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## The role of activation of entrepreneurship activities in the development of rural areas in Ukraine

**Summary.** The article substantiates the role of entrepreneurship in the revival of rural areas of Ukraine. The main problems and obstacles for the development of modern agricultural business are presented. The attention is paid to the high share of households in the total production of agricultural products, as well as the crisis situation regarding the employment situation of the rural population. Possibilities of employment for the inhabitants of rural territories by activating the initiative of unemployed citizens to organize their own business activity are considered. The peculiarities and motives of the implementation of the diversification strategy for economic entities, including agricultural producers, are revealed. The existing and perspective directions of diversification in some regions in Ukraine are analyzed. The main directions of formation of organizational and economic mechanism of diversification of entrepreneurial activity at the expense of activation of new forms of employment of population are summarized, which will contribute to the complex socio-economic and ecological development of rural territories in Ukraine.

**Key words:** entrepreneurship, rural areas, revitalization, diversification, diversification strategy, types of employment, self-employment, agricultural sector

### Introduction

The development of entrepreneurship in agrarian sphere of the economy of Ukraine is an urgent and actual problem in present time, against the background of a significant reduction of jobs in the countryside, deterioration of the well-being of rural residents. It has been practically proved that it is entrepreneurial activity that allows to accumulate considerable labor potential of rural territories capable of providing not only production of vital for society products, but also their balanced socio-economic and environmental development.

This investigation focused on the varieties of activities for registered businesses operating in rural areas as well as households; possibility of their introduction in view of the priority and actual manifestation of external and internal environmental factors in order to improve the well-being of all villagers, achieve economic and social effects,

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development of rural entrepreneurship in Ukraine<sup>1</sup>. It is proved that entrepreneurship can be one of the ways of self-realization of a person with simultaneous satisfaction of material and spiritual needs<sup>2</sup>.

### Materials and methods

The information base of the presented research was the relevant provisions of the normative legal acts of Ukraine, which regulate the problems of rural development; data of the State Statistics Service of Ukraine, M.V. Ptukha Institute of Demography and Social Research of the National Academy of Sciences of Ukraine, in particular, on the number of rural settlements, employment rates and incomes of rural residents; scientific achievements of scientists, which are presented in monographs, scientific-analytical articles, qualitative and quantitative data of sociological researches on problems of activation of socio-economic-ecological development of rural territories.

The methodological support of the research was based on a systematic approach, which allowed to reflect the state of rural territories, to substantiate the necessity to activate entrepreneurial activity for their development, to solve the problems of the villagers in all the variety of real manifestations of the latter, as well as to use the graphical method, which made it possible to generalize and visualize investigated processes.

### Research results and discussion

The socio-economic condition of rural territories, which has a destabilizing effect on the economy of Ukraine, is one of the factors in reducing the number of rural settlements, numbering about 28,000 in Ukraine. According to the State Statistics Commit-

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<sup>1</sup> О.І. Хоменко, Ю.Ю. Колтко: Аграрний ринок України. Стан та тенденції розвитку сільськогосподарських підприємств, Ефективна економіка 2017, no 12, <http://ojs.dsau.dp.ua/index.php/efektyvna-ekonomika/article/view/1713> (access 12.03.2020); В.Ф. Іванюта: Роль аграрного підприємства в розвитку сільських територій в контексті євроінтеграції, Економіка Регіонів 2016, no 1, p. 61–67, [https://ev.nmu.org.ua/docs/2016/1/EV20161\\_061-067.pdf](https://ev.nmu.org.ua/docs/2016/1/EV20161_061-067.pdf) (access: 14.03.2020); В.В. Бойко, В.Р. Крупа: Механізми та інструменти управління розвитком суб'єктів малого підприємства апк, Агросвіт 2019, no 20, p. 3–10, [http://www.agrosvit.info/pdf/20\\_2019/2.pdf](http://www.agrosvit.info/pdf/20_2019/2.pdf) (access: 12.03.2020); Ю.О. Лупенко: Основні результати наукових досліджень Національного наукового центру «Інститут аграрної економіки» за 2013 рік та завдання на перспективу, Економіка АПК 2014, no 3, pp. 5–12; В.В. Зіновчук, В.І. Ткачук: Роль кооперації у реалізації диверсифікаційних намірів сільськогосподарських товаровиробників, Вісник ЖНАЕУ 2011, no 2(29), p. 131–140, [http://www.irbis-nbuv.gov.ua/cgi-bin/irbis\\_nbuv/cgiirbis\\_64.exe?I21DBN=LINK&P21DBN=UJRN&Z2-1ID=&S21REF=10&S21CNR=20&S21STN=1&S21FMT=ASP\\_meta&C21COM=S&2\\_S21P03=FILA=&2\\_S21STR=Vzhnau\\_2011\\_2\(2\)\\_\\_17](http://www.irbis-nbuv.gov.ua/cgi-bin/irbis_nbuv/cgiirbis_64.exe?I21DBN=LINK&P21DBN=UJRN&Z2-1ID=&S21REF=10&S21CNR=20&S21STN=1&S21FMT=ASP_meta&C21COM=S&2_S21P03=FILA=&2_S21STR=Vzhnau_2011_2(2)__17) (access: 14.03.2020); T. Balanovska, O. Gogulya, B. Wyrzykowska: The role of entrepreneur's competencies in the development of rural areas, Economic Sciences for Agribusiness and Rural Economy 2018, vol., no 1, p. 55–61, [http://sj.wne.sggw.pl/article-ESARE\\_2018\\_n1\\_s55/](http://sj.wne.sggw.pl/article-ESARE_2018_n1_s55/) (access: 12.03.2020).

