

Część IV
Rozwój przedsiębiorczości

Nowoczesne Systemy Zarządzania
Zeszyt 12 (2017), nr 4 (październik-grudzień)
ISSN 1896-9380, s. 183-192

Modern Management Systems
Volume 12 (2017), No. 4 (October-December)
ISSN 1896-9380, pp. 183-192



Instytut Organizacji i Zarządzania
Wydział Cybernetyki
Wojskowa Akademia Techniczna
w Warszawie

Institute of Organization and Management
Faculty of Cybernetics
Military University of Technology

Entrepreneurship development as a factor intensify cooperation in rural areas of Ukraine

Inna Kulish

SI Institute of Regional Research n.a. M. I. Dolishniy
of the NAS of Ukraine

Abstract: This article is devoted to the problems of development of small and medium enterprises in rural areas of Ukraine. It is shown how the cooperation of small and medium-sized enterprises can affect the overall development of rural areas and increase its competitiveness. The influence of agrohholdings on the development of small and medium-sized enterprises and cooperation in rural areas of Ukraine is shown. The influence of non-agricultural enterprises on the socio-economic development of rural areas is determined.

Keywords: rural area, small and medium-sized business, cooperation, competitiveness.

JEL Classification: M 130, Q 130, Q 180

Admission

Existence of market economy, even if its forming in a country is not fully completed, unlike plan economy means that it is related to appearance of business structures, commercial activity, enterprise and accompanying them competition. This trend cannot avoid rural territories, although development of enterprise on them, through the specific features of agricultural production, requires more than time, especially it touches introduction of innovations. Enterprises in villages, especially small and medium, provide the increase of standard of living of peasants, make more active development of rural area on the whole, assist investment activity, and do the cluster of rural area powerful. Alternative (unconnected with agriculture) types of economic activity increase the chances of village, especially in terms of improvement of employment – create new workplaces and provide labour of specialists of many industries.

Today much attention of the Ukrainian scientists is spared to such direction of activation of enterprise in rural areas, as cooperation. Cooperation is given to a central

place in the system of modern agricultural development priorities of Ukraine. At different levels of the power hierarchy, among scientists and economists, in other expert environments cooperation is increasingly seen as a means of improving the functioning of the agricultural sector and an important factor of life rural clusters.

Rural cooperatives as related to agricultural production and as unrelated, promote the comprehensive development of clusters in rural areas, providing, including the development of social infrastructure, restoration of which in the last 20 years was given little attention.

Methods

Co-operation is a very important problem of development of agriculture, which is why constantly researchers pay attention the different aspects of her functioning. Scientists examine the problem of agricultural co-operation in Ukraine from many points of view, which conditionally can be divided into common and specialized.

Among the common problems are distinguished: legal¹, historical^{2,3}, management⁴, informative support^{5,6,7}.

¹ Х. Гайдаржи, Особливості правового положення сільськогосподарського переробного кооперативу як суб'єкта договору контрактації, [in:] Бюлетень міністерства юстиції України, № 7, 2013, сс. 91-96.

² Г. Голуб, З історії кооперативного руху на західноукраїнських землях у 20–30-ті рр. ХХ ст. (на прикладі молочарства), [in:] Історія народ. господарства та екон. думки України: *міжвід. зб. наук. пр.*, Київ, Вип. 26-27, 1994, сс. 87-95.

³ В. Марочко, Українська селянська кооперація. Історико-теоретичний аспект (1861-1929), М.Р. Kots Publishin, Київ, 1995.

⁴ І. Абрамова, Фінансовий аспект державної підтримки формування та діяльності сільськогосподарських обслуговуючих кооперативів, [in:] Вісник Житомирського національного агроекологічного університету, № 1(2), 2012, сс. 33-40.

⁵ В. Харченко, Методика ефективного застосування інформаційних технологій в аграрному підприємстві, [in:] Науковий вісник НУБіП України, Серія „Економіка, аграрний менеджмент, бізнес”, № 200 (2014), сс. 329-333.

⁶ В. Ключан, Система інформаційно-консультаційного забезпечення аграрної сфери: *монографія*, МДАУ, Миколаїв, 2012.

