

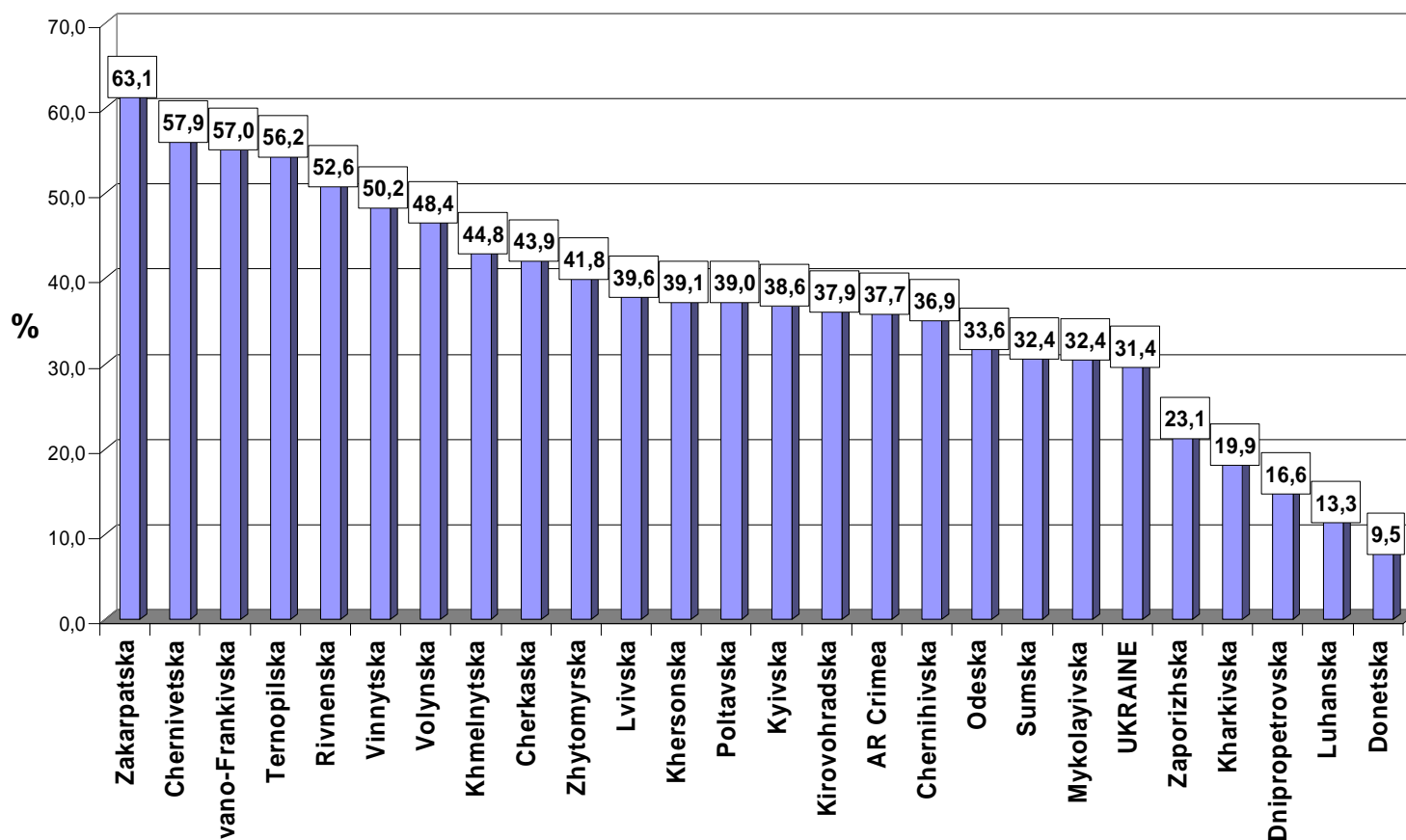
Contemporary realities and Eurointegration prospects of rural development in Ukraine

**Dr Khrystyna Prytula
Dr Vitaliy Krupin
Dr Anna Maksymenko**

*Institute of Regional Researches
National Academy of Sciences of Ukraine*

Rural areas in Ukraine cover over 90% of its territory. They are home to 31.4% of the population of Ukraine. However, the share of rural population varies depending on the region. In contrast to western regions, where the share of the population is over 50%, in eastern regions this indicator is less than 20%.

Figure 1. Share of rural population by regions in 2012, %



Source: State Statistics Service of Ukraine, 2013

At present there is no single clear definition of rural areas.

“RURAL AREAS” DEFINITION

- **At present there is no existing Concept and Rural Development Programme**
- **In most cases, an understanding of rural areas is reduced to^[1]**
 - **areas that are outside of cities;**
 - **areas where agricultural production dominates;**
 - **areas which are characterized by rural settlement^[2] .**

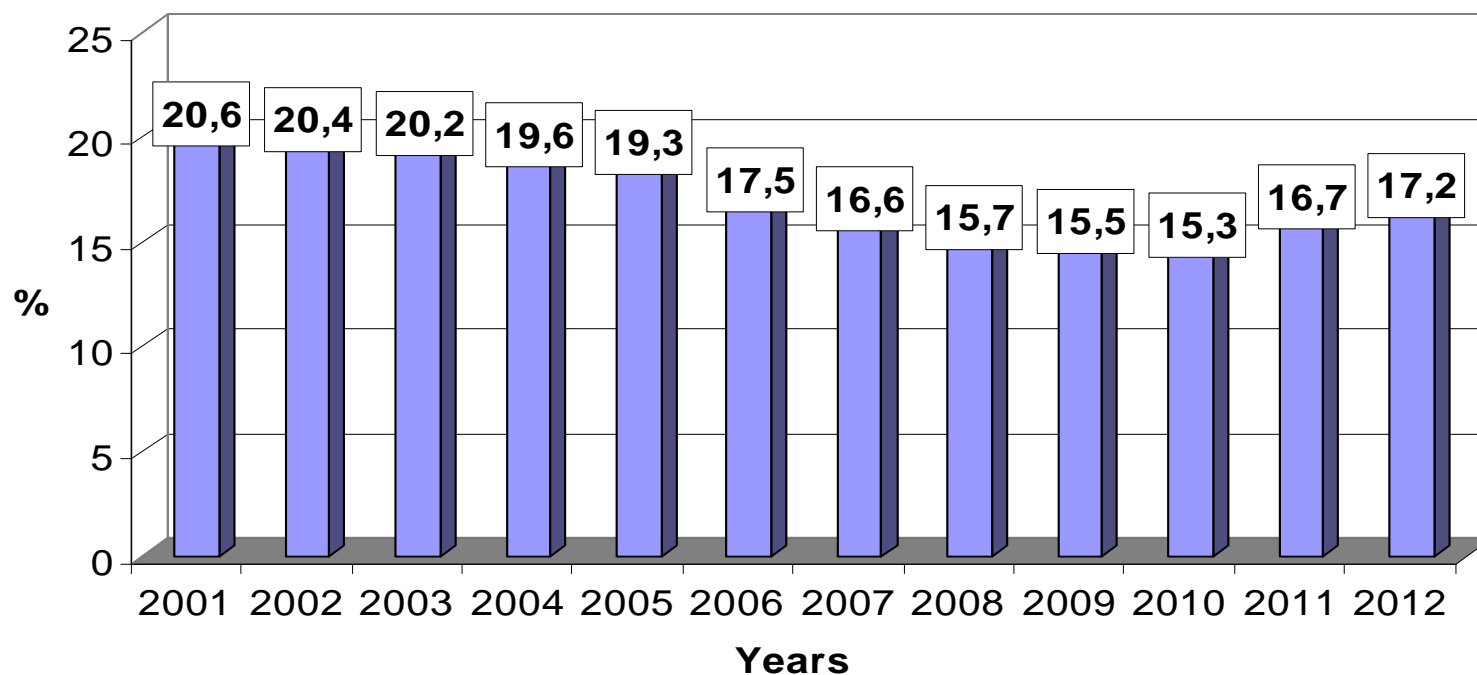
^[1] *Draft Law of Ukraine "On organization of rural settlement network" (№ 4028 dated 10.03.2010)*

^[2] *It is characterized by low density housing, mainly through individual development and inclusion of larger-sized household plots than in other types of settlements*

The main economic activity in rural areas is agriculture, which employs a vast share of rural population.

