











of the agricultural sector. The first group includes such countries as: Germany, Spain, France and Italy, which have the highest rates of state support for agricultural policy.

The second group consists of Greece, Poland and Romania; the agricultural policies of these countries are aimed at developing innovative technologies of agricultural production and stimulating youth activities in agriculture.

The third group includes the countries as follows: Belgium, Bulgaria, the Czech Republic, Denmark, Estonia, Ireland, Croatia, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia, Finland and Sweden, where the lowest volumes of agrarian policy funding are recorded.

The study of economic security trends in the countries of the European Union in 2016 (Figure 2) made it possible to establish that among the countries under consideration, the highest value of the integral indicator of economic security was recorded in Denmark (0,723), the Netherlands (0,702), Finland (0,675), Sweden (0,6) and Luxembourg (0,607), which, according to the criteria for determining the level of economic security, corresponds to the optimal value. Consequently, the countries specified belong to the group of countries with a high level of economic security.

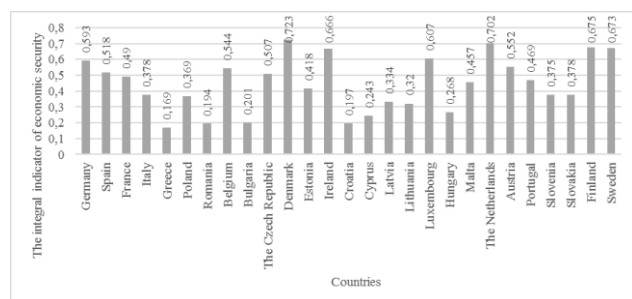


Fig. 2: Dynamics of the integral indicator of economic security in the countries of the European Union in 2016, %  
Calculated based on: [23]

Herewith, the lowest values of the analysed indicator, which are within critical limits, are observed in Greece (0,169), Romania (0,194), Croatia (0,197), Bulgaria (0,201), Hungary (0,268) and Cyprus (0,243). The results obtained testify to the existence of a number of financial and economic problems and require increased attention to the economic policy of such countries.

Grouping the countries of the European Union according to the integral indicator of economic security in 2016 using cluster analysis (Table 2) has

made it possible to identify three groups of countries with common economic features and problems of economic development and ensuring economic security.

Table 2. Grouping the countries of the European Union according to the integral indicator of economic security in 2016

The integral indicator of economic security		
№	Country	Cluster number
1.	Germany	1
2.	Denmark	
3.	Ireland	
4.	Luxembourg	
5.	The Netherlands	
6.	Finland	
7.	Sweden	
8.	Spain	2
9.	France	
10.	Belgium	
11.	The Czech Republic	
12.	Estonia	
13.	Malta	
14.	Austria	
15.	Portugal	3
16.	Italy	
17.	Greece	
18.	Poland	
19.	Romania	
20.	Bulgaria	
21.	Croatia	
22.	Cyprus	
23.	Latvia	
24.	Lithuania	
25.	Hungary	
26.	Slovenia	
27.	Slovakia	

Calculated based on: [23]

The first group of countries is characterized by high indicators of economic security, stability of economic development and efficiency of economic policy in all sectors. This group includes highly developed countries, namely: Germany, Denmark, Ireland, Luxembourg, the Netherlands, Finland and Sweden, which focus on improving the efficiency of the economy while maintaining economic security.

The second group of countries includes as follows: Spain, France, Belgium, the Czech Republic, Estonia, Malta, Austria and Portugal,

which have relatively high rates of economic development, relatively high levels of macroeconomic stability and effective measures to protect national economic interests from potential risks and threats.

The third group of countries includes as follows: Italy, Greece, Poland, Romania, Bulgaria, Croatia, Cyprus, Latvia, Lithuania, Hungary, Slovenia and Slovakia. The level of economic security of these countries is characterized as critical due to strengthening of negative destabilizing factors on economic processes and the economy as a whole. At the same time, reforms in restructuring and subordination have already been completed in these countries; however, the reform of security structures is at the stage of formation.

Taking into consideration the fact that conducting empirical studies of the integral indicator of economic security of the European Union's states in 2020 is quite problematic, based on calculations conducted in 2016, we substantiate the main trends in the analysed indicator and factors

influencing it, taking into account changes in GDP, real prices of agricultural products and changes in the structure of agricultural products.

It should be noted that the main cost indicator determining the degree of development of the national economy and the end result of productive activity is gross domestic product (GDP). The dynamics of real GDP growth rates in the countries of the European Union in 2016 and 2020 (Figure 3) indicates a significant drop in GDP in 2020 in all countries of the analysed group, which makes their economies less flexible and vulnerable to the destabilizing effects of risks and threats. This situation is due to the intensification of the global financial and economic crisis, caused by the instability of the social-political situation and the spread of the COVID-19 pandemic. Following on from these trends, it can be hypothesized that the level of economic security of the European Union's states has experienced a negative impact and a significant decrease under the influence of the factors outlined.

