

JEL Classification: Q010

UDC 332.025.12:711.437(1-22)

THE PARADIGM OF RURAL DEVELOPMENT AS ATTRACTOR OF MULTIFUNCTIONAL INTEGRATION OF UKRAINE INTO THE WORLD ECONOMY

V. TKACHUK¹

¹ National University of Life and Environmental Sciences of Ukraine

Introduction and research objective:

Considering and implementing of European experience of transition to support the development of multifunctional agriculture and rural areas, creating agriculture jobs in the countryside and the environment protection will allow our country to move to a new stage of reforming the system of state support for agricultural production and rural areas, as well as view on priorities of state regulation of rural development.

The aim – development of a system of objective evaluation of achieved development level of rural areas in order to identify the determinants and options for restructuring their development.

Hypothesis of the research. The transition from global governance to development and implementation of local strategies for rural development will increase the level of expecting and reduce the risk of unintended consequences of implementing local development programs.

The purpose of this study is to develop a system of evaluating the effectiveness of local strategies for rural development in Ukraine.

Methods: systematic analysis was used to study the system of indicators of rural development; Cluster analysis – analysis of rural development.

Results: supplemented and clarified the definition of the "level of rural development"; reasoned evaluation system of rural development; proposed the system of statistical indicators and criteria for partial evaluation of rural development and direction of implementation of local development strategies.

Conclusions: The implementation of rural development paradigm as a way of local development will increase the total capacity of some aspects of rural areas as a multifunctional integration of Ukraine into the world economy. Local rural development should take into account at least six aspects: the external environment and external relations; spatial order and Urban Studies; environment; local community; the local economy; budget and organizational issues.

Keywords: attractor, rural areas, local development strategy, cluster analysis, depressive, progressive territory.

Formulation of the problem. In the socio-economic life of Ukraine, rural areas have a special place, because a third of the state lives there and accounts for 90% of its area. The significance of these areas increases their exceptional contribution to the foundations of food security, which determines the possibility of the offer of food for the population in sufficient quantity, quality and variety, as well as consideration of opportunities for different population groups buy the necessary amount of food of high quality and build-up assortment potential. These and other factors determine rural development as one of the main priorities of Ukraine's state policy aimed at improving the living standards of the rural population, the efficiency of agriculture, creating a comfortable living environment and conditions for human and spiritual potential of rural areas.

Socio-economic changes that have occurred in Ukraine in recent years have provided some opportunities for regional development of administrative structures, based on economic, infrastructural, environmental and historical characteristics of different parts of the country. However, this helped improving the living standards of the rural population not as fast as it did in the cities. Development and effectiveness of socio-economic development of the village acquires exceptional importance in the system of regional management, which should take into account regional specifics of the settlement, the current level of poverty in the region, the problem of unemployment and the devastation of entire villages and rural spaces. The development of the regions in which the rural population prevails, determined by the nature of intra-regional territorial differentiation. This in turn inevitably leads to disintegration tendencies and the consequent destruction of the single economic space of the country. Therefore, there is a need for an integrated approach to solving the problems of rural areas, which laid the foundation principles of differentiation of their socio-economic development.

Analysis of recent research and publications. The most remarkable scientists in the study of rural development is M.K. Orlaty [7], I.V. Prokop [8], P.T. Cabluk [9], V.V. Yurchishin [10] and other scientists-economists. Recent issues associated with the review of certain aspects of the problem is reflected in the works of A.A. Bitter, O.G. Bulavky, P.I. Haidutsky [5], J.F. Hnybidenka [11], J.E. Hubeni, O.D. Hudzynskoho, D.F. Krysanov, M.F. Kropyvka, E.M. Libanova [6], A.B. Lisovy, M. J. Malik, V.N. Nelepa, and O.I. Pavlov, K.V. Prokopyshak, V.P. Ryabokon, V.K. Tereshchenko, D.V. Shiyan, K.I. Yacoub and others. Recently, most researchers dealing with rural areas, almost pay no attention to differentiation of their development from a purely geographical dimension to industrial-commercial, social, economic, environmental, self-governing and even ecological.

The purpose of the article – study evaluation system of local strategies for rural development of Ukraine and ensure necessary conditions for their implementation based on the priorities of the country.

