

METHODOLOGICAL PECULIARITIES OF RURAL ECONOMY RESEARCH FROM NEORURALISM STANDPOINT

Nataliia KUTSMUS¹,
Zhitomir National Agroecological University

Abstract. The purpose of the study is to summarize the existing theoretical and methodological approaches to understanding the essence of the notion 'rural economics' and to reason that multifunctionality is a precondition of stable development. The methodology of research is based on a systematic approach, according to which rural economics is considered to be an open type of social and economic system that transforms exogenous and endogenous potential of rural territories into a certain level of rural development. The methodology of rural economic development is based on the following methodological approaches: *economic, ecological, social and institutional*, each one of which completes the idea of interdependence of rural economics and its territorial basis, i.e. rural area. The subject of study is a scientific-theoretical and applied principles of rural economy development. The results of the study demonstrate that agro-centric model of rural economics, the development of which focuses on formation and support of goods safety, is being displaced by multifunctional model in conditions of strengthening of human-centric priorities of the social development. Contents of this model lies in the perception of the rural economy as a diversified, multifunctional socio-economic system, whose development aimed at the welfare of the rural population. As the goal of rural economies is ensuring high welfare standards of the rural population, providing interconnection problems in the functioning of the system of rural development policy. Proved that the sustainable development of the rural economy it provides for the implementation of the set of economic and socially important function that displays the development of socio-economic system beyond the actual production and contributes to its focus on material and non-material welfare of the rural population. Qualitative changes in the properties of the rural economy aiming at self-development and self-organization, maintaining equilibrium, the interaction of all subsystems, requiring a phased increase in the capacity of individuals, households, communities and businesses; further increase links between towns and villages. One of the preconditions for the formation and implementation of multifunctional model of rural economy defined set of social and economic relations that occur in rural areas and connected to their inner potential and human capital, and are aimed at the welfare of the rural population. The article stressed that sustainable development of the rural economy is possible only if economic growth combined with social transformations that accompanied solving socially important issues. However, it is concluded that neorealism is a conceptual framework for evolutionary transition methodologies for sustainable rural development to a higher level of quality – "reasonable" development. Practical significance of made theoretical and methodological conclusions regarding selected aspects of the research is to build a philosophical vision of priorities and promising model of rural economies, whose role in economic and social growth of the country is constantly increasing, especially under the influence of available military and political challenges and economic changes.

Key words: rural economy, rural development, rural community.

JEL Classification: R13, Q01, R11.

1. Introduction

The intuitive clarity of the concept of "rural economy" reserves the existence of a number of scientific approaches and attempts to identify its essence, especially in continuous transformations both in the agricultural sector of the national economy and in the social and political processes. The concept of "rural economy" that gradually included in the agricultural and terminology so-called "rural" research, most researchers mainly perceived only as a phenomenon, its content contrary to the urban economy or, conversely, as a synonym of Agricultural Economics. Insufficient theoretical and methodological argumentation of the essence, functions and principles of the rural economy on the one hand, and the lack of a clear common methods of identification, – on the other – lead to the search for new scientific and theoretical approaches, able to explain the deep meaning of this phenomenon.

2. Methodology of Research

Research Methodology concepts and views are represented in the works of foreign and domestic scientists with theories of economic development and scientific ideas and trends ruralism and neoruralism that define the principles,

¹ Corresponding author:

Department of Management of Foreign Economic Activities, Zhitomir National Agroecological University.
-mail: kutsmusn@ukr.net

functions, models and mechanisms of the rural economy as open socio-economic system. Argument theoretical statements and findings was based on a systematic approach that includes specific economic and general scientific research methods.

