



# Sustainable rural development in Ukraine: Legal aspect

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## Abstract

Sustainable rural development involves the attainment of a balanced development of the economic, ecological and social spheres within a community. For this purpose, the state agrarian policy should be aimed at achieving three goals: 1) food security of the state; 2) solving of social and environmental problems in rural areas; and, 3) the transformation of the agrarian sector into a highly effective, competitive domestic and foreign market economy sector of the state. Therefore, the purpose of the article is to study the legal framework for the sustainable rural development of Ukraine by analyzing the state agricultural policy in this area. The article is dedicated to the study of sustainable development's legal aspects in Ukrainian rural areas. The author clarifies the essence of the concept of sustainable rural development, analyzes the international legislation and legislation of Ukraine in this area. It is noted that the state agrarian policy in Ukraine should focus primarily on ensuring legal, economic and organizational conditions for the development of rural diversification and public-private partnerships. The essence of rural diversification is revealed and its directions are investigated. Legal provision of rural tourism in Ukraine is analyzed in detail. The model of public-private partnership and its potential in the field of rural development is explored. The author concludes that legislation in the field of sustainable rural development is at the stage of formation and proposes a complex of changes aimed at its improvement.

## Introduction

Agriculture is a key sector of the Ukrainian economy. The increase in agricultural production is an important factor in ensuring the country's food supply and economic security. The agrarian sector of Ukraine's economy shows the positive dynamics of growth, forming about 14% of gross value added in the country and about 40% of foreign exchange earnings on exports in recent years (Order of the Cabinet of Ministers of Ukraine from 13.09.2017 № 664-p). However, an increase in the volume of agricultural production did not contribute to solving the socio-economic problems of the country's territories.

The rate of remuneration in agriculture remains one of the lowest among the sectors of the Ukrainian national economy. Rural households' income rates per cap-

ita (23%) is below the minimum subsistence level. The poverty rate in rural areas is 1.7 times as high as in urban areas. Most rural residents do not have access to high-quality medical or educational services. The state of environmental safety is deteriorating (The Integrated Strategy for the Development of Agriculture and Rural Areas for 2015-2020).

The ill-considered state agrarian policy caused the negative phenomena in agriculture, which were manifested in the unemployment of rural residents, the increase in the amount of rural population's migration, the decline of social infrastructure, and the disappearance of villages from the administrative map of the state which occurred from 1991 to 2012 due to the lack of population

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528 rural settlements disappeared in Ukraine (Concept of reform of local self-government and territorial organization of power in Ukraine).

In order to address these problems, such situations require an integrated approach as well as the development of legal, economic and organizational measures aimed at the preservation and development of rural areas. Therefore today, the main task of the state agrarian policy should be social problems' solution and the provision of integrated and sustainable rural development. In this aspect, the study of Ukrainian legislation in the field of sustainable rural development, the effectiveness of its application and the definition of the main measures for the state policy implementation are becoming particularly relevant (Stativka & Kulchii, 2016).

The global idea of the sustainable development involves a balanced development of the economic, ecological and social spheres of human life, which provides the needs of the current generation, without compromising the ability of future generations to meet their own needs (UNCED, 1992). Despite consolidating the general understanding of sustainable development in "Our Common Future" Report, its authors emphasized that the interpretations of this category will change, but they should contain some general features and follow from consensus on the basic concept of sustainable development and a broad strategic framework for its achievement (WCED, 1987). That is why, among scholars, there are different approaches to the understanding.

## Literature review

Sustainable development is defined as a type of development of a complex system (in other words, the human society and our surrounding environment), which involves not only maintaining the system in a state of dynamical equilibrium, but also a purposeful change based on the application of scientific and technological achievements in the right direction. These achievements provide for a more stable state, and at the same time, functioning more successfully in the interests of both present and future generations (Rutkevich, 2002; Sakhayev, 2004; Melnyk, 2018). Sustainable development is also considered as a dynamic balance of all economic, social and environmental elements in the social system, in terms of such resources use that does not go beyond regenerative and absorbing opportunities of the environment, while simultaneously preserving the possibility of using similar resources for future generations (Todoryuk, 2014). Furthermore, it can be stated as a balanced interaction of society and nature, carried out in the triad of nature, society and man (Lopatynskyi, 2015) as economic growth, which ensures the improvement of

the population's quality of life and its ecological safety (Kuzmenko, 2014; Shevchenko, 2017; Khaustova & Omarov 2018).