⁷ М. Кропивко, Інформаційна система як фактор забезпечення життєдіяльності сільськогосподарських товаровиробників в ринкових умовах, [in:] „Економіка АПК”, № 1, 2009, сс. 124-128.

Specialized or sectoral problems relating to these cooperatives: grain-growing⁸ sheep-breeding⁹, poultry farming¹⁰, milk^{11, 12}, veterinary¹³, etc.

It should be noted, at the same time, in most scientific papers on agricultural cooperation are no research of entrepreneurship in the context of its combination of rural cooperation.

For research was used a set of modern scientific methods, including: systems analysis – to study the conceptual approaches to the functioning of agricultural cooperatives in Ukraine; historical and logical method – for the analysis of monographic and documentary sources in a historical retrospective view; statistical and economic – for the analysis of the current state and tendencies; comparative analysis – for identify of problems and search of ways to solve them; contentanalysis – for the explore of normative-legal base in the field of agricultural cooperation; analogies – for the exposure of prospects of development.

Empirical research base were statistical collections State Statistics Committee of Ukraine, existing laws of Ukraine, as well as the actual material that the author personally collected after processing different sources.

1. Features of entrepreneurship in agriculture

Agricultural businesses with high degree of probability can be attributed to small, at rarer to medium enterprises, as confirmed by the Commercial Code of Ukraine (hereinafter – the Code), in the art. 55 “The concept of entity”, which states: “entities are:

- 1) economic organizations – legal entities established under the Civil Code of Ukraine, government, utilities and other enterprises established in accordance with this Code, and other legal entities engaged in economic activities;

⁸ М. Кравець, Інформаційна підтримка зернової кооперації, [in:] Науковий вісник Національного університету біоресурсів і природокористування України, Серія: „Економіка, аграрний менеджмент, бізнес”, Вип. 249, 2016, сс. 211-220.

⁹ Т. Нежлукченко, Основні напрямки підвищення ефективності галузі вівчарства, [in:] Науковий вісник НУБіП України, Серія: „Технологія виробництва і переробки продукції тваринництва”, № 236, 2016, сс. 200-206.

¹⁰ С. Сендецька, Птахівництво в особливих селянських господарствах: проблеми і перспективи, [in:] „Науковий вісник ЛНУВМБТ ім. С. З. Гжицького”, т. 16, № 1 (58), ч. 2, 2014, сс. 130-134.

¹¹ В. Гаркавко, Т. Копійка, Дослідження проблем сталого економічного розвитку вітчизняної молокопереробної галузі шляхом поширення сільгоспоперації, [in:] Вісник Дніпропетровського університету, Серія „Економіка”, Вип. 8/1, 2014, сс. 105-109.

¹² <http://a7d.com.ua/tvarinnictvo>.

¹³ С. Поперечний, Л. Бабич, С. Сендецька, Формування сфери ветеринарного обслуговування на кооперативних засадах, [in:] „Вісник Житомирського національного агроекологічного університету”, № 1(2), 2012, сс. 117-123.

- 2) citizens of Ukraine, foreigners and persons without citizenship, that carry out economic activity”¹⁴. In the Code, is carried out distribution of subjects of manage: subjects micro, medium and large businesses. The general feature of their attributing to the business entities is that they must be registered in the order set by a law as entrepreneurs.

Based on the above, is misguided opinion of some scientists, that the “... small business most of its dissemination have got in the agricultural sector, where, after the collapse of the kolkhoz-sovkhoz system, the private farms have become the only source of income for most of rural families”¹⁵.

It is necessary to emphasize two important aspects: first, the small business in rural areas is not always associated with the agricultural sector, but may gravely affect the development of the cluster, and, secondly, agricultural production, regardless of volume, not always has status of enterprise.

Scientists-agrarians believe that the feature of entrepreneurship in agriculture is seasonal production, employment and utilization of technology, uneven revenue during the year, a significant effect of inflation, and the location of lot land, big risks caused by natural factors and environmental conditions¹⁶. However, an additional negative impact on agricultural entrepreneurship commit institutional dysfunction, because they are currently the biggest obstacle to the development of the Institute of small and medium enterprises in rural areas, frequent changes and imperfection of current legislation, bureaucratic system, difficult system of circulation of documents, etc.