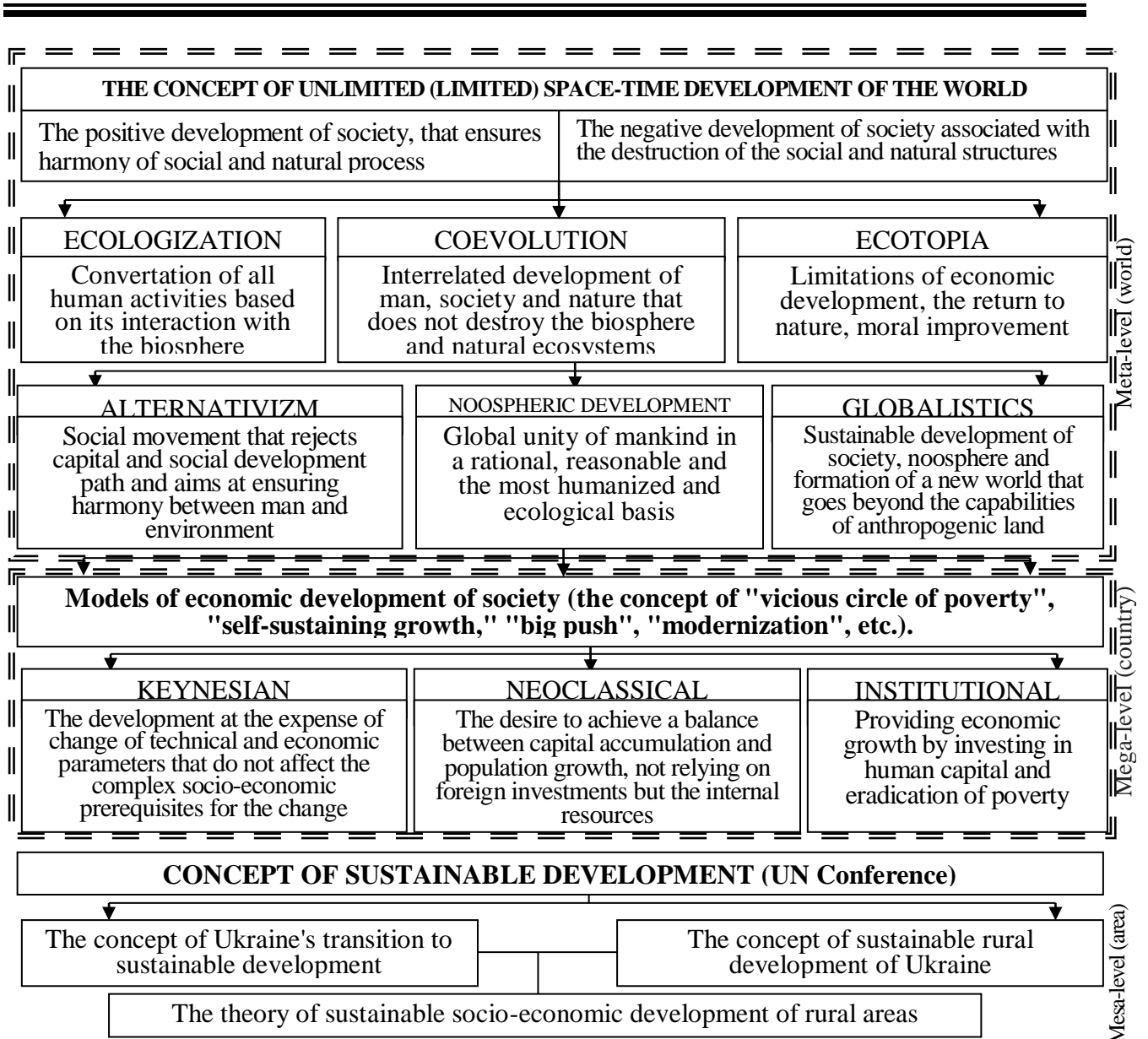
Research results. The rural area – historically formed in legally defined measures within the system that combines administrative-territorial (rural settlements, villages, village councils) and territorial and functional, ethnicity belonging, characterized by a certain way of life and differs by certain features (family, household, physical, moral (spiritual), ideological foundations of life, mental characteristics) of the structure of urban and suburban (oriented on city, connected way of the city) areas.

Development of rural areas – is a process of sustainable and balanced development of rural settlement network and agricultural production through the implementation of a range of national and local economic, social and environmental measures aimed at preserving and enriching human potential of the village – primordial rural development.

Therefore, the rural development paradigm has to comprehensively take into account a number of factors: local budget resources to address social and economic problems; existing infrastructure, including housing and utilities; quality and accessibility of health services; level of social services; migration; ecological status of the territories concerned; the level of economic diversification of rural areas; per capita income; socio-cultural, psycho, rural inhabitants; educational level of rural residents and others.

