

World Economic Order: Evolution of the Cooperative Sector

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The purpose of the development of a multifunctional cooperative sector is to realize the opportunities of cooperation and effective use of its potential for economic growth and the social orientation of Ukraine's diversified economy. The authors prove in the article that the scale and pace of the cooperative sector's formation of the economy depend on the development of the system of cooperatives, mainly: agricultural, consumer, credit and social services. In the future, the regional sector of the cooperative economy will be formed on the basis of different types of cooperatives. Integration into the cooperative sector should take place in two ways: the intra-system integration of cooperatives and the creation of a national cooperative sector of the economy.

It was found that globalization, as an irreversible phenomenon in the development of the world economy, makes it possible to learn that in most Western countries, the cooperative sector occupies a leading position in the economy and is characterized by a variety of forms and types of cooperative activities. The processes of globalization, which are the basis for the formation of a non-economic system, pose a real threat to the very existence of the cooperative movement. Adequate response on the part of cooperatives and their unions should be to overcome competition between cooperatives of different types and kinds and to integrate the cooperative movement not only within national economies but also outside them.

Keywords: globalization, cooperation, cooperative sector, cooperative philosophy, strategic development

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Introduction

In the late twentieth century, the market economy has dramatically increased its influence around the world due to the strengthening of the post-industrial era and its transformation into a non-economic system. The globalization of the world economy has significantly changed traditional trade barriers, increased free trade zones, weakened state support for agriculture, and transformed the world financial system. Using the advantages of modern forms of communication, capital has become faster, without delay, to move around the world in search of the most profitable areas of its application. From an economic point of view, this means that many cooperatives have encountered large multinational companies with financial and legislative advantages that cooperatives do not have. They faced much greater competition than that which took place in the late nineteenth and early twentieth centuries, even that which existed in the second half of the twentieth century.

Cooperative forms of organization, on the one hand, are losing their positions in economically developed countries due to the rapid growth of living standards, and on the other – trust in cooperatives undermines the prosperity of capitalist enterprises. Cooperatives faced an unprecedented pressure of capital on the economic interests of people who sought to solve their own socio-economic problems without succumbing to new living standards formed by transnational companies for different groups of the planet. All this poses a real threat to the functioning of cooperatives. For prosperity, and in many cases simply for survival, cooperatives must respond adequately to the changed situation.

One of the most important directions is the unification of cooperatives, the opposition to the globalization of cooperative integration. Instead of conflict, cooperatives of different types and kinds need to identify common prospects and opportunities for the development of mutual assistance within the cooperative sector of the national and world economy. Globalization is considered as the highest degree of development of the system of the international division of labor, as a system that allows active implementation in the economy of scientific and technological progress. Given these positions, the cooperative movement is interpreted by them as an anachronism, which is a brake on progress (Balaban, 2015). However, the history of the cooperative movement development shows the ability of cooperatives to solve not only economic but also social problems of cooperative members. Thus, cooperatives in agriculture should be considered not only as one of the organizational and legal forms of entrepreneurship. Their social significance for the village must also be taken into account.

The cooperative model is widespread around the world, and many countries have account for companies that operate as cooperatives. However, there are regions in which the presence of cooperative companies is more embedded within the cultural and historical settings of society. Europe accounts for hundreds of thousands of cooperative companies and represents the continent with the most relevant presence of this type of organization, also due to the tradition in European countries. In Italy, England, Germany, France, and Spain, a relevant part of the economy is represented by cooperatives (Quintana, 2016).

The historical and philosophical concept of cooperation

Cooperatives are organizations whose origin is extremely remote. It is believed that already at the early days of prehistoric human societies, there were forms of organized associationism in the form of cooperatives whose task was to distribute resources and tasks among the members of the tribes so as to preserve the survival of the entire community (International, 2015) over time. The ancient origins of cooperative forms were designed

to serve the needs of members, even if difficult to date back to their origins indicate the importance of cooperative action in human societies.

Owen Robert is considered to be the universally recognized ancestor of the cooperative philosophy. In his speeches, the word “cooperation” was first used in the sense in which it is used now. He based his philosophy of cooperation on educating people. He was convinced that the workers of his well-performing cotton trade company could have better worked if they had had the opportunity to participate actively in the governance of the company and if they could have received benefits such as education for their children (Cooperation, 2013).