<sup>2</sup> М.Й. Малік: Підприємництво і розвиток сільських територій, Економіка АПК. 2016, no 6, p. 97–103, [http://www.irbis-nbuv.gov.ua/cgi-bin/irbis\\_nbuv/cgiirbis\\_64.exe?I21DBN=LINK&P21DBN=UJRN&Z2-1ID=&S21REF=10&S21CNR=20&S21STN=1&S21FMT=ASP\\_meta&C21COM=S&2\\_S21P03=FILA=&2\\_S21STR=E\\_apk\\_2016\\_6\\_12](http://www.irbis-nbuv.gov.ua/cgi-bin/irbis_nbuv/cgiirbis_64.exe?I21DBN=LINK&P21DBN=UJRN&Z2-1ID=&S21REF=10&S21CNR=20&S21STN=1&S21FMT=ASP_meta&C21COM=S&2_S21P03=FILA=&2_S21STR=E_apk_2016_6_12), (access: 13.03.2020).

tee of Ukraine, from 1990 to 2018, 426 rural settlements disappeared from the map. However, the true number of “extinct” villages is much higher: in 2014, 369 uninhabited villages were simply not taken off the state account (Institute of Demography and Social Research, NASU, 2017). There were another 4684 villages on the brink of extinction, where as of 2017 there were up to 50 people in each. That is, over the next few decades, Ukraine’s rural settlement structure will decrease by about 17%<sup>3</sup>.

An essential component of the development of the entrepreneurial environment of rural areas is the employment of their inhabitants, which determines the occupancy and filling of local budgets due to the economic activity of the peasants.

Practical studies have shown that the employment situation and employment opportunities in rural areas are now considered like a crisis. It is difficult for rural residents to find a job in their place of residence. Although the analytical rationale for NAAC scientists at the NAAS is convinced that there is considerable potential for small business development in rural areas in terms of job creation and increasing the number of employees in productive labor<sup>4</sup>.

According to the survey of rural settlements, more than 50% of rural population work outside their village. Other residents who are unable to work or, for the most part, for psychological reasons, are not prepared to leave their place of residence in search of employment, are trying to earn income by diversifying their self-employment. It should be noted that the necessity for rural residents to adapt to self-employment, capable of stimulating different types of entrepreneurial activity, as well as to provide certain food security to the domestic agricultural market, somewhat changes the traditional essence of the concept of diversification<sup>5</sup> as a form of competition in market conditions.

Agricultural production in the world is a source of income for 86% of the world’s rural population and provides jobs for more than 1.5 billion small-scale peasants<sup>6</sup>.

In Ukraine, agriculture remains one of the most economically attractive domains of domestic business in the context of growing demand for food in the world and expanding the country’s export capabilities. As practice shows, under the current conditions, agribusiness is risqué, but also quite profitable in terms of investing equity and attracting investment. However, the level of risk for agribusiness in different regions of Ukraine

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<sup>3</sup> М. Віхров: Українське село: вимирання чи еволюція, Український тиждень 2018, по 37(565), <https://tyzhden.ua/Society/219622> (access: 12.03.2020).

<sup>4</sup> Ю.О. Лупенко: Основні результати наукових..., оп. cit.; М.Й. Малік: Підприємництво і розвиток..., оп. cit.

<sup>5</sup> С.В. Мочерний (Ed Економічний словник-довідник, Femina, Kiev 1995, р. 73, [http://irbis-nbuv.gov.ua/cgi-bin/ua/elib.exe?Z21ID=&I21DBN=UKRLIB&P21DBN=UKRLIB&S21STN=1&S21REF=10&S21FMT=online\\_book&C21COM=S&S21CNR=20&S21P01=0&S21P02=0&S21P03=FF=&S21STR=ukr0002850](http://irbis-nbuv.gov.ua/cgi-bin/ua/elib.exe?Z21ID=&I21DBN=UKRLIB&P21DBN=UKRLIB&S21STN=1&S21REF=10&S21FMT=online_book&C21COM=S&S21CNR=20&S21P01=0&S21P02=0&S21P03=FF=&S21STR=ukr0002850) (access: 11.03.2020).