The concept of unlimited (limited) space-time development is a dual perspective on the possible development of the world (target level): positive, ensuring harmony and natural social process and negatively associated with the destruction of the social and natural structures. In any case, it is based on the view that society is a self-organizing system, a more or less stable balance of power in terms of competition and cooperation, conflicts and agreements. The effectiveness and sustainability of the system, as a society, depends on the ordering of social relationships, which occurs through social regulation. In the mega-levels, there was a succession of concepts of development: from Keynesian (development occurs using complex socio-economic prerequisites for the change); neoclassical (by achieving a balance between capital accumulation and population growth) to institutional (through investment in human capital and poverty alleviation).

Further forming of ideas of rural development for Ukraine was embodied in the adoption of several laws and by-laws: the Law of Ukraine "On the priority of social development of rural areas and agriculture complex in the national economy" (1990); Law of Ukraine "On Stimulation of Regional Development" (2005); Draft of the Concept of the State program for sustainable rural development for the period till 2020 (2010); Cabinet of Ministers "On approval of the State Target Program of Ukrainian village development till 2015" [1-4], the fundamental essence of which is the formation of state policy, creation of social and economic conditions for the efficiency of the rural economy, improving the quality of life of the rural population, rational use and revival of natural resources in rural areas. This conceptual approach reflects the essence of government regulation as a combination of methods, forms and measures to address the economic, social, environmental and other problems within the integrated system programs to put rural economy on the way of intensive development with consistent reduction in expenditure on extensive growth and providing attachment to intensify efficient use and renew the economic potential of rural areas. A prerequisite for the formation of the theory of socio-economic development of rural areas of Ukraine supports concept of sustainable development, adopted by the United Nations Conference on Environment and Development (1992), which synthesized the main components of the previous paradigm of society as a whole and its individual areas / regions / enclaves (Figure 1).



Done by the author based: [5; 7; 8; 9; 10; 11]

Figure 1. **Place of the theory of rural development in the system of scientific theories, concepts and beliefs on development of society**

In Ukraine, the system of measures is formed according to specific state goals and priorities with the interests of specific regions: provide the ways and means of solving existing problems, creating favorable conditions for the population living in rural areas through the introduction of social standards and norms in line with European, development of objects of social infrastructure, facilitating the creation of utility companies for community service and improvement of rural villages, improve the quality of educational services, development of rural, agricultural tourism, crafts, business, organic agriculture, wholesale and retail of agricultural markets and so on.

Implementing this approach will allow to focus state policy on support of rural development – improving the quality of life and economic well-being of people living in rural areas, creating conditions for expanded reproduction of corresponding structure, which will help to ensure food security in the global division of labor.

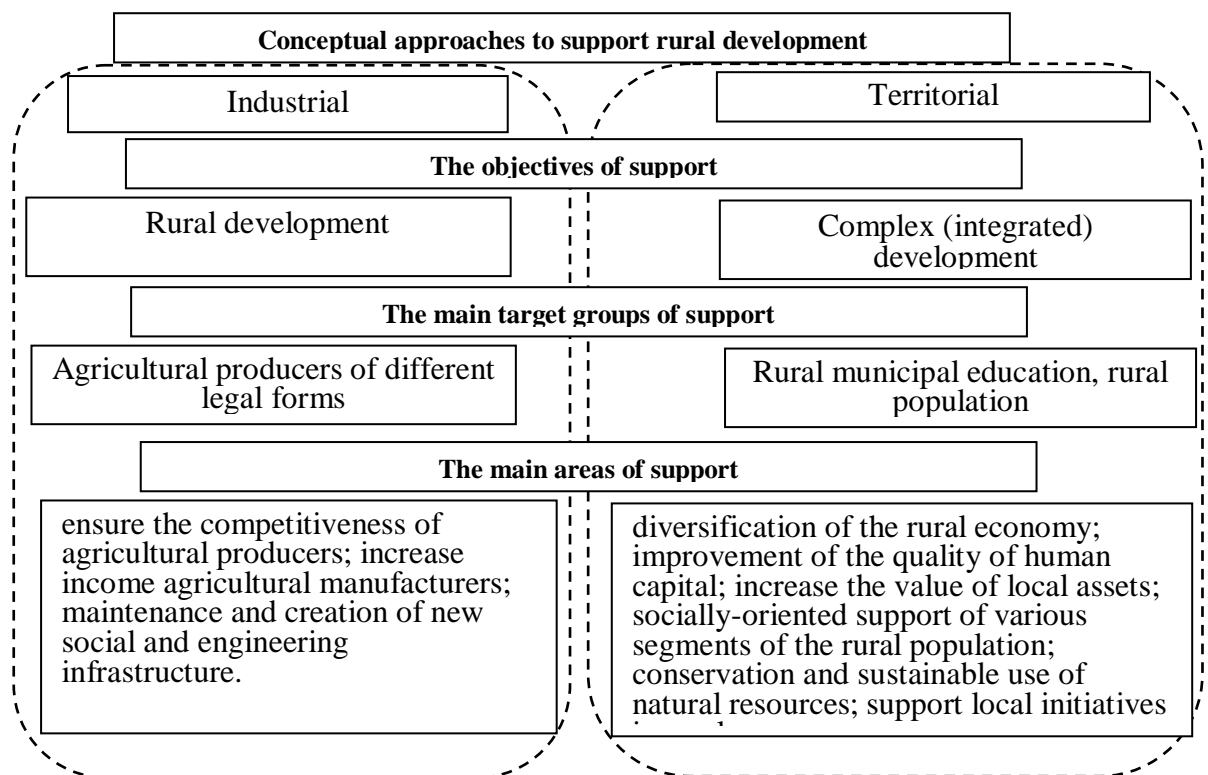
Further development of rural areas can take place in three options:

