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## THEORETICAL BASES OF OCCURRENCE, EVOLUTION AND ESSENCE OF FARMS

**Statement of the problem.** Formation of any organizational and economic structures in agriculture and in other parts of agroindustrial production depends on the specific conditions prevailing in a particular region or country as a whole. The changes that take place in different areas of social production, especially in times of global change, accompanied by the recovery processes of economic structures that existed in the past and creating new economic forces. This is objective pattern characteristic of any period of reform in any country. There was this except for agriculture production in Ukraine.

**Analysis of recent research and publications.** Problems of formation and development of farms in different time were devoted to the work of foreign scholars as M. Bakett, M. Porter, D. Robinson, P. Fisher. The development of farming was studied by such scientists as: A. Amosov, M. Malik, V. Mesel-Veselyak, L. Milnyk, P. Sabluk and others. However, the problems of farmers have insufficient level of study.

**Statement of the task.** Tasks of the paper is to study the origin, evolution and nature of farms in Ukraine and in the world.

**The main material of research.** The basis of the existence of any society is the production of goods. Depending on the composition of its material and technical base of the economic form it takes. The first form of these relations was the original community, which was family-tribe basis. In the face of fierce confrontation with nature alternative collective economic activity was not. The main characteristic features of this stage of economic rights were: primitive tools, often a product of nature, but not human activity, manual labor with low productivity, lack of commodity-money relations and the dominance of subsistence farming.

At this stage, there are two economic development stages. The first is characterized by a lack of reproductive basics. It is a passive use of the gifts of nature – gathering, hunting and fishing. The second stage was marked «Taming of the Fire» and transition to production tools. There domestication of animals and the use of land as a factor of production material, forming the reproductive economy. Complete displacement of the collector and there is no hunting like activity are gradually giving their reproductive type of management positions, thereby reducing dependence on wildlife [9, p. 9].

Despite the obvious progress in the development of material production, it still was designed to meet the personal needs of the person, family, characterized by underdevelopment of the social division of labor, low productivity, lack of commodity exchange.

Under the influence of needs on the one hand, and due to our experience and improvement tools, on the other, there was an increase in productivity, developing social division of labor, leading to the emergence of surplus commodities. At this time there is a completely new ownership – private (the first such object was a beast). Exchange surplus becomes regular, commodity character. Human capabilities oppose wild and decide

on production expanded significantly, leading to the separation of families from the community, a result of numerous redistributed tools, livestock and land formed private their content, and then the private property.

The appearance of individual family farms marked the transition to a new stage in the development of human civilization, characterized by higher levels of productivity, the dominance of private property relations and the emergence of commodity exchange.

Ancient East became the first World centre, which made the next step in the development of management through the transition to statehood. The main feature of this region is considered by many scholars were irrigated agriculture. Irrigation facilities were difficult and time consuming to building and contents, resulting in participation in economic activity and the state, decreasing the role of individual family farms. Slave labor is widely used. This situation prevailed for centuries [4, c. 21-22].

A significant contribution to the development of economic system introduced Mediterranean Region. Opportunity to display the best qualities of the human individual is led to rapid population stratification in abundance and occurrence of slave states. In ancient Greece and Rome a major role in agriculture played a major slave economy, which in the era of the Roman Empire was called latifundia. In contrast to the Greece, where the leading role played by craft and trade, Rome was led by agriculture. Because of the economic and social causes of effectiveness of latifundia reduced economic activity, the use of slave labor in these conditions was not viable and was crushing them. Slaves that are released to freedom, usually working on land provided by the large landowners, they have the names of the tenants. This column in the future and formed the basis of a layer of serfs in Western Europe [1, p. 78].

On the territory of the Frankish state development of economic activities went differently. In V-VI centuries the Franks, as the descendants of Germanic tribes led its economy based on the collective ownership of land, in the form of community – at a stroke. Each family received in the area of arable land use, which, after harvest turned into a common pasture. At this stage, the ownership of land was public, and labor and the distribution of the products of labor-individual and family. However, further stratification was member of mark, resulting in a decrease in the average size of peasant holdings and the emergence of large feudal estates – villas, based labor serfs and the natural character of production [1, p. 79].

The development of agriculture in England had its own peculiarities. By the XI century there with big producers and there are many small peasant proprietors. However, in the XI century, due to geopolitical events together, there was an integration of production and the emergence of landless peasants. The land at the time the census showed that the most common forms of estate became using serfs, called – manor, and free peasants, surviving – freeholder – did not play a sig-



nificant role. Active development of the domestic market has led to the emergence of copyholder (semi-dependent peasants), who played an active role in ensuring farm labor. It is at this stage of the English peasantry in the vast mass becomes free [5, p. 65].

In the XI-XII century Germany was the decomposition of the primitive community and the transition to feudal relations. Compared with other countries of Western Europe germanium in the development of agricultural production significantly behind both the development of forms of management, and to improve the technological level. Individual-family production exist at the level of small gardens and there was a trade [9, p. 17].

Farmers in Western Europe have passed a long evolutionary path of its intensive development. At present, the market conditions are different from farms Ukraine high level of public support, the use of modern equipment and technology, the level of intensification, production and skilled management, effective motivation of owners and employees of farms, market infrastructure developed in terms of cooperation, the availability of high-quality network expensive finance. These and other terms of efficient management of farm agricultural economics, which in Ukraine yet. All farms in Western Europe, regardless of their nature (main and auxiliary, large and small, diversified and specialized, etc.) have to achieve high economic performance. This is due to the fact that competition in the market conditions in inefficient farming farms are going bankrupt, sold their land with the shortage of arable land in Western Europe are moving away to other farms [2, p. 56-57].