Although his ideas were not destined to be put into practice, the cooperative theory has since developed and is developing quite rapidly, sometimes experiencing ups and downs. Despite the fact that Owen’s ideas remained the ideas of utopian socialism, they reflected the germ of modern cooperation and its basic principles: voluntary membership, equality, the election of leadership, self-government (Babenko, 1995; Bilan et al., 2017).

In reality, the theory of modern cooperation began to be developed by his students and followers. In particular, the system of views of Charles Fourier laid the fundamental foundations of collective farming. They are more reasoned. Of particular relevance were his ideas about the superiority of cooperative work over employment, the need to make cooperation accessible to all segments of the population, the possibility of rapprochement of producers and consumers, and as a consequence, the elimination of unnecessary intermediaries.

Charles Gide, French researcher and organizer of the cooperative movement, played an important role in the development of cooperative theory in the 19th century. He can be called a theorist and even an apologist not for cooperation at all, but only one of its areas – consumer cooperation. The economic system of modern society seemed to the French scientist extremely imperfect. He saw this imperfection primarily in the antagonism between production and consumption, producer and consumer, and the manifestations of this antagonism Charles Gide considered counterfeiting of goods, commercial untruth, advertising, as expensive as deception, contracts, brazen speculation, fierce competition, struggle for life, ruthless war. The French professor saw the way out of this sad situation in the fact that production serves consumption “on the same grounds as the hands serve the stomach” (Cooperation, 2013). In other words, when social production is in the hands of consumers, the antagonism described above will disappear by itself, because “consumers ... cannot have interests hostile to themselves: they have only one interest for all: to obtain as many vital benefits as possible. lower costs: and this interest is nothing but the interest of society as a whole, of all mankind” (Cooperation, 2013).

The theory of agricultural cooperation occupies one of the important places in the works of modern scientists. Vitaly Zinovchuk defines cooperation as “...a process of voluntary pooling of efforts and resources of entities interested in achieving certain socio-economic results, which can be obtained only or faster – through group action” (Zinovchuk, 2010). It follows from his research that only purposeful actions of a group of subjects united by a common economic interest constitute the essence of the process of cooperation. The researcher believes that the definition of cooperation reflects its dual nature, and cooperation is too broad a concept to cover a huge range of group actions. Referring to the fact that there is labor cooperation, industrial cooperation, inter-economic, intersectoral, interregional and even international, Zinovchuk recognizes that not every interaction will be considered cooperation, but only that which implies the existence of regular, organized and purposeful group actions of an economic character (Zinovchuk, 2010). We should agree with his opinion that there is still a problem of finding such a definition of cooperation, which would allow any cooperative organization to identify differences from other types of companies.

The British Dictionary defines cooperation as the process of working with another company, organization, or country in order to achieve something: economic/international/global cooperation (Cambridge dictionary, 2020).

After analyzing the definitions of many scientists, we can conclude that the issues of cooperative theory and practice remain debatable and require further study, which is natural, given the diversity of this economic form. Therefore, we offer our definition of cooperation: “Cooperation is a system of cooperatives, their unions, associations, associations, as well as other economic organizations created by them and acts as a form of joint economic activity of producers in one or different but interconnected processes of labor or production, or in order to achieve economic results or to satisfy their social and economic interests, which are difficult or impossible to achieve in individual activities” (Ushkarenko, 2009). This definition sufficiently reveals the essence of cooperation and can find application in the scientific field.

The place and development of the cooperative sector of the economy

The developed market economy includes three interconnected and interacting sectors: private, represented by enterprises that are individually or jointly owned, cooperative and state. The relative share of each sector in the total economic activity is determined by the characteristics of the country or region. According to the Canadian cooperator Alex Laidlaw, who owns the idea of “three sectors,” none of them alone so far could solve all economic problems and ensure a perfect economic system (International, 2015). Only three sectors working together and complementing each other can achieve better results.