<sup>6</sup> Пояснювальна записка до проекту закону України «Про внесення змін до деяких законодавчих актів України щодо становлення і розвитку сільськогосподарської кооперації та її державної підтримки» від 20.06.2017, по 527-1, [http://search.ligazakon.ua/l\\_doc2.nsf/link1/info/JH51B1AI.html](http://search.ligazakon.ua/l_doc2.nsf/link1/info/JH51B1AI.html) (access: 12.03.2020).

is significantly different<sup>7</sup>, as evidenced by the analysis of statistics on the share of profitable and unprofitable agricultural enterprises in their total number (Fig. 1).

Most areas of the steppe zone (with the exception of Kharkiv, Poltava, Dnipropetrovsk regions) have a relatively low share of unprofitable agrarian enterprises, while their higher level is typical for the Polesie farms, to a lesser extent – Forest-steppe.

However, the above figures are relative to the overall conclusions, as domestic agrarian business is characterized by the fact that almost half (43.6%) of the gross agricultural output is produced by households that are not registered as business entities.

In recent years, according to analytical agro-surveys, there has been a decrease in the level of profitability of production for most types of agricultural products, which will increase the reorientation of agricultural enterprises to the most marginal, first of all, grain and industrial crops, except for sugar beet<sup>8</sup>. Instead, according to a sample survey of rural households by the State Statistics Committee of Ukraine in 2017, 14.7% (equivalent to 653,615 farms out of 4,450,947 out of their total) have a clear marketability in labor-intensive agricultural production (and / or hold two and more milk cows, three or more fattening pigs, five or more milk goats, five or more bee families, 0.5 hectares of perennial or open-field vegetables have an average of 2.2 hectares of arable land) and they are most important component of the socio-economic structure of rural areas and the development of agricultural cooperation in the countryside.

At the same time, it is the households among other agricultural producers that face the greatest number and depth of problems in the economic process and relationships in the market<sup>9</sup>.

Having analyzed the actual state, existing and perspective directions of diversification in different regions of Ukraine, it can be stated that today in rural areas some of its directions have already been formed in the process of practical activity of rural residents, certain types of diversification have been identified. However, this process is mostly spontaneous, with no clear division and frequent departure from traditional agricultural activities to non-agricultural ones according to the needs or capabilities of the population<sup>10</sup>.

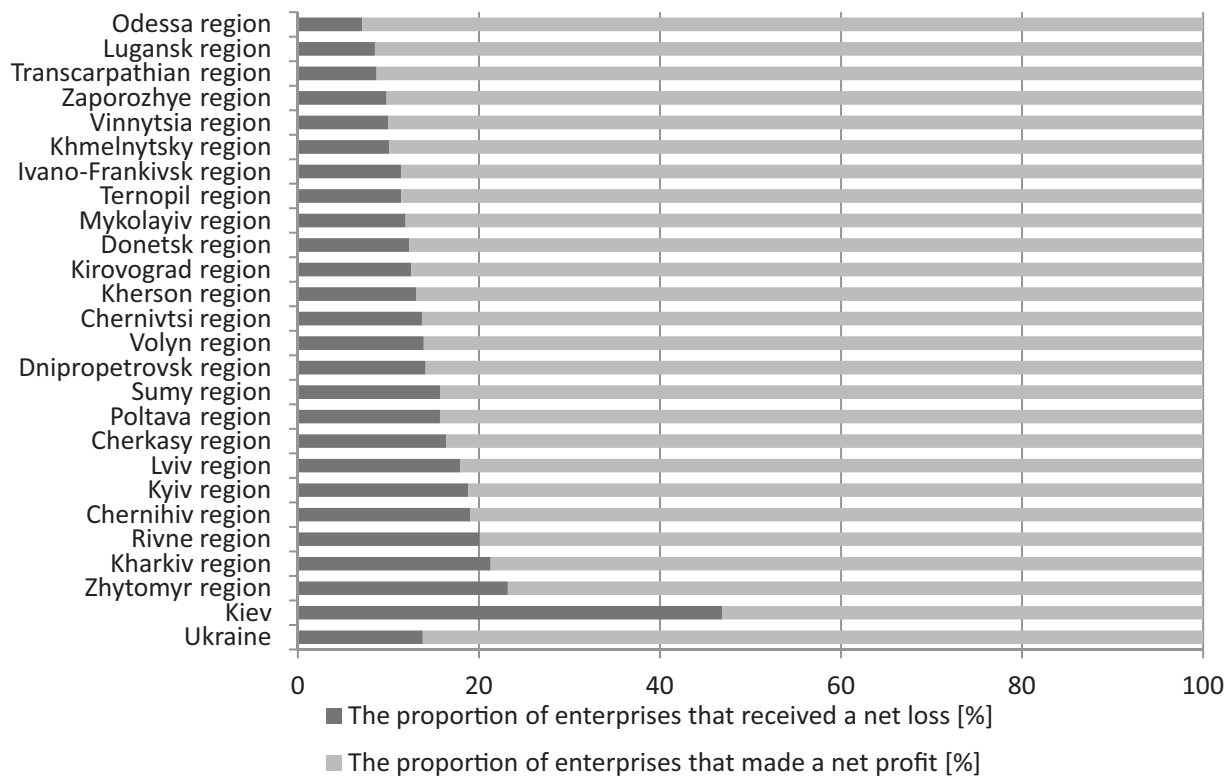
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<sup>7</sup> Regions of Ukraine 2018, part II, State Statistics Service of Ukraine, Kiev 2018.