Under these conditions, the agricultural producer often forced spend unnecessarily much time to tracking of changes in the normatively-legal providing of entrepreneurial activity and to registration of various documentation. Exactly it is reason of that only small proportion of individual peasant economies has the status of small and middle enterprises, although the maximal amount of agriculture products in the regions of Ukraine for long time they had been producing^{17; 18} (see table 1).

¹⁴ Zob. Господарський кодекс України: *Кодекс України*, від 16.01.2003, № 436-IV, [in:] „Відомості Верховної Ради України”, № 18, № 19-20, № 21-22, ст. 144, 2003.

¹⁵ http://www.rusnauka.com/30_NNM_2010/Economics/72534.doc.htm.

¹⁶ А. Остапчук, В. Вдович, *Мале підприємництво – основа сталого розвитку сільських територій*, [in:] Науковий вісник Національного університету біоресурсів і природокористування України, Вип. 163, Ч. 2, 2011, с. 72.

¹⁷ Статистичний щорічник України за 2013 рік, Державна служба статистики України, за ред. О. Осауленка, Державна служба статистики України, Київ, 2014, с. 25.

¹⁸ *Сільське господарство України за 2015 рік*, Державна служба статистики України, за ред. О. Прокопенка, Державна служба статистики України, Київ, 2016, с. 44.

Table 1. Agricultural production by types of producers

	2000	2005	2010	2011	2012	2013	2014	2015
Agricultural products (at constant prices 2010), billion UAH	151,02	179,61	194,89	233,70	223,25	252,86	251,44	239,47
including the in agricultural enterprises	58,00	72,76	94,09	121,05	113,08	136,59	139,06	131,92
The share of agricultural output produced in agricultural enterprises, %	38,4	40,5	48,3	51,8	50,7	54,0	55,3	55,09

Source: authors' own processing based on: Статистичний щорічник України за 2013 рік, Державна служба статистики України, за ред. О. Осауленка, Державна служба статистики України, Київ, 2014, с. 25; Сільське господарство України за 2015 рік, Державна служба статистики України, за ред. О. Прокопенка, Державна служба статистики України, Київ, 2016, с. 44

2. Are agroholdings small business competitors?

The increase of part of agricultural enterprises in the production of goods is conditioned by development of agricultural holdings. In 2005-2010 observed a clear trend toward larger land bank and attracting foreign capital. In the context of typical reasons for creating large agribusiness that time, the purpose of which was primarily the rapid accumulation of resources and exit from the business owners through profitable sale of their assets. During that period, the land bank holdings increased by about 4 times and reached the mark of 4 million hectares, and share of agricultural land owned agricultural enterprises increased to 18.1%. Average annual growth of land controlled by vertically integrated structures reached more than 30% per year. Beginning in from 2015 stopped active development of agricultural holdings¹⁹, which was one of the reasons is reduction from 2015 the share of agricultural products produced by agricultural enterprises (see table 1).

The rapid development of agricultural holdings in Ukraine in 2015 drew attention to the magazine “Forbes” unveiling of Ukrainian companies ranking in terms of efficiency in the agricultural business (EBITDA²⁰ per 1 hectare).

¹⁹ История агрохолдингов в Украине, [in:] Крупнейшие агрохолдинги Украины 2015, Ассоциация «Украинский клуб аграрного бизнеса», Київ, 2015, с.4.

²⁰ EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) – a company's earnings before interest, taxes, depreciation, and amortization is an accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation and amortization are subtracted, as a proxy for a company's current operating profitability.

Research of “Forbes” showed that efficiency of the Ukrainian enterprises hesitated from \$ 700 in “Svaroh Vest of Groups” (80000 hectares) to \$ 124 in “Astarte” (245000 hectares)²¹. For comparison it is expedient to point the size of holding that has a middle index of efficiency a “Vinnytsya agro-industrial group”, its EBITDA on 1 hectare presents \$ 347(42848 hectares). Thus, efficiency of the agricultural holding not depends on the volumes of earth that are in a lease, but only from natural-climatic conditions and management.

