban incomes.

China is the world's largest importer of agricultural food, and this trend will only increase over the years. Due to the lack of large amounts of available agricultural land, China imports food grains, and China uses scarce crops to grow more profitable crops, such as fruits, nuts and vegetables, which have high added value and export potential. Crop production accounts for 68% of total agricultural production. Despite the fact that the average size of farms is less than one hectare, large-scale production is developing rapidly, including cooperatives and corporate farms. In the northern and northeastern provinces, farm consolidation is accelerating faster than in other regions, as increased labor mobility and land transfer among farmers over the past three decades have led to changes in farm structure (*China Agricultural Policy, 2020*).

The agricultural policy of the Republic of China is a balanced and regulated state intervention to stimulate domestic production and increase the export potential of domestic producers. The state responds quite quickly to the challenges facing the agrarian business, constantly improves the regulatory framework of the agricultural sector, uses various mechanisms of state support for its own producers. These include: subsidizing national producers, and creating various favorable lending conditions for small and medium-sized businesses. The state especially helps those enterprises that are export-oriented and engaged in the development of innovative products and goods. Neo-protectionist methods of protecting domestic producers include the use of non-tariff types of protectionism, which hinder the import of goods that may compete with their own producers.

The main tools of state agrarian policy are the development of so-called five-year plans. Thus, the 13th Five-Year Plan focused on 2016-20 and focused on "modernization of agriculture" in several dimensions, including: improving the quality and safety of agricultural products; support and development of new types of agribusiness; use of information technologies and

innovations. The policy framework and specific areas for action are further developed in the annual “Political Document № 1”, which has identified agriculture and rural development as a top priority for the past 17 years and emphasizes the importance of developing a competitive and sustainable agricultural sector and ensuring the necessary grain production for food security objectives (mainly wheat and rice). MARA (the Ministry of Agriculture and Rural Affairs) develops various types of support for the national agrarian business, especially small and medium-sized ones, including the following specific measures. In the tax environment, MARA has signed a cooperation agreement with the China United Insurance Group and the Agricultural Bank of China to make financial services available to farmers and agribusinesses. The fiscal support policy introduced for small and medium-sized enterprises (SMEs) includes measures: deferral of tax payment; extended loan repayment terms; exemption from taxes and social security contributions for disadvantaged SMEs. From April 1, 2019, China reduced the value added tax (VAT) on sales (including imports) of agricultural products from 10% to 9%. This is the third consecutive reduction since 2017 (when the VAT on agricultural products was 13%).

Supporting market prices is the main channel of support for Chinese farmers. This is ensured by both domestic policies – such as minimum purchase prices for rice and wheat – and trade policies, including tariffs, tariff rate quotas (TRQs) and public trade. Minimum purchase prices for wheat and rice are set annually by the National Development and Reform Commission (NDRC) in agreement with the Ministry of Agriculture and Rural Development (MARA) and other government agencies. Their use is limited to the main provinces of wheat and rice production. They differ in the type of grain, are announced before the sowing seasons and are used only for a fixed period limited to a few months after harvest. The central government obliges the state-owned China Grain Reserve Corporation (Sinograin) and other state-owned companies to intervene in the event that market prices fall below the relevant minimum prices. In addition, purchases with minimum prices can only start when the market price falls below the minimum price announced by the government for three consecutive days, and it must be stopped when the market price rises above the minimum within three days. Budget transfers to producers have been growing steadily since the late 1990s. Most of them are provided under four key programs: 1) “subsidy for the support and protection of agriculture”, which combines direct payments to grain producers, subsidies for agricultural costs and subsidies for the improvement of seed varieties, payments per unit of land; 2) subsidies for the purchase of agricultural machinery; 3) subsidies for land consolidation; 4) subsidies for irrigation of agricultural land.