Occasionally, sustainable development is understood in two ways: narrow and broad. In the narrow sense, attention is focused mainly on its environmental component (Balyuk, 2011; Yevstihnyeyev, 2012; Malysheva, 2011). Sustainable development is the satisfaction of the basic needs of existing and future generations while preserving the traditional natural resource potential of the biosphere (Sadovenko, 2007; Bystryakov, 2012). In a broad sense, sustainability is a process that signifies a new type of civilization, in which the task of optimal control is not only natural and resource potential, but also the whole set of natural socio-cultural wealth, which civilization operates at a particular stage of global historical development (Zbarsky & Poozenko, 2011; Barabashova, 2013; Shapovalova, 2002; Shubravska, 2002; Diesperov, 2011; Karpinsky, 2005; Khvesyk, 2012; Spivak, 2010). Sustainable development is a dynamic process of the system's transition to a qualitatively new innovative level aimed at providing economically sound, environmentally safe and socially-oriented extended reproduction of all elements of the socio-economic system (Samofatova, 2018). However, interpretations of the concept of sustainable development vary. However, it is important to note that in the context of globalization – the rapid pace of global economic growth and excessive consumption of natural resources – that the sustainable development concept was designed to balance civilization development. It is based on the main idea that the dialectical link of the three components (environmental, economic and social) must be considered under all conditions so that not only the current population of the planet, but also future generations have the opportunity to satisfy their own needs (Kulchii, 2015).

In order to adapt national legislation to sustainable development, certain steps have been taken in Ukraine. In particular, it is regulated by such laws as the Resolution of Verkhovna Rada of Ukraine "On the Concept of Sustainable Development of Human Settlements" (December 24, 1999), the Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Comprehensive Program for Implementation at the National Level of Decisions Adopted at the World Summit on Sustainable Development for 2003-2015» (April 26, 2003). In addition, the National Commission on Sustainable Development of Ukraine was formed as an advisory body under the Cabinet of Ministers of Ukraine (1997-2002, 2009-2013) and under the President of Ukraine (2003-2007). The main tasks of the Commission were the following: to prepare proposals for the decisions and recommendations implementation of the UN Commission on Sustainable De-



velopment of the Economic and Social Council; organize the formulation of the main documents, define the strategy of sustainable development in Ukraine; and lastly, to develop proposals as a mechanism for implementing measures aimed at the transition of Ukraine to sustainable development. However, the work of this body proved to be ineffective as its main functions were not fulfilled, and the concept of sustainable development of Ukraine has not yet been developed.

Despite the lack of the National Concept for Sustainable Development, the Verkhovna Rada of Ukraine adopted the Resolution "On the Concept of Sustainable Development of Human Settlements", dated December 24, 1999, which defined the main directions of the state policy on sustainable rural development, as well as legal and economic ways of their implementation. The purpose of the document is declared to ensure the solution to the crisis and to create conditions for the sustainable rural development. However, this concept does not foresee concrete measures for the implementation of sustainable rural development goals, since it does not differentiate sustainable development of rural and urban areas. Meanwhile, the world community distinguishes them at the official level.

Thus, the Food and Agriculture Organization (FAO) has formulated the main ideas of sustainable rural development, which point out that the main objective of the Program of Sustainable Agriculture and Rural Development is to increase the level of food production in a sustainable manner and to ensure food security. To address this challenge, it is necessary to support educational initiatives, the use of economic innovations, and the development of new acceptable technologies, therefore ensuring stable access to food products, meeting the needs in the nutrient elements, access to them by the poor groups, developing commodity production, reducing unemployment, managing natural resources, and environmental protection (FAO, 1999).

