



# DEVELOPMENT OF RURAL ENTREPRENEURSHIP AND ITS IMPACT ON RURAL EMPLOYMENT IN UKRAINE

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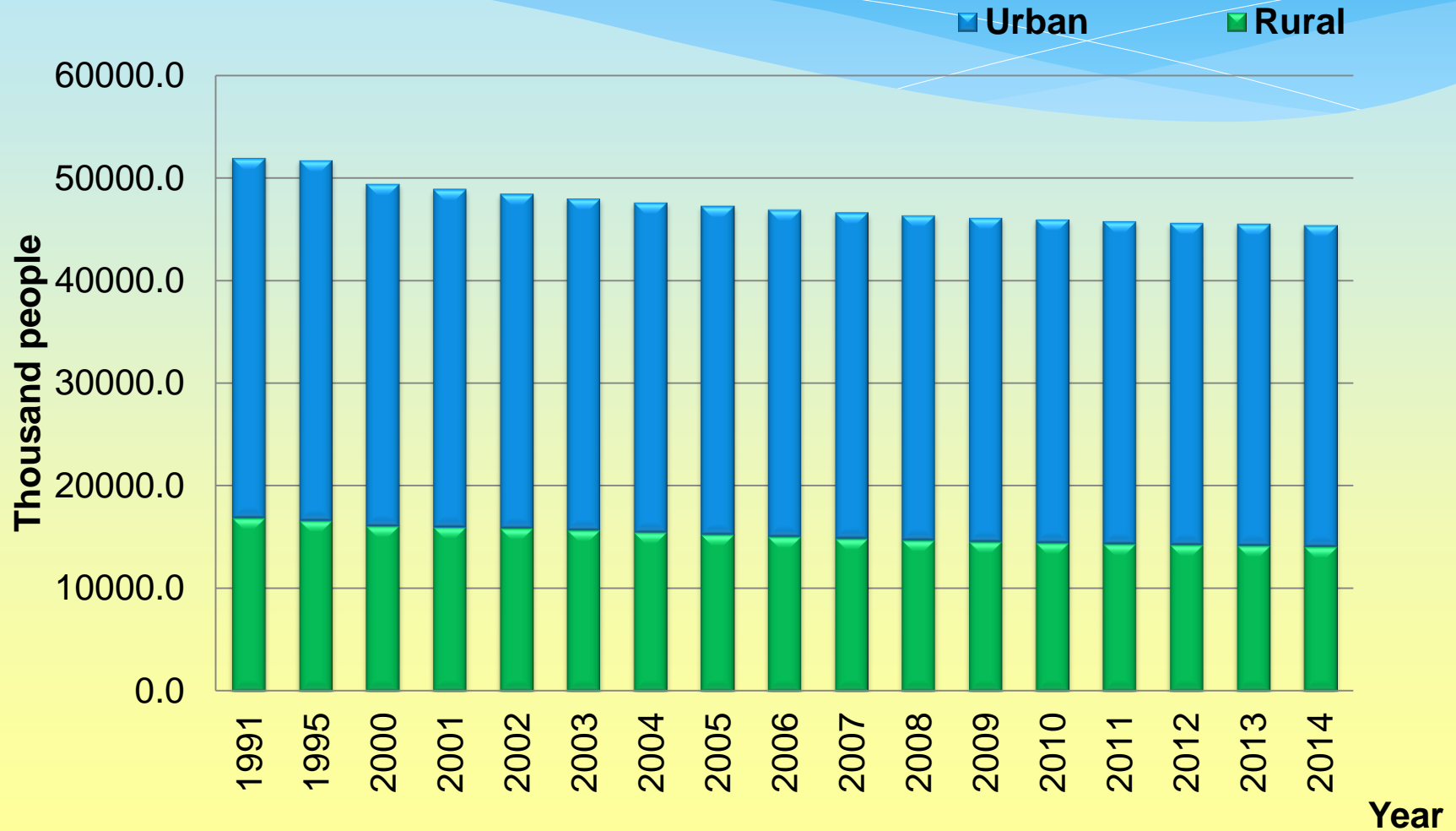
**Zhytomyr National Agroecological University, Ukraine**

## Motivation

- \* Total population of Ukraine: 45.4 million people**
- \* Rural population of Ukraine: 14 million people (31%)**
- \* For 2000-2014 years the rural population in Ukraine decreased on 16%**
- \* Rural population employment level: 55%**
- \* Rural population unemployment level – 10% of economically active people**