<sup>8</sup> Основні види агропродукції у 2017 році були прибутковими, але рівень рентабельності знижено, Аграрний Тиждень. Україна, <http://a7d.com.ua/novini/40797-osnovn-vidi-agroprodukcii-u-2017-roc-buli-pributkovimi-ale-rvn-rentabelnost-znizhen.html> (access: 12.03.2020).

<sup>9</sup> Пояснювальна записка до проекту закону України «Про внесення змін до деяких законодавчих актів України щодо становлення і розвитку сільськогосподарської кооперації та її державної підтримки» від 20.06.2017, no 527-1, [http://search.ligazakon.ua/l\\_doc2.nsf/link1/info/JH51B1A1.html](http://search.ligazakon.ua/l_doc2.nsf/link1/info/JH51B1A1.html) (access: 12.03.2020).

<sup>10</sup> В.І. Ткачука (ed.): Соціально-економічні проблеми розвитку сільських територій: регіональний аспект, ПП «Рута», Zhytomyr 2014, p. 353 [http://ir.znau.edu.ua/jspui/bitstream/123456789/3510/3/SOCEK\\_PROBL\\_ROZV\\_MONOGRAF\\_2014\\_353.pdf](http://ir.znau.edu.ua/jspui/bitstream/123456789/3510/3/SOCEK_PROBL_ROZV_MONOGRAF_2014_353.pdf) (access: 13.03.2020); Л.Л. Куц, Н.І. Шульгат: Диверсифікація та її роль у зміцненні стратегічної стійкості підприємства, Сталий Розвиток Економіки, Всеукраїнський науково-виробничий журнал 2011, no 4, p. 84–88; Л.А. Бахчиванжи, О.Ю. Павлова: Диверсифікація діяльності аграрних підприємств Як стратегія управління соціально-економічним розвитком, Науковий Вісник Міжнародного Гуманітарного Університету 2013, no 6, p. 84–91, [http://lib.osau.edu.ua/jspui/bitstream/123456789/1143/1/Nvmgu\\_eim\\_2013\\_6\\_16-1.pdf](http://lib.osau.edu.ua/jspui/bitstream/123456789/1143/1/Nvmgu_eim_2013_6_16-1.pdf) (access: 12.03.2020).

