

STATE AND WAYS TO IMPROVE OF RURAL DEVELOPMENT IN
UKRAINE

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The strategic direction of development of Ukrainian economy predetermines a need to transform the agrarian industry into a highly competitive sector of the economy, providing its ability to integrate into the world agrarian market system. As a result, it is necessary to ensure agrarian formations, which would most fully respond to market challenges and form competitiveness of the industry [6]. The share of agriculture in GDP (including forestry and fishery) increased from 7.5% in 2008 to 10.3% in 2014. Generated by agriculture value added increased by 71% during 2003–2014, while other sectors of the economy in aggregate increased only by 26%. The share of agricultural industry in the structure of employment of population of Ukraine remained virtually unchanged – 18% in the 2000 year and 17% in the 2013 year (without including rural households) (Yedyna kompleksna stratehiia ta plan dii rozvytku silskoho hospodarstva ta silskykh terytorii v Ukraini na 2015-2020 roky). To the study of issues of rural development in the context of implementation of modern agrarian policy devoted their works such prominent Ukrainian scholars as: A. Bydyka, T. Bondar, O. Borodina, V. Borshchevskyi, F. Vazhynskyi, I. Honcharuk (Honcharuk, 2016), S. Devko, H. Kaletnik (Kaletnik, 2015), E. Kirieieva (Kirieieva, 2017), A. Lisovyi, M. Lesiv, A. Mazur, M. Malik, O. Onyshchenko, O. Pavlova, P. Sabluk, Yu. Urkevych. These scholars made a number of significant developments on the concept of rural development; however, development of European integration processes in Ukraine requires further in-depth study and formulation of an effective policy of rural development on the basis of implementation of European values.

2. Definition of the concept “rural areas” According to I. Honcharenko, rural area – is a complex and multifunctional natural, socio-economic and industrial-

economic structure, which is characterized by a number of features peculiar to it, namely: land area; features of the landscape; the number of living people and type of their employment; the number, species diversity of the plant and animal world; volumes and structure of production; development of social and production infrastructure, and other features (Honcharenko, 2009). G. Hart and E. Larson note that a significant part of politicians, researchers, and analysts prefer one standard universal definition, however, there is no unambiguous concept of “rural areas”. The definition of rural areas is elusive and often based on stereotypes and personal experience. The term envisages the presence of pastoral landscapes, unique demographic structure and resettlement schemes, isolation, low population density, availability of extractive industry, and excellent socio-cultural environment. However, they affirm that aspects of the countryside cannot fully define the definition of “rural.” For example, rural culture can also take place in urban settings. Only a small part of the rural population participates in agriculture, and in cities, it ranges from a few inhabitants to tens of thousands. The proximity of rural areas to urban settlements ranges from a few miles to hundreds of kilometres. Generations of rural sociologists, demographers, and geographers struggled with this concept (Hart Gary, 2005). According to F. Mantino, rural areas or rural regions (district) covers people, territory, and other resources of the public landscape and small settlements outside the immediate sphere of economic activity of large city centres. A criterion for assigning a settlement to a city or village is the population density of more than 150 people per km (Mantino, 2010). K. Johnson from the USA mentions that the rural areas of America – much more than just agriculture. They include industrial parks, warehouses, and food factories located in rural intercity territories; regions where generations of people worked for the extraction, processing, and transportation of coal, ore, oil, and gas to both near and remote customers; woodworking and cellulose enterprises, which are located deep in the forests; industrial towns seeking to keep jobs in terms of intense global competition; and recreational areas that dynamically develop near mountains, lakes, and coasts (Johnson).

Having analysed the above approaches of scholars to the concept of “rural areas”, one can distinguish some common features in all approaches: density of population, agriculture is the main sphere of employment of the population, low density of construction, species diversity of plant and animal life. In Ukrainian legislation, there is no information on the maximum number of inhabitants who can reside in the administrative-territorial unit of rural areas. The current Decree of the Presidium of the Supreme Council of the Ukrainian SSR “On the Procedure for Solving Issues of the Administrative-Territorial Division of the Ukrainian SSR” provides for the definition that “the category of urban-type settlements may include the settlements located at industrial enterprises ... with a population of more than 2 thousand people, of which not less than two thirds are made up of workers, employees, and members of their families.” The interpretation of the term “village” is not mentioned in the Decree (Ukaz Prezhydii Verkhovnoi Rady Ukrainiskoi RSR)