Underdevelopment of alternative sources of income, a low wage level in agriculture (which does not exceed 68% of the average salary in economy) resulted in a low standard of living. The share of rural population with total monthly resources below subsistence level is 12.7 %.

Figure 2. Share of persons employed in farming, hunting, forestry, % of the total



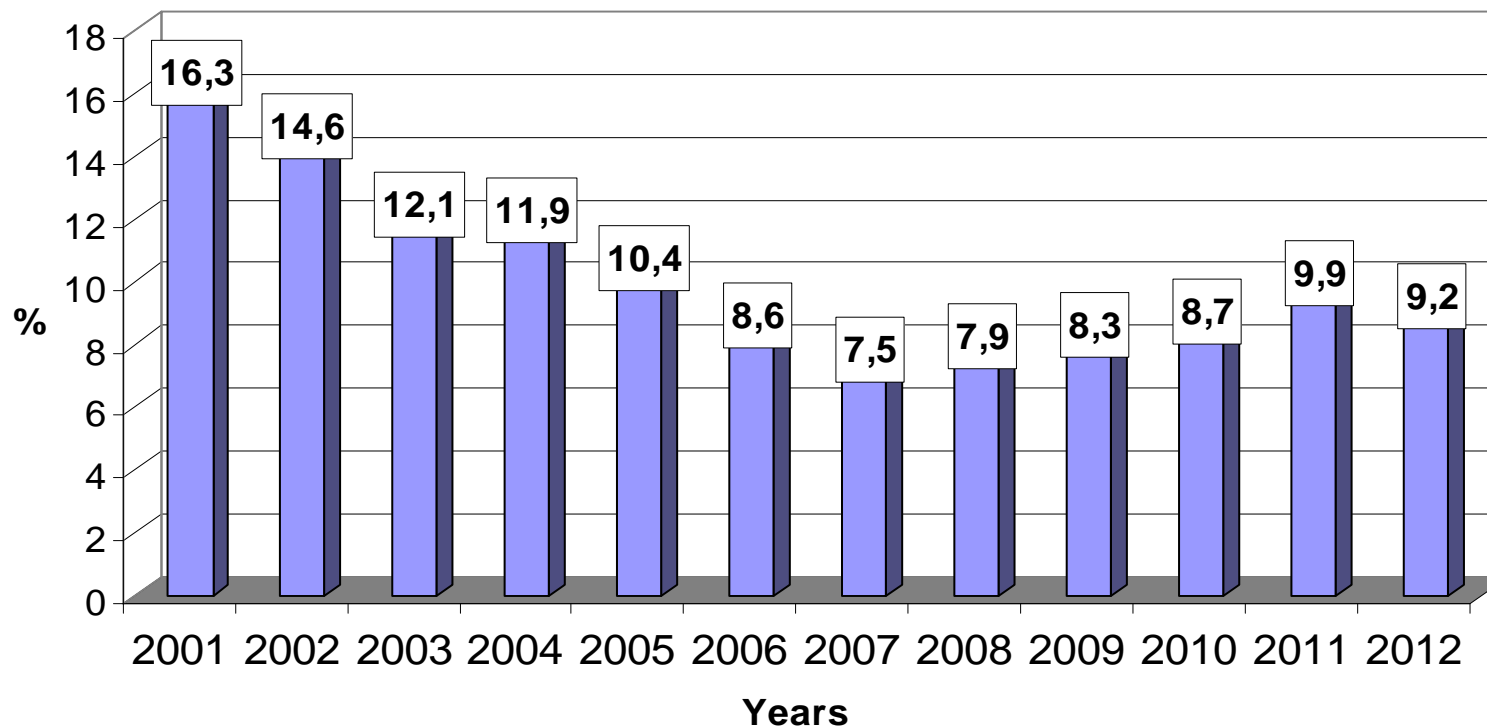
Source: State Statistics Service of Ukraine, 2013

The share of agricultural production in GDP is significant.

The share of agricultural products in Ukrainian exports is about 19%.

At the same time, the EU share of employment in this sector is 3-4% and the contribution of agriculture to GDP is about 4%.

Figure 3. Gross added value of farming, hunting, forestry, %



Source: State Statistics Service of Ukraine, 2013

The total size of agricultural areas is about 42.8 million ha. The significant feature of rural development is a high share of households in the possession of land and their contribution to agricultural production. In western regions these indicators amount to 70-80%, while in eastern regions these figures stand at 20-30%.

Table 1. Distribution of agricultural land in 2012, %

	Agricultural lands	including		
		cropland	meadow	pasture
<i>All types of land</i>	100	100	100	100
Land for agricultural enterprises and individuals	87.83	95.44	66.17	53.48
Land for agricultural enterprises	49.75	59.64	16.27	12.33
state-owned	2.32	2.47	1.3	1.72
private	47.43	57.18	14.97	10.61
Land owned by households	38.08	35.8	49.9	41.15
Land owned by other categories of users	12.17	4.56	33.83	46.52

Source: State Agency of Land Resources of Ukraine, 2013

The contribution of households to agricultural production still remains significant but a steady upward trend in the agricultural enterprises' production is obvious.

Table 2. Agricultural production by farms' categories

(at 2010 prices, mln.euro)

	1990	1995	2000	2005	2010	2011	2012	2013
Agricultural production	26826.13	17445.24	14327.12	17038.78	18488.43	22170.22	21179.66	24067.93
Crop production	13803.43	10087.24	8807.409	10860.44	11816.16	15409.96	14157.42	16715.68
Livestock production	13022.69	7358.002	5519.713	6178.342	6672.27	6760.26	7022.237	7352.244
<i>those produced by agricultural enterprises, share of total output, %</i>								
Agricultural production	<i>70.4</i>	<i>54.1</i>	<i>38.4</i>	<i>40.5</i>	<i>48.3</i>	<i>51.8</i>	<i>50.7</i>	<i>54</i>
Crop production	81.1	63.5	49.3	48.6	53.6	56.7	55.0	58
Livestock production	59.2	41.1	21	26.2	38.8	40.6	41.8	43
<i>by households, %</i>								
Agricultural production	<i>29.6</i>	<i>45.9</i>	<i>61.6</i>	<i>59.5</i>	<i>51.7</i>	<i>48.2</i>	<i>49.3</i>	<i>46</i>
Crop production	18.9	36.5	50.7	51.4	46.4	43.3	45	42
Livestock production	40.8	58.9	79	73.8	61.2	59.4	58.2	57

Source: State Statistics Service of Ukraine, 2013

Farming on household plots has become a major source of income for about 50% of the rural population. The share of expenditure on food in the structure of total expenditures is almost 50 %.