### Theoretical discussion

The absence of the key categories of sustainable rural development definitions and ways of its implementation at the legislative level in Ukraine led to different approaches among scholars to the essence of understanding sustainable rural development. Sustainable rural development is defined as a complex of social relations that arise in connection with the sustainable development of a community living in rural areas. It also provides growth and increases the efficiency of the agrarian sector of the economy, the level and quality of life, and improves the ecological situation in the countryside (Stativka, 2007). Sustainable rural development is considered as a system

of organizational, economic, political and legal measures aimed at ensuring proportional and simultaneous, irreversible and stable progressive changes in the industrial, social and environmental spheres that take place in a proportional and simultaneous manner in each component of the rural territory (Yermolenko, 2010). Some scholars provide an expanded definition of sustainable rural development and by it they mean socio-economic development, in which the effective functioning of the rural economy is ensured. This includes ensuring food security, reproduction of human resources, improving the quality of manpower, full and productive employment of the able-bodied population, raising the level and quality of life in rural areas, rational use and reproduction of natural resource potential of the village, and the development of infrastructures (Bystrov, 2013). Other scholars propose to understand sustainable rural development as socially, economically and ecologically balanced development, that is, irreversible, directed, natural change of territories located outside the cities, which includes both rural settlements, and mainly areas of agricultural production and rural development, aimed at their economic potential's increase, a valuable living environment for current and future generations on the basis of rational use of resources (natural, labor, product, scientific, technical, intellectual, etc.), technological upgrading and restructuring, improvement of social, industrial, transport, communication and information, engineering, environmental infrastructure, improve living conditions, recreation and rehabilitation, conservation and enrichment of biological diversity and cultural heritage (Urkevych, 2010).

Sustainable rural development involves social relations that arise in connection with the implementation by the state, with the participation of territorial communities and individual economic entities, of a set of economic, social, environmental, institutional and legal measures, in order to ensure the socio-economic growth of the rural areas' development, employment and quality of life of the rural population while preserving natural resources (Savelyeva, 2017). The concept of sustainable rural development is based on the unity and balanced development of three components - economic, ecological, and social. An economic component of sustainable agricultural development must ensure the profitability of production; to achieve economic sustainability, agricultural producers must apply methods that increase the productivity of their production, that is, the diversification of production and markets. The social component of sustainability is aimed at ensuring a high standard of living for workers, conflict-free sustainable socio-cultural relations, farmers' participation in a variety of local activities, which will have a positive impact on the local community. The essence of the ecological component of



sustainable development should be aimed at preserving the integrity and viability of biological and physical natural systems, from which the stability of the biosphere depends globally, as well as on preserving their ability to change and self-healing (Cherniatina, 2018).

Therefore, sustainable rural development involves integrated development of economic, social and environmental spheres of the village, which should proceed in interaction and interconnection in order to use the natural resources of the rural areas for meeting of the current generation's needs and be carried out without compromising the ability of future generations to meet theirs.

Regulatory prerequisite for sustainable rural development's legislation formation in Ukraine is the Law of Ukraine "On the priority of social development of the village and agro-industrial complex in the national economy" (17.10.1990), in the preamble of which it is stated that the priority of social development of a village and the agro-industrial complex objectively follows from the exceptional significance and indispensability of the agricultural products produced in the life of a man and society, the need for the revival of the villager as the landlord, the bearer of morality and national culture.

Subsequently, in order to develop the agrarian sector effectively by ensuring the unity of the economic, social and environmental interests of the society in order to ensure the stable provision of high-quality, safe and affordable domestic agricultural products and agricultural raw materials to the population, the Cabinet of Ministers of Ukraine adopted an Order (as of 17.10.2013), that approved The Strategy of the agrarian sector of the economy development up to 2020.

The Decree of the President of Ukraine dated January 12, 2015 "On the Strategy of Sustainable Development" Ukraine-2020" defines the purpose as vectors of the movement. Roadmaps, priorities, and indicators of appropriate defense as well as socio-economic, organizational, political and legal conditions for the establishment and development of Ukraine are considered vectors of development including the reform of agriculture. In order to implement the Strategy, the Cabinet of Ministers of Ukraine adopted an Order dated September 23, 2015 "On Approving the Concept of Rural Development", which outlines the main priorities of rural development and the mechanism of preparation of the agrarian and rural sector for functioning in the conditions of the EU free trade zone. The purpose of the Concept is to create the necessary organizational, legal and financial prerequisites for rural development through diversification of economic activity; increasing the level of

real incomes from agricultural and non-agricultural activities in the countryside; achievement of guaranteed social standards and improvement of living conditions of rural population; environmental protection, conservation and restoration of natural resources in rural areas; preserving the rural population as a carrier of Ukrainian identity, culture and spirituality; creation of conditions for the expansion of the opportunities of the territorial communities of the village to solve the existing problems there; and bringing rural development legislation into compliance with the EU standards.