The cooperative sector of the economy, which is defined as a set of real organizations and enterprises created by them, having common features of cooperative ownership, principles and values of the international cooperative movement, which carry out commercial activities in accordance with the cooperative business model in the interests of its members. and private. Like the state (in a democratic, civilized state), it focuses not on a single independent individual. Still, proceeds from the common interests of certain strata and social groups prioritize not profit but the creation of normal working conditions, life, and activities of its members by providing them services. On the other hand, the cooperative sector differs from the public and closer to the private in that it is, firstly, less centralized, secondly, takes into account not so much public as group interests, and thirdly, has, in addition to social, commercial orientation.

The situation of cooperation between the public and private sectors is twofold and rather unstable. In a democracy, cooperatives can find opportunities for agreements and joint action with the government. However, under authoritarian rule, the state can subordinate cooperatives to the point of nationalizing the cooperative. But even in democracies with a highly developed private enterprise sector, cooperation is also in a difficult position. As noted by Alex Laidlaw, the ideology of cooperation is threatened, on the one hand, by extreme statehood, and on the other – by superpower capitalism (International, 2015).

To reasonably determine the significance, place and role of cooperatives in modern national economies and the global economy, the research committee of the International Cooperative Alliance since 2006 publishes annual data on the 300 best cooperatives in the world (“Global-300”) (Sakharova, 2009). Some of these cooperatives are leaders both in certain market segments and in their own countries. Analysis of the activities of the leaders of the world cooperative movement allows us to conclude about the most preferred areas of use of cooperative forms of management: in agriculture and industries that process the products

of cooperative farmers (more than 33%), trade – 28%, lending and insurance – 27% (World Cooperative Monitor, 2019). However, none of the cooperatives in the post-Soviet space is included in this number.

A cooperative, according to the International Co-operative Alliance, is defined as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise” (International, 2015).

Cooperatives are created as organizations aimed at satisfying the common needs of a group of individuals. The group of individuals who give rise to and participate in the cooperative is individuals who can be very heterogeneous in economic/social extraction but share a need that cannot be addressed individually (Diaz-Foncea & Marcuello, 2013; Yatsenko et al., 2019). People do not found a cooperative either to maximize profit or for regulatory compliance. Instead, the aim is to help each other in a particular task or service.

Today, many sectors experience companies organized in the form of cooperatives. Among the 300 largest cooperatives, 117 operate as insurance companies, 95 are in agriculture, 53 are cooperative supermarket, 21 are banks, and the others operate in 5 other (World Cooperative Monitor, 2019). It is estimated that cooperatives employ over 100 million workers and support the daily life needs of 3 billion people around the world. Internationally, the 300 worlds largest cooperatives have a turnover of between \$600 million and \$65 billion, and, altogether, they generate a total turnover of \$2,034 billion (World Cooperative Monitor, 2019). They operate in many sectors, such as agriculture, banking, insurance, supermarkets, etc.

Following the European tradition, even the Americas see many companies operating as cooperatives specially in the agriculture sector. A more contained number of cooperatives are currently operating in Asia (with an exception for India), Africa, and Australia.

The cooperative sector performs a number of functions specific to it, regulating market relations, smoothing the negative effects of market forces, activates the bureaucratic state machine to solve socio-economic problems (Sakharova, 2009; Bilan et al., 2017a). The main goal of the development of a multifunctional cooperative sector is to realize the opportunities of cooperation and effective use of its potential for economic growth and the social orientation of Ukraine’s diversified economy. The strategic development of the cooperative sector in Ukraine should promote the transformation of existing cooperative systems and the creation of new, more efficient, and promising ones in order to maximize the potential of cooperation to accelerate the socio-economic development of the country. Given the scale and complexity of the strategic goals of the cooperative sector, its development should be divided into several stages (Table 1).

The allocation of individual stages is due to the different levels of organizational and economic tasks that will face the national cooperative sector in the future. The starting point for the formation of a promising model of the cooperative sector is a rethinking of the socio-economic content of cooperation, taking into account modern cooperative theories and concepts. This means that cooperation should be considered as a socio-economic phenomenon. Accordingly, cooperation must have a socio-economic nature: it is based on economic activity and the social idea. Thus, social and economic principles are organically connected, and social are primary. Giving priority to the economic rather than social basis will inevitably lead to a deformation of the nature of cooperation and, accordingly, the cooperative sector as a whole (Babenko, 2003).