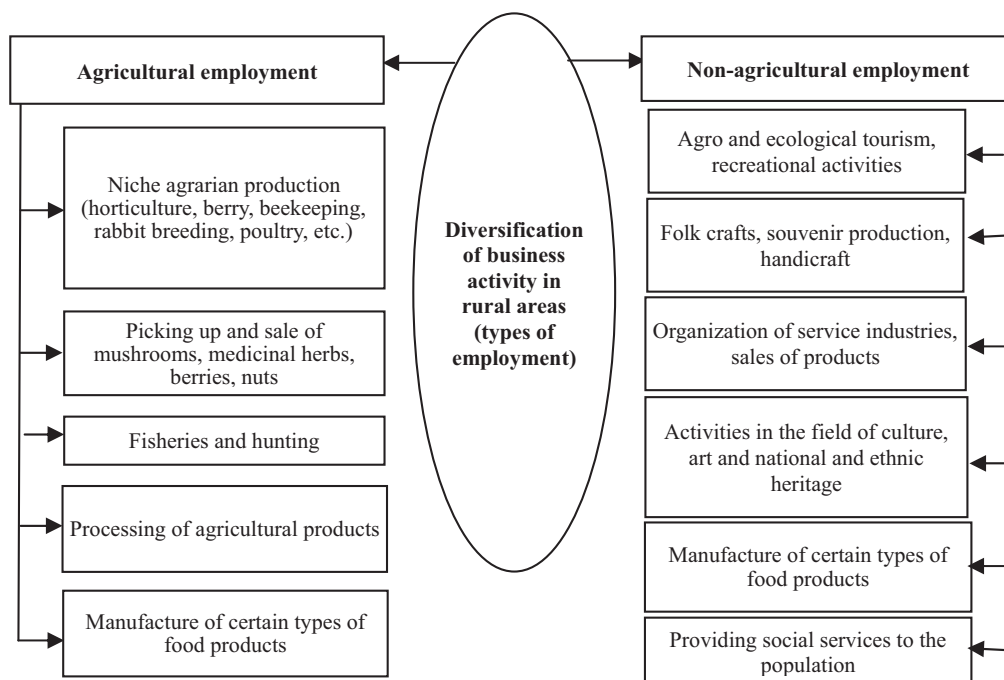


**Figure 1.** The degree of riskiness of doing agribusiness in Ukraine by the criterion of performance of business entities in 2017

Source: ranked according to the Статистичний збірник «Регіони України» 2018. Ч. II, [http://www.ukrstat.gov.ua/druk/publicat/kat\\_u/2018/zb/11/zb\\_ru2ch2018.pdf](http://www.ukrstat.gov.ua/druk/publicat/kat_u/2018/zb/11/zb_ru2ch2018.pdf) (access: 12.03.2020).

The studies were conducted, the classification of diversification of entrepreneurial activities in rural territories, which will contribute to the creation of a mechanism for its effective use to enhance new forms of employment, strengthening of competitive advantages of newly created or existing enterprises and individual entrepreneurs (Fig. 2) and proved that for the sustainable development of the agricultural sector in general and the rural areas, particularly important is the development of entrepreneurial activities – both agricultural and non-agricultural.

Rural employment should be increased by the creation and development of new types of activities: rural accommodation capacity for production of goods of light and food industry with the aim of ensuring good nutrition for people; creation of new fisheries based on cooperation, in particular the extraction of minerals as raw materials for the manufacture of building materials for the reconstruction and development of objects of social sphere, road construction; the development of the vast recreational opportunities in rural areas (in Ukraine there are all the necessary conditions: the presence of forests, ponds, mineral springs, therapeutic mud etc.). Favorable climatic conditions, many historical sites help to develop the tourism industry, ski sports, leisure, redistribution of employment in agriculture from the personal to the business sector. Encourage the development of off-farm activities have become a focus of public administration bodies at all hierarchical levels. Problems of employment and social protection



**Figure 2.** Types of business diversification in rural areas in agricultural and non-agricultural sectors

Source: organized on the basis of scientific information sources.

should be developed in close consistency with the issues of reviving the production sector, reorientation of monetary and fiscal policy in the direction of their social orientation<sup>11</sup>.

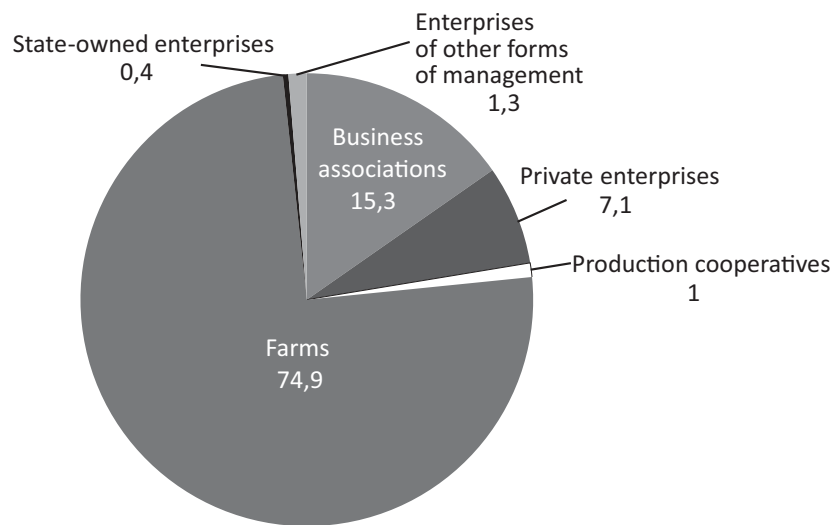
In 2018, about 46 thousand economic entities of various organizational and legal forms (including farms and small enterprises) were engaged in agricultural production in Ukraine (Fig. 3).

