

# **DEMOGRAPHY AND SOCIAL POLICY: ANTI-CRISIS OUTINGS**

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*DOI: <https://doi.org/10.30525/978-9934-26-080-3-20>*

## **EXPERIENCE OF MARKET TRANSFORMATIONS IN THE AGRICULTURAL SECTOR OF THE ECONOMY OF UKRAINE: SOCIAL ASPECT**

Despite the fact that during the years of independence several laws and resolutions of the Cabinet of Ministers of Ukraine were adopted, which emphasized the priority of the development of the agricultural sector of the economy, in practice this provision was not implemented. This is due to the declarative nature of existing legal norms and consumer attitude of the state to the agricultural sector.

During the economic crisis of the 1990s, negative trends took place not only in the economic development of the agricultural sector, but also in the social one. However, the government did not take steps to eliminate them until late 1998. However, as the practice of reform has shown, they were not comprehensive and were aimed at neutralizing the negative effects of social contradictions rather than resolving them.

In particular, during the economic crisis in rural areas, the employment of peasants decreased both in agricultural enterprises and outside villages, unemployment rose, real incomes decreased, the gap between the incomes of urban and rural populations deepened, and so on. The way out of this situation during all the years of independence, the state saw an increase in self-employment in farms and private farms, respectively, expanded and economically strengthened.

In order to increase the welfare of peasants, the Decree «On guaranteeing the protection of economic interests and improving the social security of retired peasants entitled to land fraction (share)» of 1998 was issued, which introduced the obligation to pay rent to retired peasants for they lease land shares at the level of 0.5% of the normative monetary valuation of the land share. Later, the Decree «On Ensuring Economic Interests and Social Protection of Rural Social Workers and Resolving Certain Issues Arising in the Process of Land Reform» of 2000 was issued, which provided for the transfer of ownership and use of land to social workers for personal peasant or farming, gardening, maintenance of residential buildings. That is, social workers also became owners of land plots and were able to receive income from them. However, only in 2002 was the Decree «On Additional Measures for the Social Protection of Peasants Owners of Land Plots and Land fraction (Shares)» signed, which extended the obligation to pay rent to all peasant owners, and increased the minimum rent to 3%.

The Decree «On Additional Measures to Increase the Level of Protection of Property Rights of the Rural Population» of 2002, which provided not only for the right to seize property shares in kind and the right to freely dispose of them, including selling them, but also for mandatory lease of property shares and mandatory payment of rent for leased property shares were enshrined. Thanks to these decrees, it was possible to increase the level of income of rural households and reduce their poverty.

Beginning in 2000, the wages of agricultural workers gradually began to grow, and the incomes of peasants-owners from the rent for land and property grew. In 2004, the amount of rent received by peasants was already half of their wages on agricultural enterprises [1]. Nevertheless, the agricultural sector still lags behind other sectors of the national economy, both in terms of wages of agricultural workers and the growth rate of income of the rural population. Of course, this situation does not help to resolve the contradictions in the system of agrarian relations.

In order to diversify the employment of the rural population and attract additional sources of income, the State Program for Rural Social Development was developed, which was aimed at expanding the employment of the rural population, increasing wages in agricultural enterprises and increasing the marketability of personal farms. Important for the support of the social sphere of the village was the Decree «On ensuring the economic interests and social protection of social workers in the rural sphere and addressing certain issues arising in the process of land reform» of April 12, 2000, which initiated the transfer villages of land plots for personal farming or farming, gardening, horticulture, etc. That is, the measures of the state were aimed at solving the problem of employment in rural areas through self-employment of former agricultural workers in private farms and increasing the marketability of the latter.

In order to improve the situation with the development of social infrastructure in rural areas, several decrees were signed, in particular: «On some measures to improve the management of non-state agricultural enterprises», according to which social infrastructure facilities maintained by collective and state farms were transferred to communal property of local governments, and «On measures to support individual housing construction in rural areas» from 27.03.1998, which introduced a program of preferential lending to individual rural developers called «Own House». Also, in order to provide the village with young qualified personnel, primarily for the needs of the social sphere, a Decree «On state support for the training of specialists for rural areas» was signed.

In 2000, the Decree «On the basic principles of development of the social sphere of the village» was signed, which defined the program of investment in the social sphere of the village. As a result of the growth of state capital investments, the commissioning of new social infrastructure facilities resumed. The process of gasification of villages intensified. Due to the individualization of the housing market and the abandonment of Soviet building codes and regulations, the communal arrangement of rural residents has significantly improved. In 2002, two more decrees were signed «On additional measures to

address social problems in rural areas and further development of the agricultural sector» and «On priority measures to support the development of the rural social sphere», the implementation of which had a positive impact on the dynamics of new objects of social infrastructure – preschool, general education, hospital.

Another negative consequence of the delay in resolving social and economic contradictions in the system of agrarian relations, and the subsequent lack of systemic and comprehensive nature of state measures to resolve them, is the depopulation and depopulation of villages. Today, many hamlets and small villages in Ukraine are legally a quarter, and in fact half, are empty [1, p. 353]. It follows from all the above that social contradictions in the system of agrarian relations in the course of agrarian transformations were resolved only in part by creating conditions conducive to neutralizing the negative effect of their actions (in particular, peasants acquired the status of nominal landowners). Thus, the main reason for the growing crisis in the agricultural sector of Ukraine is the inefficiency of agricultural policy itself, and, above all, in the field of land relations, budget and tax policy. This can be traced on the basis of the efficiency of agricultural production in agricultural enterprises of Ukraine, for example, in 1990-2009. If in 1996-1999 agricultural enterprises had losses, then from 2001-2006 they began to make a profit. However, the profit is not enough even for a simple reproduction of production.

It follows from the above that although in the course of market transformation of agrarian relations the state monopoly on land was overcome, the transition to various forms of land ownership and management was carried out, etc., however, the ultimate goal of the reforms was not achieved. would operate on the basis of sustainable development. Instead, in the course of reforming the agricultural sector, new economic and social contradictions arose, caused by private land ownership and the transition to market economy. This necessitates a comprehensive, purposeful resolution of the contradictions of the agricultural sector on a scientific basis.

Thus, the economic policy of Ukrainian governments on the development of the agricultural sector was aimed, firstly, at resolving

contradictions in the system of forms of management in the unresolved problems of private land ownership, and secondly, focused on the economic component of reforms while ignoring social and environmental, thirdly, based on the underestimation of the real agricultural potential of a unique country in this regard. The course of agrarian transformations was determined primarily by political (declarative nature of current legal norms and consumer attitude of the state to the agricultural sector), economic (priority was given to private forms of management), social (ensuring social stability in society through employment of dismissed workers from agricultural enterprises in personal farms), historical (mentality), cultural and religious (management traditions) and political (participation of the country in international trade) imperatives.

The conceptual model of economic policy of the state to resolve social and economic contradictions in the system of agrarian relations, in our opinion, should be based on the fact that it is impossible to build effective agrarian relations and form an effective system of motivation of labor and production without resolving contradictions in the system of relations land ownership. Since the bearers of these contradictions are the subjects of agrarian relations, which are guided by their own interests, their resolution is possible only on the basis of coordination of the interests of the latter. The function of reconciling interests should be taken over by the state. It is she who must organize and direct the activities of both individuals and social groups and society as a whole, focusing on the satisfaction, above all, of public interests. That is, the main function of the state is, on the one hand, to guarantee the protection of the rights of owners, and, on the other hand, to reasonably limit these rights.

### **References:**

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