1) strengthening the existing trends, continued commercialization of agricultural production, accompanied by a proliferation of very large economic units with their low social and environmental responsibility; conservation of underdeveloped rural economy and rural development institutions. The state plays a minor role in supporting rural development, leaving a provision through the implementation of sectoral programs only a minimum set of social services, types of state support and using methods of tariff and / or non-tariff regulation of economic processes. In this embodiment will accelerate the village degradation and all its other potentials;

2) strengthening state support of agriculture and social infrastructure; implementation of certain socio-economic and environmental measures and diversification of the rural economy in the absence of real mechanisms and financial resources to implement them. This will improve the financial situation and living conditions of the rural population, but will not provide the solution of problems of employment, economic and environmental security of residence, or the gradual development of rural communities. Will cause the need to increase State Budget of Ukraine for sectoral programs, subsidizing local (regional, county, city, village, town) budgets;

3) creating conditions for the development of rural areas, village communities as the driving force of the development of social relations that involves the development and implementation of local development strategies based on sustainable use of local resources, development of competitive diversified and versatile agriculture, diversified rural economy, favorable agricultural landscapes, by increasing human and social capital development partnership between the state, business and communities. This will reform the management of rural development, improve the initiative and responsibility of rural communities, increase rural incomes and the availability of basic services, and normalize the demographic situation in rural areas.

