

MULTIFUNCTIONAL RURAL DEVELOPMENT

Setting the problem . Asymmetry of rural development in terms of the global economy integration makes the need to solve not only the issues of economic nature but also strategically directs agricultural producers, national governments and local authorities, community to intensify efforts towards solving social and environmental problems, identify prerequisites and consequences of economic decisions from positions of long-term goals of society. The multifunction approach fundamentally changes the nature, forms and methods in the management of rural areas, highlighting the social, environmental and economic components of development. In this context there is a need to investigate the nature and specificity of the system of rural development and to create tools and mechanisms of its security.

The analysis of recent research and publications. In domestic and foreign economics the issues solving social and economic problems of rural areas, the creation of new economic conditions, the development of organic production and recovery of certain areas and branches of agro-industrial sector are covered in the works of V.G. Andriychuk, M.V.Zubets, V.V. Yurchyshyn [3, 4, 5], M.I. Kisil, M.Yo. Malik, O.M. Mogyl'nyy, M.K. Orlaty, V.P. Ryabokon, P.T. Sabluk, O.M. Shpychak [6, 7, 8], V.L. Valentynov [9], O.M. Borodina, I.V. Prokop [10], T.O. Zinchuk [11]. The authors analyze the genesis of the categories of rural development, reveal the problems of inter- relations in agriculture and the investment development of the sector. However, the issues of multifunctionality of rural areas remain poorly studied, further theoretical development need the problems of organizational and economic conditions for the formation of stratification based on organic production and synergistic development, which determined the subject of research.

Setting the objective. The aim of the research is to justify the nature and organizational and economic conditions of rural development as a mechanism for social and economic recovery in Ukraine. To achieve the objectives we have formulated the task to investigate the paradigm of rural development and identify institutional instruments of their impact on the national economy.

The object of research is the process of rural development security in Ukraine in terms of the national economy globalization. The subject of the study is a set of theoretical, methodological and practical aspects of the formation and effective development of rural areas in Ukraine in the context of globalization of social relations.

The main material of the study. Stable trend to reduce the size of the rural population, land degradation, reduction of agricultural production, among their number animal products is accompanied by reduced economic efficiency, including because of low levels of industrial and social infrastructure of villages, such as lack of gas supply, road surface, a sufficient number of schools, institutions of culture, education, sport, health and others. Another motivating factor causing migration of population is low attractiveness of the rural lifestyle. As a result, we can notice drained areas, social and economic problems of the population livelihood become acute. Hidden consumer problem management of environment threatens the ecological and economic growth. Increased social and psychological pressure on the side of the media as for coverage on food situation is a tool that stimulates the growth of prices at the regional food markets.

The systemic nature of the problems of rural development determines the need for fundamental changes in the dynamics of its regulation. Searching the ways of social relations development in agriculture is a stimulus of economic development across the country (according to the calculations of the International Food Policy Institute, the growth in agricultural production by 1% ensures the growth of the economy at 2,3-2,5 % [4, p. 208]). The monopolization of the global food market (85% of world trade belongs to six countries [12, p. 8]) inhibits the positive mechanisms for its self- regulation. In terms of predomination of TNC the cluster approach is considered as an element of reducing transaction costs of enterprises, encouraging investment and innovation activity. In terms of the intensification of import expansion we see as a promising direction of government regulation of the food market in Ukraine the support of food security either of a separate area or the state in general due to the needs of the population in high-quality food at affordable prices through long-term advantages in the international market.

In this regard, the agricultural sector is a strategic element of the economy that produces over 20% of GDP and rural areas combine 31% of the population. The dynamics of foreign trade balance of Ukraine shows that the basis of export is oil, seeds and oleaginous fruits, while imports - are mostly prepared foods [13, p. 23-25]. Social and economic background of the revival of rural areas in the context of the strengthening of integration processes in the world economy is accompanied by the globalization of the world development. Deepening international division of labor, the formation of universal scientific, technological and innovative space are caused by extensive computerization of society that determines the principles of multifunctional realization of potential areas as a unique social lifestyle. The need of investment in the development of processing facilities of agricultural raw materials, storage and logistics areas,

improvement of land quality, industrial and social infrastructure brings in the first place the issue about finding funding sources of dynamic changes in these areas.