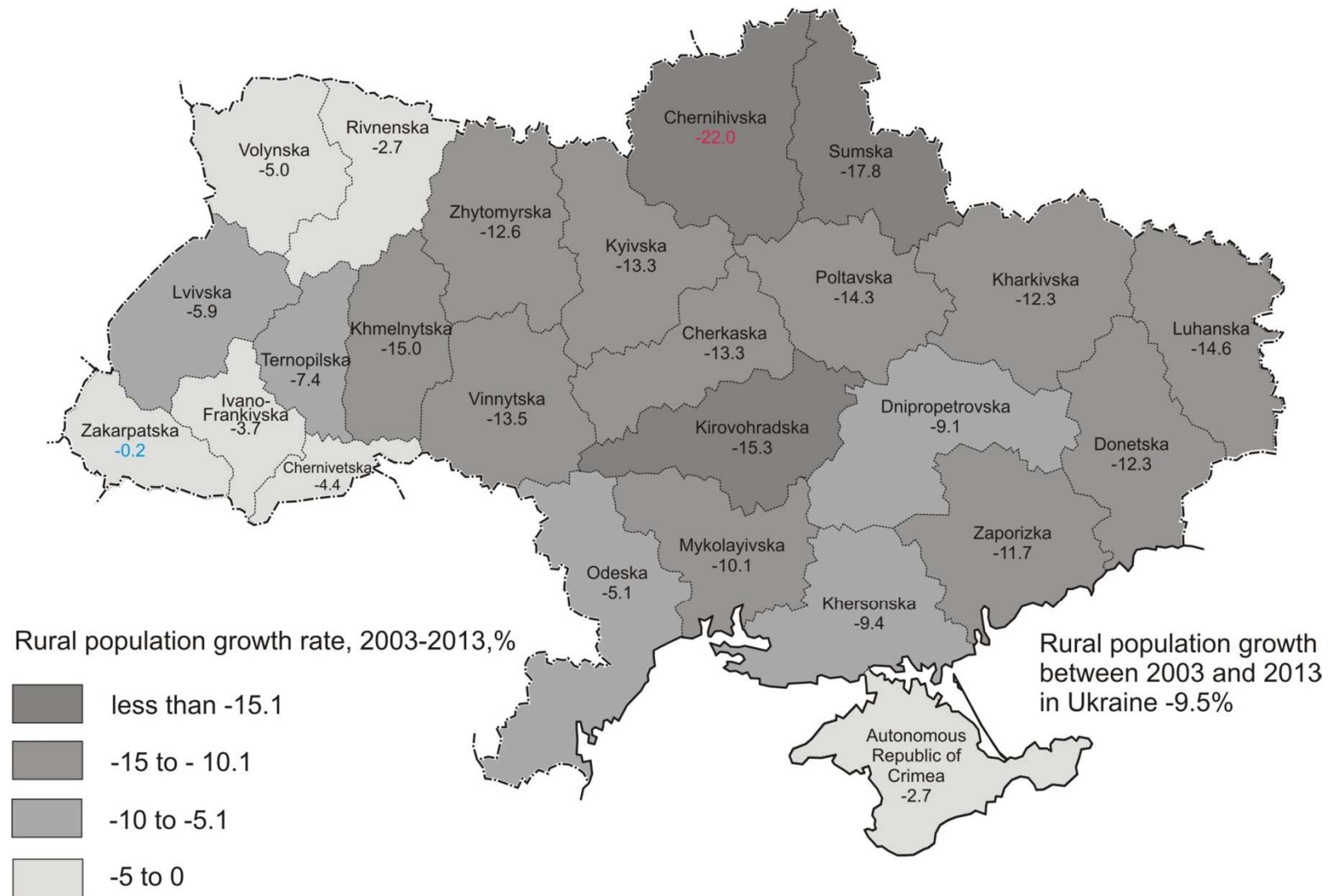
Table 3. Structure of total household resources in 2012

(monthly per household)

	All households	including those living in	
		urban areas	rural areas
Total resources, euro	392.20	405.28	362.71
%			
Cash income	91.6	94.1	85.5
wages	50.6	56.4	37.4
income from entrepreneurship and self-employment	4.1	4.6	3.1
proceeds from the sale of agricultural products	2.9	0.4	8.9
pensions, scholarships, aid and subsidies paid in cash	27.1	26.3	29.1
financial aid from relatives and other persons, and other cash income	6.6	6.4	7.0
Value of consumed products derived from individual farms and from self-provisions	3.6	1.3	9.6
Non-cash benefits and subsidies	1.0	1.1	0.7
Other revenues	3.8	3.5	4.2

Source: State Statistics Service of Ukraine, 2013

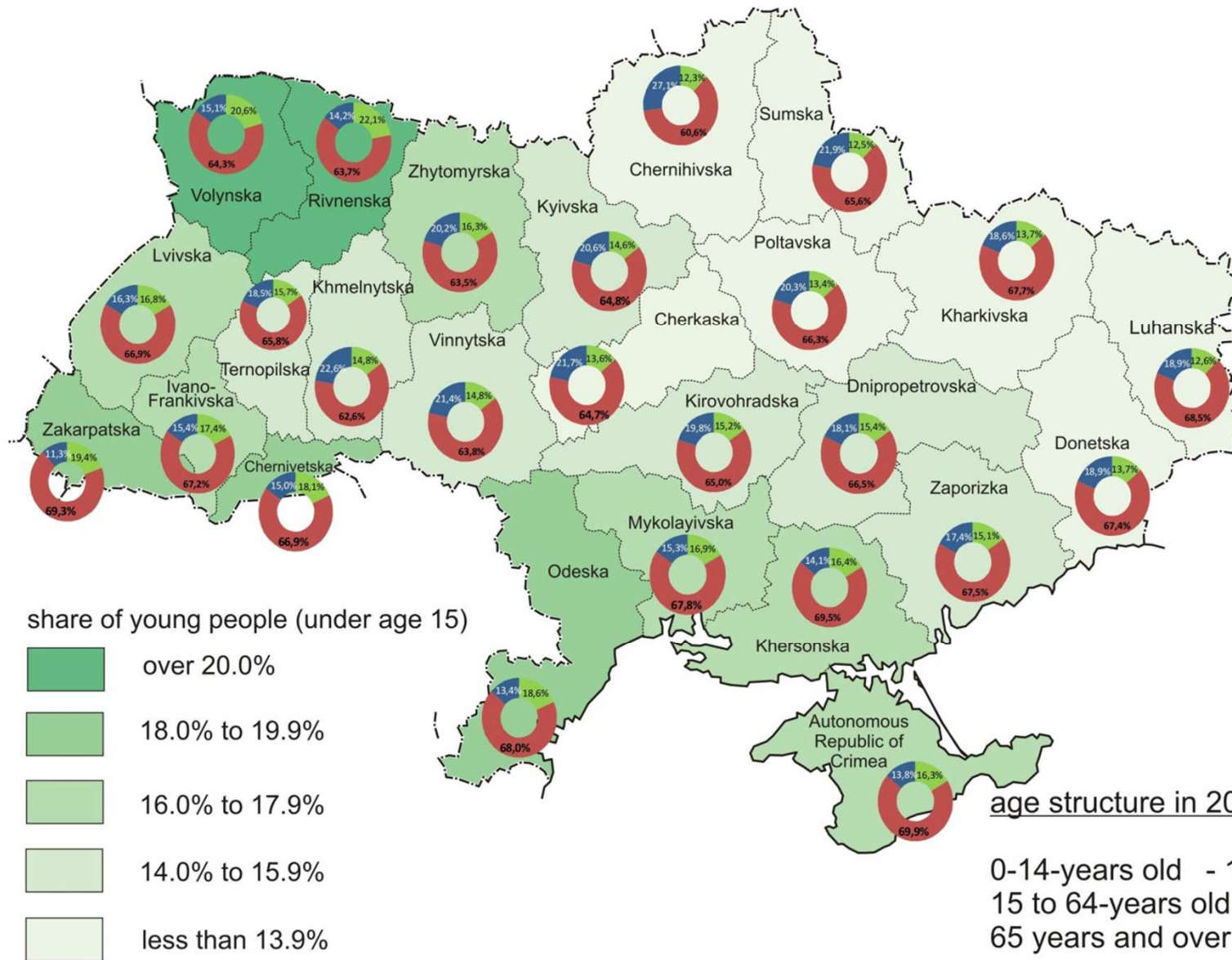
Rural population growth rate, 2003-2013, %