3. Phenomena “rural” and rural economics

In terms of the systemic-structural approach, the concept of "rural economy" is derived from the universal category of "economy" and received clarification regarding its criterion of belonging to the "village". In a general sense the economy (from the Greek *oikonomia* – economic management) – is the most important sphere of public life, which through the use of various resources made production, exchange, distribution and consumption of human activity, emerging and evolving system of productive forces and economic relations, which manage different types of economic laws (Mocherny, 2000). In theoretical constructions of the concept of "rural" is considered from the perspective of different social actors and case studies that show that if the "urban" associated with industry and modern technology, expanding their participation in society and its development, everything that relates to agriculture, by contrast, is associated with the simplicity associated with retardation and traditions. In particular, H. Crèvecoeur (Crèvecoeur, 1981) establishes a series of semiotic Binard, which, in his opinion, describing the differences between "rural" and "urban":

<i>rural</i>	→	<i>urban</i>
<i>simple</i>	→	<i>intellectual</i>
<i>physical labor</i>	→	<i>mental work</i>
<i>triviality</i>	→	<i>sophistication</i>

The fallacy of this approach is in points attempts to clear delineation of "rural" and "urban", because in the context of globalization, the increasing complexity of relationships between different economic systems and business social relationships, the evolution of administrative principles of interaction of communities, leading to a gradual leveling these binary oppositions. In addition, due to the spread of information and communication and manufacturing technologies, new standards of living, there was a historic defeat and the traditional image of the entire "village", waiver of its location and clear differentiation. As a consequence, one of the dominant ideas of modern scientific research is redefining the concept of "rural", limiting its use as opposite to the "city".

According to F. Entrena, the division into "rural" and "urban" in modern terms is possible only through social order in which the livelihoods of the vast majority of members of the local rural communities linked to agriculture, and they are predominantly autarchic entities, which microcosm built in the economic and social, institutional and cultural dimensions (Entrena, 1998). In other words, at the forefront scientist gave the lifestyle category and specify its relatively rural areas. However, use as identity foundations is rural way of life, which is defined as the integral expression made man of personal development, conditions of work and life, which together form the rural social space, returns the discussion to determine the nature of the concept of "rural" in the mainstream of its interdependence 'bonds of agriculture. According to H. Tavira and F. Tapir, though the latter is the dominant activity in rural areas, but not the only, but the traditional primary, secondary and tertiary sectors of the economy under the influence of ideology practical implementation of sustainable development environmental and attached as rural tourism, telecommunications etc. (Tavira, 2008). Therefore, to identify the meaning of "rural" should be added as methodological approaches and paradigms of social capital and participatory development. In both cases, the emphasis is on local community that focuses on the use of mechanisms of participation in the formation of social capital and different production capacities are adapted to possible commercial competencies and thus promote self-development.

Developing the idea of the existence of the phenomenon of "rural", an American scientist G. Nelson in his book "Towards the new ruralism" (2009) argued that "rural" research should include *ethnographic observation* to ensure proper complexity, historical observation to gain depth literary and cultural observations for qualitative evaluation methods of display characteristics of rural society, as well as multi-vector theoretical observation in order to create a true sense principles and supplement existing knowledge in all rural (Nelson, 2009).

4. Ruralism and Neoruralism

Scientific current, so-called "rural" research linked with numerous works of domestic and foreign scientists, scientific ideas that form the theoretical and methodological postulates of the theory ruralism. Ruralism as social and political philosophy, considering the rural way of life in close relationship with agriculture and in areas remote from urban centers, and finds it more complete and stable than life in the city. Outside of research, covering the concept of "rural" ruralism can be seen as an ideological current that promotes principles of social life peculiar to rural areas. Ideas

ruralism suffered harsh criticism on the part of J. Bassett, who see it as a ubiquitous form of discrimination (usually unrecognized) into the residence in the rural areas, which often affects those people who have suffered other forms of discrimination based on gender, race, class and etc. (Basset, 2003). The basis for discrimination while serving traditional attributes of "rural" that lead to the peasant class inferiority compared to the urban population - simplicity, ignorance, failure to mental work and so on.

Focusing on agriculture and rural generated by his lifestyle, in essence ruralism approaching agrarianism. T. Hovan explained last ideology with the following provisions: firstly, agriculture is the only occupation that gives full independence and self-sufficiency; Secondly, a farmer holds in society a strong, stable position because it has a sense of identity, historical and religious tradition, harmony of life; thirdly, farming communities in their attitudes to work and co-operation is a particular model of society; Fourth, the spiritual benefit of farmers created as a result of direct contact with nature; Fifthly, farming is a way of life, able to create the ideal social values (Govan, 1964).

