

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

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THE AGRICULTURE OF UKRAINE: PROBLEMS AND DEVELOPMENT PROSPECTS

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Introduction. Taking into account the civilization evolvement of the society, it is important to note that agriculture has always played one of the major parts in the social and economic development of the country. It should be stressed that at a post-industrial stage of the economy development this industry preserves its significance as the solution of the food problem in the country and provision of other industries with raw materials depend on the level of agriculture development and its efficiency. Empiric and theoretical researches of many scientists prove that a high level of the country's agriculture development allows to overcome poverty or, at least, to decrease its extent. In particular, according to the estimations of the World Bank, a rise in the country's GDP due to growing agriculture at least twice as high rather than an increase in the GDP due to other industries facilitates poverty reduction in an effective way [1, p. 44].

Ukraine has a considerable potential for the agriculture development. The confirmation of this thesis is that it possesses 9% of the world supplies of black earth. The area of the lands suitable for production of high-quality agricultural goods amounts to almost 37 million hectares. 31, 4 % of the employable population of the country are engaged in the field of agriculture in Ukraine (according to the 2013 figures). This industry accounts for 18 % of the country's GDP and almost 9 % of the value added in the structure of the national economy. Production of agricultural goods is the source of profits for over 60 % of the employable rural population. That means Ukraine has a potential for a full-fledged development of agriculture. The export potential of the country in this industry proves it as well. Liberalization of trade provided a dynamic increase of the agrarian exports, first of all, of grain crops, sunflower seed oil, seeds of sunflower and rape. In 2013, Ukraine has been one of the world leaders in trading corn, barley, wheat [2]. It is important to mark that it does not solve the problem of the social and economic development of rural areas to a full degree as there is a considerable unemployment and impoverishment rate, a low level of profits, low motivation and complicated working

conditions in this industry. All these result in existence and survival but not in development in its broad sense.

Agriculture remains a leading industry of the economy, whose functioning on the whole and an economic increase depends on it. Therefore, there is a necessity of researching agriculture in terms of social and economic development. As, being significant in the economic increase of the country, agriculture as an industry needs development in the direction of innovative technologies introduction, increase in the labour productivity, improvement of working conditions, arrangement of conditions for doing business and also an increase of welfare of rural life.

Analysis of the latest researches and publications. Researches of agriculture, peculiarities of its development and potentialities for a future growth is a major concern covered in the works by the following scientists: M. Zubic', P. Sabluk, V. Gejc'. The problems of the agrarian sector functioning are investigated by the following scientists, namely: V. Andrijchuk, V. Messel'-Veseljak, M. Malik, Ju. Luzan, V. Jurchyshyn, O. Borodin, V. Zbars'kyj, O. Onyshhenko, M. Orlatyj, I. Prokopa and others [3-10].

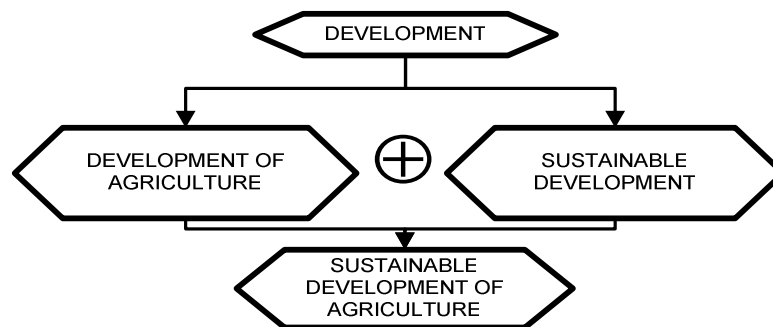
However, the problem of determination of the modern state of agriculture under conditions of its sustainable development or self-preservation requires a more detailed research.

Purpose. The purpose of the article is research of agriculture in the light of its development in modern conditions and selection of prospects for the future in order to shape the major directions of the economic policy in Ukraine.

Statement of principal material. In minds of many people, both in our country and abroad, Ukraine is traditionally apprehended as an agricultural country. Yet since the ancient times the trade in grain in the Black Sea region has been of considerable significance for the European food market. This situation has remained till the present time. Therefore, the trade relations with Europe originated in the old times and this was agriculture which laid the foundation by exporting grain crops. It should be marked that the modern stage of the European trade development should not be reduced to the raw material sector of agriculture as it "preserves" the social and economic development of the country in general, and of rural areas, in particular.