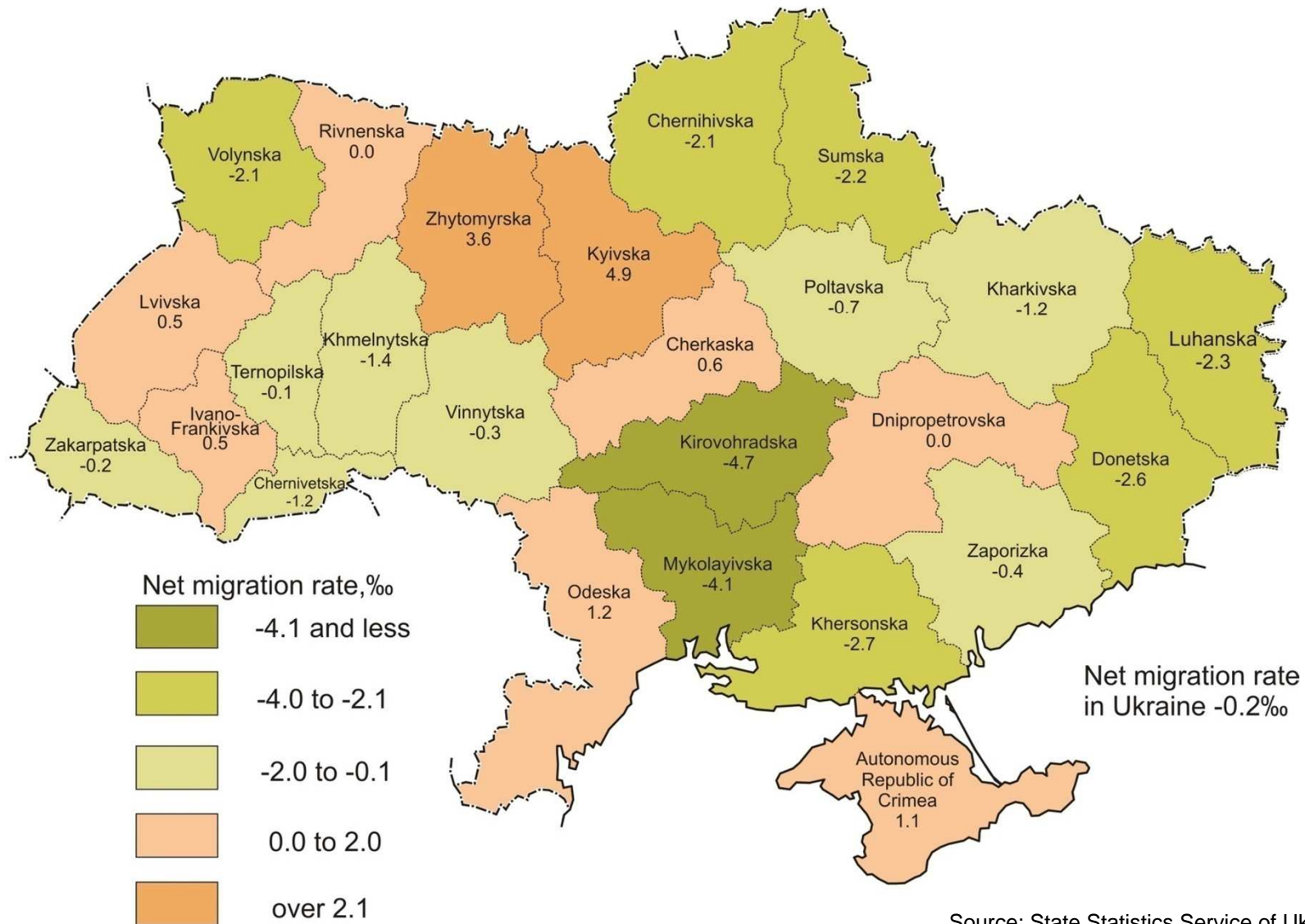
Natural rural population growth per 1000 present population.‰



Age structure of rural population in 2012, %

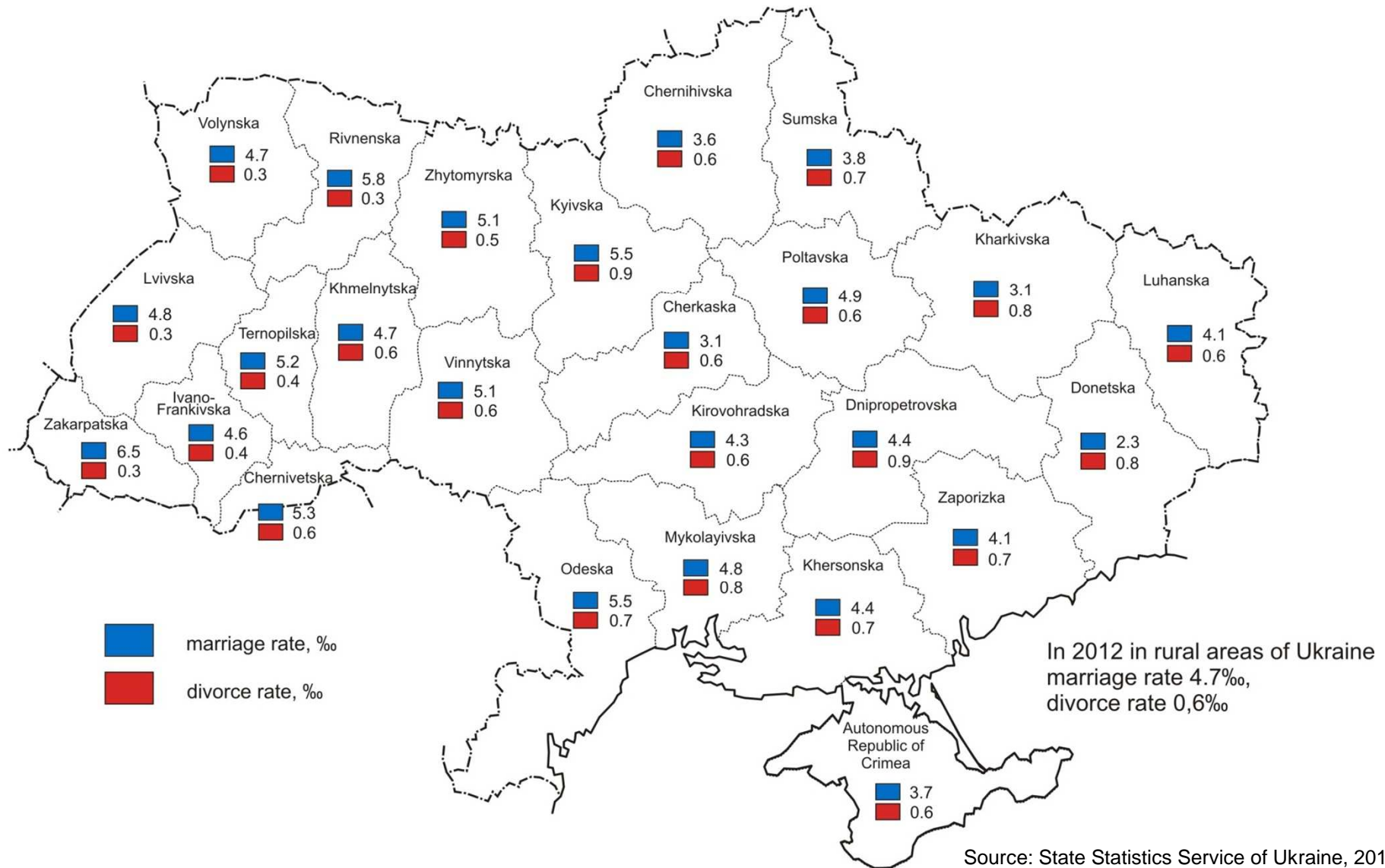


Net migration rate of rural population per 1000 present population,‰ (2012)