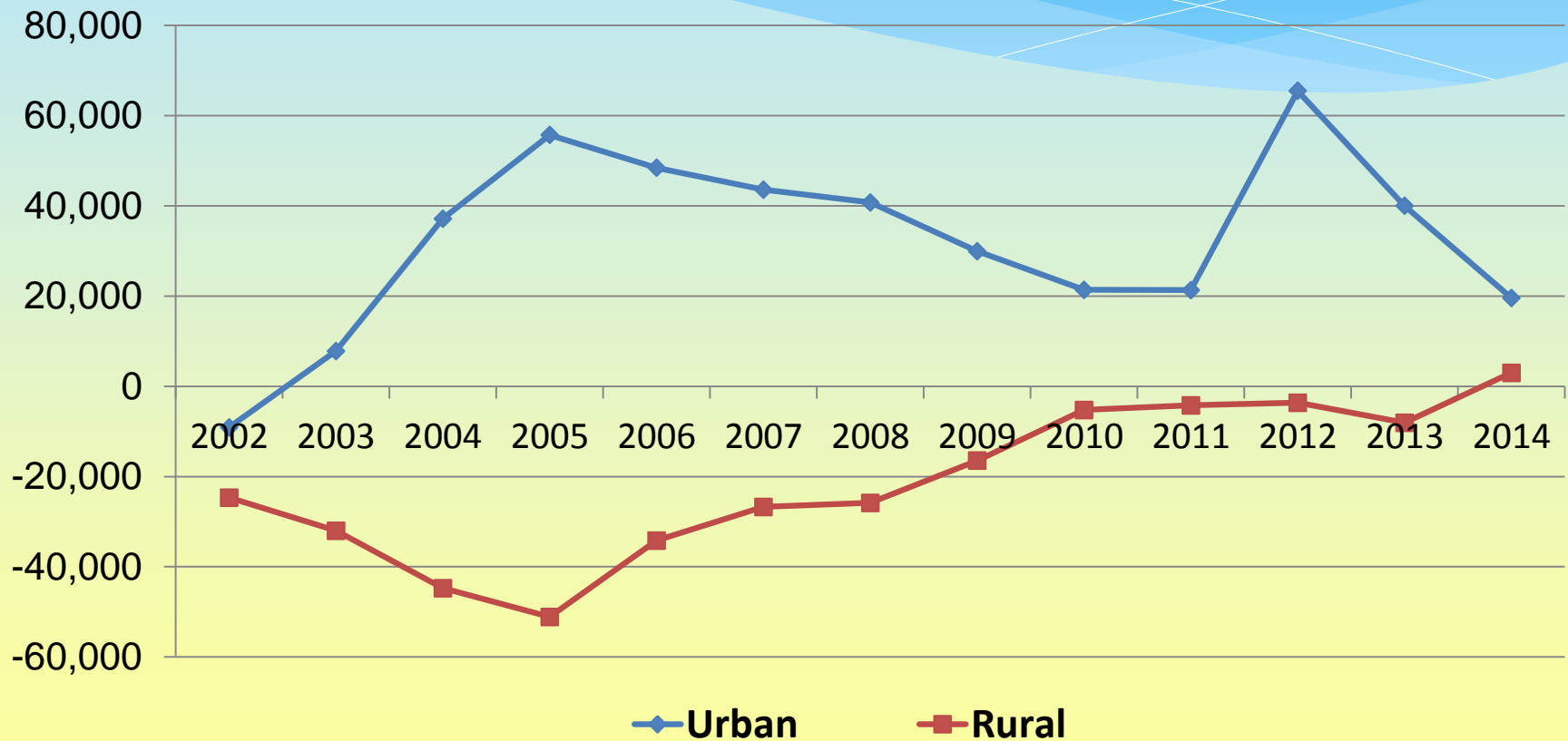
## Motivation

# Total population (according to estimates), 1991-2015



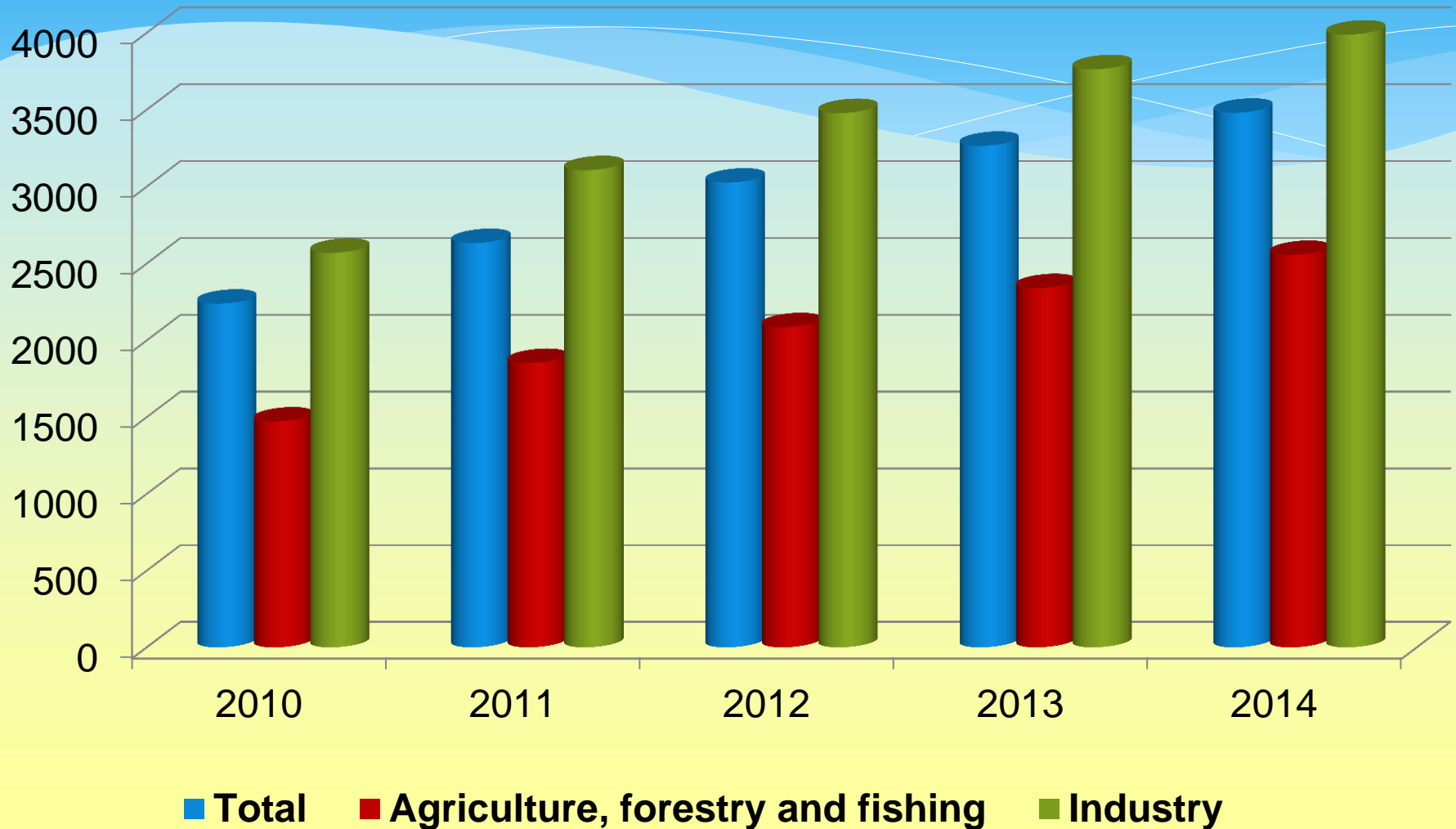
## Motivation

# Migration balance of population by rural and urban areas, person



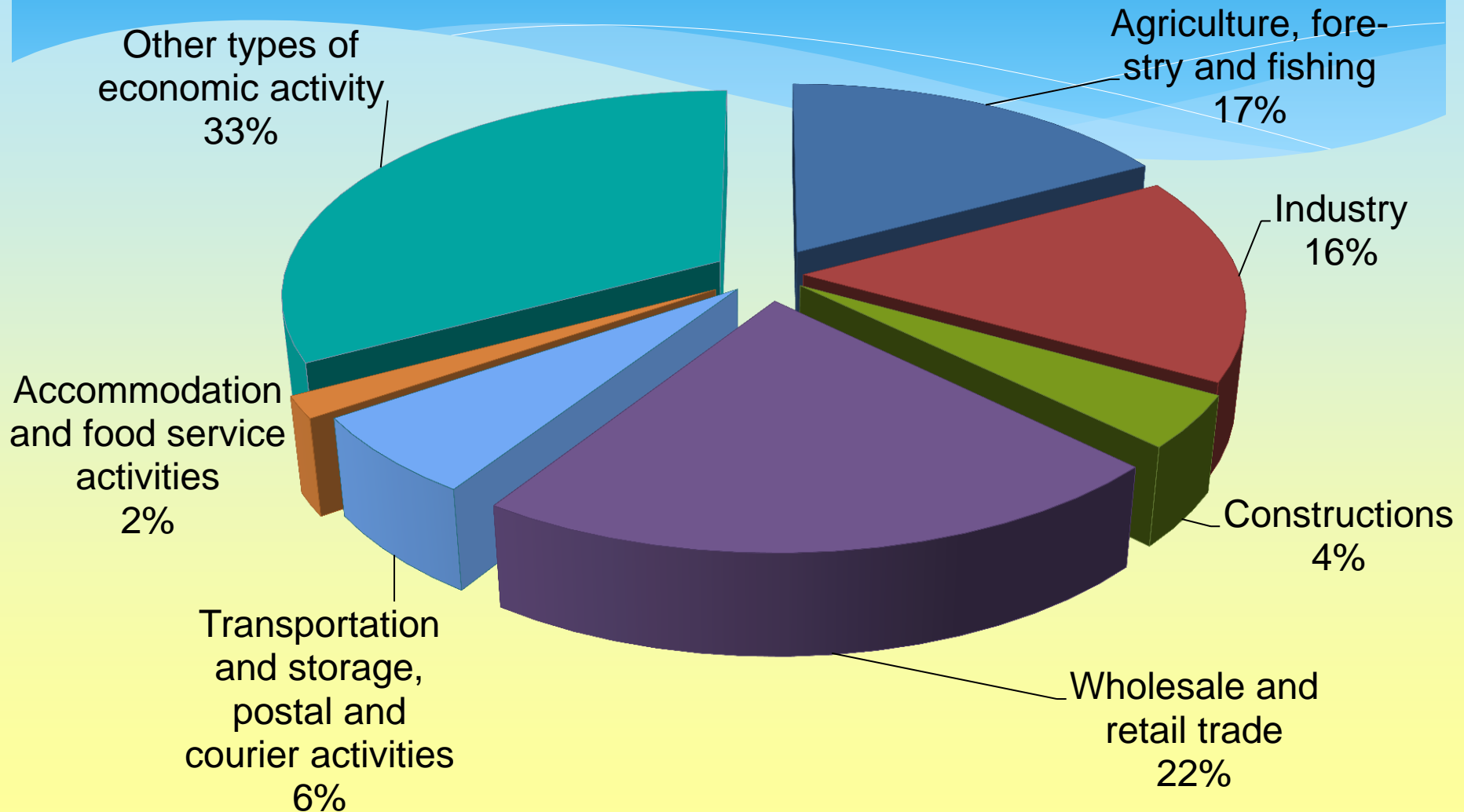
## Motivation

# Average monthly nominal wage by the type of economic activity, UAH



## Motivation

# Employment by the type of economic activity, 2014



# Objective and tasks

## **Objective:**

to provide insights on current situation and the problems of development of rural entrepreneurship in Ukraine and develop practical recommendations for the effective formation and organization of entrepreneurial activity in rural areas

## **Tasks:**

- To systematize the general tendencies and problems of the rural entrepreneurship development;
- To estimate the level of rural entrepreneurial activity;
- To generalize the proposals for the formation and organization of the entrepreneurial initiatives infrastructural support in the rural area, thus increasing the rural population employment.



# Data and Methodology

- Sociological survey of rural people
- 10,6 thousand people
- Zhytomyr region, Ukraine



## Rural population willingness to start a business

Answers	All respondents		Age groups, years					
			under 35		35-55		over 55	
	Number of answers	%	Number of answers	%	Number of answers	%	Number of answers	%
Yes	3012	<b>28,4</b>	1035	<b>44,2</b>	1716	26,9	261	13,8
No	7583	71,6	1304	55,8	4653	73,1	1626	86,2
Total	10595	100,0	2339	100,0	6369	100,0	1887	100,0