Evolution theory and methodology rural research has led to the emergence of the concept of the rural economy. One of the most common methodological approaches to the study of the content and features of rural economy is its interpretation as an aggregate of economic entities as participants of economic activities located in rural areas that come about in the economic relations of production and exchange of products and services. This approach, which is antagonistic towards the urban economy, rural economy treats as unique thanks rural characteristics of its components: accommodation in rural areas, direct or feedbacks from agricultural production, use of resources and rural residents, etc. (Syusyura, 2010). In organizational terms, the rural economy – a set of enterprises, institutions and organizations (or units), individuals – entrepreneurs, other businesses and households located in the administrative-territorial unit or on the economic territory of some settlements in rural areas (Translocal, 2012).

Keeping the idea of the close relationship the rural economy and the environment, representatives of the American school rural studies characterized the essence of the rural economy as a system which provides a harmonious relationship between the regulation of agricultural flora and fauna on the one hand, and human environment – on the other. This function is recognized as a key in the creation of economic power by which farmers develop selection methods nomenclature and methods of production to maximize their own profits and prosperity of the nation (Ise, in 1920).

N. Drozdov in his studies emphasized the importance of the rural economy as a sector of the national economy, thus giving it as a socio-economic system of management in rural areas, providing maximum effect of life of the village, such features as the relative isolation, openness and dynamism, ordering. A key feature of the rural economy the author found a combination of economic and social activities (Drozdov, 2013). D. Syusyura when trying to identify the meaning of "rural economy" by establishing goals of its operation, composition, quality performance management process allowing for the current stage of the evolution of economic relations in the countryside offered quartet scientific views that characterize it from the standpoint of structural, process, system and functional approaches (Syusyura, 2010). From the standpoint of the process approach rural economy – this whole art directed and harmonious (sustainable) use of natural and acquired resources and opportunities in rural areas for livelihood (human). In terms of systematic rural economy categorized open economies, including subsystem resources and the rural areas, and management subsystem usage. Functional approach to understanding the essence of the rural economy stresses economic relations in rural areas aimed at the satisfaction of prevailing socio-economic and natural environment. The content of the structural approach to the interpretation of the rural economy is expressed through a set of different subjects of economic activities using natural and acquired resources and opportunities in rural areas.

A more detailed concept of structuring the rural economy revealed in studies G. Taylor offers three possible that, in his view, options: the first of them under the rural economy is formed by economic agents associated with agriculture; the second option structure of the rural economy include entities other than the agricultural activities as their hired managers; third denies the existence of the rural economy, but argues about the existence of which is formed from a combination of traditional economy and agriculture (Taylor, 1911). Thus, the position of the author actually identifies the agrarian rural economy, ignoring the non-agricultural activities that are an indispensable part of the economy of rural areas, as leader of the peasants living environment.

Outside the concepts of traditional managerial discourse differentiation and systematization of theoretical principles of individual studies rural economy allows to distinguish methodological approaches such as: economic – rural economy – an economic system open, objective of which is to ensure economic growth of rural areas; eco – intensification of economic activities within the rural economy increases the load on the environment and threaten biodiversity; Institutional – accentuation attention to the lack of adequate forms of self-governance and economic development processes in rural areas that form the endogenous potential of rural economy; social – rural economy acts as a mechanism for implementing rural public goods through the activity of rural society.

5. Rural areas as a basis for rural economics

Despite a substantial diverse direction analyzed theoretical and methodological approaches integrating ideological basis of existing studies rural economy are its territorial area of reference to rural areas. Rural area as a territorial basis for the development of the rural economy, is a complex multifunctional natural, social, economic, industrial and economic system with its inherent quantitative structural, natural and other characteristics of M. Baranovskyi identifies several approaches to the definition of "rural areas" – administrative, industrial, settlement, territorial, complex. The generalization of these approaches the author gives grounds to state that firstly, rural development is a complex entity which performs multiple functions; Secondly, they include territory outside urban areas; thirdly, they include not only the spatial area as a basis for development of the agricultural sector and rural settlements and rural society and entities (Baranovskyi, 2011). Thus, the rural area is not only a particular area but also a set belonging to her economic and human resources availability, and the possibility of combining the use of which provide conditions for endogenous development of rural economy.