The draft law of Ukraine “On the Principles and Procedure for Solving Issues of the Administrative and Territorial System of Ukraine” states that “the category of villages includes a settlement with manor houses, small in number of people, formed in conditions of preferential employment of its inhabitants in the rural, forest, or fishing industry, folk crafts, primary processing of agricultural, forestry or fishery products” and “the category of settlements includes a locality with mainly manor houses, social and communal infrastructure, which relates to the location on its territory of an industrial enterprise, an enterprise for the production and processing of agricultural, forestry, fishery products, a railway junction, hydrotechnical or other construction, and has a population of more than 500 people” (Zakonoproekt Ukrainy), and also states that the villages and settlements are rural settlements. On the other hand, there it is specified that “the category of cities includes a locality where are industrial and processing enterprises, communal enterprises, housing stock, a network of social and cultural institutions and enterprises, which has a developed social and communal infrastructure, a network of streets with a mostly hard surface, with a population of at least 5,000 people” (Zakonoproekt Ukrainy), from which we can assume that the maximum population of the village is limited to 5,000 people.

Having analysed the definition of “rural areas” by researchers, we deem it advisable to consider rural areas as a complex open system with external connections. The main features of rural areas are given in Figure 1.

Consequently, the concept of “rural areas” will be considered as a complex system, which is characterized by a specific socio-cultural environment, species biodiversity, residential buildings with plots of land, as well as a close connection with the development of agricultural production, which is influenced by factors of the external and internal environment.

3. Analysis of the state of development of rural areas in Ukraine.

For the purpose of studying the current state of development of rural areas in Ukraine, it is relevant to use a method of SWOT-analysis. O. Maisak informs that SWOT-analysis involves the division of factors describing the object of research into four categories: strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are factors of the internal environment of the object of research (that is, what the object itself is capable of influencing); opportunities and threats are factors of the external environment (that is, those that can affect the object from the outside and it is not controlled by the object). He argues that the SWOT-analysis is applied to objects of a different scale and not only in areas that are aimed at increasing profits but also in areas where goals have a complex social or socio-economic nature. We support his view that the object of modern SWOT-analysis in a broad sense – a socio-economic object (Maisak, 2013).

The main regulatory documents regulating the development of rural areas in Ukraine are the Conception of the State Target Program for Sustainable Development of Rural Areas for the period up to 2020 (Kontseptsiia) and the Unified Integrated Strategy for Agriculture and Rural Development for 2015–2020 (Yedyna kompleksna stratehiia ta plan dii rozvytku silskoho hospodarstva ta silskykh terytorii v Ukraini na 2015-2020 roky).

From these Concept and Strategy, we will highlight the strengths, weaknesses, opportunities, and threats of Ukrainian rural areas and systematize them in the SWOT-analysis table (Table 2) in order to find ways to improve development.

From Table 2 it can be concluded that in rural areas of Ukraine, there is a mass of weaknesses in the internal environment and threats in the external one, but in contrast to them, there is not less number of strengths and opportunities.

Among the weaknesses of the development of rural areas it should be noted that particularly acutely in recent decades, the quality of life of rural inhabitants is influenced by the undeveloped social infrastructure of rural areas. In many Ukrainian villages, there are not enough modern schools, kindergartens, hospitals, emergency medical services, clubs, and other social infrastructure centres. The living conditions in the Ukrainian village remain extremely unfavourable (Honcharuk, 2016).

The level of wages in agriculture remains one of the lowest among the branches of the national economy (69% on average in the country). 661 400 people in all are officially employed in agriculture, forestry, and fishery; in small farms, informal employment prevails. Monetary income of rural households per capita, of which 34.8% is dependent on social security assistance, is one quarter lower than that of non-rural households.

The share of agricultural income in the total income of rural households continues to decrease (29.9% in 2000, 10.6% in 2013). Income per capita: 23% of rural households are below the minimum subsistence level (10.2% in urban areas). The poverty rate in rural areas is 1.7 times higher than in urban areas. In terms of living conditions, the percentage of poor rural and urban households is respectively 39% and 19% (Yedyna kompleksna stratehiia).

There is a big gap between the volume of housing construction and the quality of housing and communal services in villages located in suburban and recreational areas, and villages located in remote rural areas. Only 31.5% of the rural housing stock is connected to centralized water supply systems. The state of environmental safety is deteriorating. Emissions of harmful substances from stationary sources of pollution in the atmosphere in the agricultural segment can be compared with the mining sector. The number of unauthorized dumps is increasing. Over the difficult living conditions, many members of rural communities experience hopelessness and distrust (Yedyna kompleksna stratehiia).