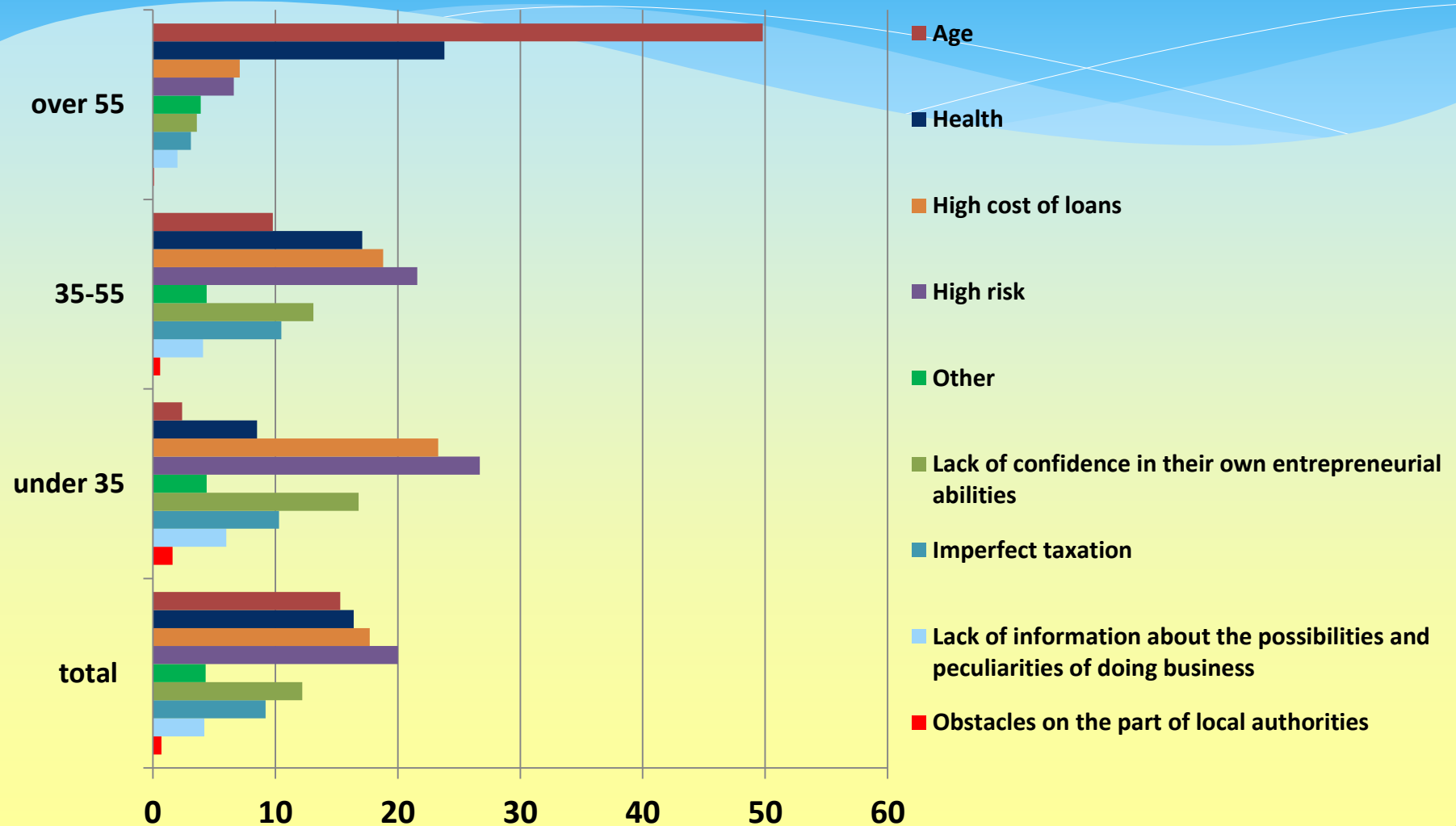
## Results

# Alternative spheres of starting a business in rural area

Answers	All respondents %	Age groups, years		
		Under 35	35-55	Over 55
		%	%	%
Sphere of service	14,3	<b>16,5</b>	14,5	11,1
Food services	5,7	8,3	5,6	2,7
Agriculture	<b>24,4</b>	<b>18,3</b>	<b>25,9</b>	<b>27,0</b>
Trade	<b>20,7</b>	<b>27,5</b>	<b>20,8</b>	<b>11,9</b>
Construction	4,0	5,7	3,8	2,7
Transport and communication	2,2	2,7	2,4	1,1
Industry	1,5	2,0	1,3	1,5
Real estate activities	1,6	2,0	1,3	1,7
Financial activities	2,8	3,4	2,9	2,0
Others	22,8	13,6	21,5	38,3
Total	100,0	100,0	100,0	100,0