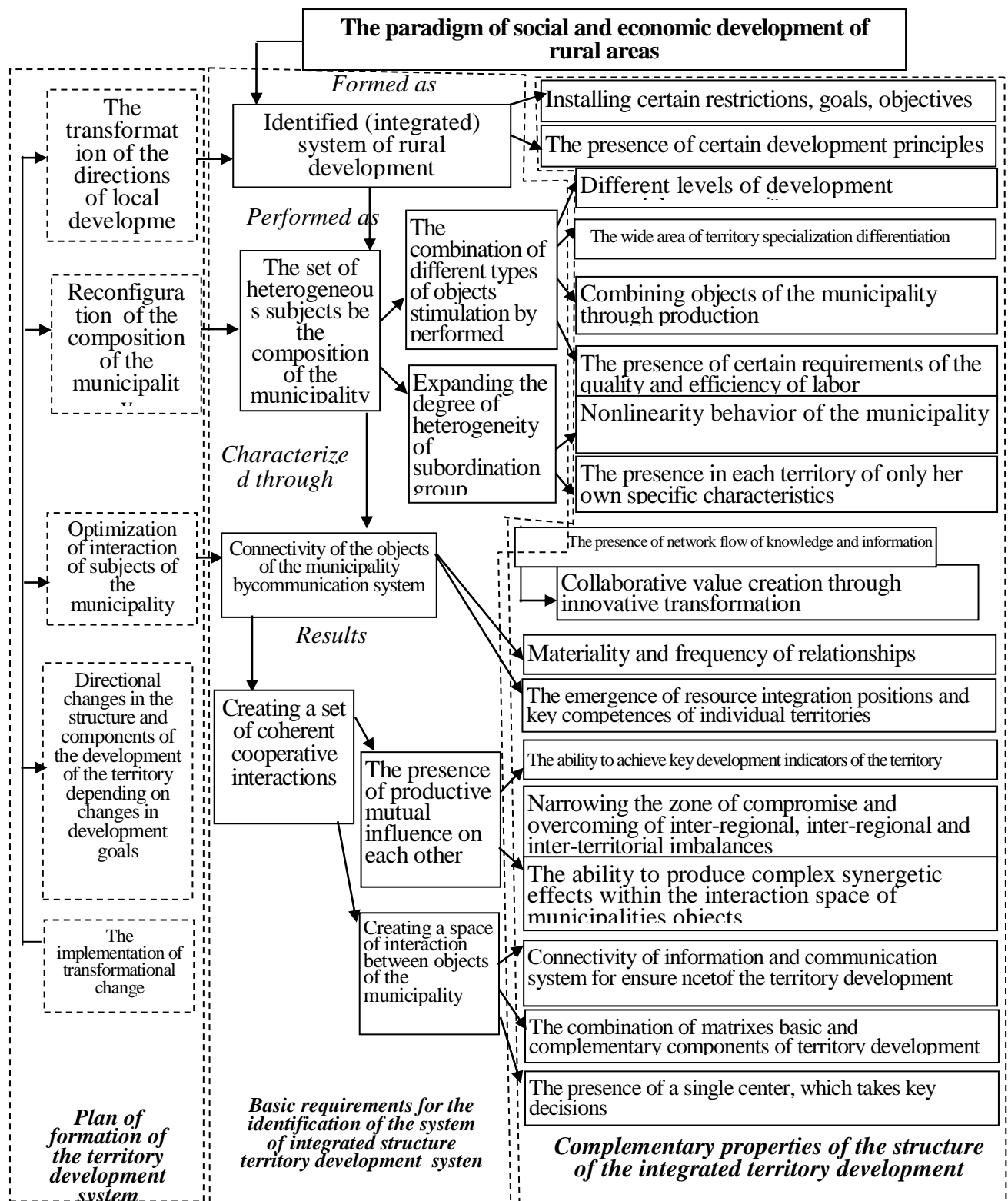
Summarizing of the existing conceptual approaches to rural development and consistency of historical changes in the practice of their implementation allows us to determine that all approaches can be attributed to the industrial which directs the main measures of state support for the agricultural sector; territorial, which provides a comprehensive rural development based on their municipal differences; or regional, which allows to take into account the degree of utilization of climatic, demographic, social, economic and other potentials of a region; or integral as a synergistic combination of regional (municipal) development and rural regional development (Figure 2).



Made by: [6; 8; 9; 11; 13]

Figure 2. The main directions of support for rural development

On the basis of scientific approaches, signs and development principles of the proposed conceptual basis of socio-economic development of rural areas, was developed a conceptual model of the paradigm of rural development (Fig. 3).