Data from a sociological survey among local residents of rural areas of Poltava, Chernihiv, Sumy, Kyiv, Vinnytsia, Chernivtsi regions, regarding the assessment of the impact of local business activity and its importance for the village (Fig. 4) indicate that entrepreneurial activity in the countryside is not sufficiently developed, so villagers do not actually notice its results.

On the other hand, the high proportion of “no” answers due to the lack of proper organization of activity of business entities and their cooperation with local authorities. So, only 22% of respondents noted that entrepreneurs really solve the specific problems of the village. Therefore, the decisive role of the facilitator in the relationship with businesses should take on local authorities, from skills and abilities which will depend on encouraging and attracting entrepreneurs to solve specific social or domestic issues of rural residents.

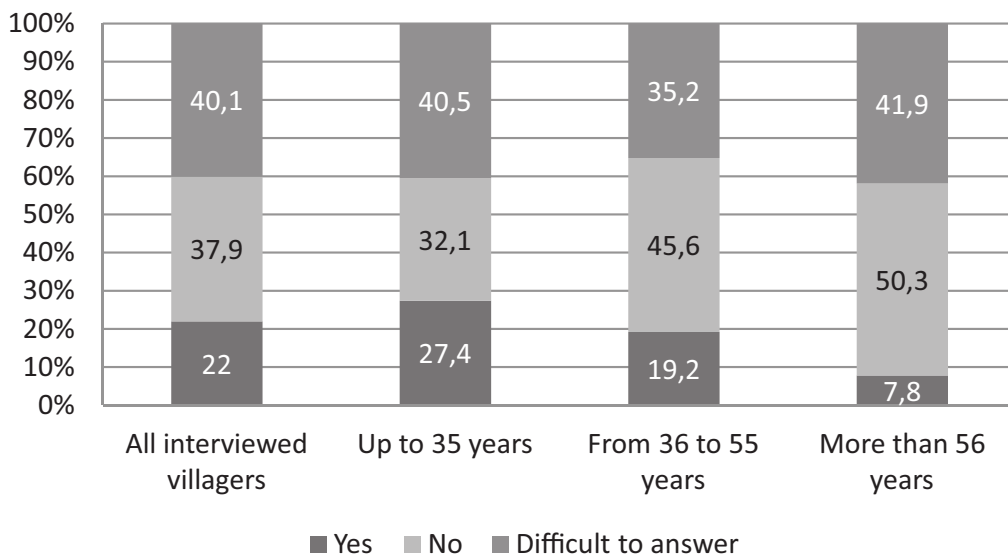
<sup>11</sup> Ю.О. Литвин: Економічне становище сучасного українського села як основна складова його розвитку, „Економіка та держава” Academic Journal Dedicated to Publishing Articles on Economics 2012, no 9, p. 119–122, [http://www.economy.in.ua/pdf/9\\_2012/35.pdf](http://www.economy.in.ua/pdf/9_2012/35.pdf) (access: 12.03.2020).





**Figure 3.** Number of enterprises engaged in agricultural activity in 2017, by organizational and legal forms of management [%]

Source: Сільське господарство України: статистичний збірник за 2017 рік. Київ: Державна служба статистики України, 2018, р. 245, [http://www.ukrstat.gov.ua/druk/publicat/kat\\_u/2018/zb/09/zb\\_sg\\_2017\\_pdf.pdf](http://www.ukrstat.gov.ua/druk/publicat/kat_u/2018/zb/09/zb_sg_2017_pdf.pdf) (access: 12.03.2020).



**Figure 4.** Evaluation of the residents of rural areas of Poltava, Chernihiv, Sumy, Kyiv, Vinnytsia, Chernivtsi regions of Ukraine the role and importance of entrepreneurs in promoting the solution of key problems of the village [%]

Source: own study.

The results of the study indicate the feasibility, from the point of view of constancy of the processes of food security and preserve the environment, use the natural potential of rural areas, which, first and foremost, it is favorable for agriculture and provides an opportunity to strengthen competitive advantages in the development of innovative, popular in the world of lines of business.

In the context of the above-mentioned example of effective activity of the Ukrainian enterprises, it is worth noting, ООО “Lilac”, which is located in Chernivtsi region, produces organic birch juice with added nettle, rose hips, thyme, mint, sage and other mountain herbs. Once certified, LLC “Lilac” through Romania sells juices in the EU, but also in Canada, Israel, USA. These mountain drinks don’t really have competitors. Or Ukrainian agroholdings, or foreign farmers do not have those opportunities, primarily of natural and climatic, that is in the enterprise. The main competitive advantage is the uniqueness of the proposal, which gave the opportunity to find its market niche<sup>12</sup>.