Sufficient demand for quality products on one of the most important sectors of the economy determines the need for accelerated agricultural development based on organic production and biotechnology. The basis for the development of the concept has to become a quality food management system based on alternative technologies of energy production and consumption, reduction of urbanization level in the context of economic globalization. Optimization of the economic and social aspects of rural development may involve the settling question of the mechanism relationship management in this area through the distribution of management functions. The authority of the owner (balance keeper) should be left for individuals with the limitation of their assigned land resources in size of 1 ha (land should be given free for lifetime use without the right of exemption, with the prohibition of sale and collateral). The function of the customer should belong to local communities, which can also act as collaborator with the business organizations and coordinate the activity together with local councils. The function of control over the implementation of social and economic problems of rural development remains with the state (Fig. 1).

Addressing the issues of the village revival is accompanied by solving the tasks of problematic lands, particularly those which were occupied by the villages and that disappeared after the farm merger during the collectivization; desolated lands in existing villages; lands freed after ordering and amelioration of woodland belts, ponds and destroyed by erosion soils and so on. The transmission of these lands for lifetime use is the key to the revival of the village on fundamentally new economic and social foundations. The unity of man with natives which was laid by God is originally manifested in the desire to be closer to nature while relaxing or living there in order to ensure your needs in food (plots) and other manifestations of personality.

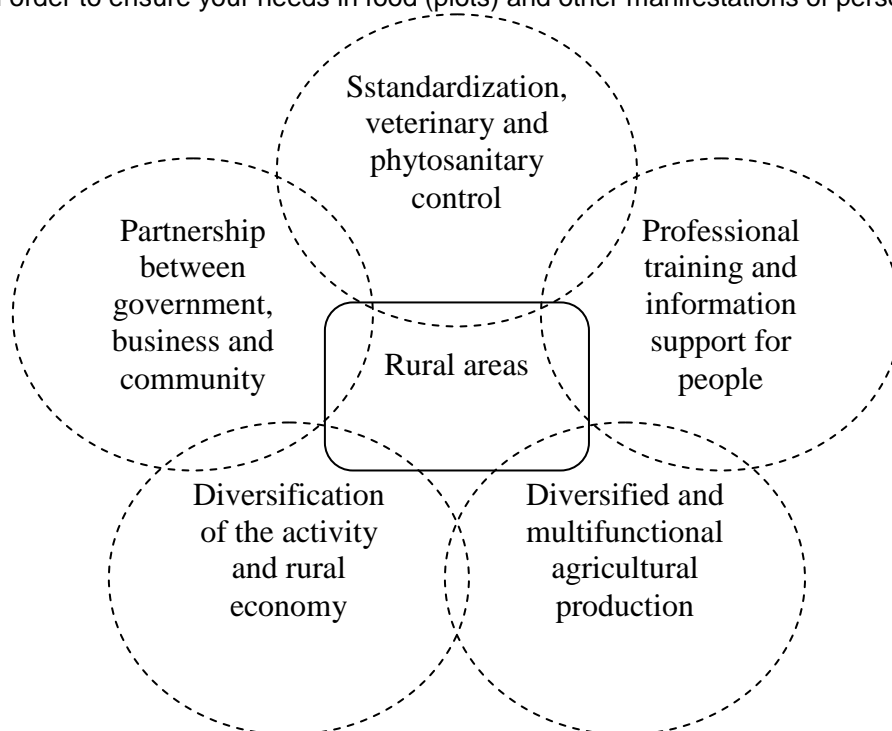


Figure 1. Conceptual Foundations of Investment Rural Development

Source: own study.

The process of migration and degradation of the rural population on the one hand is accompanied by arranging the Eco settlements and actions of individual settlers on their estates improvement on the basis of energy saving, biotechnology and cleaner production in harmony with nature. The essence of the village rebirth is giving for everyone who desires 1 hectare of land for a lifetime use. The restrictions on the sale or mortgage of such land are an offset ability to its alienation and inheritance law for a zero rate of tax on the transfer and use. The mechanism for achieving the goals of social, economic and environmental development of rural areas are designed to be efficient use of resources, appropriate social, fiscal and monetary policy, greening production and activity in the field of medicine, education (Figure 2).

The implementation of the program "The generic farmstead" at the national level, which was initiated by the All-Ukrainian public organization "People's Movement of protecting the Earth" and supported by NSC "Institute of Agrarian Economics" NAAS of Ukraine, by the representatives of the Ministry of Agrarian Policy and Food of Ukraine, the Ministry of Ecology and Natural Resources of Ukraine, the Ministry of Social Policy of Ukraine, is the key to food security in the country due to organic production, improvement of life quality, high level of society socialization, the revival of dying villages, enforcement of educational and health programs [14, p.103-105].