However, at the beginning of the third millennium agriculture still occupies the leading position in the Ukrainian economy. Despite all the positive trends in the development of this industry, there are many problems, the following being among them: a low level of welfare and quality of life, a poor competitiveness of products (due to their high costs); a low level of innovative technologies application; the underdeveloped and outdated infrastructure; imperfection of state support mechanisms. Due to it, agriculture only survives instead of living and developing actively.

In our opinion, it is expedient to consider the logical chain: "development \Rightarrow development of agriculture + sustainable development \Rightarrow sustainable development of agriculture". Such an approach can be presented graphically (Picture 1).



Made by the author

Picture 1. The logical chain: "development \Rightarrow development of agriculture + sustainable development \Rightarrow sustainable development of agriculture"

At the modern stage of society development there are different approaches to definition of the notion "development". The most widespread definition among research theorists and practitioners is the definition of development through "the three related features: change, increase, improvement, the latter being the major among them" [11]. In its broad sense, "development" is defined as an irreversible

ble, forward, qualitative, appropriate change of objects of any nature. Development is movement, which results not only in quantitative changes but also generates new quality. The direction of development characterizes its vector character. Development is generated by internal causes, which meet the object nature, but not only by external circumstances although they have a considerable impact on it [12, p. 99].

The application of theoretical approaches to the notion "development" allows us to give a definition of agriculture development – agrarian development. In the opinion of the leading Ukrainian scientist, V. Gejc' "agrarian development is such an increase of agrarian production, where the profits from it are more or less evenly distributed among all the participants of the process, an increase in productivity is carried out by an environmentally-friendly method and a reduction of employment in agriculture is accompanied by creation of new working places in the non-agrarian field in rural areas" [1, c. 3].

The next step of the logical chain is definition of the notion "sustainable development". In modern economic realities a few methodological approaches have been formed to definition of sustainability and sustainable development, however, the most recognized and acceptable are those among them, which were given in the Brundtland Report [13, p. 112]: "sustainable development is development, which satisfies the needs of the present generation and does not endanger a possibility of future generations to satisfy their own needs". The Ukrainian scientist, A. Amosha, views sustainable development as progressive changes aimed at security and development of the present and future generations, co-ordination of the economic, social and ecological constituents of development, formation of conditions for self-recovery of the natural environment, realization of advantages of viable development [12, p. 163].

Examining the development of agriculture within the concept of sustainable development, the academician, B. Pashaver states that a sustainable agrarian development should be examined in the light of the three constituents: economic, social and ecological [14]. The economic constituent of sustainable development of agriculture is a possibility of providing effective employment, receipt of high profits and achievement of high quality of life in rural areas by means of efficient functioning of the economic system on the basis of innovative development and rational consumption of material resources. The social constituent of sustainable development of agriculture is establishment of equality of citizens' rights before the law, social security and support, provision of equal possibilities for achievement of material, ecological and social welfare of rural population. The ecological constituent of sustainable development of agriculture is overcoming the ecological crisis and prevention of ecological risks exposure, providing the citizens' constitutional right of natural environment, which is secure for health and life, prevention of actions, which violate ecosystems' capability of self-regulating and recovering. Strengthening of public significance of agriculture on condition of its sustainable development is revealed in recognition of agriculture as activities, which provide various results: create not only commodities (foodstuff, forage, fibre and biofuel) but also products of a non-commodity character, such as food security, agricultural landscape, preservation of sights of cultural heritage, which are public goods, as well as reproduction of the healthy gene pool of the nation. It is indisputable that agriculture is a unique tool of a sustainable social development as it promotes this development as an economic activity line, source of profits and ecological service provider.

Thus, sustainable development of agriculture is a system aimed changes oriented to the interests and potential of a man, socium and society in general, adaptive by nature and qualitative by essence, which are accompanied by an increase of the ecological and economic efficiency, social and economic progressiveness and ecological sustainability both to the previous states and achievement of the rational models of sustainability at different stages of evolutionary development. Sustainable development of agriculture must determine the strategy of a new stage of the agrarian and rural development in Ukraine and become a weighty constituent of the national idea of public progress.

One of the major problems of the Ukrainian rural areas is a demographic one, which consists in "ageing" of rural areas. The fact that rural areas, as it has been considered for long, preserve Ukrainian traditions is absolute but every year the number of people in rural areas is constantly reducing. Young people are moving to towns and, as a result, there observed "ageing" of rural population as simple reproduction does not have place, let alone its growing. The statistic data clearly demonstrates that the share of the rural population aged from 16 to 59 accounted for 30, 9 % of men and 28, 5 % of women in 2013. Speaking about the share of rural population on the whole, it amounts to

31,4 % of the total quantity of the population and is the lowest for the period from 2006 to 2013 [15].