At present, statistics about the volume of leased agricultural holdings of land not been made public, analysts cite various data: from 15% of the total arable land²², to almost 50% of agricultural land Ukraine, exactly so much will present 17 million hectares of leased land shares²³ (according to the official Statistically, the total amount of agricultural land in Ukraine is 36.42 million hectares²⁴).

By the state on beginning in 2016 over 250 agricultural holdings of different size operate in Ukraine. It should be stressed that since Ukraine has no agricultural land market, and all agricultural holdings, take land on lease for a fairly long period, individual peasant economies – lessors yet long time enough will not have the opportunity independently to process the areas. Accordingly, although the agricultural holding enters to the cluster of rural area and has influence on it development, development of agricultural cooperation it does not contribute, and furthermore worsen conditions for the development of small and middle enterprises, because a large holding have tend to absorption the successful enterprises that work in the field of their interests.

Functioning of agricultural holdings has specific negative influence on rural society, which is due to the fact that the villagers hand over land to rent, getting used to obtain a profit and that is why not apt to the search of own production – “niche” on the market. Not met expectations and improvement of rural employment, because agricultural holding has facilities for the introduction of new technology and innovation, as a consequence, inevitably reduced the number of jobs. Unemployed villagers difficult to start agricultural enterprise, not only due to low competitiveness compared to agricultural holdings, but also because farmland in the vicinity of large companies, mainly from long-term lease of these companies.

²¹ <http://forbes.net.ua/magazine/forbes/1399408-rejting-20-najefektivnishih-agrokompanij-ukrayini#20>.

²² С. Дем’яненко, Агрохолдинги в Україні: добре чи погано? Німецько-український аграрний діалог, Інститут економічних досліджень та політичних консультацій, Київ, 2008, с. 4.

²³ <http://www.epravda.com.ua/columns/2015/08/10/554451>.

²⁴ Сільське господарство України 2014. Статистичний збірник, відп. за вип. О.М. Прокопенко, Державна служба статистики України, Київ, 2015, с. 220.

3. Non-agricultural enterprises in rural areas

From the point of view of development to the cluster, it is expedient to mention enterprises that is located on rural territories, however their activity is unconnected with agriculture or indirectly related activities, and they are not pretend for preferential treatment related to their territorial location. These companies are active participants in clusters and positively influence their development. These companies include research institutions, the profile of which is related to agricultural production, they are a source of development surrounding areas, because they not only can offer to producers new technologies, seed, fertilizer, etc., but clearly they promote.

In cases where companies have another profile, the development of rural areas and cluster too occurs. For example, in the village Guyva, Zhytomyr region is located Zhytomyr Military Institute is named S. Korolova, operating since 1946; State Enterprise “Novoiavorivske state enterprise Ekotransenerho” (Lviv region, Yavorivskyi district, v. Novyj Yar); State Enterprise “Center for testing mobile equipment” (Odessa region, Belyaevsky district, v. Nerubajskoe) and many others.

Among non-agricultural enterprises which are localized in rural areas, it should be noted “pseudocooperatives”²⁵. Currently, there are two types of rural pseudocooperatives: the first – are those companies in which the founding documents specified activities is not related to agriculture (for example, international passenger traffic); the second – are cooperatives that are created solely to receive certain grant funds, or money from State funds intended for development cooperation. In the complement of such cooperative stores the habitants of village and their activity enter related exactly to agriculture, however, fixed cases, when the amount of members of such cooperative stores is folded by three persons that here are one family members, that is why significant results from work of such micro-cooperatives not should be expected.

Activity from international transportations also assists to development to the cluster of rural territory, however it organized with the aim of receipt of illegal preferences and enriching of organizers pseudocooperatives. On condition of the proper registration of activity and implementation of the tax loading, such enterprises have a right on existence in the cluster of rural areas.

4. Problems of determination of legal status of rural small and middle enterprises

Status of small and middle enterprises which activity takes place in rural areas are not fully defined. For example, consider a peasant family which is engaged in

²⁵ Pseudocooperative – a company which is a likeness of the cooperative. It creates for the illicit receipt of benefits, additional revenue, government support, grants and more.

agricultural production (poultry farming) and at the same time work in the field of rural tourism. And all members of the family take part in both kinds of activity.

