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MODERN MODEL OF DEVELOPING RURAL ECONOMY IN UKRAINE

Active institutional and organizational transformations along with territorial and branch changes in all fields of economic systems caused the change of views on the place, role, opportunities and prospects of forming rural economy and, in particular, agriculture as economic foundation of its growth. The process of rural development is determined by social and economic relations between individual entities aimed at obtaining and distributing certain goods that are produced by rural economy within rural areas based on using local assets combined with external opportunities not only to form high standards of quality of life of rural population but also to ensure food security and social well-being.

Scientific investigations of domestic scientists substantiate the essence of rural development in general and prospects of formation and implementation of its policy as well as rural economy as its economic foundation. A powerful school of thought that deals with investigating the issues of developing rural areas and forming the concept of rural development in Ukraine was formed by the scientists of the Government Entity Institute for Economics and Forecasting of the National Academy of Sciences of Ukraine; works of these scientists are famous not only in Ukraine, but also abroad [1-3]. As results of reviewing academic literature on the issue under study show, for the time being there is a significant number of interpretations of rural development with emphasis on key differences and common features from the point of view of various scientific approaches. The growing amount of scientific research in this direction speaks for topicality of investigating this notion, its complexity and versatility.

Rural economy from the perspective of its multi-functionality should be considered not only as the foundation for improving the quality of life of rural population but also of the whole society. On the one hand, such modification will cause certain changes for the better in economic, social and ecological contexts, i.e. convergence to the balanced rural development will take place. On the other hand, it will actualize the expediency of determining the possibilities for implementation of modern organizational and economic foundations of identification and use of unique features and potential of rural areas (demographic, settlement, natural, resource, industrial, spatial, etc.), which will position them as potentially attractive investment objects to attract investments, including foreign ones.

The results of the retrospective analysis indicate that for a long period of time, domestic rural areas and economics were considered less developed compared to urban areas. Such a stereotype existed for a long time and it was considered that villages are completely dependent on cities in all manifestations of this interpretation. Cities were viewed as the main industrial platform for the formation of an effective national economic system of the country, which objectively indicated that all efforts were directed on their development, while rural areas, because of their significance, were considered only as an agricultural periphery. Such a situation required external intervention and support of rural areas according to the so-called exogenous model of their development, the realization of which at one time was carried out in two stages [2, p. 20].

The transition to the second stage is connected to the fact that the instability of the macroeconomic situation caused a crisis situation with regard to external financing of rural development, and due to the proliferation of non-agricultural employment in rural areas, there were attempts to prevent the development of migration processes.

Endogenous patterns are characterized by the identification of domestic reserves of rural areas and economics in view of the growing external investment crisis, primarily financial. S. Kyryziuk defines the three main determinants of the transition to endogenous models of development, namely: search for mechanisms of reducing the dependence on external financing by local communities; search for directions of development of rural economy on the basis of ecologically and socially safe use of natural and human resources; successful examples of rural areas that did not attract external capital [2, p. 20].

A key role in the formation of endogenous models pertains to the implementation of the concept of balanced development, the theoretical and methodological content of which involves the substantiation of economic, social and environmental components. Decentralization of power authorities in Ukraine determines the autonomy in making managerial decisions on the prospects for implementing modern endogenous models of developing rural economy, and hence the imperatives of its strategic orientation. This issue is extremely important taking into consideration Ukraine's course of integration into the European economic space.

The imperatives of developing rural economy are determined by the creation and implementation of an appropriate mechanism for managing this process, which will necessarily take into account the specialization of particular rural areas, their features, unique resource, production, natural, spatial, human, demographic, settlement, historical, and cultural potentials. The positive feature of the decentralization of power in Ukraine is the fact that the historical, economic, ecological, geographical, demographic features, ethnic and cultural traditions are now taken into account when planning the balanced development of rural areas. The components of such a mechanism should be the integration, investment and innovation components, the configuration of which will ensure the successful implementation of the mechanism, taking into account the course of European integration of Ukraine.

Thus, rural economy is a resource base for local development, an economic component of the modern paradigm of rural development and a strategically important element of the national economic system in the context of the European course of Ukraine. Modern models of rural economy should be based, first of all, on identifying and exploiting the internal (endogenous) reserves of its development.

References

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