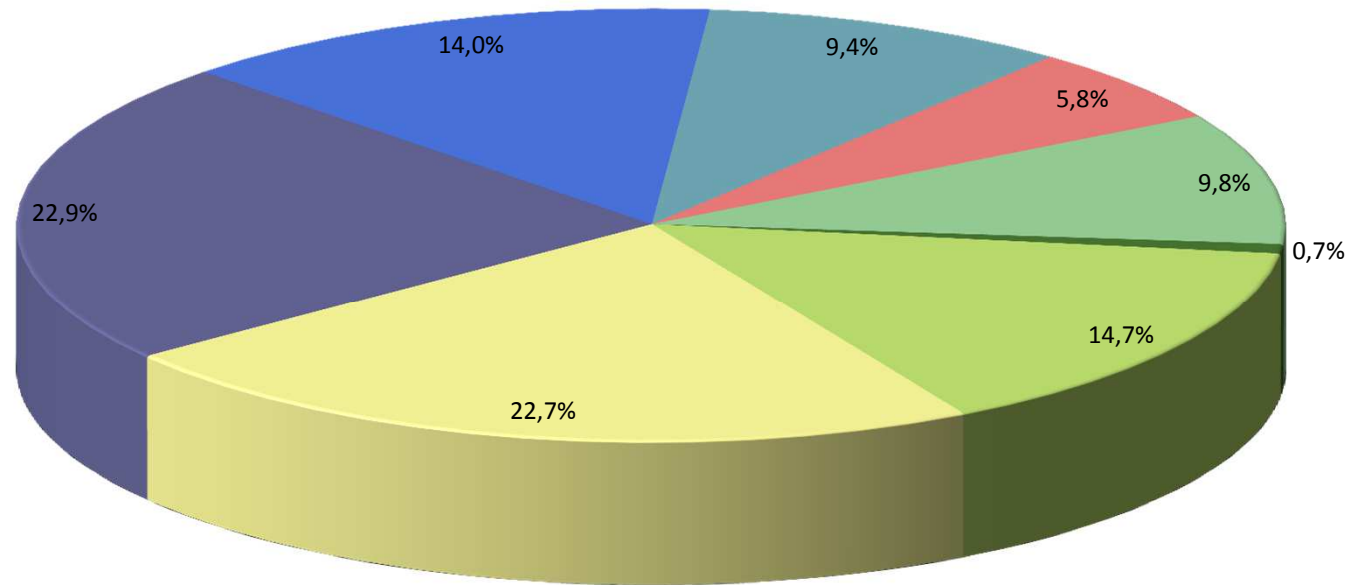


Source: State Statistics Service of Ukraine, 2012

Marriage and divorce rates per 1000 present population in 2012, ‰



Share of rural population over 6-years old by the education level, %

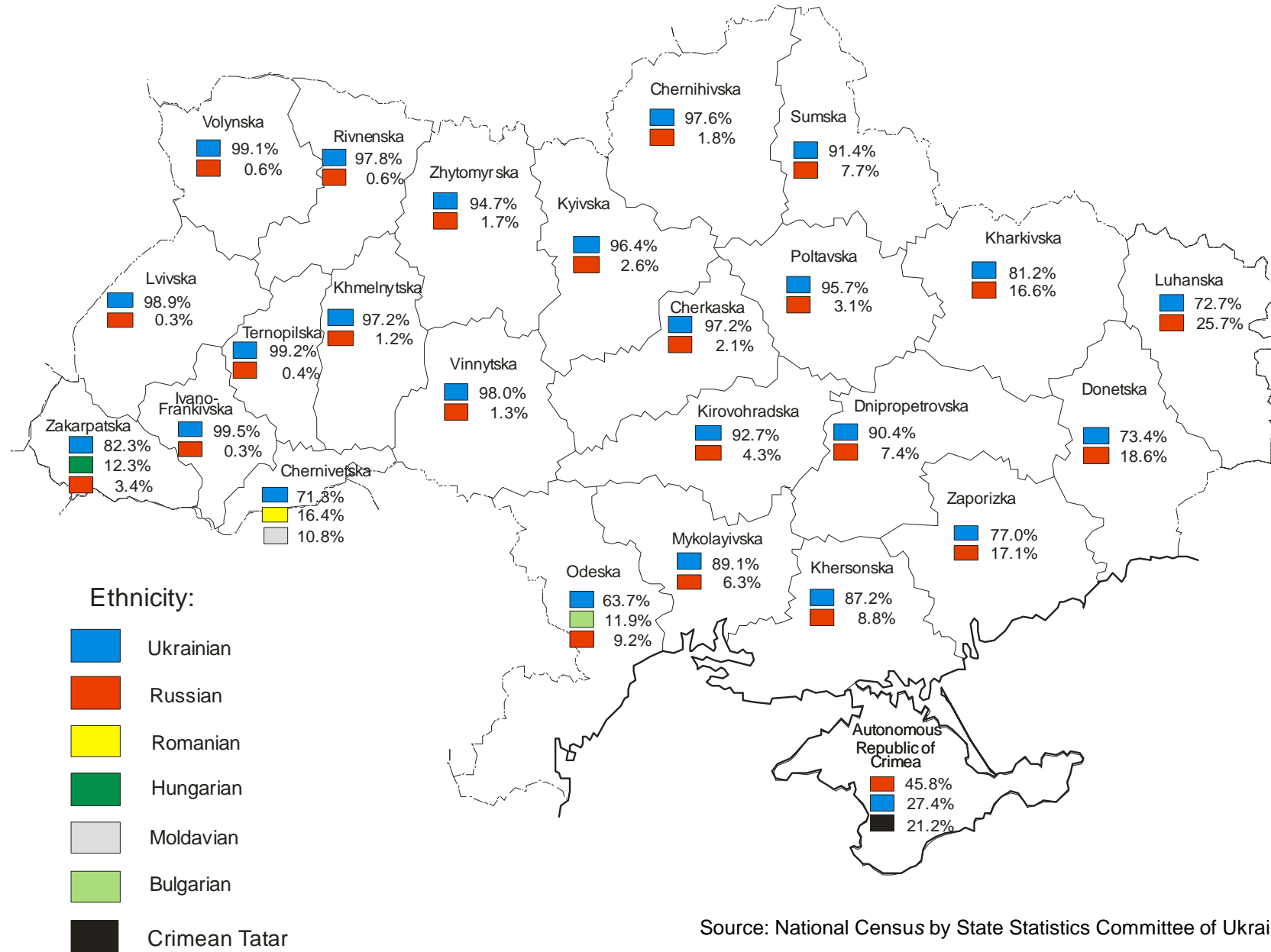


- Full higher education (master's degree) 9,8%
- Basic higher education (bachelor's degree) 0,7%
- Incomplete higher education (I-III course at university) 14,7%
- Vocational education (technical college) 22,7%
- Complete general secondary education (11 years of school education) 22,9%
- Basic general secondary education (9 years of school education) 14,9%
- Primary education (4 years of school education) 9,4%
- Do not have school education or illiterate 5,8%

Employment and unemployment rate, %

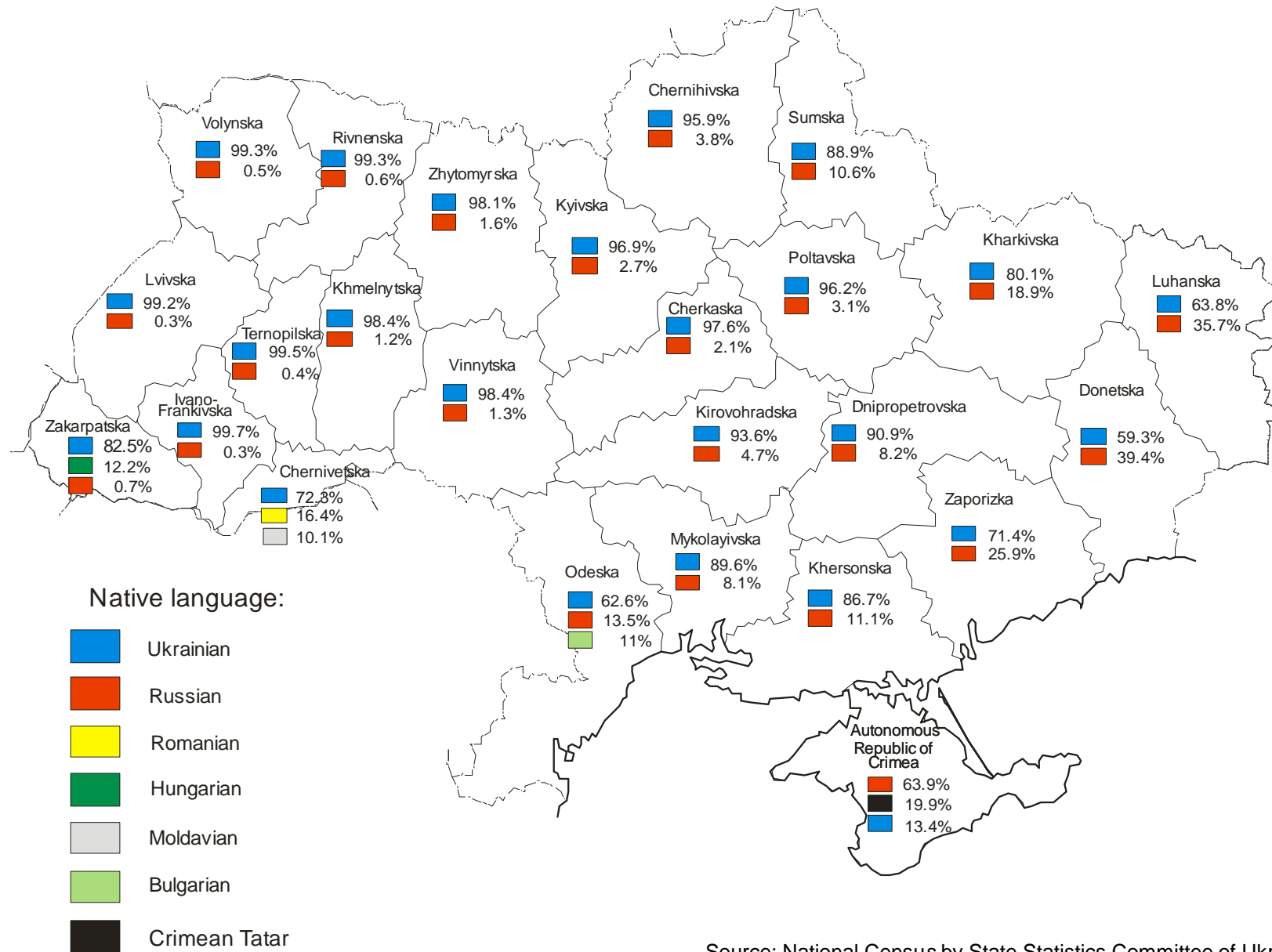
	Economically active population, thousand people	Employment rate, %	Unemployment rate, %
15-75-years old	6878,6	62,7	7,4
Full higher education (master's degree)	812,9	76,4	6,7
Basic higher education (bachelor's degree)	60,1	57,7	12,6
Incomplete higher education (I-III course at university)	1 092,20	73,2	7,1
Complete general secondary education	4 135,50	64,9	7,9
Basic general secondary education (9 years of school education)	749,1	43,0	5,6
Primary education or without education	28,8	16,2	
15-24-years old	913,8	40,3	14,6
25-29-years old	814,8	72,5	9,4
30-34-years old	760,1	75,5	7,6