In addition, agriculture issues are defined in Chapter 17 of the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their member states, on the other hand (ratified by the Law of Ukraine No. 1678-VII of 16.09.2014). According to Art. 404 of the Agreement, cooperation in the field of agriculture and rural development covers, among other things, such aspects as the promoting of modern and sustainable agricultural production, taking into account the need to protect the environment and animals; improving competitiveness of the agricultural sector, efficiency and transparency of the markets, investment climate; as well as sharing knowledge and best practices on rural development policy in order to promote the economic well-being of rural communities.

By the Order of the Cabinet of Ministers of Ukraine (dated September 13, 2017, No. 664-p), the Concept for the Development of Farms and Agricultural Cooperatives for 2018-2020 was approved. Its purpose is to create all necessary organizational, legal and financial prerequisites for the development of farms and agricultural cooperatives, and improve the financial and financial situation of the rural population by providing support to farms; generating employment in the countryside, in particular, through stimulation of agricultural co-operation; diversification of the activity of farms; creating prerequisites for crediting farms at affordable interest rates; increase the level of real incomes of rural population from the transfer of agricultural land lease.

### **Non-farm rural activities as a measure to implement state policy in the field of sustainable development of rural areas of Ukraine**

The implementation of the foreseen measures is undoubtedly important for the achievement of sustainable rural development goals. Taking into account the critical condition in rural areas today, Ukraine's state agricultural policy should focus primarily on ensuring legal, economic and organizational conditions for the development of



non-farm activities and public-private partnerships.

Non-farm rural activities are the activities of agricultural producers on the diversification of their operations, as well as provision of services in the field of rural tourism. It should be noted that the World Community in various documents emphasizes non-farm activity as one of the ways to promote rural development. In particular, "Our common future" report states that continuous economic growth and the introduction of non-farm rural activities, as well as the development of technological and managerial skills, will help developing countries mitigate tensions in rural areas, while improving productivity and standards of consumption (WCED, 1987). Where intensification of farming systems is not possible, other on-farm and off-farm employment opportunities should be identified and developed, such as cottage industries, wildlife utilization, aquaculture and fisheries, non-farm activities (e.g., light village-based manufacturing), farm commodity processing, agribusiness, recreation and tourism, etc. (UNCED, 1992).

Thus, attracting all available resources (material, labor, natural, etc.), agricultural producers can carry out diversification of production (agricultural) activity; diversification of non-agricultural activities which are unrelated to production and cultivation of agricultural products; and, provision of services in the field of rural tourism. The diversification of agricultural activity is the optimal redistribution of resources and enhance the potential of agricultural producers in other areas of agriculture to eliminate business risks and increase profitability. Diversification of agricultural activities can be carried out. First, through product differentiation, new types of products release within the same industry. Secondly, going beyond the main activity, there is penetration into the new branches of agriculture. As for the diversification of non-farm rural activities, it should be noted that it manifests itself in the redistribution of enterprise resources in other business activities (Kulchii, 2015).

The development of non-farm rural activities in Ukraine proposes to diversify and develop the rural economy by creating conditions for the development of various types of economic activity and forms of management; development of rural tourism and recreation activities; assistance to the formation of solid biofuel sales markets; improvement of the tax and budget system to fill the budgets of territorial communities of villages and settlements; providing support for the development of agricultural servicing cooperation by stimulating the creation of supply, procurement and distribution infrastructure on the basis of cooperation; introduction of economic incentives for the implementation of land

protection measures; and, facilitating the access of rural population to financial resources, including traditional and alternative lending mechanisms, involving socially responsible businesses and banks (Gafurova, 2014).

Currently one of the promising directions of the development of non-farm rural activities in Ukraine is the development of rural tourism. Its legal regulation is carried out by a large number of normative and legal acts, due to the lack of a specific law in this area. Among these acts and laws are: The Constitution of Ukraine, the Law of Ukraine "On a personal rural economy" (15.05.2003), the Law of Ukraine "On Tourism" (15.09.1995), and the Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure for the Provision of Services for Temporary Accommodation (Accommodation)" (15.03.2006), among others. However, these regulatory acts regulate the relations in the field of rural tourism only on a general basis, without reflecting their specifics (Tuieva, 2016). The absence of a special legislative act in the area under study leads to contradictions in the legal regulation of rural tourism. Thus, the Law of Ukraine "On Tourism" separately allocates rural and green tourism, the latter is considered as a synonym for environmental tourism. In this case their definitions are not given among the types of activities that private rural farms can deal with. The Law of Ukraine "On Personal Rural Farming" provides provision of services in the field of rural green tourism. Thus, the legislator identifies concepts of "green" and "rural" tourism. This tendency can also be traced in the analysis of other normative legal acts.

