

SECTION 1. ECONOMIC THEORY  
AND HISTORY OF ECONOMIC THOUGHT**Odnorog M.A.**

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**INSTITUTIONAL CONDITIONS OF RURAL TERRITORIES'  
DEVELOPMENT IN UKRAINE**

Rural areas cover a significant part of the territory of Ukraine. The level of economic development, population density, and arrangement of rural areas largely determine the security and territorial unity of the state.

Rural territory should be seen as a complex territorial system with objective properties, is the length, area, terrain, natural resources, population, level of economic and social development.

Economic developments in the village must be viewed through the prism of the institutional multidimensionality of its economy, which will allow a deeper understanding of its nature, to identify internal and external factors influencing it, to identify possible scenarios for its future change and development.

The decision about the transition of the agrarian sector towards a market economy in Ukraine was begun with a rapid reorganization of collective and state farm system by reducing to a minimum state support of agriculture. As a result of massive reorganization of collective and state farm system was the destruction of the "old" institutional system. By the reformers, the agricultural market should be formed independently as self-organization and self-government agricultural producers.

Despite all this, the result is a radical transformation to create new forms of managing in agrarian sector. The functioning of a modern system of agriculture of Ukraine is based mainly on private property with the variety of forms of management of economic entities that possess real economic independence, which base their activities on the principles of market entrepreneurship.

On the basis of the analysis of economic practices it can be argued that in a modern Ukrainian village coexist two types of institutional structures that

qualitatively differ and regulating economic relations of the peasants, moving resources and goods produced within rural communities. The first of them – the market economy. The second redistributive, or transfer economy. The subjects of the rural economy can coexist within a single or any combination of the listed institutional structures, while pursuing different goals, and implementing a variety of interests.

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