According to the results of the analysis, it is possible to determine the state of development of rural areas of Ukraine today as a critical one, which is conditioned by the difficult conditions of doing business and the slow pace of development of small- and medium-sized agrarian enterprises (unfavourable business climate, lack of affordable lending), and directly underdeveloped rural infrastructure localities, lack of effective policy, and also uncertainty in the field of land relations.

4. Modern state prospects for the rural development in Vinnytsia region The development of rural areas and the well-being of their inhabitants are closely interconnected with the development of small- and medium-sized farming and, as a consequence, development of the entire agrarian sector. Vinnytsia region – a traditional agrarian land with a significant share of the rural population, so we will analyse development trends of rural areas in the Vinnytsia region.

As H. Kaletnik notes, “Vinnytsia region, which had average rural development parameters in terms of the ecological situation, social environment, the state of communication and water supply, was supposed to focus on attracting foreign investment, implementing scienceintensive technologies, creating innovative agricultural structures, and developing a number of measures to increase rural welfare while, at the same time, solving problems of raising the level of education, qualifications of workers in the agrarian sector of the economy, widely using advisory services, consulting, and information services...” (Kaletnik, 2015).

It is expedient to reflect the development of rural areas through the prism of the population and analysis of the main indicators of the welfare of the region’s population. For clarity, we will reflect the dynamics of the population of Vinnytsia region.

It is evident from Table 3 that the number of present rural and urban population is almost equal. In 1959, the share of rural and urban population amounted to 83.0% and 17.0% respectively. In the early 90’s, trends have changed and the share of the rural population was 55.0%. In 2016, the rural population accounts for only half (49.2%) of the total population structure, indicating the growing pace of urbanization.

However given that rural areas cover a much larger area than urban areas, this is a matter of concern .

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ПРОГРАМА

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МОЛОДИХ ВЧЕНИХ ТА
СТУДЕНТІВ

«МАЙБУТНЄ АГРАРНОГО
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15-16 травня 2018 року
м. Вінниця

*Захід внесено в реєстр УкрІНТЕІ
(позначення №154 від 04.05.2018 р.)*



РОБОТА СЕКЦІЙ

13:00 – 16:00

СЕКЦІЯ І. ПРОБЛЕМИ ЕКОНОМІЧНОГО РОЗВИТКУ АГРАРНОГО СЕКТОРУ УКРАЇНИ В УМОВАХ ГЛОБАЛІЗАЦІЇ

(ВНАУ, І корпус, 1301 аудиторія)

Голова секції: КОСТЮЧЕНКО Дарина Леонідівна – аспірантка,
асистент кафедри економіки факультету економіки та підприємництва

Заступник голови: МЕЛЬНИЧУК Аліна Борисівна – аспірантка, асистент
кафедри економічної кібернетики факультету економіки та підприємництва

Секретар: ПАВЛЮК Микола Миколайович – аспірант кафедри
економіки факультету економіки та підприємництва

13:00 – 13:10 «Методичні особливості розрахунку експертної оцінки
права оренди земель сільськогосподарського
призначення»

РИЖОК Зоряна Русланівна, асистент
Львівський національний аграрний університет
Он-лайн увімкнення

13:10 – 13:20 «Чинники впливу на інтеграційні процеси в аграрному
секторі України»

МЕЛЬНИЧУК Аліна Борисівна, асистент
Вінницький національний аграрний університет

13:20 – 13:30 «State and ways to improve of rural development in Ukraine»

КОСТЮЧЕНКО Дарина Леонідівна, аспірант
Вінницький національний аграрний університет

13:30 – 13:40 «Стимулювання житлового будівництва як фактор
стійкого розвитку сільської місцевості»

ЗАРІЧУК Олександр Євгенович, аспірант
Вінницький національний аграрний університет

13:40 – 13:50 «Механізми оптимізації сільськогосподарського
виробництва»

МИРОШНІЧЕНКО Олександр Васильович, аспірант
Вінницький національний аграрний університет

13:50 – 14:00 «Прибуток як основний результат господарської
діяльності підприємств АПК»

ПАВЛЮК Ірина Олександрівна, аспірант
Вінницький національний аграрний університет

14:00 – 14:10 «Сучасний стан галузі тваринництва в умовах
гібридизації»

ПАВЛЮК Микола Миколайович, аспірант
Вінницький національний аграрний університет