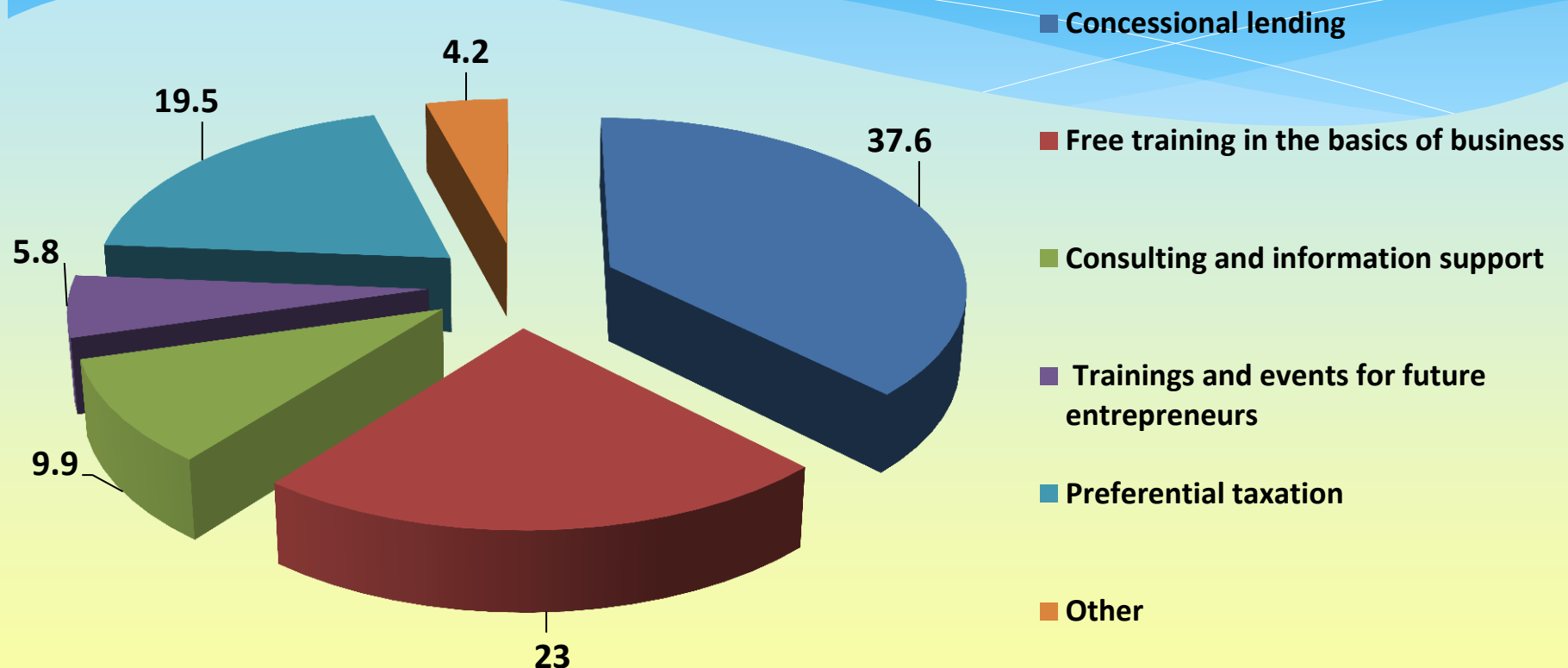
## Results

# Limiting factors for the development of entrepreneurship, %

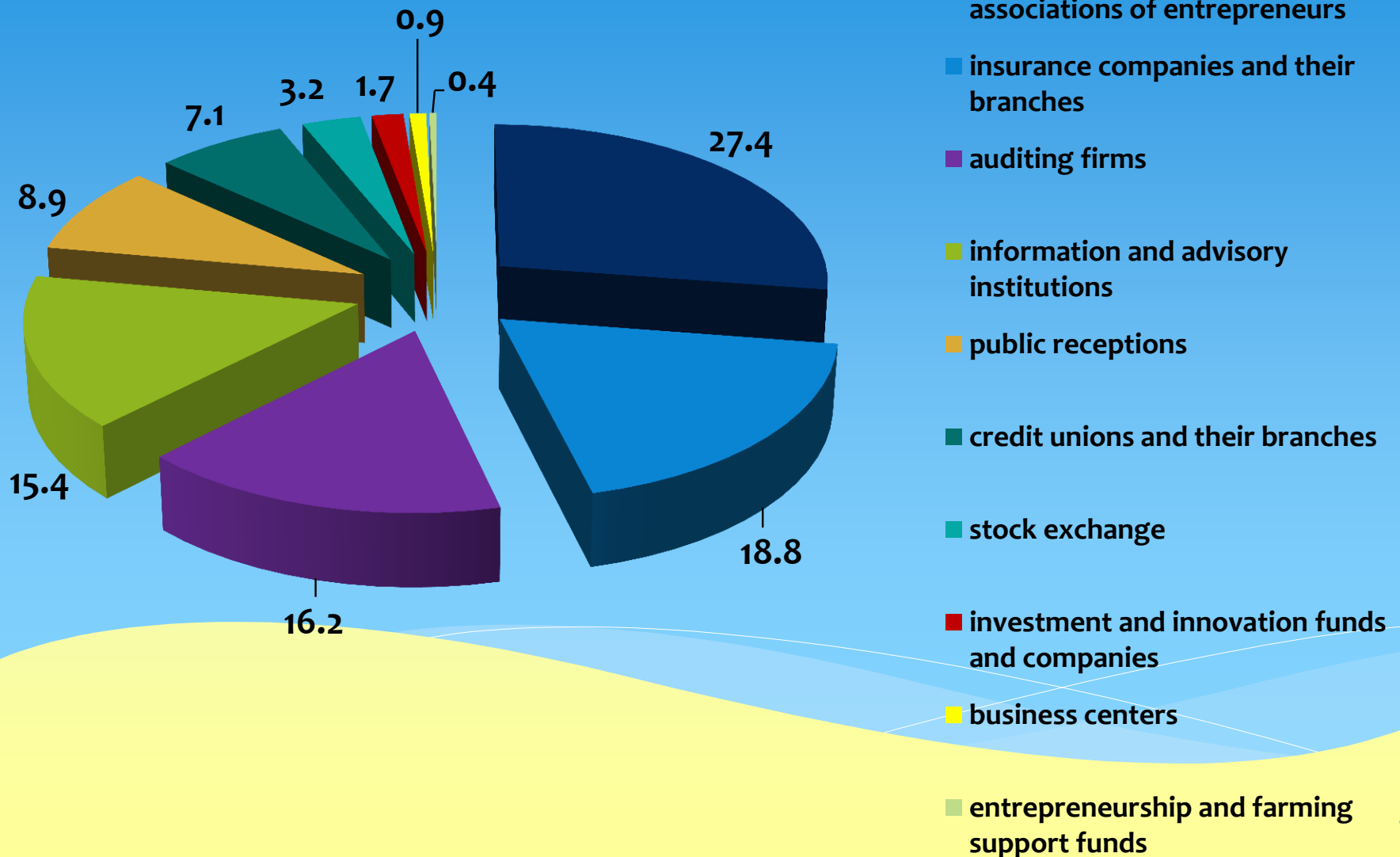


## Results

# Major factors contributing to entrepreneurial activities in rural areas, %

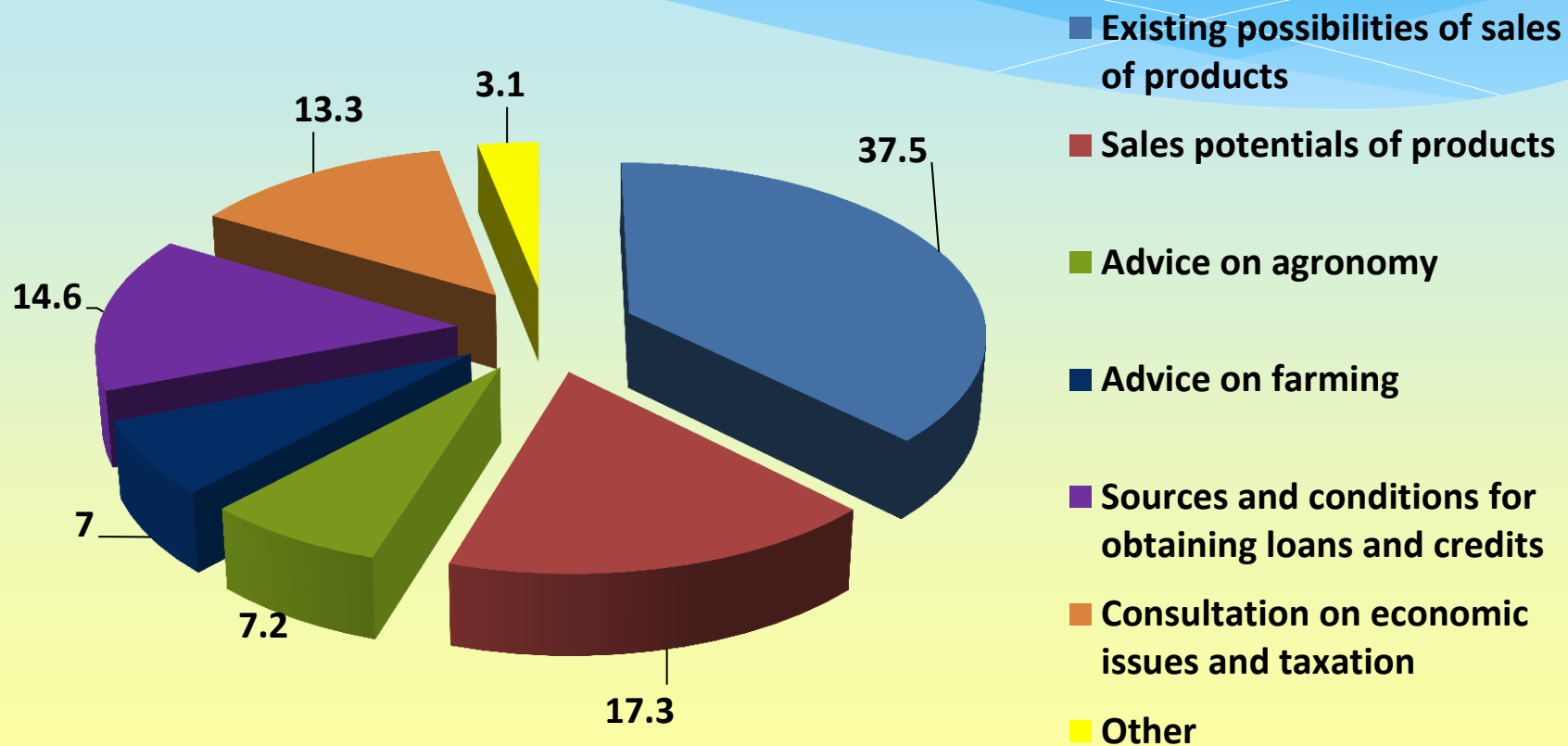