Ethnicity of rural population in Ukraine (based on 2001 National Census)



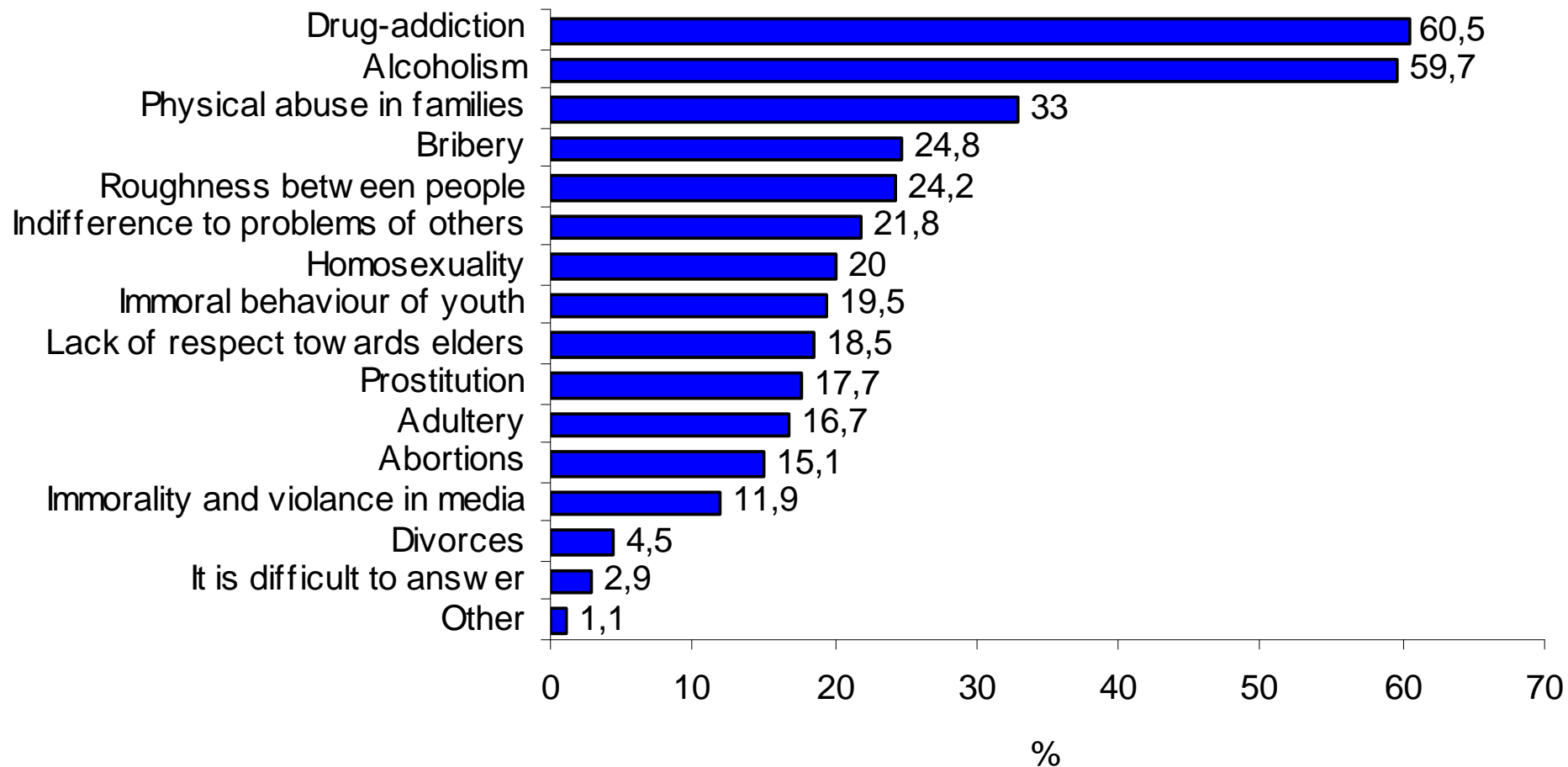
Source: National Census by State Statistics Committee of Ukraine, 2001

Native languages of rural population in Ukraine (based on 2001 National Census)



Source: National Census by State Statistics Committee of Ukraine, 2001

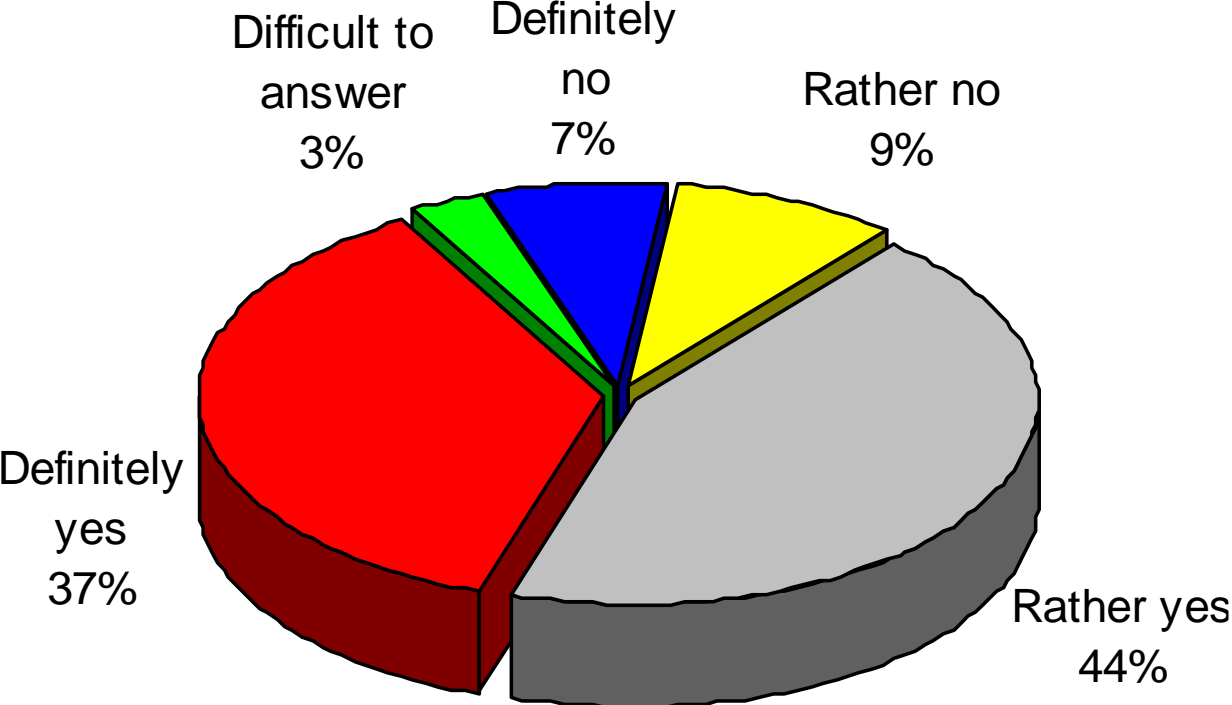
Main social problems of a society (according to survey of rural population)*