From the standpoint of the territorial approach, based on the above methodological features modern vision of rural determining fair to the rural economy as "... a combination of types of economic activity on natural and acquired resources and the rural areas; art of purposeful and harmonious use" (Syusyura, 2010). Thus for the development of the rural economy determined balancing personal interests of individuals and the general interest of local communities to protect the environment, social cohesion and economic growth as well as focus on the mobilization of joint efforts in the implementation of local development projects.

It should be noted that the feature of the concept of the rural economy, formed under the influence of methodologies ruralism is exclusiveness agrarian centric model of operation. Agrarian centrism considered by modern scholars through the recognition of agriculture engine in ensuring social progress in rural areas, the identification of agriculture and villages dominate the politics of rural development tasks such as ensuring proper development of agriculture, increase agricultural production, solve the problems of food security (Baranovskyi, 2011; Polishchuk, 2014). Despite the closeness of the relationships of man with nature, particularly underlined in the concept agrarian centrism, it has a distinct relationship to the capitalist model of economy. In particular, the Japanese scientist A. Tsutomu stated that each stage in the evolution of capitalism was characterized by a special form agrarian centric and problems arising in the agricultural sector is not isolated and considered it as part of a dynamic political economy (Barshay, 2004).

Based on the above, it is obvious that agrarian centric provides not only focus on agriculture as a key sector of the economy formed in rural areas, but special way of life dependent on it as in material, so also in social and cultural understanding. Therefore, agrarian centric - is not only a kind of paradigm model of rural economic system, where agriculture is the top development but also the current world outlook, reflecting the dominance of the environment in general and agricultural production, particularly in human life support. Accordingly, based on the model agrarian centric rural economy put a set of entities whose activities are directly or indirectly linked to agriculture, carried out in rural areas and aims to increase the competitiveness of agricultural production by increasing production volumes and its intensification, income growth in the agricultural sector.

In terms of scientific criticism can be said about unrealistic, narrowness this approach as being in rural areas and those economic entities that do not meet the outlined framework, confirming the case for other models of development and the rural economy other than agrarian centric. Therefore, in this study as the methodological basis used by the perception of the rural economy as a system of different sectors and activities and socio-economic relations in rural areas aimed at the welfare of the rural population. The last statement that provides prosperity in implementation, not only physical but also social and spiritual needs of man, in fact, makes the development of the rural economy to provide high, progressively-oriented standards for Rural Development.

The origins of scientific and practical problems of formation and implementation of rural development policy date from the second half of the twentieth century. In particular, Dr. W. Johnston in his book "Agriculture and Structural Transformations in Developing Countries" (1970) considered rural development as part of the structural transformations that lead to the diversification of the rural economy, reducing the weight of agriculture in providing employment and production (Johnston, 1970). Under the influence of evolutionary changes in the process of European integration in the agricultural sector rural development entered a qualitatively new meaning and is characterized as integrated (interdisciplinary) process that includes not only economic indicators of growth and development of agricultural production, but also environmental safety and adaptation of rural communities to the changing conditions functioning. An important role in political partnership and expand the range of influence of knowledge economy on rural development and capacity build its capacity through the latest technological advances.

Native school of theorists Rural Development stresses human centrism guiding the process. In particular, O. Borodina rural development would take "a process which ensured harmonious socio-economic progress in rural

areas on the basis of self-organization of rural communities with the greatest possible use of factors of endogenous development (local assets) when combined with external opportunities" (Theory, 2010). In addition, the author's previous positions, T. Zinchuk notes that the new rural development paradigm instead agrarian centrism human centrism is when a person has to form itself around him an environment ensuring the quality of life and the state as a subject of management should create only the necessary conditions for this in the form of public goods (Zinchuk, 2010). Thus, the set of existing scientific and theoretical views on the problem of understanding the essence of rural development proves direction of the process to implement the needs and interests of the rural population and determines actively contributing village community, which, due to the use of economic system of rural areas existing endogenous and debt exogenous capital claims to a certain level of social security and material goods.

