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## **ACTIVITY OF AGRICULTURAL ENTERPRISES IN THE CONDITIONS OF GLOBALIZATION: CHINA CASE**

### **ДОСЛІДЖЕННЯ ДІЯЛЬНОСТІ АГРАРНИХ ПІДПРИЄМСТВ В УМОВАХ ГЛОБАЛІЗАЦІЇ: ПРИКЛАД КИТАЮ**

*Globalization impacts to the free development of individuals, products, and administrations across the globe in an incorporated, consistent way. Globalization is the result of the opening up of the worldwide economy and the expansion in the exchange between countries. To state it essentially, when nations that were recently shut to exchange open up their economies and go worldwide, it brings about reconciliation and interconnectedness of economies. Further, globalization implies that nations change their import arrangement and welcome unfamiliar interests into their primary areas. It includes an expansion in worldwide exchange, the commodity and import of items fabricated and related strategies, capital and monetary streams, human movement. Globalization can upgrade agribusiness jobs enormously as a development motor in nations with low pay by growing horticulture quicker than homegrown utilization. Globalization builds farming's capability to improve food security through multipliers to the non-tradable, gigantic, work serious rustic area. Globalization has brought both opportunities and challenges to the development of agricultural enterprises. This paper analyzes the impact of globalization on agricultural enterprises, explores the challenges and obstacles they face, and proposes corresponding solutions. It is suggested that agricultural enterprises should strengthen their innovation capabilities, continuously introduce new products and technologies to meet market demands, and governments should enhance support and policy guidance for agricultural enterprises to encourage technological innovation and sustainable development. Agricultural enterprises should also strengthen cooperation with financial institutions and other enterprises to jointly promote the development of the agricultural industry.*

**Keywords:** agrarian enterprises, foreign economic activity, sustainable development, globalization, China, one belt-one road.

Глобалізація впливає на вільний розвиток окремих осіб, продуктів і адміністрацій по всьому світу єдиним і послідовним чином. Глобалізація є результатом відкриття світової економіки та розширення обміну між країнами. По суті, коли країни, які нещодавно були закриті для обміну, відкривають свої економіки та ширяться по всьому світу, це призводить до примирення та взаємопов'язаності економік. Крім того, глобалізація передбачає, що нації змінюють свій порядок імпорту та приймають незнайомі інтереси у своїх основних сферах. Це включає в себе розширення світового обміну, товарів і імпорту виготовлених предметів і відповідних стратегій, капіталу і грошових потоків, пересування людей. Глобалізація може значно покращити робочі місця в агробізнесі як двигун розвитку в країнах з низькою оплатою праці, виробляючи садівництво швидше, ніж домашнє використання. Глобалізація створює спроможність сільськогосподарства покращувати продовольчу безпеку через мультиплікатори до неторгових, гігантських сільських районів, які серйозно працюють. Глобалізація створила як можливості, так і проблеми для розвитку сільськогосподарських підприємств. У цій статті аналізується вплив глобалізації на сільськогосподарські підприємства, досліджуються проблеми та переешкоди, з якими вони стикаються, і пропонуються відповідні рішення. Пропонується, щоб сільськогосподарські підприємства зміцнювали свій інноваційний потенціал, постійно впроваджували нові продукти та технології для задоволення потреб ринку, а уряди повинні посилювати підтримку та політичні рекомендації для сільськогосподарських підприємств для заохочення технологічних інновацій та сталого розвитку. Узагальнено осервні позитивні та негативні наслідки впливу на аграрні підприємства глобалізаційних процесів.

**Ключові слова:** аграрні підприємства, зовнішньоекономічна діяльність, сталий розвиток, глобалізація, Китай, один пояс-один шлях.

**Formulation of the problem.** Under the increasingly fierce competition of international market economy, the development of Chinese traditional agriculture is both an opportunity and a challenge. In conditions of the great pressure of market competition, it is under active discussion how to solve the various problems in the development of agricultural industry in the process of globalization.

**Analysis of recent research and publications.** The analysis of the latest research and publications in the field of foreign economic activity agrarian enterprises allows us to highlight the works of I. Burakovskiy, N.M. Galazyuk, Yu.O. Lupenko, M.Y. Malik, O.G. Shpykulyak, V.A. Mamchur, V. Nelep, T.O. Ostashko, A. Rzepka, B. Slusarczyk and other scientists.

**The purpose of the article** is to study development of as one of the main (priority) areas of increasing the level of competitiveness of Chinese agrarian enterprises in globalization conditions, in the framework of foreign economic activities' increasing due to the program "One belt – one road", outlining main problems and obstacles.