The Law of Ukraine “On production and circulation of organic agricultural products and raw materials” has been in force since 05.04.2015 for several years in Ukraine, 191-VIII<sup>13</sup>. Although not as many entrepreneurs as expected, they began to grow organic. According to the law, organic producers can receive compensation from the government for paying for the certification process and planting material for organic plants. The area under cultivation of such products is growing and is now around 0.5 hectares. Ukraine is quite rapidly in the list of twenty countries that take an active position in the production of organic consumer products.

In recent years, the growth of consumer demand has been characterized by the following specific plants: amaranth, chickpeas, spelled, sesame, asparagus, quinoa sage, saffron, chokeberry. It should also be noted the traditional pumpkin for Ukraine, whose industrial production and processing are now successfully mastered on an industrial scale. In terms of agribusiness, niche crops also include millet, peas, oats, buckwheat. Among the agro-industries that are quite profitable are the breeding of crayfish, worms (vermiculture), mushrooms, bees. Flax is a popular niche culture whose cultivation technology has been mastered in Ukraine since ancient times.

A clear example in the cultivation of flax and in the production of its processing in the form of flour and oil is the enterprise Desnaland (Glukhiv, Sumy region). In addition to flax, this producer occupies other, no less attractive, niches: grows candy (amaranth), calendula, makes phyto tea from wild and cultivated plants<sup>14</sup>.

Having stable demand and an attractive price (about 730 USD/tonne) in the world market, mustard has been cultivated in Ukraine for a very long time. Popular as blueberries, blackberries, currants, garlic etc. Because of lack of formation domestic demand, lack of certification infrastructure sales receive less revenue due those engaged in the cultivation of milk thistle, chamomile, spelt, lentils etc.

All that confirms once again the priority principle of entrepreneurship, which indicates that a real business needs to be flexible and adaptive, the implementation of

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<sup>12</sup> І. Петренко: Мільйон з гектара. Дрібні фермерські господарства можуть заробляти з одного гектару набагато більше, ніж великі агрохолдинги, 2017, [https://texty.org.ua/articles/76736/Miljon\\_z\\_gektara\\_Dribni\\_fermerski\\_gospodarstva\\_mozhut-76736/](https://texty.org.ua/articles/76736/Miljon_z_gektara_Dribni_fermerski_gospodarstva_mozhut-76736/) (access: 11.03.2020).

<sup>13</sup> Про виробництво та обіг органічної сільськогосподарської продукції та сировини: Закон України від 3 вересня 2013 року по 425-VII, <https://zakon.rada.gov.ua/laws/show/425-18#Text> (access: 12.03.2020).

<sup>14</sup> І. Петренко: Мільйон з гектара..., op. cit.



which in the current environment provides diversification of agricultural production, the search for niches. The cultivation of peas, lentils, mustard is an alternative sunflower, corn, which yields high profits for the small producers, farmers and households.

There is a situation when even on fertile soils agriculture is extremely unprofitable due to the deterioration, and sometimes even the lack of infrastructure in most villages, rising transportation, energy and other costs in many regions of Ukraine. All that has created conditions for the diversification (and/or re-profiling activities) of small entrepreneurship in rural areas than in the non-agricultural sector, both in the direction of production and realisation of production (joinery and furniture shop, sewing workshop, workshop on repair and footwear, construction, furrier works) and services (car service, Parking, refueling, retail, hairdresser, cafes, computer clubs, construction and maintenance crews, tutoring, landscaping and design, etc.).

One of the special forms of implementation of the strategy of diversification of entrepreneurial activity that has a positive impact on the development of rural areas is agritourism, which also contributes to their socio-economic and environmental development. The growth rate of this business is ahead of other tourist region. Today in Ukraine there are agro-tourism clusters. Thus, during the XXIX International agricultural exhibition "Agro-2017" was presented in five clusters:

- agri-environment cluster "Medvyn" in Ivankov district, Kyiv region;
- agro-tourism cluster "Dykanka" in Dykanka district of the Poltava region;
- agri-environment cluster "Frumusika-Nova" in Tarutinsky district of Odessa region;
- agro-recreational cluster resort "Koblevo" of the Berezansky district in Mykolayiv region;
- agro-tourism cluster "GorboGory" in Pustomyrovskiy area of Lvov region.

Agritourism is characterized by the elements of rural tourism and provides the social function of knowledge, and the rest; based on the use of resources of private farms and agricultural enterprises. Thus, the basis for the development of rural tourism lies a series of economic, socio - and ethno-cultural, social, personal aspects that determine its development.