Positioning rural economy as a socio-economic system open, transforming endogenous and exogenous potential of rural areas in some level of rural development (fig. 1), justified to the identification of methodological bases its development on the ideological provisions of the theory neoruralism, which is an evolutionary consequence of the deepening of the traditional agrarian centrism concepts of rural economy, focused on agricultural production and food security.

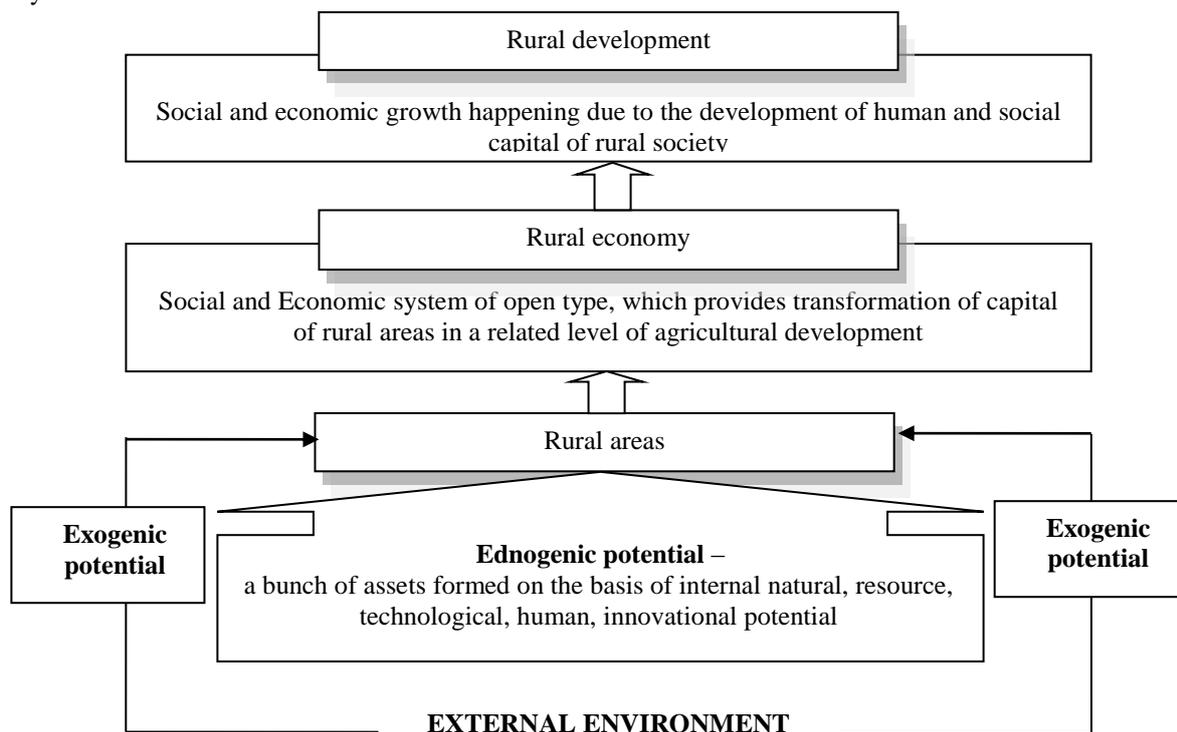


Fig. 1. Structural and logic model of rural economics as a social and economic system of open type

In addition, it displays the development of socio-economic system beyond the actual production, focusing on providing material and non-material well-being of the rural population. Neoruralism – as configuration practice alternative social dynamics – would expand the target agrarian centric framework of rural economy on the basis of its versatility. In other words, neoruralism – a conceptual framework for evolutionary transition methodologies for sustainable rural development to a higher level of quality – "reasonable" development (Kraus, 2013), that is, base on innovation and knowledge; transfer the benefits of urban space for life in terms of environmentally favorable agriculture environment inherent in rural areas. Philosophy neoruralism theory defines failure and challenges discrepancy globalized humanistic model of society agrarian centric rural economy and gave it a new logic – the logic of versatility. It is about becoming multifunctional model of rural economy, which is aimed not only at the development of agriculture, the implementation of its economic content in the national economy, and many-sided promotion of life and the rural population, including – and outside agriculture.