**Presenting main material.** Economic globalization has formed a global market, accelerated the process of trade liberalization, promoted the adjustment and upgrading of the global economic and industrial structure, and also promoted the development of agriculture towards global marketization. China's agricultural market continues to open up in the process of global agricultural marketization, and the import and export volume of agricultural products has increased year by year. After joining the WTO, China has fully and deeply integrated into global economic integration and free trade, which is both an opportunity and a challenge. In order to cope with the challenges and make better use of the

opportunities brought by economic globalization and improve the international competitiveness of China's agriculture, it is necessary to adjust the agricultural structure, formulate relevant agricultural policies, improve the scale and specialization of agriculture, attach importance to the construction of agricultural brands, and improve the comprehensive development capacity of agriculture.

**Increased Competition.** One of the most significant challenges faced by agricultural enterprises in the era of globalization is increased competition. Globalization has led to liberalized trade, and this has allowed cheap imports from countries with lower production costs to enter the market, putting pressure on local agricultural enterprises to lower their prices.

The increased competition has resulted in a race to the bottom, with many agricultural enterprises struggling to remain profitable. To overcome this challenge, agricultural enterprises must improve their productivity, reduce costs, and innovate. They can achieve this by adopting new technologies such as precision agriculture, which involves using data to optimize farming practices. Precision agriculture can help reduce costs and increase productivity, allowing agricultural enterprises to remain competitive in the global market.

**Increased Price Volatility.** Globalization has also led to increased price volatility in the agricultural sector. The interconnectivity of global markets means that prices can be affected by events that occur in other parts of the world, such as weather events, geopolitical tensions, or changes in government policies. Agricultural enterprises must be prepared to adapt to these changes quickly, which can be challenging, particularly for small and medium-sized enterprises.



**Figure 1. Impact on agricultural enterprises’ activities in context of globalization**

*Source: developed by authors*

To overcome this challenge, agricultural enterprises must improve their risk management strategies. This can involve using tools such as futures contracts and hedging to manage price risk. Additionally, agricultural enterprises can diversify their crops and markets to spread their risk.

*Sustainability and Environmental Protection.*

Agricultural enterprises face significant challenges related to sustainability and environmental protection. The negative impact of agriculture on the environment is increasingly evident, and there is growing pressure on agricultural enterprises to adopt sustainable practices that reduce the use of chemicals, protect biodiversity, and promote soil health.

To overcome this challenge, agricultural enterprises must adopt sustainable practices such as agroforestry, intercropping, and organic farming. These practices can help reduce the use of chemicals, increase biodiversity, and promote soil health. However, adopting sustainable practices can be expensive and require significant investment in technology and infrastructure, making it difficult for many agricultural enterprises, particularly those in developing countries, to meet these requirements.

*Technological Advancements.* Technological advancements have transformed the agricultural sector, but they have also presented challenges to agricultural enterprises. While technology has the potential to improve productivity and efficiency,

it requires significant investment and expertise. Many agricultural enterprises, particularly those in developing countries, may not have access to the latest technology, making it difficult for them to compete with their counterparts in developed countries.

To overcome this challenge, agricultural enterprises must invest in technology and human capital. Governments can play a crucial role in promoting technology transfer and providing training to agricultural workers. Additionally, public-private partnerships can help bridge the technology gap by providing access to the latest technology and expertise.

*Access to Finance.* Many agricultural enterprises, particularly those in developing countries, have limited access to finance, making it difficult for them to invest in technology, infrastructure, and sustainable practices. The lack of access to finance can also hinder their ability to compete with larger, more established companies.

To overcome this challenge, agricultural enterprises must have access to finance. Governments can play a crucial role in providing access to finance through initiatives such as microfinance and subsidies for agricultural enterprises. Additionally, public-private partnerships can help provide access to finance by leveraging private capital to invest in the agricultural sector.

*The existence of implicit trade barriers.* The establishment of high-level tariff and

non-tariff measures highlights the difficulty of agricultural globalization.

Although the path of agricultural globalization is full of thorns, but obviously that order to reform society and benefit the general public globally, necessary unwaveringly adhere to global rules in the field of agriculture, uphold multilateralism, and adhere to the path of openness, cooperation, and win-win results.

Globalization can upgrade agribusiness jobs enormously as a development motor in nations with low pay. Globalization builds farming’s capability to improve food security through multipliers to the non-tradable, gigantic, work serious rustic area.

