ANALYTICAL EVALUATION OF THE LAND MARKET FORMATION IN UKRAINE

Voliak L.R.
Candidate of Economic Sciences,
Assistant Lecturer at Department of Statistics
and Economic Analysis,
National University of Life
and Environmental Sciences of Ukraine

Formation of the agricultural land market is one of the most controversial issues of agrarian policy of Ukraine. Ambiguity approaches to land management led to the formation of two opposing directions of further development: implementation of the agricultural land market and its absence. In this context it is required a more detailed study of ecological and economic problems that occur in the areas of land affairs and agriculture, as well as institutional factors that determine their further development.

The article analyzes the state of land resources of Ukraine, change of their quantitative and qualitative indicators in the economic use and the impact on their main factors. It is revealed that the current state is characterized by increasing land use; the land is intensively used in economic exchange with simultaneous reduction of areas that contribute to the restoration of fertile soil and are of great ecological importance. Particularly threatening in this context arises the problem of quality deterioration of agricultural land, which is manifested in an annual decrease of humus content in the soil. It is revealed that businesses' focus on increasing production capacity to maximize profits leads to the lack of stable economic incentives for the conservation and restoration of soil fertility and efficient management. However, the lack of financial resources in the agricultural enterprises makes them most vulnerable to the introduction of the land market. Already the agricultural industry needs significant investment to expanded reproduction. Consequently, revealed the contradiction between economic and environmental aspects of the introduction of the agricultural land market.

We believe that the development of land market depends on economic development. Development of transparent land market is put in jeopardy until such problems as the shadow economy, bureaucracy, asymmetry of information on the quality of land, lack of free funds in medium and small agricultural producers will be overcome.