Subsidized agricultural insurance schemes have also become increasingly important in recent years. The geographical coverage of payments for the return of agricultural land to forests and the exclusion of degraded meadows from grazing is gradually expanding, reflecting growing environmental problems. On October 14, 2019, a document issued jointly by the Ministry of Finance, MARA, the Banking and Insurance Regulatory Commission and the National Forestry and Pasture Administration announced the expansion of insurance premiums for rice, wheat and corn to more than 70% by 2022. The subsidy for agricultural premium insurance, launched in 2007, has become one of the key programs to support producers in China. The central government currently subsidizes insurance premiums for 15 products, including all major agricultural and livestock goods, at 47.5% of the premium in the central and western provinces and 42.5% in the eastern provinces (*China Agricultural Policy, 2020*).

In October 2019, the State Council issued a reference document on food security (“Food Security in China”). The document emphasizes the importance for China to remain self-sufficient in grain crops, providing domestic production potential while allowing “moderate”

imports that would support the “need for diversity”. The document also emphasizes the need to continue reforming the grain procurement and storage system, while adapting to WTO rules and preventing the impact of low grain prices on farmers. An additional statement of the State Council, published on October 16, 2019, reinforces the objectives of this document to promote the development of the food industry within the global agri-food landscape. The provision of state grain reserves and programs to support the development of agricultural infrastructure – including irrigation and drainage facilities – are the most important categories of general services.

The costs associated with agricultural knowledge and innovation are also significant. In June 2019, Jiangsu Province launched an agricultural traceability platform. Consumers can scan QR codes on products using their mobile phones and receive detailed information about manufacturers and the production process. More than 3,800 agri-food producers in the province registered on the platform in 2019.

Policy Document № 15 on 2020 Policy, issued in February 2020, emphasizes the fight against poverty as a top priority of rural policy in 2020 in order to build a “moderately prosperous society in all respects”. In this sense, the document emphasizes the improvement of public services in rural areas – through the improvement of rural infrastructure and water supply, sanitation and housing, education, health and social insurance – as key to overcoming poverty.

The National Plan for Sustainable Agricultural Development (2015-2030) sets out the goals and ways of sustainable development of China's agriculture in terms of natural resources protection, improving agricultural practices aimed at protecting the environment and focusing on improving the quality and efficiency of production. It sets target priorities for different areas, taking into account agricultural production capacity, resource availability, environmental performance and other factors.

In general, the Chinese economic model has a fairly large state influence, which in turn protects its own producer with various protectionist methods, and tries to influence the import of goods by barrier-free methods. Perhaps this is the success of the Republic of China, whose economy is one of the most powerful in the world.

3.3. Agrarian neoprotectionism in the United States

The United States is the second largest economy in the world and the third largest country in terms of land area and population. Primary agriculture accounts for a small part of the economy – about 0.9% of GDP and 1.6% of employment, but exports of agri-food products account for more than 10% of total exports. The US agricultural sector benefits from a large domestic consumer market, as well as a large amount of arable land and pastures and a variety of climatic conditions that support the production of a wide range of goods. In recent years, total agricultural production has been relatively evenly distributed between crops and livestock, although their share has changed over time. Key industries include cereals (corn and wheat), oilseeds (soybeans), cotton, cattle, dairy products, poultry, and fruits and vegetables.

The Agriculture Improvement Act 2018 (also known as the Farm Bill 2018) contains the basic legislation governing farming programs for the period from 2019 to 2023. The 12 titles of the Agriculture Bill 2018 allow for commodity policy programs, conservation of agricultural land, agricultural trade and international food aid, food programs, farm lending, rural development, agricultural research, private forestry, energy, horticulture and organic farming, crop insurance (*Agriculture Improvement Act, 2018*).

The main agricultural programs under the draft law on farms for 2018 include programs that make payments to producers with historically basic hectares of program crops (wheat, fodder, rice, oilseeds, peanuts, legumes and cotton seeds), in periods when prices fall below the

statutory minimums or when yield income is lower than in recent years. Price Loss Coverage (PLC), a countercyclical pricing program, makes payments when market prices for covered crops fall below fixed reference prices. The Agriculture Risk Coverage (ARC), an income-based program, pays out when actual income at the district level falls below the average base income level. Under both programs, payments are made on 85% of the base hectares. Participating producers must choose for their basic choices on hectares between the PLC and ARC programs for each year until 2023.