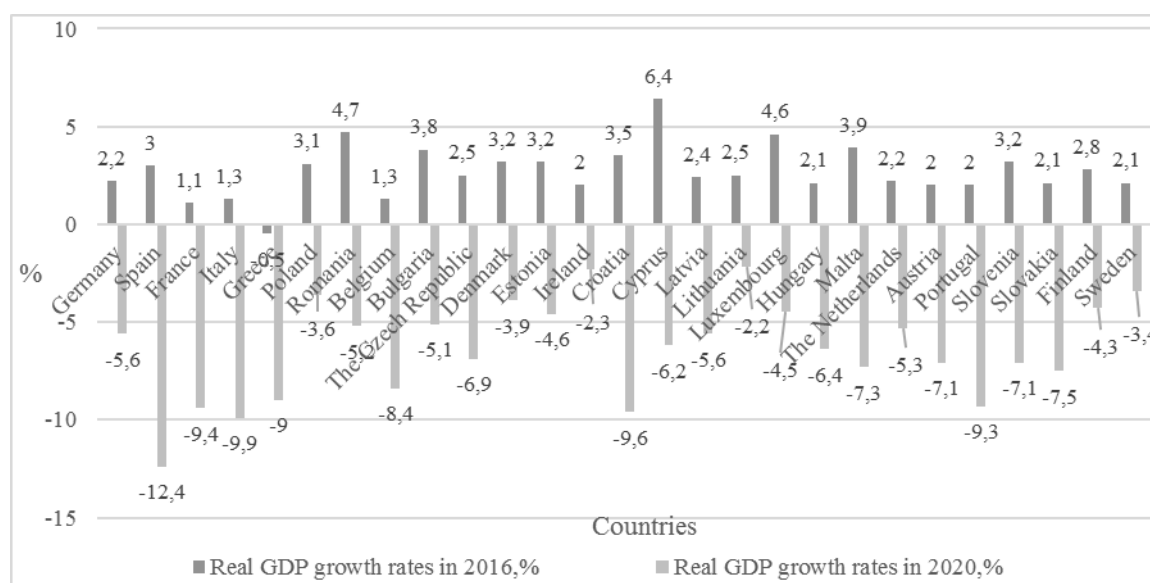


Fig. 3: Dynamics of real GDP growth rates of the European Union's states in 2016 and 2020, %  
 Calculated based on: [23]

At the same time, when analysing the dynamics of changes in the state of real prices of agricultural products in the countries of the European Union in

2018–2020 (Figure 4), their decrease is stated, which is especially noticeable in 2020.

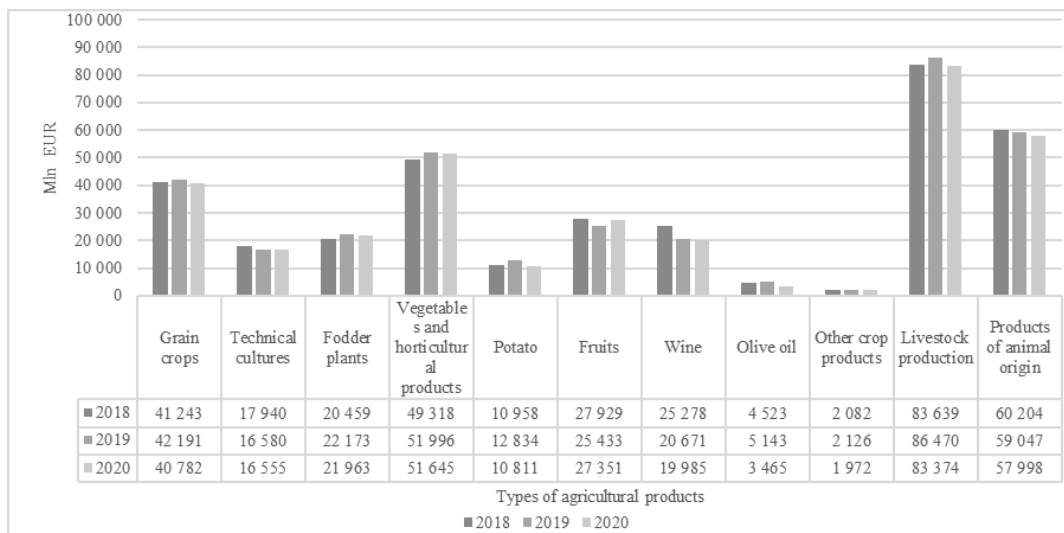


Fig. 4: Dynamics of change in the state of real prices of agricultural products in the countries of the European Union in 2020, EUR million  
Calculated based on: [23]

In this context, it is advisable to study the structure of agricultural products, which is reflected in Figure 5. According to the results of the calculations, the share of agricultural products in the European Union's states in 2020 is occupied by vegetables and horticultural products (26,5%) and grain crops growing (21%). Taking this into consideration, the hypothesis is proved regarding the significant impact on the volume of growing agricultural products of plant origin of climatic conditions for doing business, as well as the significant impact of global warming.

As for the structure of agricultural products of animal origin (Figure 6), 59% are livestock products (17,3% - cattle, 24, 9% - pigs, 0,6% - horses, 2,5% - sheep and goats, 12,2% - poultry and 1,4% - other animals), and 41% - products of animal origin (33,8% milk; 5,7% - eggs; 1,5% - other products).