Table 1

The main stages of strategic development of the cooperative sector

The essence and quality of the stages	Stages		
	I	II	III
Creation	Primary cooperatives	Territorial and branch associations of cooperatives	Formation of the cooperative sector at the national level and its organizational design
Duration	Will be determined by the ability of members of cooperatives to see the benefits of their interaction, to show initiative and to take responsibility and risks associated with membership in the cooperative	Will determine the access of cooperatives to markets, credit resources, focus on coevolutionary development and effective interaction of all types of cooperation, the effectiveness of state support for the cooperative sector	
Priority	Formation of cooperatives in accordance with international principles of cooperation and the concept of the National Cooperative Movement	Development of vertical integration and formation of vertical systems in the cooperative sector	The formation of a nationwide corporate system has been completed

Source: own research.

The socio-economic context of cooperation within the cooperative sector can be successfully implemented only on the basis of cooperative principles and values. In addition to generally accepted international principles of cooperation, the long-term model of the cooperative sector should be based on national principles that reflect its specifics. This is organizational and functional unity, planning, justice, interaction with the state.

The relocation of the cooperative sector to basic international and national cooperative principles is extremely relevant because the market orientation of the national economy has created unprecedented conditions for the spread of cooperation.

However, the cooperative structures that are often based on principles and values that do not reflect the cooperative essence, so they are cooperative only conditionally. Also, historically existing cooperatives question some traditional notions of cooperation in finding ways to adapt to new conditions. They offer a new interpretation and ways to solve modern problems on a cooperative basis.

Therefore, there is a threat of losing the cooperative idea and cooperative essence, its transition to an environment of the diversity of organizational forms and methods of management that appear in the cooperative sector of Ukraine.

The need for the development of cooperation that meets the interests of agricultural producers of the legal form of organization of production in the agro-industrial sphere is not

denied by anyone and is a generally accepted truth. However, cooperative forms of agro-industrial enterprises face certain difficulties.

In addition to unfavorable macroeconomic conditions in which both agriculture and related sectors of the economy are located (disorder and high level of taxation, extremely unsatisfactory state of financing of production, the high disparity in prices for agricultural products and means of agricultural production, non-payment crisis, etc.) strongly restraining influence on the development of all types of cooperation also have: low level of legal and economic knowledge of agricultural producers; ignorance of many of them of the essence, principles and mechanisms of cooperative activity; the almost complete absence of a cooperative education system; lack of skills of economic independence and entrepreneurship in most agricultural producers; weak state, regional support for the formation of cooperative forms of activity; the imperfection of cooperative legislation.

Results and prospects of development of the cooperative sector of the economy

Socio-economic conditions, political climate allow developing different types of cooperation as the basis of the cooperative sector in Ukraine (Ma & Soroka, 2020; Drozd, 2020). It is only important to correctly determine the priorities of such development. There are different types of cooperative: consumer, retail, housing, worker, banking, insurance, agriculture, and utility cooperatives.

The dominant position belongs to cooperatives in the agricultural sector, which is due to the following points: 1) the presence of small producers willing to voluntarily unite in both production and service cooperatives; 2) the ability of cooperatives to ensure the optimality of organizational, economic and technological parameters of agricultural production and other aspects of economic activity; 3) the possibility of the cooperative to develop economic ties, the way of rural life, to provide guarantees of social protection and social support of peasants. This idea is being successfully implemented in many countries.

Another priority area for the development of the cooperative sector should be consumer cooperation. This is explained by the fact that: 1) in consumer cooperation, as in any other field, the economic and social interests of people are closely intertwined; 2) consumer cooperation is not so much an institution sanctioned by the state, as an institution that arose from the direct will of the people; 3) consumer cooperation solves not only narrowly cooperative problems of consumption, but also performs a number of state functions on social protection. A significant role among cooperatives (10%) belongs to consumer cooperatives, and in some countries, it is higher: 33% in Denmark, 25% in Norway. The main goal of consumer cooperation is the permanence of relations in the system of distribution of goods and services. However, cooperative activities are aimed not only at meeting the material needs of the population but also at the social restructuring of the village, economic stabilization. In addition to rural areas, consumer cooperatives serve a significant part of the urban population, mainly district centers. The share of trade in cities is 42% of total cooperative turnover.