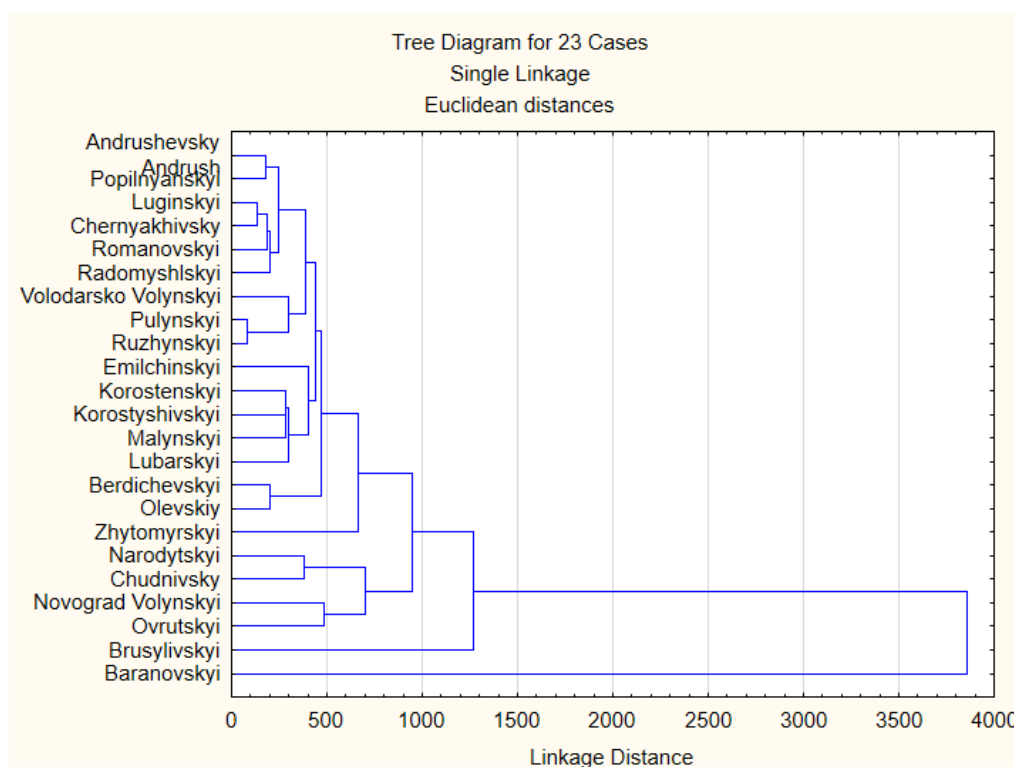
Developed by author

Figure 3. The paradigm of social and economic development of rural areas

This approach is based on a reasonable rural development on the basis of adaptability / dissipativity development (Figure 3) and the mechanism of interaction of the key determinants of rural development in the reproductive system of regions, is a sequence and content of forming a system of socio-economic development of rural areas, with taking into account the specific characteristics of particular situation, must meet the following basic requirements: the possibility of achieving the key determinants of a reproductive system of regions that can be divided into external, generated and managed at the regional level (proportion of regional play, state agricultural sector, the nature of regional regulatory impact) and internal formed directly in the territorial economy (availability and quality of basic productive resources of rural areas); specific reproduction processes of rural areas, which appears in the territorial localization reproductive cycles and contradictions, immanent socio-economic system of rural areas and represent a spatial projection problems of sectoral structure of the economy.

The proposed logical construction of a system of socio-economic development of rural areas bases on the functions of rural areas, including: residential – guarantees a high quality of life, in accordance with the needs of different age groups; economic – creating sufficient amount of jobs, competitive conditions of production and diversification of the rural economy; production – food production, use of renewable raw materials, preservation of the cultural landscape and natural resources; recreational – use of the cultural landscape, tourism infrastructure; accommodation – industrial and transport infrastructure; Ecological – environment balance in agrobiocenosis and throughout all the territory, keeping reserves, re-use wastes etc. resource – providing renewable and non-renewable natural resources.

Analysis of rural development was made by the example of Zhytomyr region. Indication of depressed and advanced subjects was conducted using cluster analysis of application program STATISTICA 10. The resulting cluster analysis using multidimensional clustering is shown in Figure 3. in a form of horizontal tree diagram.



Calculated according to data: Key indicators of socio-economic development of Zhitomir region. Access: <http://www.zt.ukrstat.gov.ua/StatInfo/Opinf.html>

Figure 3. The tree diagram of rural groups in Zhytomyr region by the level of socio-economic development in 2015

According to Figure 3 the totality of rural areas is divided into two clusters. The main indicators characterizing clusters obtained are given in Table 1.

Table 1

Average indicators of clusters per level of socio-economic development of rural areas in Zhytomyr region 2015

Socio-economic indicators	Lagging regions	Successful regions
1	2	3
1. Population, thsd.	19,8	22,9
2. The natural increase coefficient, ppm	-1,2	-0,4
3. Coefficient of migration growth, ppm	-27,8	-13,1
4. The number of unemployed, persons	242,6	267,9
5. Total area of residential premises that have an average of one inhabitant, sq.m	12,6	22,5
6. Improvement of housing with gas,%	68,9	82,5
7. Improvement of housing with heating, %	78,5	87,3
8. Improvement of housing with running water,%	43,4	52,1
9. Number of preschool institutions, units.	7,9	13,5
10. The number of children, persons	674,3	774,5
11. Number of educational institutions, units.	21,3	24,5
12. The number of studying people, persons	2145,1	2453,3
13. The number of hospital beds, units.	122,3	137,7

