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THE EFFECT OF A STATE AGRICULTURAL POLICY ON A SOCIO-ECONOMIC DEVELOPMENT OF RURAL AREAS

ABSTRACT

Rural development is closely connected with the peculiarities of agriculture, which is the basic industry in rural areas. Today this development is influenced by processes of land and agrarian reform, market economy, a chronic shortage of budgetary resources, lack of profitability of agricultural production and low-income rural population, the consequences of the crisis of the 90s of the last century and the global financial crisis, traditional features of farming and living in rural areas and so on. Accordingly, the development of rural areas is now characterized by the aggravation of a number of problems that require urgent resolution.

In the process of economic transformation Ukraine into a market type system, problems of socio - economic transformation of the village is identified as the most difficult, hence the need for continued development and agrarian reforms and rural development strategies.

Agricultural policy, which in relation to the village should contribute to economic growth and improve the welfare of farmers, is traditionally identified with the manufacturing industry development direction, thus ignored rural issues. Consequently, in Ukraine is not formed a common approach to rural policy with clearly defined priorities, implementation mechanisms and institutional support, and division of functions between different levels of government and rural development subjects. The lack of scientifically-based system of key approaches and real practical steps in developing and implementing policy in this area threatens the existence of the rural community as such, leads to a gradual but

steady loss of the multifunctional role of agriculture, ignoring the importance of diversification of the rural economy. Thus, ensuring data areas is a priority of the state policy in the European Union, which aims at foreign economic development of Ukraine. Trying to offer new approaches related to the need for sustainable rural development, which, ultimately, depends on the overall national policy of the country is represented in this study.

The current state of development of rural areas of Ukraine and, consequently, agricultural production remains low. In the world of active government regulation is an important part of ensuring rural development. The existing legal framework is the development of these areas in Ukraine does not meet the real needs. At present rural development policy in Ukraine is mainly within the state regional policy and national agricultural policy. In our opinion, it is necessary to distinguish rural areas as a self-contained object of regulation and solve problems in their development of a comprehensive reference to European principles and standards.

The primary step in the formation of the modern state of rural development policy is to develop a thorough and adequate program of rural development.

The key point of this program should be legally defined and have fixed status of rural areas and the legal definition of the economic base of their development. Under this program, state rural development policy in Ukraine also needs greater public participation in support of agriculture, based on reducing the tax burden on the subjects of these activities, the creation of an effective system of financing and insurance of their activities and so on. This practice would contribute to the formation of food security and prevent the threat of excessive migration of rural population to the cities and abroad.