Cooperative banks play a crucial role in the financial and economic world system (Migliorelli, 2018). They operate in many countries around the world, and, in Europe, they represent 20% of the banking sector market share (in 2019). They can be in the form of a retail or commercial bank. The main aim of a cooperative bank is to provide deposit and loan services to its members. They have nonmember clients, and they can be traded on public stock markets even if they still are ruled by members (Balaban, 2015).

An important strategic direction in the development of the cooperative sector of the economy is the expansion and organizational design of credit cooperation (Karafolas, 2016). With the emergence of diversity and the development of private property and small-scale production in rural areas, the problem of forming an adequate credit and financial system adequate to the new conditions has become more acute. Prospects for the development of farms, agricultural production cooperatives, personal farms are increasingly determined by the availability of credit resources. The existing banking system is aimed primarily at lending to large agricultural entities. Small and medium agribusiness are not of interest to banks due to the insignificance of the requested amounts and high transaction costs of lending. This led to the involvement in the production process of savings of legal entities and individuals in the form of a system of agricultural credit cooperation as an organization of financial assistance and mutual lending. This is one of the few elements originally focused on serving the small-scale rural economy, remote from major financial markets.

The development of credit cooperation will provide the village with credit resources, increase the financial stability and solvency of farmers, provide primary capital for small rural businesses, increase employment in rural areas and the attractiveness of the agricultural sector as an object of investment. Carrying out financial flows through a credit cooperative will help revive business activity in the countryside will allow funds to work more for the socio-economic development of the territory where the cooperative is located. Therefore, it is important to fully promote the development of credit cooperation, as is done in most countries.

For example, in the system of “Credit Agricole” (France), there are about 3 thousand local credit unions, organized in the form of cooperatives. The owners of their shares are farmers, villagers and locals. In Germany, 3,223 credit unions with a total book value of more than 514 billion marks have more than 10 million shareholders. In Sweden – 390 similar local credit unions, which have 650 branches; in Austria — 1,754 credit unions. In the Netherlands, credit cooperatives account for 90% of lending to the agricultural sector, in France – 70%, in Japan – up to 50%, in the United States – 26%. In the 1990s, the revival of credit cooperatives began in the former socialist countries. Thus, in Poland, the share of cooperatives in the credit market is 10%, in Hungary – 15%.

In Ukraine, the development of credit cooperatives in general and in rural areas, in particular, is at an early stage. However, the number of credit cooperatives is increasing, and they demonstrate the high efficiency of credit and financial activities. At the present stage of structural restructuring of the agricultural sector and in connection with the commercialization of the credit and financial system, one of the directions of cooperation in Ukraine should be the formation of agricultural credit cooperatives that provide uninterrupted and necessary lending to shareholders. Credit cooperation is widespread in countries with developed economies. Thus, US farmers receive through credit unions annually up to 40% of long-term and up to 20% of short-term loans, in Germany, respectively, 45% and 24%, and in Finland, only short-term loans are 50%. The attractiveness of this form of organizational credit is that in cooperative credit institutions, loan interest rates are much lower than in commercial ones. The advantage of cooperative credit is that the proximity of credit cooperatives to their shareholders allows the latter to easily use the services regardless of the size of the farm. In turn, cooperatives easily control the purposefulness and efficiency of their loans and the timeliness of their repayment. Conceptually, this form of cooperation development should have a multilevel structure from rural (grassroots) credit cooperatives to regional cooperative banks and the central cooperative union with a clear division of functions.

Cooperatives in the field of social, household, and cultural services have significant prospects in Ukraine. They carry a mixed social and capitalistic mission. They play a pivotal role in many social sectors such as healthcare, education and many others. In order to operate, they also need to manage financing and budgeting; however, these activities shall be functional to the performance of social actions.

The priority development of cooperation in the field of services is due to the fact that in the market environment, this area is significantly expanding, the demand for services is growing. Also, the creation of cooperatives is not associated with high costs. They are available to the general population. The experience of other countries – Scandinavia, Spain, Italy, Greece, Portugal, indicates the possibility and feasibility of the cooperation of many types of services. In these countries, the reality has become cooperative social clinics, nursing homes, home pharmacies, cooperatives in education, tourism, culture. Thus, based on the above, we can identify strategic directions for the development of cooperation in Ukraine (Table 2).