* Respondents could choose more than one answer

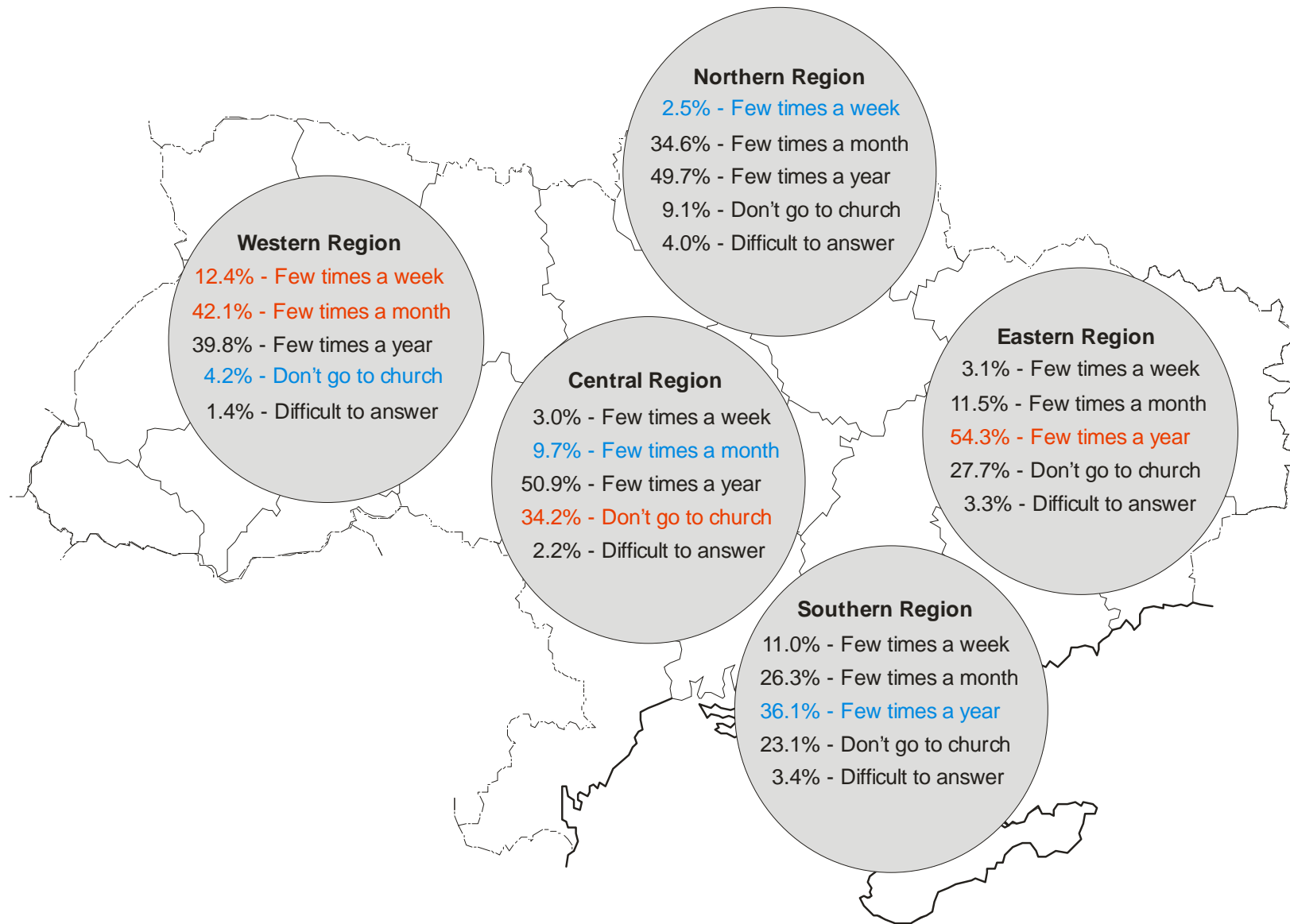
Source: Gorshenin Institute Sociological Research, 2013

Do rural residents consider themselves as religious (believing) people?
(according to survey of rural population)

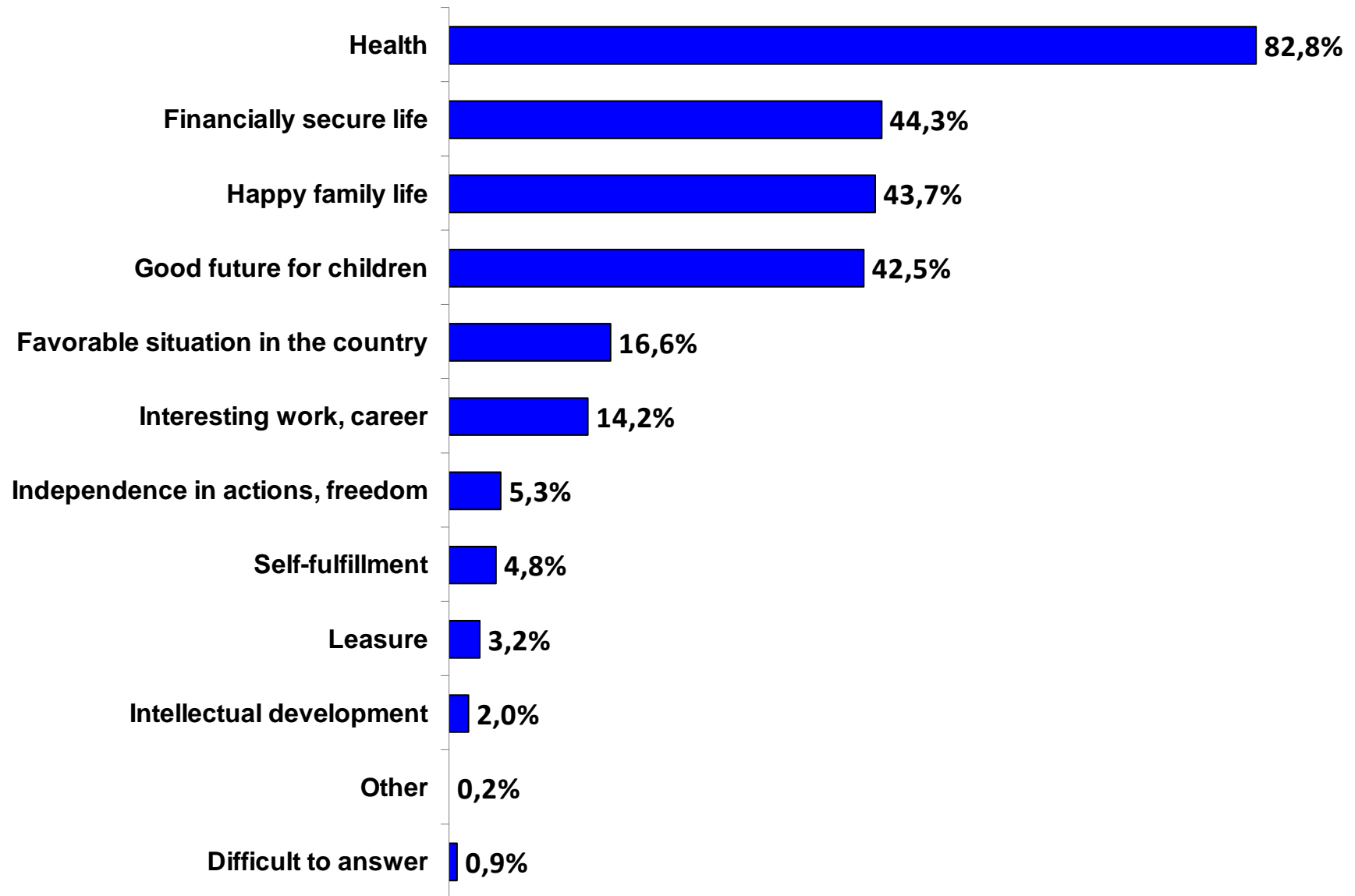


Source: Gorshenin Institute Sociological Research, 2013

Regional differentiation of church attendance by rural population (according to survey)