Research in the field of rural tourism's legal regulation gives grounds for formulating the conclusion of a large number of general legal acts that do not reflect the specifics of these relations. This results in fragmentary legal regulation, which is accompanied by the absence of a single categorical apparatus in the field of study and automatic replacement of the concepts that contradict both the requirements of the legislative technique and the established international experience. Rural tourism should be considered as a type of tourism, consisting of rest in rural areas that involve holidaymakers to rural life and meeting their recreational needs associated with the use of the potential of the region and / or property of agricultural producers. In addition, the structure of legal relations, linked with the provision of services in the field of rural tourism, are characterized by the presence of special subjects, the object and content of such legal relationships (Kulchii, 2015).

The peculiarity of the rural tourism's subject matter is that the producers of agricultural products themselves have the opportunity to provide services in this area. Ac-



According to the Law of Ukraine "On Agricultural Census" (23.09.2008), such agricultural producers are legal entities of all organizational and legal forms of management and their separate subdivisions. This includes individual entrepreneurs and households that are engaged in agricultural activity, provided in accordance with the classification of types of economic activity, owning, using or disposing of agricultural land or farm animals.

Since rural tourism is a type of recreation that is accompanied by familiarization with customs, traditions, culture, and the everyday life of local people, it seems that among the producers of agricultural products such services can be provided by either farms (as entrepreneurs who can provide services on a temporary basis - catering, sightseeing, entertainment and other tourist services), or private rural households, as individuals who are not subjects of business activity and provide services for temporary accommodation, food etc. The object of relations in rendering services in the field of rural tourism is a specific tourist product, that is, the reason why relationships in the field of rural tourism appear and develop. A tourist product is a pre-designed tourist services complex, combining at least two such services that are being sold or offered for sale at a specified price, which includes transportation services, accommodation services and other travel services not related to transportation and accommodation (services for organizing visits to cultural objects, recreation and entertainment, sale of souvenirs, etc.) (Article 1 of the Law of Ukraine "On Tourism").

Rural tourism is characterized by the presence of a specific tourist product because such type of tourism is carried out in rural areas. When developing a tourism product, an entity that provides services in the field of rural tourism must necessarily take into account the characteristics of resource potential of rural areas, target audience and duration of tourists' stay. These components are the key to the travel programs' development. Therefore, depending on the tourist product in rural tourism, it is possible to distinguish between the following areas: farm tourism, ecological or green (in case it is carried out in rural areas) tourism, ethno-tourism, recreation and others. The content of relations in the field of rural tourism are the rights and obligations of the parties, which acquire their legal form by concluding an agreement on rendering services in the field of rural tourism. Such agreement is made in accordance with the requirements of the civil law of Ukraine, its form can be both oral and written.

The analysis of the legal provision of rural tourism provides grounds for arguing that it is one of the main areas of diversification of rural areas, aimed at increasing

employment of villagers and providing services in this area. However, due to the lack of coordinated state agricultural policy nowadays, rural tourism's opportunities for rural development are not sufficiently utilized. Implementation of the state agricultural policy in the field of sustainable rural development is possible on the basis of several measures' formulation and implementation, a special place among which takes the diversification of rural areas, which should be considered not only as the way to overcome the crisis in agriculture but also as a specific activity of the relevant subjects aimed at the integrated development of rural areas.

### **Public-Private Partnership as a measure to implement state policy in the field of sustainable development in rural areas of Ukraine**

Ukraine is unable to implement the main principles of sustainable rural development on a unilateral basis. This process requires well-established cooperation between public authorities, local self-government bodies, agricultural producers and rural residents on the ground of public-private partnership. In Ukraine, the model of public-private partnership began to spread with the development of an appropriate regulatory framework, the basis of which is the Law of Ukraine "On State-Private Partnership" (01.07.2010). This defines the organizational and legal framework for the interaction between state and private partners and the basic principles of the public-private partnership on a contractual basis. In contrast to the established international term "public-private partnership", domestic legislation operates under the category of "state-private partnership", defining it as a cooperation between the state of Ukraine, the Autonomous Republic of Crimea, territorial communities in the person of the relevant state bodies, and local self-government bodies (state partners) and legal entities. This excludes public and communal enterprises, or individual entrepreneurs (private partners) which are carried out on the basis of a contract in a manner stipulated by this Law and other laws, and bears all signs of public-private partnership established by this Law.