Globalization has sped up the development of agrarian creation at a quicker rate than at any other time. The pace of development 10 years sooner was 3%, and presently it has gone up to around 4–6%. Be that as it may, these expanded development rates include a significant change in its creation. At first, the development came from food staples when the extension for the product market is restricted. Presently, the tendency is towards high-esteem wares. Development in the pay of the nation’s implies that creation may now happen in huge totals in business sectors that were previously little specialty (for example – top notch tea, espresso). The cultivation markets have additionally monstrously developed and keep on prospering as of now.

As products of farming wares clear out, interest in agriculture and animals on the

homegrown level will likewise see a quick increment. Along these lines, in nations with low pay, about a portion of the additions will be in high-esteem animals and agriculture for both homegrown use and product. As a result, cereal creation will turn out to be less significant. With the creation blend moving towards high-esteem crops, trade harvests, and agriculture, the pace of ROI lessening the expense of exchanges will quickly increment. This is valid for interests in esteem-added endeavors. In any case, quite a bit of this action happens through capital-escalated processes. Intricacies are additionally present in showcasing. Both will furnish a relative benefit to nations with a big league salary populace. Low-pay nations, at each progression, simply see the relative benefit in the chain from the purchaser to the maker and should try not to endeavor parts in which they have almost no near advantage. In the worldwide economy, oat assumes a crucial part in food security. The delivery cost is seeing a downfall. In emerging nations, the accompanying two powers are probably going to prompt an expansion in the import of cereals.

To begin with, specialization and globalization might bring about an expansion in the cultivating area of high-esteem wares and lead to the likely a decrease in the cereals ranch region if either extensification or expanded force of creation appears to be inconceivable. Furthermore, a pay circulation shift towards food weakness and low pay will move the interest plan for the vertical heading. Low-pay nations, subsequently, may

Table 1

**Globalization influence on Agriculture development**

<b>Positive Impacts on Agriculture</b>	
Monetary effect	Globalization empowered more prominent admittance to mechanical progressions in horticulture, including high return assortments, hereditarily altered crops (GM crops), and miniature water system strategies. Unfamiliar interest in horticulture in agreement cultivating, cold capacity and food handling have helped ranchers. Admittance to unfamiliar business sectors has extraordinarily supported Indian rural products.
Social effect	Globalization further developed food efficiency and creation and changed provincial agrarian social orders. It has enabled the ranchers to comprehend, connect and contend in worldwide business sectors. The new innovations, particularly in water systems, helped to intend rustic water pressure and keep horticulture reasonable. It has likewise helped change the agrarian culture’s perspectives toward new advances in cultivation.
<b>Adverse consequences on Agriculture</b>	
Monetary effect	Multi-National Companies (MNCs) caught the Indian business sectors making ranchers subject to the costly high return seeds and composts. The fascination of the worldwide market brought about ranchers moving from conventional or blended editing to unreasonable trimming rehearses. The opposition from less expensive imports pushed down the costs of harvests like cotton, wheat, and so on making horticulture impractical for some ranchers.
Social effect	Unsustainable horticulture rehearses post-globalization and the failure to contend with less expensive imports added to trouble movement of provincial ranchers, obliterating rustic agrarian social orders and customary family structures. The reliance on MNC seeds brought about ranchers moving away from native seeds and cultivating strategies. Globalization caused a change in food propensities with expanded utilization of proteins, sugars, and fats causing expansion in way of life illnesses.

Source: developed by authors

profit from the decrease in costs of oats, even while they lose from declining expenses of other horticultural items.

Another way globalization has impacted the horticultural area is through restorative development and biofuel. There is an emergency in food security in the country in light of the fact that a huge part of the land has been assigned to develop crops for biofuel. Wheat, rice, and different yields are normally gathered in enormous amounts. By the by, the quantity of yields being utilized for biofuel is generally unregulated, with a lacking sum going to the penniless and poor.

Globalization will keep on progressing. Nations that don't spend enough on innovation and exploration, and don't update their country's foundation while lessening the expense of the exchange, will keep on encountering declining costs of agrarian items however without invalidating reductions underway expenses. Then again, in nations where expenses of creation

are decreased by further developed framework and examination, agribusiness can become half higher than previously. That would have strong multipliers to the provincial area, along these lines expanding business, decreasing neediness, and expanding food security.

**Conclusions.** In conclusion, the challenges and obstacles faced by agricultural enterprises in the era of globalization are diverse and complex. Agricultural enterprises must adapt to the changing global environment by improving their productivity, sustainability, and competitiveness. This will require significant investment in technology, infrastructure, and human capital. Governments, private sector actors, and civil society organizations must work together to address these challenges and create an enabling environment for agricultural enterprises to thrive. By doing so, agricultural enterprises can play a crucial role in promoting economic growth, reducing poverty, and ensuring food security for the world's growing population.

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