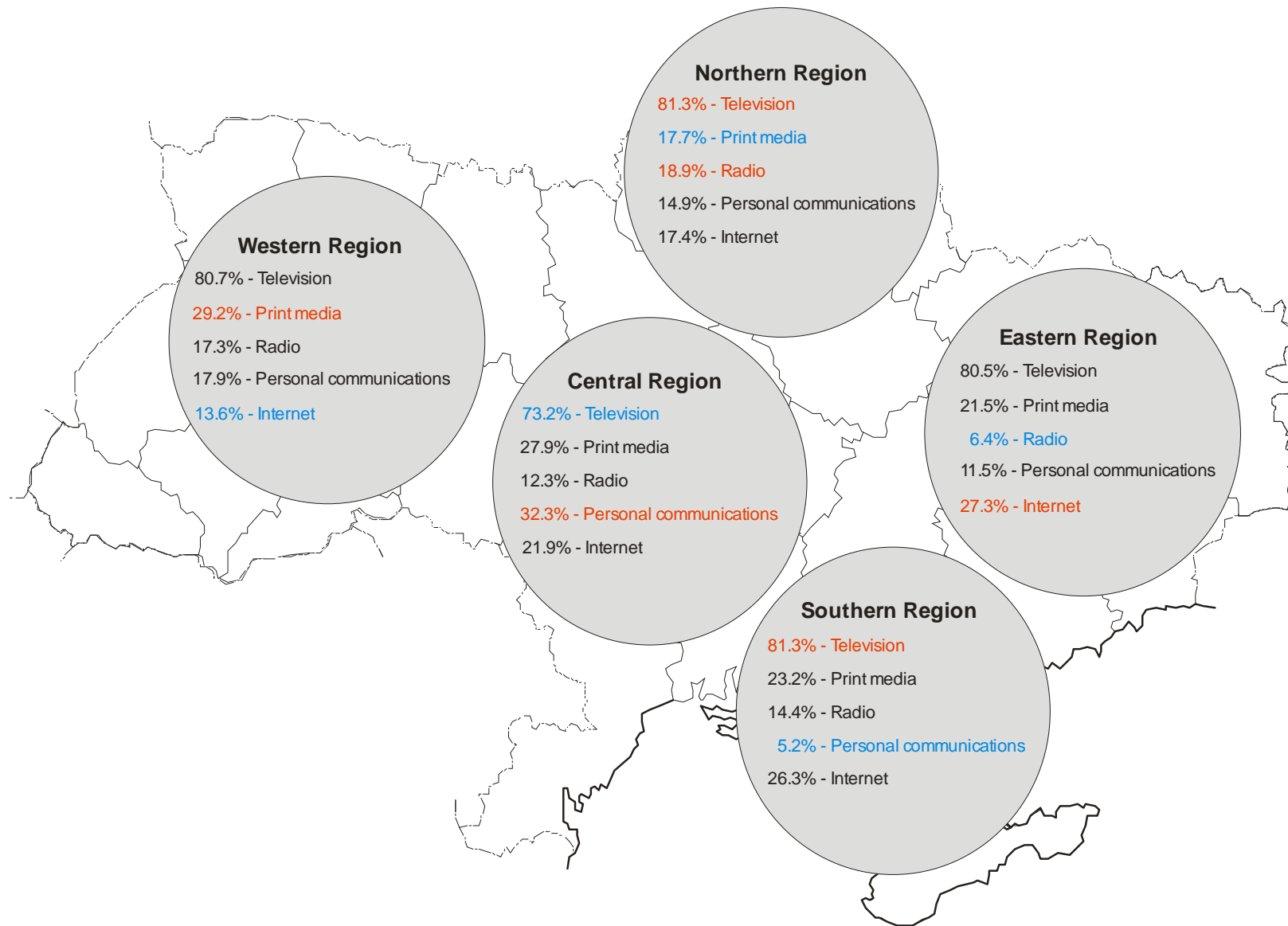
Most important life values of rural population (according to survey)*



* Respondents could choose more than one answer

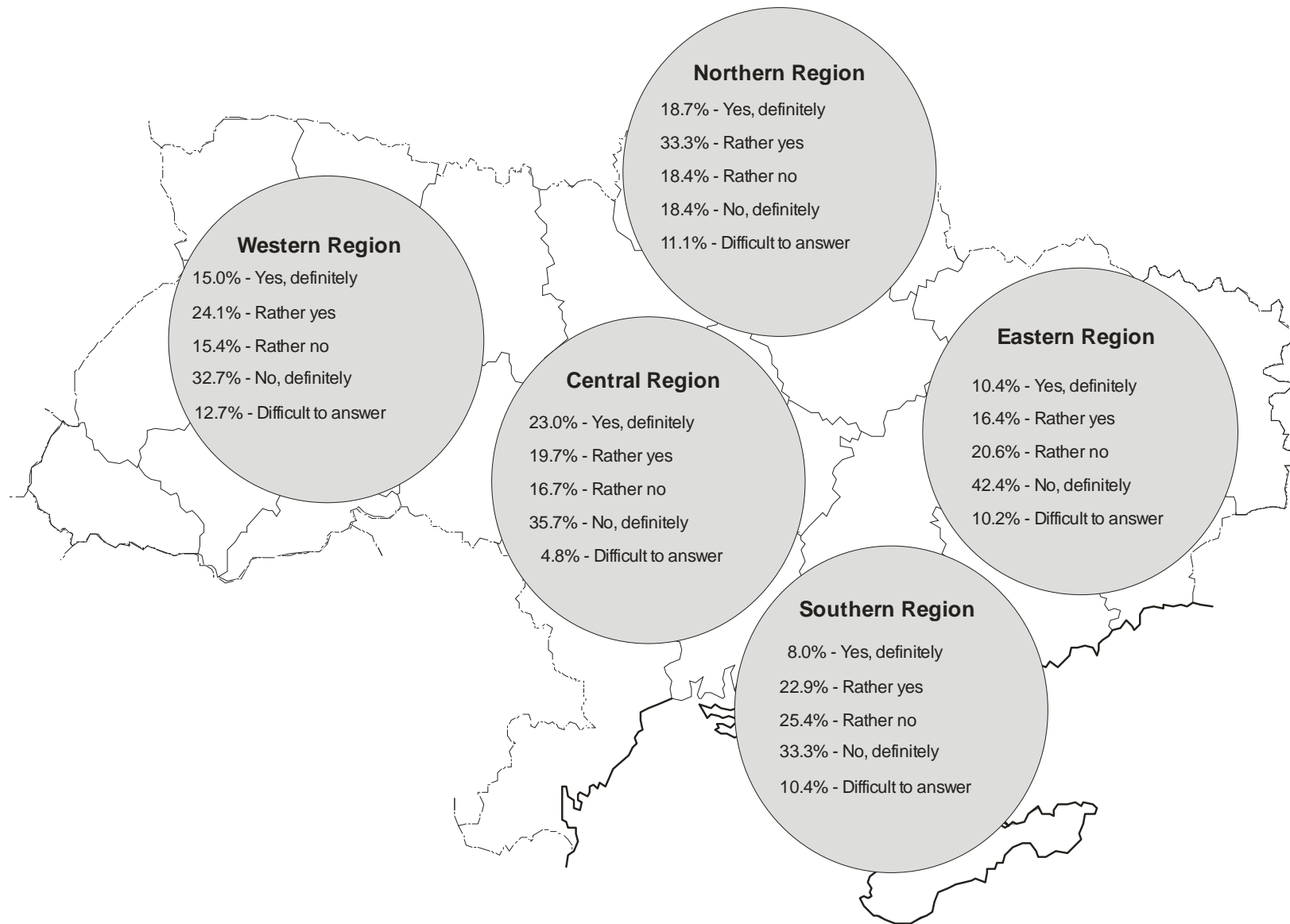
Source: Gorshenin Institute Sociological Research, 2011

Preference of rural population towards the source of news (according to survey)*



* Respondents could choose more than one answer

Readiness of rural population to personally take actions in active protests (according to survey)*



Main problems of Ukrainian rural areas

- Underdevelopment of institutional support
- Low income level of rural population
- Decline of social infrastructure (primarily healthcare quality and accessibility)
- Monofunctionality, causing low possibilities for rural population, as well as lack of alternatives
- Inefficient structure of agricultural production
- Low economic and production efficiency of agriculture
- Decrease of overall rural population
- Rapid aging of rural population
- High unemployment rate among young rural inhabitants
- Environmental issues

Eurointegration benefits for Ukrainian rural areas

- Higher quality of life standards and measures for their implementation
- Restructuring of rural economy under new market conditions
- Encouragement towards faster transition to multifunctional economy
- Gradual increase of competitiveness of local businesses
- Increase of foreign investments inflows
- New experience and learning possibilities for young rural population

Thank you!

Presentation by:

Dr Khrystyna Prytula, khrystynka_p@hotmail.com

Dr Vitaliy Krupin, vitaliy.krupin@gmail.com

Dr Anna Maksymenko, annusja@gmail.com

*Institute of Regional Researches
National Academy of Sciences of Ukraine*