The essence of the economic aspect lies in the fact that the agritourism is a source of income for the rural population in a situation of crisis of the agricultural sector and the degradation of rural areas; the use of primarily not expendable resources; possibilities of improving their homes and estates, increasing their market value. Socio-cultural aspect is realized through the interaction of rural people with the inhabitants of large towns and cities (the effect of cultural and psychological mutual enrichment in communication); it is development; the relevance of the proposal contributes to improving the self-esteem of villagers. Ethno-cultural aspect includes the possibility to activate resources; promotion of national cultural traditions. The personal aspect focused on: the development of personality, which acts as a host (the need to acquire new knowledge, skills, to raise qualification for the organization of reception); the increase of self-identity: awareness of independence, self-confidence, relying on the resources of the private sector. The main element in the provision of agritourism services is the person (host) that provides a leisure for tourist, and although the accom-

modation and cultural program are crucial, but it is the first contact with the property owner determines the performance of future activities. Not all entrepreneurs are prepared for this aspect of the new business. It is necessary to have developed communication skills, dynamic and friendly, with the use of modern PR-technologies to be able to interest the tourist. It is established that doing agrotourism business requires a greater degree of entrepreneurship (developed entrepreneurial abilities and competences) from the entrepreneur than when conducting agriculture. It is the ability to provide quality services that shows the ability of the business entity to conduct business, not just business. Social Aspect: Cooperation at the community level to create a full-fledged tourism product ultimately leads to an improvement in the social and psychological climate in the community.

Today, there are a number of developments that testify to the theoretical formation and validity of directions for the formation of organizational and economic mechanism for diversification of entrepreneurial activity due to the activation of new forms of employment, for integrated socio-economic and environmental development of rural areas<sup>15</sup>. One of the conditions for effective socio-economic policy is to increase the efficiency of interaction between the authorities and the business sector. In this direction in Ukraine made a number of steps that need to enhance their implementation in practice.

The concept of the State target program of development of agrarian sector of economy for the period up to 2022 as one of its priority directions is the development of entrepreneurial activities in rural areas, development of small and medium business, the revival of utility craft, with the aim of creating equal conditions for the effective functioning of farms of all organizational-legal forms of functioning, and encourage the Association of producers in both manufacturing and the service sector, which will strengthen their competitiveness.

The immediate step in implementing the State target program of development of agrarian sector of economy is overcoming obstacles associated with the high cost of raising resources in the agricultural sector; dependence on import of breeding and seed resources; inadequate use of land rights in economic relations; the incomplete infrastructure of the agrarian market; lack of stable rules of conduct on the regional commodity markets; low awareness of the part of agricultural producers about market conditions and the conditions of agribusiness on the basis of approximation of Ukrainian legislation to the requirements of the legislation of the European Union; the transition from direct state regulation of food prices to the introduction of programmes for targeted support of low-income households, as well as creating favorable financial, tax and organizational conditions for the activities of small and medium producers and their associations<sup>16</sup>.

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<sup>15</sup> В.В. Зіновчук, В.І. Ткачук: Роль кооперації у..., *op. cit.*; Л.А. Бахчиванжи, О.Ю. Павлова: Диверсифікація діяльності..., *op. cit.*; Л.О. Василенко, Ю.О. Березницька, О.Г. Жукова: Розвиток екологічного менеджменту на підприємстві в умовах глобалізації економіки України, *Економіка та держава* 2017, по 8, р. 62–65.

<sup>16</sup> Про схвалення Концепції Державної цільової програми розвитку аграрного сектору економіки

## Conclusions

Summarizing the results of the study, the following key positions on how to enhance entrepreneurial activities for the development of rural territories of Ukraine:

- -for sustainable development of rural areas is important to the development of entrepreneurial activities – both agricultural and non-agricultural. Rural employment should be increased by the creation of new types of activity: location of rural production of goods of light and food industry with the aim of ensuring good nutrition for people, creation of new fisheries based on cooperation, in particular the extraction of minerals as raw materials for production of construction material in rural areas almost everywhere, for the reconstruction and development of objects of social sphere, road construction; the development of the vast recreational opportunities in rural areas;
- one of the main directions of development of rural territories is to diversify entrepreneurial activities, the content of which is the presence of additional types of employment and sources of income for rural households, the optimal organizational and economic solutions that will promote self-organization of rural economy that will help the rational use of labor potential;
- it is proved that further intensification of entrepreneurial processes in rural areas depends on the effectiveness of the current system of public policy. In this direction the result of successful implementation of the Concept of the State target program of development of agrarian sector of economy for the period up to 2022 is expected to improve the development of the social component, including through the modernization of the infrastructure of life of rural areas to provide rural population for housing and utility services; the provision of support in improvement and rest of children of agricultural workers. These provisions create additional opportunities for effective development of agribusiness enterprises, and find additional types of employment and sources of income for farmers, optimal organizational and economic solutions that will promote self-organization of rural economy that will help the rational use of labor potential, increase of competitiveness of economy of Ukraine on the world market and the welfare of its population.

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