Thus, the scale and pace of the formation of the cooperative sector of the economy depend on the development of the system of cooperatives, mainly of four types: agricultural, consumer, credit and social services. The strategic development of the cooperative sector of the national economy should be based on scientifically sound approaches and be implemented evolutionarily, comprehensively, and in coordination with other sectors of the diversified economy.

Table 2

Strategic directions of development of different types of cooperation in Ukraine

Types of cooperation	Characteristic
Agricultural cooperation	<ul style="list-style-type: none"> - development of cooperation of individual producers of agricultural products of farms, individual owners, public farms, i.e., the creation of agricultural production cooperatives: - modification of production cooperatives in the direction of creation of production-processing, production-sales other types of multifunctional cooperatives: - creation of service cooperatives — procurement and marketing, supply, agricultural, and other: - development of inter-farm horizontal and vertical cooperation based on the step-by-step technological specialization of participating farms.
Consumer cooperation	<ul style="list-style-type: none"> - restructure of the multidimensional structure (organizational, functional, social, territorial) and create a modern market-adapted model of cooperation: - introduction of market mechanisms and forms of management; - development of major industries (trade, procurement, processing) and the development of new economic activities, modernization of material and technical base;

	<ul style="list-style-type: none"> - strengthen of the social mission, social support and social protection of members — shareholders, expanding the scope of social services and intensifying its role in socio-cultural transformations in rural areas; - development of the rural consumer market, the formation of the agricultural market, an increase of efficiency of interaction with agrarian and industrial complex; - expand international cooperative cooperation and foreign economic activity.
Credit cooperation	<ul style="list-style-type: none"> - creation of new credit unions, intensification of their activity on the financial market, improvement of organizational structure, the formation of regional (regional) associations of credit unions; - creation of systems of cooperative banks, the direction of their activity on credit services of small subjects of economy, various types of cooperatives; - formation of the necessary infrastructure of credit unions — stabilization and guarantee funds, mutual credit systems and others; - creation of a legal basis for state and regulatory regulation of cooperative unions; - strengthening state support for the development of credit cooperation and legal protection of credit unions and their associations. - life, property, any risks of its members and depositors
Cooperation in the field of services	<p>intensive development of cooperatives in the field of consumer services, especially in rural areas, where the contingent of consumers of services is scattered;</p> <ul style="list-style-type: none"> - creation of cooperatives of social profile — educational, socio-cultural services, social assistance; - development of cooperatives for the provision of tourist, hotel, recreational services; - organizational, scientific and personnel, financial, legal support for the development and operation of these cooperatives; - introduction of new forms of service taking into account the peculiarities of the population, in particular the widespread use of visual and mobile forms of providing and selling services, home services, as well as leisure and entertainment services (computer clubs, billiards, etc.).

Source: own research.

All the diversity of cooperatives is united by one feature – the recognition and implementation in practice of cooperative principles, among which the 6th principle stands out: cooperation between cooperatives (Lappo, 2014). Any cooperative is recognized as a cooperative only when it recognizes the cooperative values and all the principles of the cooperative movement and follows them in practice (Piliaiev, 2019; Nitsenko et al., 2018). The importance of this principle is especially growing in the 21st century, in connection with the formation of a non-economic system characterized by the globalization of all aspects of society. If cooperatives intend to reach their full potential, to remain attractive

in a fundamentally changing world, they can achieve this through constant and practical cooperation. The problem of cooperation of cooperatives is relevant not only for Ukrainian cooperation, but also for the world cooperative movement.

An important direction in the development of cooperative processes in Ukraine should be a mutually beneficial association of agricultural producers, food industry enterprises, trade and service enterprises. Associations for the production of grain, its processing and the production of bakery products, the production of milk and meat products, semi-finished products ready for consumption, etc. should be developed. The main requirements for optimizing the system of economic relations of participants in cooperative processes are a rational combination of interests of agricultural producers, processors, trade structures and market participants that serve these processes.

Cooperatives should more often use the opportunity to conduct joint business projects and strive for this in practical ways, pursuing the interests of their members (Tytarenko, 2019). More often than not, consider joint activities. At the same time, cooperatives have a unique opportunity to directly protect and expand the interests of ordinary people.