The analysis of the figures in Table 1 shows that in 2012 the rural population of the age older than the employable age accounted for 14,5 % of the total amount of rural population, including 30,8 % of men of 60 and older, 69,2 % of women of 55 and older, with the share of the farm population under 16 being slightly higher – 15,1 %. It is a threat for reproduction and development of rural areas in future. We should emphasize that an important index of development of any industry and agriculture in particular, is employment of population not only producing goods and consuming them but being a bearer of value orientations of a society. Thus, members of farmers' families and hired employees work at farms, the share of hired employees being approximately 60%. That means farms are the very organisational and legal form, which creates additional jobs and stimulates employment.

Table 1. The composition of farms by sex and age (2005-2012)

	2005	2009	2010	2011	2012
All members of farms					
Including					
	45,6	45,4	46,2	46,2	46,9
men	54,4	54,6	53,8	53,8	53,1
women	46,6	46,4	46,2	46,2	46,9
Members of farms aged under 16	15,9	15,6	15,3	14,9	15,1
	100	100	100	100	100
Including					
men	50,5	49,7	52,6	51,6	52,9
women	49,5	50,3	47,4	48,4	47,1
Members of farms of the employable age	52,5	57	56,7	56,4	70,4
	100	100	100	100	100
including					
men aged from 16 to 60	52,7	52,1	52,7	52,7	48,9
women aged from 16 to 55	47,3	47,9	47,3	47,3	51,1
Members of farms of the age older than the employable age	31,6	27,4	28	28,7	14,5
	100	100	100	100	100
including					
men aged 60 and older	31,5	29,2	29,5	30,8	30,8
women aged 55 and older	68,5	70,8	70,5	69,2	69,2

Made by the author on the basis of data from source 15

Nowadays a considerable problem for Ukrainian rural areas is unemployment. Currently real and hidden unemployment is a major social problem, which arose as a result of the agrarian transformations. According to the official statistical data, in 2000 the amount of unemployed people in rural areas accounted for 458, 1 thousand, in 2005 – 400, 9 thousand respectively. In 2010 the quantity of unemployed people grew up to 493, 5 thousand people. But the actual unemployment of rural population is considerably higher. Unemployment in rural areas involves not only people with a low education level or uneducated people but also quite educated ones. Unsatisfactory conditions of labour use and unemployment in rural areas are causes of the human capital degradation, decline in the professional level of the population [1, p. 37-38]. Human development is a pre-condition of a creative and innovative development of agriculture. One of problems of rural employment is not only a number of employed people but also a lack of specialists of a necessary qualification level. The modern

Ukrainian rural area urgently requires professional agriculturists, engineers, mechanics, id est. the role of education and advanced training is increasing; they are the most considerable asset for rural population as this allows to efficiently use possibilities while making a transition to the policy of "sustainable development of agriculture". Thus, not only quantitative indices of education but also improvement of education quality in rural areas, advancement of personnel training, which promotes formation of the skills necessary in the conditions of modern agriculture, are significant. Therefore, the solution of the problem of employment in rural areas together with a necessity of production improvement is in education of peasants and their personal interest as well as in improvement of their life quality.

Another crucial problem on the way of agriculture development is differentiation of profits in rural areas and urban areas as well as differentiation by economic activity lines. Thus, according to the data of the State Committee of Statistics of Ukraine, the average monthly wage of agriculture employees accounted for 2077 hrn. in 2012, while in industry it was about 3500 hrn., and in the field of services - more than 3500 hrn. [15, p. 32].

No doubt that in the development of agriculture there are a lot of problems, which require a further deeper research; among them are the following: crediting, investing, unevenness and a low level of profits in rural areas, efficiency of the organisational and legal forms of agricultural enterprises, development of infrastructural industries.

Conclusions. Ukraine has all the potentialities for development of agriculture, from natural and climatic conditions to the economic culture of the nation. The development of rural areas and agricultural production is a strategic field of the economic development of Ukraine, which can occupy a leading position in the world arena in the future. Agricultural production can provide Ukraine with jobs, that is especially important in the post-crisis period. In the conditions of economic instability rural areas are currently on a verge of self-preservation instead of development.