# Objects of entrepreneurship infrastructure support

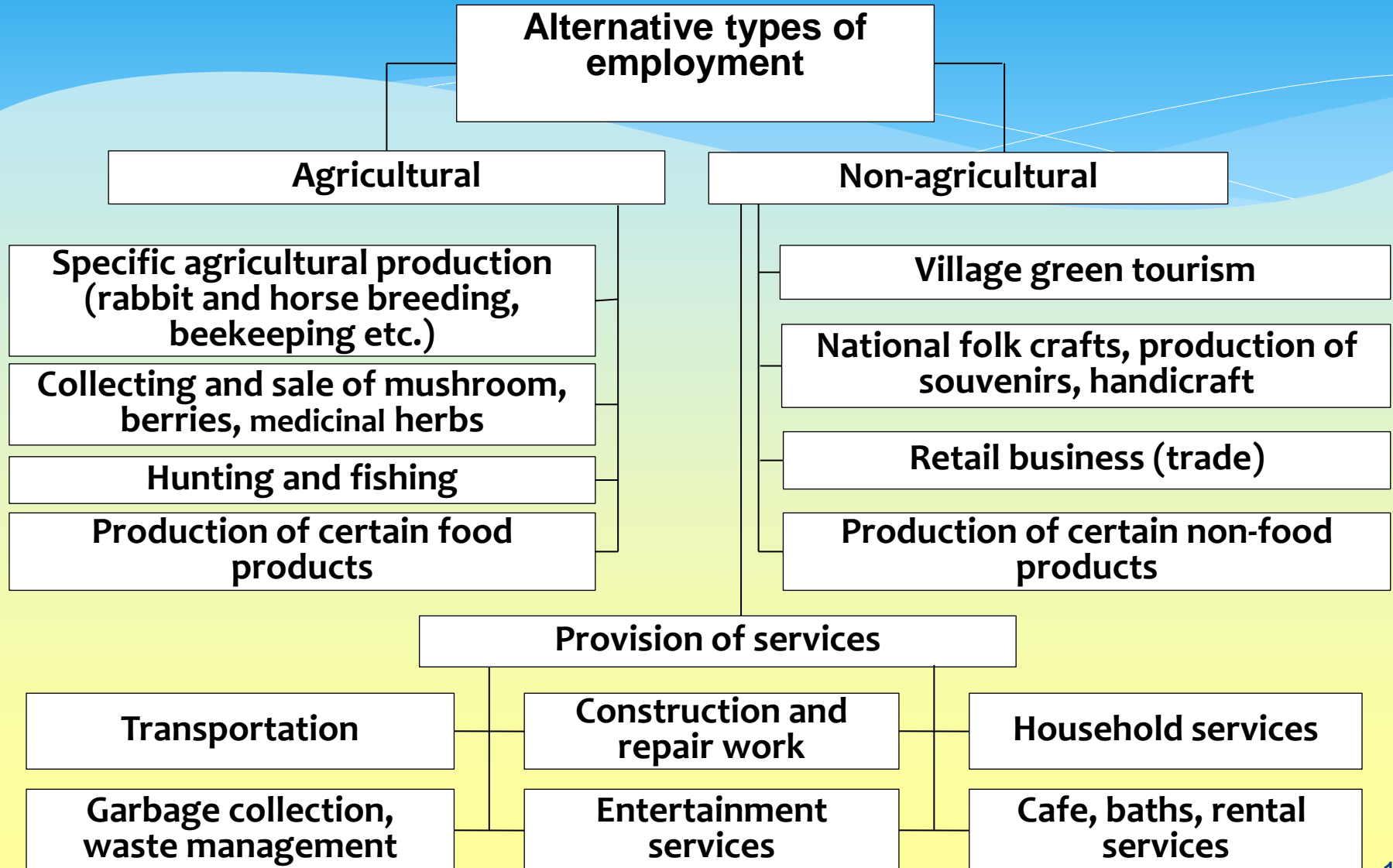


## Results

### Information needs of rural entrepreneurs, %



# Possible types of alternative rural employment





### How to improve the situation?

- improvement of state regulation and support of entrepreneurship
- consulting and information support
- the development of market infrastructure subjects through the creation of rural business-incubators, information centers, agricultural cooperatives etc.
- the development of alternative activities
- the experience of foreign countries



# Thank you for your attention!

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