In the first case (poultry farming) there is a chance that, given signed in 2014, “the Association Agreement between Ukraine and the EU”²⁶, Ukrainian policy of development of rural areas and improving the competitiveness of the agricultural sector will shift priorities towards supporting small producers and cooperatives, as it is widely practiced in the European Union, and this business will have the support of all kinds.

For the second case (business associated with tourism activity) also would have to be positive changes. Where tourism business concerns provision of services recreational character, it certainly cannot claim the status of activities related to agricultural production. Unfortunately, in Ukraine deformed concept of rural tourism and essentially does not correspond accepted in the European Union.

According to one of the main principles of its founder – WWOOF²⁷, rural tourism foundation is the exchange: in return for work done by volunteers on organic farms, rural households offer food, accommodation and opportunities to get acquainted with an organic lifestyle. Based on the analysis of the services that offer farms of green tourism Ukraine, this kind of tourism is only conditionally can be classified as “rural tourism”. It can be argued that as outlined above (with WWOOF), rural tourism in Ukraine practically does not exist, because for tourists is offered rest, in the separate cases of walk and master classes of Easter eggs, weaving, etc.²⁸.

Thanks to the correct definition of a profile of the enterprise, such farms as, mentioned above in an example, the estate of rural tourism, shall receive the status of agricultural enterprises.

In many countries are popular demonstration mini-farms on them guests can try their hand at cheese making and winemaking, weaving. It is inexpedient to provide to such farms the agricultural status, they have the expressed entertaining character, though with an informative element. However, if the farm specializes in a certain type of national crafts (for example, weaving of brooms) and visitors participate in production in exchange for food and accommodation, this type of business, though does not treat agricultural production, but is eligible for special support on the basis

²⁶ Zob. Угода про асоціацію між Україною, з однієї сторони, та Європейським Союзом, Європейським співтовариством з атомної енергії і їхніми державами-членами, з іншої сторони: Міжнародний документ від 27.06.2014, [in:] Офіційний вісник України від 26.09.2014, № 75, том 1, стор. 83, ст. 2125, 2014.

²⁷ World Wide Opportunities on Organic Farms (WWOOF) is a worldwide movement linking volunteers with organic farmers and growers to promote cultural and educational experiences based on trust and non-monetary exchange, thereby helping to build a sustainable, global community, began in England in 1971.

²⁸ І. Куліш, Екологічний туризм як чинник розвитку сільських територій України, [in:] „Економіка АПК”, № 2, 2013, с. 84.

of “respect for originality... and ...the importance of cultural heritage”, according to Art. 400 “the Association Agreement between Ukraine and the EU”.

Summary

Thus, all types of business if they do not harm the environment and do not distort the essence of rural area in its classic sense, can be seen as those that promote rural development. The tasks of public administration in this area are support and control. Support should apply to all areas that contribute to the development of the cluster of rural area and control should be carried out to determine the profile of companies operating/registered in rural areas.

Agroholdings to create competition for small and medium-sized enterprises, which are forced to seek new economic niche for their business. The positive element of this situation is that small enterprises can adapt to requirements of the present quicker, for example, one of the most popular directions is production of organic agricultural production, cultivation of animals, exotic for Ukraine.