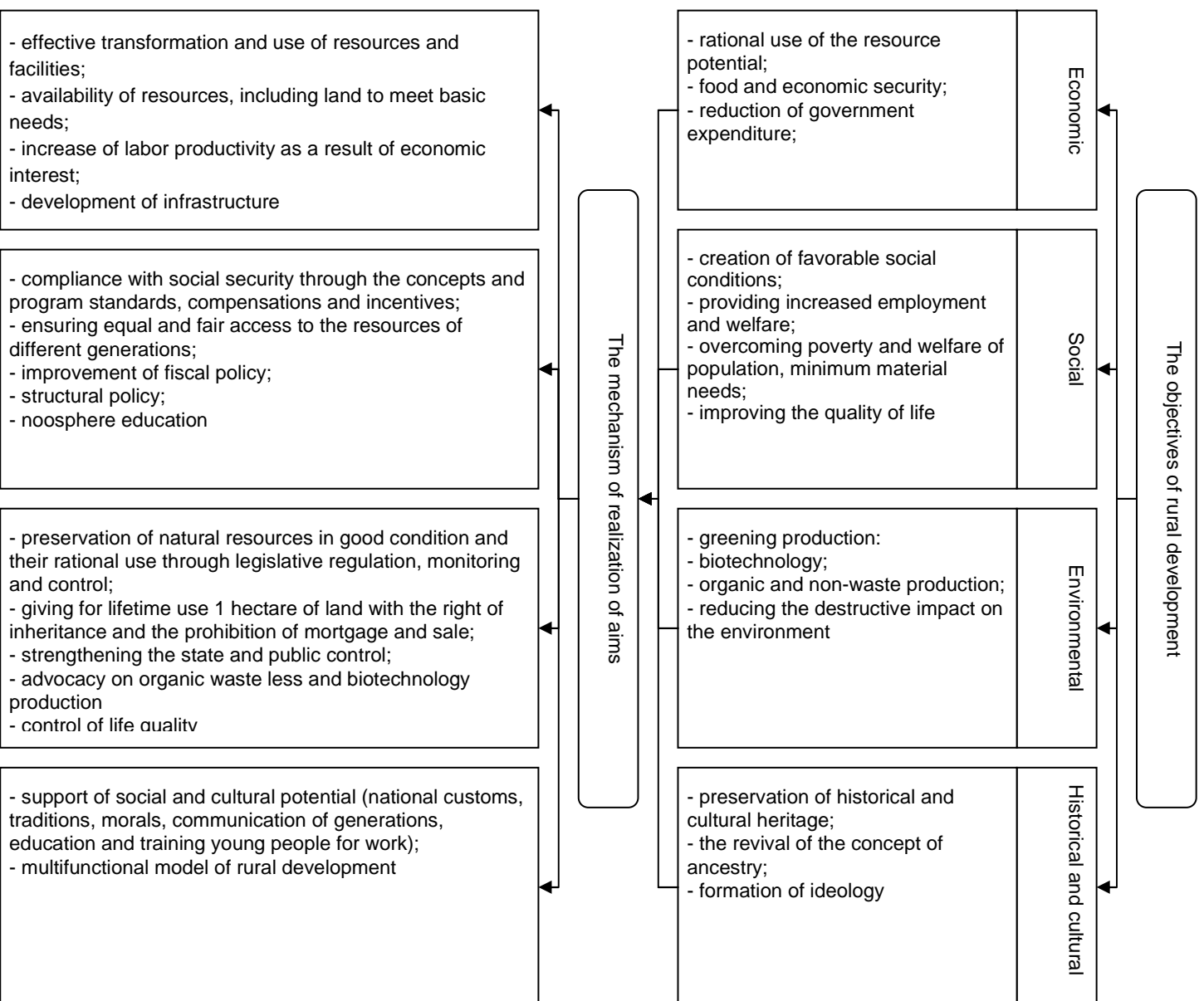


Figure 2. The mechanism of realization of rural development aims
Source: own study.

Guarantee of unimpeded economic access of the population to food products, restoration of historical concept of pedigree will contribute to the revival of Ukrainian nation as a center of statehood. Reducing the burden on state and local budgets regarding improvement of territories, transfer of material support of educational institutions, cultural and health care to local communities with leaving of the control function in state government will allow on the one hand, to reduce the fiscal burden, and on the other – to increase adjustability of the areas territories.

The project “The generic farmstead” (GF) will improve the ideological reality that is envisaged by the State Target Program of the development of the Ukrainian village in the period till 2015 to create organizational and legal, social and economic conditions of the system of rural development, ecologically safe conditions for vital activity of population, preserve the environment and rational use of natural resources [15].