According to some scholars, the features of state-private partnership in domestic legislation show that this form of cooperation between the state and private business is aimed primarily at satisfying the interests of the state. After all, the state itself as a public partner in the person of corresponding authorities aims at providing higher technical and economical rates of business activities' efficiency than it would do so in case of implementation of such activities by a state partner without a private partner. The state as a public partner expects a private partner to invest in partnership objects, using legal sources,



therefore, it transfers some of the risks which arise in the process of implementing public-private partnerships to a private partner. The interest of a private partner in the implementation of public-private partnerships is only theoretically foreseen by the law, since such partner is engaged on a competitive basis (that is, it has to win the competition) for cooperation with the state partner on the basis of long-term relations (from 5 to 50 years) (Kulinich, 2014).

The obvious drawback of the Law is the lack of consolidation of agricultural activity as a sphere of public-private partnership (the law only provides for the operation of irrigation and drainage systems). It is noted that according to the decision of the state partner public-private partnership can be applied in other spheres of activity. The analysis of the above-mentioned norm gives grounds to assert that an initiative to use the public-private partnership model for the rural development should come from the state authorities or local self-government bodies. The given situation not only limits the possibility of using this mechanism, but also contradicts the key principles of the Common Agricultural Policy of the European Union, the application of which is important in the context of adapting national legislation to the EU legislation (Sakhayev, 2004).

Thus, in "The future of the rural society" (1988) published by the European Commission, the attention was drawn to the need to develop a European rural development policy that would recognize the socio-economic inequalities among regions, disproportions to urban and rural development, poverty, migration and unemployment of rural residents. The solution of these problems was supposed to be carried out with the help of new measures, in particular, by developing a community-based approach to addressing the problems of rural areas, involving local initiatives, conducting information and educational activities, creating and implementing new infrastructure objects, introducing education and vocational training measures, and developing integrated rural development programs through the involvement of rural communities in the process of solving urgent problems (CEC, 1988). To implement these measures in order to ensure the sustainable rural development and to address the problems of settlements effectively, the European Union developed the Leader II, Leader II, Leader +, rural development programs, the main objective of which included involvement of the public in problems solving, using the "bottom-up" principle by selecting the most perspective plans for the settlements development and their financing from special structural funds. As European experience shows, the model of public-private partnership in attracting local initiatives has become effective for the

sustainable rural development (CEC, 1999; 1698/2005 EC; 2006/144/EC).

However, in the absence of proper organizational and legal support in Ukraine, it is still not possible to implement a positive European experience. Although attempts to regulate the involvement of local initiatives in addressing rural problems are traceable in national legislation. The Decree of the Cabinet of Ministers of Ukraine "On Approval of the Concept of Rural Development" (23.09.2015) provides for the improvement of rural areas management system, in particular, by legislative and regulatory support for the rural development; strengthening the role of territorial communities of villages, settlements in planning and implementing rural development measures; promotion of public-private partnership for implementation of rural development projects and fund raising; and, creating a rural development fund.

In spite of the urgent need to consolidate the rural development plan, ways and means of solving problems, it is evident that the priority of rural development remains a declared norm, as the relevant Decree "On Approval of the Plan of Measures for the Implementation of the Concept of Rural Development" was adopted only on July 19, 2017. Thus, the measures approved by the Concept were not actually implemented for two years. In addition, the adopted document does not provide for measures to promote the development of public-private partnership for the implementation of rural development projects and fund raising. This situation is unclear, as the implementation of approved measures is planned to be realized through state and local budgets. However, in a difficult period for Ukraine, it is especially important to attract additional sources of funding, in particular, using the mechanism of public-private partnership.