6. Multifunctional model of development of rural economics

The deep meaning of the phenomenon of rural economy by its versatility manifested in the fact that despite the industrial nature, it focused on people and create better conditions for its life (tab. 1).

Table 1

Comparative characteristics agrarian centric and multifunctional models of rural economy

Comparative features	Agrarian centric model	Multifunctional model
Purpose	Revenue growth in the agricultural sector	Economic growth in rural communities while preserving the environment and social protection
Goal	<ul style="list-style-type: none"> – Promoting investment in the agricultural sector; – income support agricultural producers. 	<ul style="list-style-type: none"> – Improving the competitiveness of rural areas as places of residence and the business environment; – Ensuring equal conditions for all sectors of the rural economy.
Function	<ul style="list-style-type: none"> – Production of agricultural food products; – Creation of raw materials for processing plants; – Forming the export potential of the agricultural sector; – Ensuring agricultural employment; – Ensuring Food Security. 	<ul style="list-style-type: none"> – Ensuring the well-being of the population; – Ensuring food security; – Promoting regional and general national economic growth; – Reducing the gap between urban and rural areas in the level of socio-economic development.
Role of rural area	The territorial basis, providing a set of inputs for agricultural development.	The territorial basis, providing a set of endogenous resources for progressive Rural Development
Role of trades of economy	<ul style="list-style-type: none"> – Agriculture - a key sector of the economy; – Integrating Agriculture and agribusiness. 	Diversified system of equal conditions for all participants of economic relations
Human role	Human - a factor of effective management and development of agricultural production	Human - the media production and public relations, the ultimate goal of social development
Principles of development	<ul style="list-style-type: none"> – The economic benefit; – Profit maximization; – Economies of scale; – Using advanced production technologies; – Social Responsibility farmers. 	<ul style="list-style-type: none"> – Management of internal resources; – Human centrism; – Diversification of economic activities; – Effective employment; – Social Responsibility.

Therefore, the main conditions for sustainable development of the rural economy is a gradual increase in the capacity of individuals, households, communities and businesses; further increase links between towns and villages. However, the sustainability of the process regarding the rural economy as a system provides qualitative change in its properties, particularly aimed at the capacity for self-development and self-support equilibrium, the presence of the interaction of all subsystems (fig. 2).

The versatility of the rural economy is closely linked not only to the increase of its economic importance, but also with the expansion of social mission, as economic growth in rural communities increases the economic potential of rural areas and promote temperance negative social and demographic trends that threaten the existence of the village. Based on this principled position, it can be argued that the multifunctionality of rural economy is a prerequisite of sustainable development. The concept of sustainable development triad "social sphere – Environment – Economy" takes on unique features – its purpose is to ensure the well-being of present and future generations through natural and ecological life support systems, in which the economy will play a role in engine development (Shubravska, 2005). In other words, sustainable development is ensured conditions for economic growth combined with social transformations that accompanied solving socially important issues.

7. Conclusions and perspective for further development

Regarding sustainability of the rural economy is of particular importance due to the exclusive proximity of the system to the environment on the one hand, and the critical problems of socio-economic development of the village – on the other. On this basis, the sustainability of the rural economy beyond the ability of the system to keep steady balanced economic growth that does not threaten the safety of the environment, as it implies achieving convergence of rural communities, maintaining social stability, ethical standards and cultural diversity, rural way of life overall, the social consensus based decision-making involving all members of the rural community.