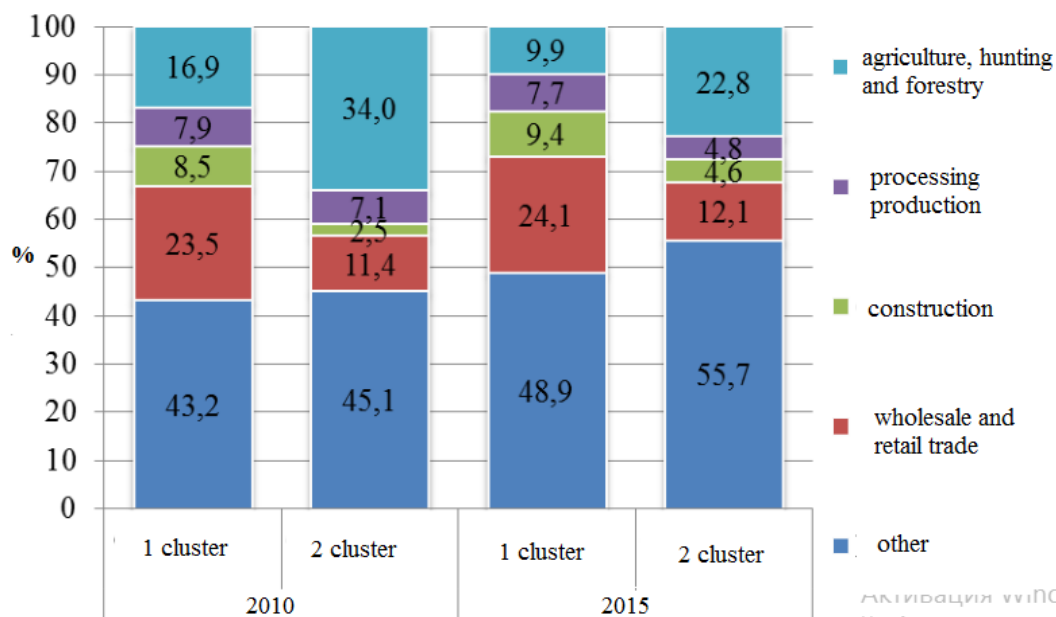
End Table 1

1	2	3
14. The power of medical institutions, the number of visits per shift	327,6	242,1
15. Number of physicians of all specialties, people	55,4	57,3
16. The number of nursing staff, persons	278,9	313,2
17. The incidence per 1000 population, ppm	811,1	824,7
18. Number of cultural–recreational type vehicles, units.	30,1	31,9
19. The number of public libraries, units.	21,1	23,5
20. The number of registered crimes, units.	302,1	313,8

Calculated according to data: Key indicators of socio–economic development of Zhitomir region. Access: <http://www.zt.ukrstat.gov.ua/StatInfo/Opinf.html>

The first cluster got 16 of the 23 regions surveyed, this group is characterized by low levels of socio–economic development of Zhitomir region. The second group got 7 regions, they can be characterized as successful, due to the fact that their rates 20–25% higher than in the first group.

Analysis of the impact of the economic component of the rural areas in Zhytomyr region on the social situation is shown in Figure 4.



Calculated according to data: Key indicators of socio–economic development of Zhitomir region. Access: <http://www.zt.ukrstat.gov.ua/StatInfo/Opinf.html>

Figure 4. The structure of economic activity in rural areas of Zhytomyr region in 2010–2015.

As illustrated in Figure 4 around one third of activities regardless of territory belonging to depressed or depressed group represents agriculture, and for the last five years there has been reducing its share. The difference in balance or disbalance of certain activities in the economy of a given territory results in attributing it to 1–st cluster (progressive areas) or 2–nd cluster (depressed areas). This is certainly reflected in the level of socio–economic development.

This ratio and dynamics are the result of implementation of local development strategies in each village, city or group of villages (towns), cities within rural areas and activities of sectoral programs. And if negative, falling rates of development – review these strategies. Balanced development is not so much the ability of the system to exist (because it is only the result of the process), but also in maintaining a dynamic balance between rationality and value of all three areas: environmental, economic and social precepts. Keeping this balance – the main task of rural development paradigm.

Conclusions and suggestions. The paradigm of rural development should be aimed at local development as a process of change (systematic and continuous) in the local system, which increases the total capacity of some aspects of rural areas and serves as multifunctional key to Ukraine's integration into the world economy. The criterion for development is to meet the needs of the community, improving the standard of living ("raising standards").

Local rural development should take into account at least six aspects:

1) external environment and external relations (rural area in terms of its relations with neighboring territories and external centers (including the relative location of large industrial facilities, state-owned objects of joint ownership of territorial communities of villages, towns and some of the state power);

2) spatial order and Urban Studies (rural area in terms of spatial order and urban (city-forming aspects, the impact of certain items (their location), the location and interconnection of functional areas within the village, the town, the policies implemented by local governments, e.g. in pricing for utilities, etc.);

3) environment (rural area in terms of the environment (in terms of impact on the scope of the environmental, cultural and social field, business climate, etc.);

4) local community (rural area in terms of social groups, community residents (infrastructure of villages, towns, cities as part of improving living conditions for all and possible inconvenience for some people), measures of "social mobilization", seasonal migration);

5) local economy (rural area in economic terms (including the impact on its investment appeal), labor and the possibility of development of one or more energy-cycles (clusters);

6) budget and organizational issues (rural area from organizational and functional point of view and in terms of local budgets).