The harvest insurance program offers options to cover both crop losses and income. Traditional crop insurance provides subsidized crop insurance to producers who purchase a policy to protect against crop losses, crop income, or total farm income.

Other agricultural programs include direct and guaranteed loans – including microloans – for the purchase of agricultural land and operating loans, which are designed to help producers who are struggling to obtain credit in the private market, especially military veterans and socially disadvantaged farmers. Farm Bill programs also support government agricultural research and technical assistance, including programs specifically targeted at special crops; organic production; prevention of pests and diseases; promotion of sustainable agriculture; and ongoing disaster programs for livestock, fodder and trees, shrubs and vines to help producers cope with industrial, financial and physical losses associated with or caused by natural disasters.

U.S. agriculture is also affected by a number of other pieces of legislation, both federal, state, and local, including trade measures, food safety regulations, trade in goods, tax policies, energy, and transportation. The production of ethanol and other biofuels is supported mainly in the form of permitted fuel blends, as well as credit and grant programs.

The United States is constantly working to increase agricultural productivity, including in the face of growing climate variability and extreme weather events. Regarding climate adaptation, the US Department of Agriculture (USDA) continues to operate its network of Regional Climate Hubs. They liaise with the U.S. Department of Agriculture's research and software agencies to develop and provide evidence-based information and technology specific to the region to farmers to ensure climate-friendly decision-making and efficiency.

The USDA also helps producers reduce greenhouse gas (GHG) emissions, increase carbon sequestration and adapt to a changing climate, while improving the natural resource base by providing technical and financial assistance to landowners through various conservation projects and programs. For example, the USDA Soil Protection Initiative offers technical and financial assistance to farmers through conservation programs.

The most significant policy changes in 2019-20 include a number of trade mitigation programs for 2019 and the Congressional Disaster Relief Package for 2019, as well as the continued development of international trade. In May 2019, the US Department of Agriculture announced a second package of trade easing programs to help farmers affected by retaliatory tariffs, which led to the loss of traditional export markets. The package included three programs: the Market Facilitation Program (MFP), the Food Purchase and Distribution Program (FPDP), and the Agricultural Trade Promotion Program (ATPP). Under the MFP program, it pays up to \$ 14.5 billion in three tranches to affected producers of non-specialized crops, pigs, milk and some special crops (fresh cherries, tree nuts, fresh grapes, cranberries and cultivated ginseng). The FPDP provides for purchases of up to \$ 1.4 billion. ATPP provides up to \$ 100 million in partial assistance to U.S. organizations eligible to develop foreign U.S. agricultural markets through activities such as consumer advertising, public relations, point-of-sale demonstrations, trade fairs and exhibitions, and market research and technical assistance. For disaster relief, the Additional Supplemental Appropriations for Disaster Relief Act of 2019 allowed just

over \$ 3 billion in disaster relief at the expense of associated with crop losses and damaged trees, shrubs and vines as a result of hurricanes, floods, tornadoes, typhoons, volcanic activity, blizzards and forest fires. The USDA provides assistance through three programs: the Wildfire and Hurricane Indemnity Program Plus (WHIP +) against damage to crops, trees, shrubs, and vines; The On-Farm Storage Loss Program; and the WHIP Milk Loss Program. In accordance with the provisions of the Disaster Relief Act, the Federal Crop Insurance Corporation (FCIC) imposes additional disaster relief payments to help producers who fail to plant relevant crops due to certain causes of loss, namely excess moisture / precipitation, floods, cold humid weather, storm flow, tornado, volcanic eruption, hurricane / tropical depression and cyclone. In December 2019, the Further Consolidated Appropriations Act added to the loss of crop quality due to drought, in cases of drought monitoring indicating D3 (Drought Monitor indicating D3 (extreme drought)) or higher , and excessive moisture to the list of permissible causes of disaster relief in accordance with the Disaster Relief Act.