Thus, at the present stage it is difficult to overestimate the role of rural areas, for the revival of which a weighted public policy stimulating an increase in the rural population and its "rejuvenation" is necessary. The decay of rural areas can bring to nought the national traditions and economic culture of the nation. Thus, we should state that the Ukrainian rural area is an integral part of Ukraine as the state and its recovery must be a strategic task of the Ukrainian authorities. The result of this is degradation of the social and cultural fields in rural areas, a drastic decline in the quality of life. The consequence is an outflow of the population to urban areas, destruction of the infrastructure, degradation of the population, decrease in the labour productivity, demolition of economic relations. The present time requires determination of stimuli and motives for revival of life in the rural area as a bearer of the national economic culture, provision of such a quality of life of rural population, which would meet not the level of survival but testify its progressive development. A sustainable development of agriculture should provide not only the survival of the population in a long-term prospect but also the development of the human potential and an increase in the welfare, lay foundations of a sustainable social progress. Due to this every constituent of a sustainable development must be subjected to the aims of human development and social progress. A sustainable economic development must provide possibilities of effective employment, receipt of high profits and achievement of a high quality of life by means of efficient functioning of the economic system on the basis of innovative development and rational consumption of material resources. Progressive changes are possible only on condition that the man realizes his significance for the economy, society and the entire world.

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Куценко Владислав Ігорович, аспірант. Запорізький національний технічний університет. **Сільське господарство України: проблеми та перспективи розвитку.** Досліджено одну з найважливіших галузей економіки на сучасному етапі розвитку – сільське господарство. Враховуючи неефективність існуючих інструментів державного регулювання, що призвело до стану виживання сільського господарства, замість розвитку, виникає необхідність пошуку креативних рішень, які дозволяють визначити слабкі місця та на цій основі спрогнозувати та упередити негативний стан сільського господарства. Такими слабкими місцями є кредитування сільськогосподарського виробництва, соціальний розвиток села, рівень освіти на селі, демографічна ситуація. Особливою проблемою є рівень життя та добробут сільського населення, що проявляється у значному відставанні від розвитку у містах. Україна, маючи значний природно-ресурсний та людський потенціал, який визначається особливостями ментальності, не використовує його у повній мірі, що призводить до стратегії самозбереження на селі, а не повноцінного розвитку.

Ключові слова: сільське господарство, розвиток, самозбереження, рівень освіти, кредитування, добробут, доходи.

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Куценко Владислав Ігорович, аспірант. Запорожский национальный технический университет. **Сельское хозяйство Украины: проблемы и перспективы развития.** Исследована одна из важнейших отраслей экономики на современном этапе развития – сельское хозяйство. Учитывая неэффективность существующих инструментов государственного регулирования, что привело к состоянию выживания сельского хозяйства, вместо развития, возникает необходимость поиска креативных решений, которые позволяют определить слабые места и на этой основе спрогнозировать и предотвратить негативное развитие сельского

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Vladyslav Kucenko, a post-graduate student at the Zaporizhzhja National Technical University. **The agriculture of Ukraine: problems and development prospects.** One of the major economy industries at the present development stage – agriculture – is investigated. Taking into account the inefficiency of the existing tools of government regulation, which resulted in the state of agriculture survival, instead of developing the agriculture we are faced with a necessity of searching for creative decisions, which allow to determine weaknesses and to forecast and prevent negative development of agriculture on this ground. Such weaknesses are the following: creditxo-

зійства. Такими слабкими місцями являються кредитування сільськогосподарського виробництва, соціальне розвиток села, рівень освіти на селі, демографічна ситуація. Особливою проблемою являється рівень життя і благополуччя сільського населення, що проявляється в значительному відставанні від розвитку в містах. Україна, маючи значительний людський потенціал, який визначається особливостями ментальності, не використовує його в повній мірі, що призводить до стратегії самозбереження на селі, а не повноцінного розвитку.

Ключеві слова: сільське господарство, розвиток, самозбереження, рівень освіти, кредитування, благополуччя, доходи.

ing the agricultural production, social development of rural areas, the level of education in rural areas, demographic situation. The most crucial problems are the standard of living and welfare of rural population, which revealed in a considerable lag from the urban areas development. Ukraine, possessing a human resources potential, which is determined by the characteristic features of mentality, does not use it completely; it results in the strategy of self-preservation in rural areas but not in its full-fledged development.

Keywords: agriculture, development, self-preservation, level of education, crediting, welfare, profits.