References

1. The Law of Ukraine "On the priority of social development of rural areas and agriculture in the national economy» N 400–XII of 17 October 1990 [electronic resource] / Verkhovna Rada of Ukraine. – Retrieved from: <http://zakon.rada.gov.ua/cgi-bin/laws/main.cgi?nreg=400-12>.
2. Law of Ukraine "On Stimulation of Regional Development» № 2850–IV dated September 8, 2005 [electronic resource] / Verkhovna Rada of Ukraine. – Retrieved from: <http://zakon.rada.gov.ua/cgi-bin/laws/main.cgi?nreg=2850-15>.

3. Order on Approval of the Concept of the State Target Program of sustainable rural development for the period till 2020 № 121–p of 3 February 2010 [electronic resource] / Verkhovna Rada of Ukraine. – Retrieved from: <http://zakon4.rada.gov.ua/laws/show/121–2010–p>.

4. Decree of Cabinet of Ministers "On approval of the State Target Program of Ukrainian village development till 2015" number 1158 of 19 September 2007 [electronic resource] / Verkhovna Rada of Ukraine. – Retrieved from: <http://zakon4.rada.gov.ua/laws/show/1158–2007–п>.

5. Ahrarna reforma v Ukrayini [Agrarian reform in Ukraine] / [Hayduts'kyy P.I., Sabluk P.T., Lutsenko Yu.O. ta in.]; za red. P. I. Hayduts'koho. – K.: NNTs IAE, 2005 – 424.

6. Naselelnya Ukrayiny. Sotsial'no–demohrafichni problemy ukrayins'koho sela [The population of Ukraine. Socio–demographic problems of the Ukrainian village] / E.M. Libanova (vidp. red.). – K.: Instytut demohrafiyi ta sotsial'nykh doslidzhen' NAN Ukrayiny, 2007 – 468.

7. Rozvytok haluzey sotsial'no–pobutovoho pryznachennya v sil's'kiy mistsevosti [Tekst] [The development of the field of social and domestic purposes in rural areas] / M. K. Orlatyy [ta in.]; Ukrayins'ka akademiya derzh. upravlinnya pry Prezydentovi Ukrayiny, Ukrayins'kyy NDI produktyvnosti ahropromyslovoho kompleksu. – K. : UADU, 2003 – 75.

8. Prokopa I.V. Sotsial'na infrastruktura sela: formuvannya novoho mekhanizmu rozvytku [Rural social infrastructure: the formation of a new development mechanism] / I.V. Prokopa. – Kyyiv: Instytut ekonomiky NAN Ukrayiny, 1996 – 172.

9. Sotsial'na sfera sela Ukrayiny: rehional'nyy aspekt [Tekst] [Social sphere of Ukraine villages: regional aspect] / P. T. Sabluk [ta in.]; red. P. T. Sabluk, M. K. Orlatyy; In–t ahrar. ekonomiky UAAN, Ukr. akad. derzh. upr. pry Prezydentovi Ukrayiny, Ukr. NDI produktyvnosti ahroprom. kompleksu. – 3.vyd. – K. : [b.v.], 2003 – 605.

10. Yurchyshyn V. V. Ahrarna polityka v Ukrayini na zlamakh politychnykh epokh [Tekst] [Agricultural policy in Ukraine on kinks political eras]: ist.–sots.–ekon. narysy / V. V. Yurchyshyn ; NAN Ukrayiny, In–t ekonomiky ta prohnozuvannya. – K. : Naukova dumka, 2009 – 367.

11. Hnybidenko I. F. Sotsial'no–ekonomichni problemy zaynyatosti i sotsial'noho zakhystu naselelnya v ahrarnomu sektori ekonomiky Ukrayiny [Socio–economic problems of employment and social protection in the Ukraine agricultural sector] / I. F. Hnybidenko. – K.: Sotsinform, 2002 – 336.

12. Mohyl'nyy O.M. Rehulyuvannya ahrarnoyi sfery [The regulation of agrarian sphere] / O.M. Mohyl'nyy. – Uzhhorod: IVA, 2005 – 400.

13. Bandur S. I. Suchasna rehional'na sotsial'no–ekonomichna polityka derzhavy: teoriya, metodolohiya, praktyka [The current regional socio–economic policy: the theory, methodology, practice] / S. I. Bandur, T. A. Zayats', I. V. Teron. – K.: RVPS Ukrayiny NAN Ukrayiny. – TOV «PRYNT EKSPRES», 2002 – 250.