In February 2020, the U.S. Department of Agriculture announced a new initiative, the Agriculture Innovation Agenda (AIA), to align resources, programs, and research with the U.S. Department of Agriculture to better equip farmers and producers to meet future needs, food, fiber, fuel and feed, while reducing the environmental footprint of US agriculture. The initiative sets goals and indicators for five results: increased productivity, water quality, carbon sequestration, renewable energy and reduced food and waste losses.

4. The role of Ukrainian agricultural policy as a guarantee of sustainable food security in the world

Ukraine has a significant area of fertile arable land, which makes agriculture the main sector of the economy, agriculture accounts for 10% of the country's economy and 15% of its employment. Exports of agri-food products account for about 40% of Ukraine's total exports in 2021. Representatives of the Ministry of Agrarian Policy reported that almost \$ 28 billion worth of products were exported, which is 41% of all-Ukrainian exports (25% more than in 2021). The largest share of exports of agricultural products covers crop production – \$ 16 billion (or 56% of agricultural exports). This figure was achieved through the sale of cereals.

The financial framework of agricultural policy is defined in the annual law “On the State Budget of Ukraine”. In total, the State Budget of Ukraine has allocated UAH 4.4 billion to support agriculture (*Pro Derzhavnyy byudjet Ukrainy, 2022*). Support for the agricultural sector includes various measures, including soft loans, partial reimbursement of agricultural machinery and equipment, compensation to farmers for agricultural advisory services and, importantly, a single tax regime, a simplified taxation system based on normative monetary units of land value. But compared to other countries – major players in the agricultural sector, this amount of support is meager, and does not particularly affect the development of the industry, so the Ministry needs to pay more attention to support agricultural entrepreneurs, who protect and ensure food security not only their own but also other food-dependent countries.

The Strategy for the Development of Exports of Agricultural, Food and Processing Goods in Ukraine until 2026 was approved by the order of the Cabinet of Ministers of Ukraine in July 2019 (*Pro shvalennya Strategiyi rozvytku 2019*). The strategy aims to increase product competitiveness and expand the export range; market diversification; stimulating the promotion of the Ukrainian food brand and information and analytical support for the export of agricultural products, food and processed products. The relevant Action Plan clarifies the

timing and responsibility for implementing a large number of specific measures, such as continuous monitoring and evaluation of agricultural markets, online information systems or e-learning opportunities.

Ukraine's policy is increasingly influenced by the Association Agreement with the European Union, ratified by Ukraine in 2014 (*Uгода pro asociaciy, 2014*). On 27 June 2014, the European Union and Ukraine signed the Deep and Comprehensive Free Trade Area (DCFTA) as part of their Association Agreement. It was provisionally applied from January 1, 2016 and officially entered into force on September 1, 2017. Trade liberalization between the European Union and Ukraine should be implemented during a transition period of seven to ten years. The European Union is opening tariff quotas on duty-free imports of Ukraine's main agri-food products, such as grain, meat and dairy products, and sugar, while providing free access to others. Ukraine has reduced import duties on a number of goods imported from the European Union. About 40% of agricultural import duties were reduced to zero immediately after the entry into force of the Agreement, and about half of import duties will be abolished during the transition period. The parties undertook not to apply export subsidies to goods traded with each other. The DCFTA includes basic WTO rules on non-tariff barriers, such as the prohibition of import and export restrictions and the discipline of state trade. Ukraine's difficulties in complying with EU food safety, veterinary and phytosanitary requirements remain a major barrier to trade integration. Thus, the DCFTA contains provisions on technical regulations, standards and conformity assessments for their harmonization with the norms of the European Union, as well as on technical cooperation in the field of technical regulations, standards and related issues between Ukraine and the European Union. According to these provisions, the "Comprehensive Strategy for the Implementation of Legislation on Sanitary and Phytosanitary Measures" was approved in 2016 and provides for the process of harmonization of Ukrainian legislation with EU requirements (*Pro shvalennya Vseohoplyuyuchoyi strategiyi, 2016*).