An example of such business cooperation can be the joint activities of grain processing agricultural cooperatives and consumer societies that have bakery enterprises and a trade network at their disposal. The flour produced by the first cooperatives can be used by consumer cooperatives for the production of bakery products and their sale.

An important problem of cooperative organizations is the formation of financial resources for economic activity. Most consumer cooperatives seek capital within their organization. This is symptomatic of the traditional cooperative approach, as cooperatives have always focused on membership capital and capital as a result of economic activity. Another source of financial resources is loans from commercial banks or commercial loans. At the same time, insufficient attention is paid to other sources that have emerged in recent years, capital formation, and general financial management at the levels of the cooperative sector. To solve this problem, cooperatives can attract free cooperative financial resources. On the other hand, many potential cooperative financial resources are not properly coordinated, and most of them go beyond the cooperative sector, often supporting cooperative competitors. In other words, there is a need to develop effective models of cooperation between cooperatives in the field of financial resources. There are various examples of such models.

1. Establishment of cooperative banks in the regions. A cooperative bank can act as a multi-purpose regulator of existing savings and production needs, like any bank, but it also has an active and highly professional unit, whose staff is called to advise cooperatives on the use of resources, taking into account the perspective and management.

2. Establishment of credit unions of cooperatives or entry of cooperatives into existing cooperative credit unions as their member. Without these structures, cooperation is significantly dependent on commercial banks. In addition, participation in credit cooperatives of agricultural production and service cooperatives, consumer cooperatives will simplify the calculations for the products produced, improve the organization of economic relations.

3. Establishment of insurance cooperatives and the attraction of their financial resources for the development of new cooperatives. Of course, new cooperatives face the problem of obtaining the necessary funds in the initial period of activity. Insurance cooperatives can invest part of their funds in the development of the cooperative movement.

Comprehensive development of all types of cooperation is needed. Different types of cooperatives have different, sometimes directly opposite, economic objectives. The members of these cooperatives have their own specific needs and priorities. Entrepreneurial

cooperatives, acting in the market as sellers, are created, as a rule, for profit at the expense of other market participants. Social cooperatives, on the other hand, act as collective buyers in the market, and their main goal is either to solve the social problems of their members or to save members the costs associated with meeting their living needs. Conflict in stock: business and cooperative social organizations serve the material interests of two directly opposite groups of people. The former want to get a return on investment and / or labor, and consumers want to get good quality goods and services as cheaply as possible. Cooperatives of the same type also often compete with each other in the market, realizing their economic functions. Competition between cooperatives weakens the cooperative movement, exacerbating the adverse effects of the economic environment.

The success of economic reforms in modern conditions must be assessed primarily by overcoming the recession and increasing production, improving the work of producers, who are the main actors in the functioning of a market economy. The solution to this problem should be based on those forms that can ensure the normalization of the food market and the conditions of self-financing. Agricultural cooperation is one of the effective forms of economic progress, which helps to combine resources and efforts with responsibility for the end result. The proposed methodological approaches allow to increase the level of scientific substantiation of the problem and can serve as a starting point for further development and improvement of models and systems of sustainable development of agricultural cooperation at the regional level.

Conclusions

As a result of the study, it was found that the effectiveness of cooperatives depends on the general socio-economic situation in the region, the decisions of administrative bodies, the company's capabilities, investment, and other conditions. On the other hand, the influence of the formations themselves on these processes is important. First of all, it is market regulation, coordination of business activities of enterprises and organizations in the district, region, or interregional level. This is especially important in modern conditions when public authorities do not have the right to interfere in the economic activities of market participants. The interaction of state authorities with enterprises and organizations of the agro-industrial complex on the basis of branch unions, associations, and non-profit partnerships is very important.

To date, there are all the necessary favorable conditions for the development of international economic cooperation. As foreign experience convincingly shows, an essential factor for the successful operation of cooperative systems in the context of globalization is the use of the existing unity of the international cooperative movement and its economic and social potential. Therefore, the effective development of cooperation in Ukraine will depend on the level of implementation of measures aimed at adapting to the current economic situation in the country, intensification of international cooperative cooperation, and the established system of state support and stimulation of cooperative enterprises and organizations. In modern conditions, the strategic goal of cooperation should be the maximum use of all available resources, benefits and potential opportunities by increasing the organizational and economic efficiency of operations in domestic and foreign markets.

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