Specified program provides solutions issues of inventory populated areas, increasing in housing construction, improving the demographic situation, the quality of health and education services, physical

education and sport, preservation of historical and cultural heritage, the development of industrial and social infrastructure, encouragement of young people to residence in rural areas and other issues are successfully solved within the GF that does not provide a separate funding.

Organizational and statutory bases of the Program is legislative definition of concepts "The generic farmstead", "lifelong use of land" and the mechanism of free transfer of one hectare of land a single array for the construction of generic farmstead without the right of its sale and the right to transfer by inheritance (area is returned to state ownership due to lack of heirs).

Taxes should not apply to these products that have been grown on such plots. The potential productivity of settlement can be estimated with the help of function of limited resources (1):

$$\frac{dx}{dt} = \alpha x - \beta x^2, \quad (1)$$

where x - value of output of gross domestic product and quality assurance of life settlers, t – time, α i β – the coefficients of proportionality increase in biomass.

However, if you will regard the energy, including solar, as a source of unlimited resource, the function transforms into equation (2), which detects the potential opportunities of further expanded of reproduction activities.

Moreover, the processes of globalization in the international economy determine the prerequisites of close association of regional, national and world economy.

$$\frac{dx}{dt} = \alpha x, \quad (2)$$

Inclusion of the country in transnational, regional and local cycle of reproduction that are accelerated by globalization, expands the opportunities for attracting resources and implementation of marketing policy of the subjects in the market, taking into account the technical, technological, informational and social level. Determination of long-term models of development and the mechanism of its realization in the world arena will allow to provide further integration of Ukraine into the international economic area and enhance the competitiveness of the agricultural sector through the revitalization of its capacity, involved only a third.

The flexibility of using of resources in the context of globalization and international competition is accompanied by the need of address issues of food security and, in particular, stability and national food market, including social security of the rural population, which requires developments of protectionist policies of protecting national producers.

Conclusions and further research. Thus, the development of rural territories that is associated with solution of issues of food security, ecologization of development, cooperation in areas of energy and other sectors of the public sector as the direction of providing high quality of population life through the restructuring of backward regions, improving of legal regulation.

Multifunctionality of agriculture is achieved on the basis of social and cultural approach, when a farmer becomes at the center of social, cultural and natural systems.

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Plotnikova M.F. MULTIFUNCTIONAL RURAL DEVELOPMENT

Purpose. The purpose of the research is to justify the nature and organizational and economic conditions of rural development.

Methodology of research. The methodological basis of research is the dialectical method of cognition, methodology of systems analysis, engineering paradigm.

The modern special and general scientific research methods have been used in the article. Among them are: logical method and analysis and synthesis – for the development of conceptual model of the basic components of rural development, the study of the structure of its management and monitoring, justification principles of functioning; logical and historical methods - to systematize data on the processes of economic change of the national economy, which allowed to identify specific tendencies of the rural territories development in Ukraine and propose approaches to their optimization.

Solution of the problem was carried out by analyzing the theoretical and methodological foundations of the development of national and international social and political, organizational and economical, historical and cultural systems, multidimensional study of mass phenomena of functioning and development of rural areas in Ukraine and abroad, the use of a wide range of general theoretical methods of cognition (monograph, graphic, analysis, synthesis, induction, deduction, analogy, abstraction, concretization, formalization, observation, experiment, etc.), applied methods of analysis (system analysis, economical and statistical, regulatory, statistical, balance analysis, settlement and constructive, abstract and logical, experimental, etc.).

Findings. Priorities of expectations of residents of rural settlements have been investigated. It has been determined the level of social and economic attractiveness of rural life. An assessment of the prospects for organic growth and revival of rural territories based on multifunction approach has been conducted.

It has been proposed a project "The generic farmstead" which will optimize the management of rural areas based on the revitalization of rural communities, regulation of land relations by increasing the liability of owners and users, enhancing of social protection of farmers, improving their welfare. It has been substantiated methods of determination potential productivity of rural territories based on the measurement of gross domestic product and quality assurance of settlers' life.

Originality. Purposes and components of the mechanism of realization of aims of rural development have been defined; principles of division of powers regarding the management of rural areas have been substantiated.

Practical value. Obtained findings can be used to develop the program of social and economic development of rural settlements. The results will contribute to the multifunctional approach in management, system solving the problems of rural areas, identifying reserves for their further development.

Key words: rural territories, system shifts, multifunctionality, rural development, organic production, ecologization.