## Findings

Public-private partnership can be useful in the field of ensuring food supply security of the state, technical and technological modernization of agricultural production, innovation activity, development of rural areas and social sphere of the village, the introduction of new breeds of agricultural animals and varieties of agricultural plants, and development of the agrarian market infrastructure, among others. (Kurman, 2017).

It is possible to attract private entities into rural development activities, in particular, in implementing the following measures: 1) to strengthen the material and technical base of cultural institutions and the introduction of modern information technologies in their activities;



2) renovation and modernization of engineering networks and water treatment facilities by provision of rural population with adequate quality drinking water; support the establishment and functioning of rural centers for the provision of housing and communal services and increase the level of provision of such services; 3) development of social services in a rural community; 4) organization of work on the removal of unusable or prohibited pesticides and agrochemicals accumulated from previous years from the places of their storage; 5) the creation and operation of museums of nature, museum rooms, eco-education centers, ecological and educational classes, ecological and educational paths in the territories and objects of the nature reserve fund; 6) the design and construction of water supply and sewage treatment facilities, including local and other objects of the drainage system in the countryside, using modern technologies and equipment; and, 7) assistance in the formation of the raw material base for the production and use of biofuels for the communal sphere and the rural population heat supply. However, for their implementation, "The Plan of Measures to Implement the Concept of Development of Rural Areas" should be amended accordingly.

In addition, it is appropriate to provide for the development of pilot rural development projects based on public-private partnerships that will stimulate non-rural activities in rural areas, based on the following arguments. First, support for diversification of the rural economy, in particular through the development of non-agricultural activities (tourism, storage, processing, marketing of agricultural products, folk crafts, harvesting, processing of wild fruits, berries, medicinal herbs, harvesting and processing of timber, manufacturing of building materials, construction, etc.) can promote the development of rural areas by increasing the number of jobs and the infrastructure development. Secondly, the development of other types of activities in rural areas is one of the ways to ensure sustainable development of rural areas, since, as stated in the Agenda 21, in order to meet the future demand for commodities, intensification of agriculture is required through the diversification of production systems in order to achieve maximum efficiency in using local resources, while minimizing environmental and economic risks at the same time. (UNCED, 1992). Thirdly, the state, supporting the mechanism of public-private partnership as a way of ensuring sustainable rural development, will thus continue the process of transformation of the rural development model from the sectoral (rural areas as considered exclusively as resources for agriculture) into territorial (rural development as identified with development of rural areas in general, through the use of all resources located in a specific region – human, physical, natural, landscape, etc.) and consequently, the integration of all components and branches at the local

level is achieved (Mantino, 2010).

## Conclusion

The main components of the state agricultural policy are a set of legal, organizational and economic measures aimed at improving functioning of the agrarian sector, solving social problems of the rural population and ensuring the integrated development of rural areas. In turn, the state policy of sustainable development of rural areas in Ukraine should include three aspects: economic, social and environmental. In economic terms, it is advisable to distinguish agrarian policy and non-agricultural activities development policy. The basis of economic development is the effective use of human and natural resources of the locality to create jobs and ensure an adequate level of well-being. Development of the social sphere should be aimed at improving the living conditions of the rural population and meeting its needs. The ecological component should include the rational use of natural resources, environmental protection and environmental protection of rural areas. However, legal regulation's analysis of sustainable rural development gives grounds to argue that there is no systematic approach in this area due to the lack of coordinated state agricultural policy.

Summing up what has been said, the development of non-farm rural activities and a model of public-private partnership can become the main means of ensuring sustainable rural development in Ukraine, as they will encourage fund raising from private persons to implement state and regional rural development programs. This, in turn, will contribute to sustainable rural development. However, to achieve such synergistic effect, it is necessary to improve national legal framework.

Consequently, the legal direction for improving the mechanisms for implementing the state policy of sustainable rural development in Ukraine should be the drafting and adoption of the Law "On Sustainable Rural Development", in which it is advisable to consolidate key concepts "rural territory", "sustainable rural development", "state policy of sustainable rural development" and to provide ways and means of the Program of rural development realization. The study was an attempt to explore the legal aspects of sustainable development of rural areas in Ukraine. However, further scientific researches need the perfecting of definition of the sustainable rural development, organizational and legal provision of rural tourism and others non-agricultural activities in rural areas, forms of public-private in agriculture for improving the directions of the state sustainable rural development policy.



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## Conflict of Interests

The author hereby declares that there are no conflicts of interests.

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