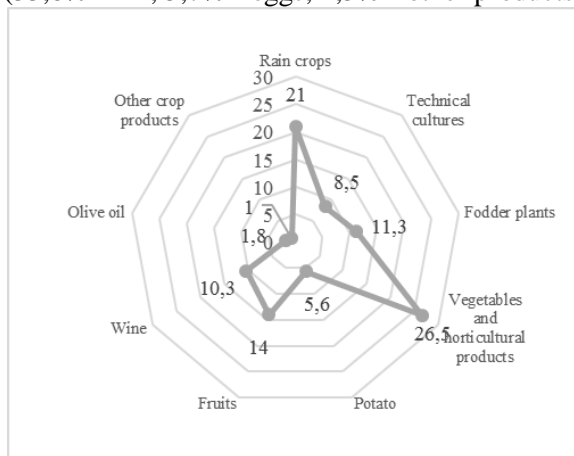


Fig. 5: The structure of agricultural products by selected types of crop production in the European Union in 2020,  
Calculated based on: [23]

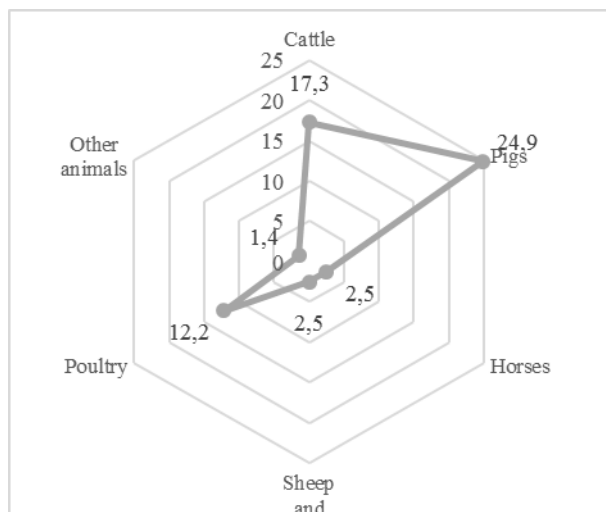


Fig. 6: The structure of agricultural products of animal origin in the European Union in 2020,  
Calculated based on: [23]

Therefore, on the basis of the conducted studies, it can be concluded that the formation and implementation of agricultural policy and ensuring the economic security of the European Union's states are closely related. The leading positions in the structure of agricultural products of plant origin are occupied by vegetable growing, horticulture and the cultivation of crop grains, while in the structure of animal products, the cultivation of pigs and cattle dominate. Ensuring high rates of development of the agricultural sector will protect strategically important aspects of the society and help increase the level of economic security of the countries. Therefore, the formation and implementation of a balanced and effective agrarian policy of the



countries of the European Union is of particular importance.

## 6 Discussion

The results of conducted studies on the harmonization of agricultural policy and economic security of the countries of the European Union make it possible to single out three groups of countries that have common features in the formation and implementation of policies in the agricultural sector of the economy and, in this context ensuring, a high level of economic security.

Group 1. Countries with a high level of economic security and effective agricultural policies that involve the attraction of innovation, the implementation of innovative abilities and the satisfaction of consumer needs in terms of the quality of agricultural products (Germany, Denmark, Ireland, Luxembourg, the Netherlands, Finland and Sweden).

Group 2. Countries with a relatively high level of economic security and stable development of the agricultural sector; the agricultural policy of these countries is formed in the framework of the general agricultural policy of the European Union, and implemented in coordination with leading EU member states (Spain, France, Belgium, the Czech Republic, Estonia, Malta, Austria and Portugal).

Group 3. Countries with a low level of economic security, the formation and implementation of agricultural policy of which is influenced by structural changes in the agricultural sector and growing economic instability (Italy, Greece, Poland, Romania, Bulgaria, Croatia, Cyprus, Latvia, Lithuania, Hungary, Slovenia, Slovakia).

Taking into consideration the significant differences in the formation and implementation of agricultural policy and the conditions for ensuring the economic security of the countries of the European Union, it is advisable to increase the food saturation and balance of national agricultural markets, as well as the dynamic economic development of rural areas.

## 7 Conclusions

Thus, the harmonization of agricultural policy and economic security of the countries of the European Union lies in ensuring such a security state of the economy of the country and the agricultural sector, which guarantees constant and effective development and protection from the destabilizing influence of risks and threats of the external and

internal environment. It has been established that the agricultural policy of the European Union is formed and implemented depending on the geographical location of the country, taking into account the features of its climatic conditions, economic development; it focuses on the basic principles of the common agricultural policy of the European Union. In addition, highly developed countries use innovations to a greater extent in implementing economic activities in the agricultural sector. It has been proved that the leading positions in the structure of agricultural products of plant origin are occupied by vegetable growing, horticulture, the cultivation of crop grains and livestock. In order to provide an advanced development of the agrarian policy of the European Union's states in the context of ensuring the economic security of the state, it is necessary to direct the main efforts towards improving the efficiency of its institutional support, transparency, stability and flexibility.

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