BIBLIOGRAPHY

- [1] Абрамова І., Фінансовий аспект державної підтримки формування та діяльності сільськогосподарських обслуговуючих кооперативів, [in:] „Вісник Житомирського національного агроекологічного університету”, № 1(2), 2012.
- [2] Гайдаржи Х., Особливості правового положення сільськогосподарського переробного кооперативу як суб’єкта договору контрактації, [in:] „Бюлетень міністерства юстиції України”, № 7, 2013.
- [3] Гаркаво В., Копійка Т., Дослідження проблем сталого економічного розвитку вітчизняної молокопереробної галузі шляхом поширення сільгоспкооперації, [in:] „Вісник Дніпропетровського університету”, Серія „Економіка”, Вип. 8/1, 2014.
- [4] Голуб Г., З історії кооперативного руху на західноукраїнських землях у 20–30-ті рр. ХХ ст. (на прикладі молочарства), [in:] Історія народ. господарства та екон. думки України: *міжвід. зб. наук. пр.*, Київ, Вип, 1994.
- [5] Господарський кодекс України 2003: Кодекс України від 16.01.2003, № 436-IV, [in:] „Відомості Верховної Ради України”, № 18, № 19-20, № 21-22.
- [6] Дем’яненко С., Агрохолдинги в Україні: добре чи погано? Німецько-український аграрний діалог, Інститут економічних досліджень та політичних консультацій, Київ, 2008.
- [7] История агрохолдингов в Украине, [in:] Крупнейшие агрохолдинги Украины 2015, Ассоциация „Украинский клуб аграрного бизнеса”, Київ, 2015.
- [8] Ключан В., Система інформаційно-консультаційного забезпечення аграрної сфери: *монографія*, МДАУ, Миколаїв, 2012.
- [9] Кравець М., Інформаційна підтримка зернової кооперації, [in:] Науковий вісник Національного університету біоресурсів і природокористування України, Серія: Економіка, аграрний менеджмент, бізнес, Вип. 249, 2016.

- [10] Кропивко М., Інформаційна система як фактор забезпечення життєдіяльності сільськогосподарських товаровиробників в ринкових умовах, [in:] „Економіка АПК”, № 1, 2009.
- [11] Куліш І., Екологічний туризм як чинник розвитку сільських територій України, [in:] „Економіка АПК”, № 2, 2013.
- [12] Марочко В., Українська селянська кооперація. Історико-теоретичний аспект (1861–1929), М.Р. Kots Publishin, Київ, 1995.
- [13] Нежлукченко Т., Основні напрямки підвищення ефективності галузі вівчарства, [in:] Науковий вісник НУБіП України, Серія: Технологія виробництва і переробки продукції тваринництва, № 236, 2016.
- [14] Остапчук В., Вдович, Мале підприємництво – основа сталого розвитку сільських територій, [in:] Науковий вісник Національного університету біоресурсів і природокористування України, Вип. 163, Ч. 2, 2011.
- [15] Поперечний С., Бабич Л., Сендецька С., Формування сфери ветеринарного обслуговування на кооперативних засадах, [in:] „Вісник Житомирського національного агроекологічного університету”, № 1(2), 2012.
- [16] Сендецька С., Птахівництво в особливих селянських господарствах: проблеми і перспективи, [in:] „Науковий вісник ЛНУВМБТ ім. С.З. Гжицького”, т. 16, № 1 (58), ч. 2, 2014.
- [17] Сільське господарство України 2014. Статистичний збірник, відп. за вип. О. Прокопенко, Державна служба статистики України, Київ, 2015.
- [18] Сільське господарство України за 2015 рік, Державна служба статистики України, за ред. О. Прокопенка, Державна служба статистики України, Київ, 2016.
- [19] Статистичний щорічник України за 2013 рік, Державна служба статистики України, за ред. О. Осауленка, Державна служба статистики України, Київ, 2014.
- [20] Угода про асоціацію між Україною, з однієї сторони, та Європейським Союзом, Європейським співтовариством з атомної енергії і їхніми державами-членами, з іншої сторони: *Міжнародний документ* від 27.06.2014, [in:] „Офіційний вісник України” від 26.09.2014, № 75, том 1, стор. 83, ст. 2125, 2014.
- [21] Харченко В., Методика ефективного застосування інформаційних технологій в аграрному підприємстві, [in:] Науковий вісник НУБіП України, Серія „Економіка, аграрний менеджмент, бізнес”, № 200, 2014.

NETOGRAFIA

- [1] <http://a7d.com.ua/tvarinnictvo>.
- [2] <http://forbes.net.ua/ua/magazine/forbes/1399408-rejting-20-najefektivnishih-agrokompanij-ukrayini#20>.
- [3] <http://www.epravda.com.ua/columns/2015/08/10/554451>.
- [4] http://www.rusnauka.com/30_NNM_2010/Economics/72534.doc.htm.