Almost 9 years have passed since the signing of the Association Agreement between Ukraine and the EU, visa-free travel and the entry into force of the DCFTA, and during this really difficult time for our country Ukraine is trying to fulfill its obligations, so it's time to renew quotas and creating a single digital market more open to Ukrainian producers.

5. Conclusions

Every country in the world strives to protect its own interests and ensure a mutually beneficial international partnership for its own development and the well-being of its citizens. The historical experience of many developed countries shows that they have modernized their economies gradually, from state protectionism to mercantile liberalism. However, no country allows full free trade in its economic policy. Therefore, it is quite difficult for Ukraine, which until recently was dominated by the foundations of the state planned economy of socialism, to adapt and be competitive with states with long-established foundations of a market economy. However, this does not mean that the market in these countries is completely open, there are implicit non-tariff barriers to international trade, various government regulators that restrain the uncontrolled market and protect their own producers. These countries are trying to pursue the foundations of neo-protectionism, namely a reasonable and mutually beneficial balance between national interests and international cooperation.

International experience shows that every developed country tries to develop its economy on the basis of a balance between support for domestic producers and openness to international economic and financial institutions. After all, the development of its own economy will become more competitive and open in the international arena, which in turn will not cause significant harm to domestic producers, but on the contrary, will avoid deficits and high domestic prices and will promote economic modernization and scientific and technological progress. But, on the other hand, developing economies, which include post-Soviet countries, need time to adapt to global economic conditions. After all, excessive acceleration of events to full openness and barrier-free trade can lead to the bankruptcy of their own producers, unemployment and the complete collapse of the economy. Therefore, it is necessary to take a very prudent approach to free trade, and take into account all the risks involved. It is necessary to reasonably combine free trade and state protectionism, so-called neo-protectionism, when the state not only closes its borders and becomes isolated from the rest of the world, thus dooming its economy to recession and technical backwardness. Therefore, neo-protectionism is a new form of balanced state protectionism, which takes into account state and international interests. Thus, neo-protectionism is that there are sectors of the economy that ensure national security and sovereignty, so their support by the state must be unquestionable, as well as the interests of the international community, which must be taken into account when they benefit everyone. Neo-protectionism of the XXI century it is a new protectionism that embodies the balance of national and international interests. This is a kind of synthesis of the concepts of protectionism and liberalism, when the national interests of society and its security are taken into account in the first place. Prior to the 2019 coronavirus pandemic, we saw a general trend towards liberalization and greater openness of the world's economies, the so-called globalization. Since 2019, when the countries of the world found themselves in the so-called isolation and the need to survive alone, there was an urgent need for state protectionism to fully provide themselves with the most necessary goods and services. Countries face a threat to national security, so the development of their own economies on the basis of scientific and technological progress, modernization of industries is a crucial task for countries to survive. In this situation, we must take into account the foreign experience of developed countries, which in their development have gone through stages from classical state protectionism to the mercantile form of liberal economy, which gave them a competitive advantage over other countries.

On the other hand, Russia's military aggression has united the world community around national and international security. The issue of world food security has become especially acute, as Ukraine is one of the countries providing food security in the world. Therefore, ensuring and guaranteeing peaceful coexistence, observance of international treaties, protection of human rights and freedoms are a clear example of synergy in international cooperation for the common good. Thus, it is necessary to understand the fact, that the world must always try to maintain a balance of national and international interests. The system of public administration should be aimed at reforming and creating a self-sufficient system of sustainable development of the country, on the basis of protecting national producers and maintaining healthy international competition, protecting and upholding the rights of all people and their peaceful life.

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