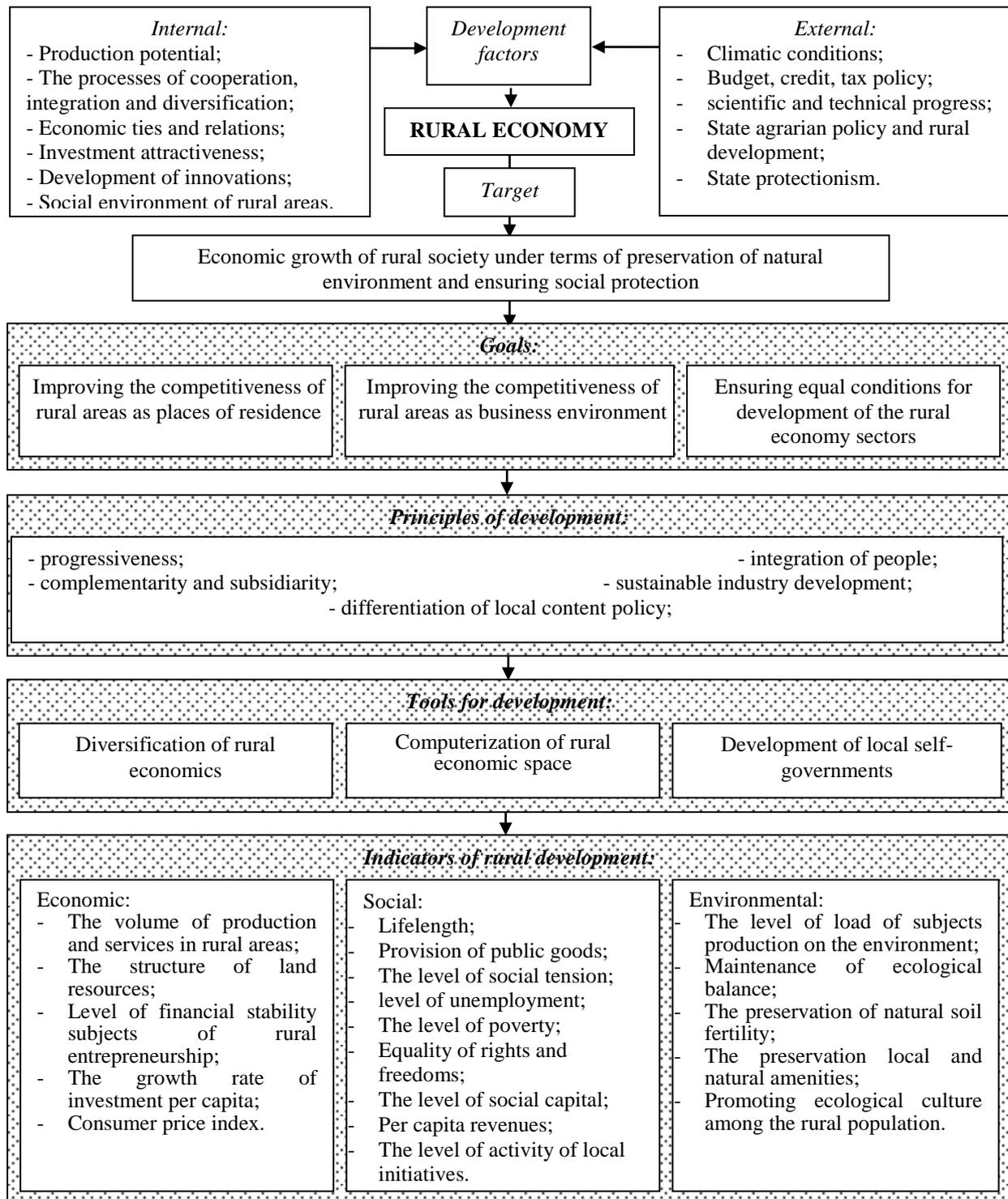


Fig. 2. Conceptual model of stable development of rural economics

Agricultural evolutionism in the plane of theoretical concepts and methodological principles of formation, operation and development of the rural economy contributed to the emergence of modern multifunctional model that takes into account not only the agricultural component of the economic system, but also a set of social and economic relations that occur in rural areas connected with their inner potential and human capital and aimed at the welfare of the rural population. However, implementation of this model in the practice of rural economies requires formation of the institutional environment, develop mechanisms for activation of local initiatives and enterprise, redefining the content of state agrarian policy to supplement its social sector priorities that determines the prospects of further research direction launched.

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