Analyzing the development of the agricultural sector in Western Europe can be divided into a number of objective trends in the development of farming forms of management that are important for the understanding of modern mixed agricultural economy:

1) individual and family business entities appear only at a late stage of the primitive community, with relatively higher levels of productivity;

2) the emergence of their due, on the one hand, social and technological factors – human's desire to express individual qualities, but on the other – opportunities to farm individually;

3) the period of the slave system of economic life, which some countries managed to escape, there was a dramatic reduction in the number and the mean size of individual farms, often to the level of subsistence farming;

4) in the medieval period the share of small producers of agricultural products in its total volume is still low. Only in the later stage of feudalism caused the increase of farms, but production still carries the bulk of a natural character;

5) the system of economic relationships, the transition which was marked by the bourgeois-democratic revolution, backed by major technological leap has created the conditions for the development of commodity-money relations. During this period the individual farms become the most common.

The evolution of the agricultural sector in Ukraine at that time was his own way, which is much different from the West. The community as a primary entity appeared in Ukraine at the turn of the millennium I-II and lasted there for about nine centuries. Individual farms operate mainly in the form of private households. However, this period had those characteristics, together with the peasant communities, there were a large number of large feudal economies based on serf labor.

It is needed to note that our ancestors were quite successful agriculture in the past, although not called

farmers. Thus, according to O. Subtelnyi, Ukraine to the middle of XVII century for a wealthy farmer, and there were many, it was the usual process put 8-12 hectares of land have one or two horses or oxen, two or three cows, a few pigs and dozen chickens and geese. And the results of management were not worse, and even in some cases better than our western or modern farmer [8, p. 114].

So our ancestors more concentrated attention not on borrowing of foreign names for their farms and for themselves, and for solving the effective conduct of its operations. They are strongly aware that the change of names is a populist measure and not an effective way of his mistress.

In historical terms to be the biggest change in agriculture of Ukraine (the part which at that time was part of the Russian Empire) was the abolition of slavery was right (1861). Farmers receive about 40 million hectares and were released from bondage. The result reflected immediately – there was an increase in grain production by 46 % (from 141 to 216 million pounds). However, the policy of preserving public peasant collectivism, held until 1905, restrained the development of the agricultural sector. Communities as basic legal forms and market actors had only the ground and badly in need of investment. The advent of mortgage banks with almost absolute monopoly led to their preservation bonded agricultural collectivism, as a condition of increased profits financiers.

The situation began to change only in 1906 with the resignation of the Council of Ministers headed by Earl S. Witte and the advent of the P. Stolypin. In fact, a new phase of agrarian reform. At this time canceled dependence of peasants on communities, farmers decided the allocation of land without compensation. However, there was a problem of shortage of land, and the government began to transfer land ownership from the royal family. It was also organized mass migration of peasants to free the land. For buying up land and capital formation farms, which created opportunities were used by Farmers Bank became lower as compared to mortgage banks. With this state-owned land were sold at prices 20% below their real value [3, p. 123].

Stolypin reform passed successfully in regions with high intensity commercial agricultural production in Ukraine has, in some provinces of the Volga, in the Baltic, where the hamlet system existed for many decades.

The main policy objective of P. Stolypin reforms was the creation of sustainable rural producers' class – peasant proprietors. The appearance of a peasant (farmer) class, in his view, would allow implementing entrepreneurial initiative, which was a fettered community. Consistent and thoughtful pace of reforms would allow to improve the agricultural sector to create an environment where competing and farmers and communities, and large farms that were established on the basis of landed estates. In addition, the implementation of the rights to freedom of movement and choice of occupation would create a free market work. Create Peasant Land Bank and its effective and purposeful activity allowed inhibit monopolistic expansion of finance capital in rural areas [7, p. 104].

Agrarian reform has put the country in terms of growth in a leading position in Europe and kept it until the first world warriors. The success of the reforms was due to the following reasons:

1. The reforms were a logical extension of agrarian change in the Russian countryside in 1861-1905 years.

2. P. Stolypin reform was launched in historically favorable conditions: the country was agrarian, the bulk of the gross national product was agricultural production, the development was carried out towards the

creation of a free labor market and capital in general reforms meet the general course of economic development.

3. The violent nature of the reforms is not contrary to the interests of the population, however, aligned the conditions for economic development, as individuals, and various forms of management.

Considering the nature of the agricultural sector of Ukraine in comparison with Western Europe is not difficult to note a peculiarity as the presence of a large number of small producers that compete with each other and with the large-scale production. Specificity of the phenomenon can be explained by factors which are divided into objective and subjective. The objective reasons include large territorial extent and population density is low, resulting weakened integration processes in the sphere of commodity exchange, relocation of production resources, exchange experiences and more. Objective reason can be called natural-climatic factors. Being in an unstable area of agriculture, farmers have seen more difficulties in the production process, the farmers of the West.

Stolypin's agrarian reform, intended for 20 years, already in the first years of his conduct gave very tangible results and has made a positive impact on the development of agriculture. Farmhouse farms that have arisen over the years of reform have been the prototype of the modern peasant (farmer's) economy, like the USA or Western Europe, and had the potential to become highly effective and intensive agricultural companies.

The next stage of land reform began in 1917, when it was adopted a decree «On the ground» under which proclaimed the equivalence of all forms of land use: the household, hamlet, community, artisanal. The broad masses of peasants supported the decree. But the law «On the socialization of the land, «which came out a few months later, preferred co-operative and co-operative farms, but not alone. «Provision of Land Management and the socialist measures of transition to socialist agriculture» which was published a year later, involved the transition of land resources in a single state fund. Decree «On Land» was actually canceled [6, p. 101-102].

During the Civil War it was completely destroyed by large landholdings and highly significant part of the capitalized peasants, and the policy of «war communism» with its numerous taxes and food allotment village led to the complete impoverishment.

The new economic policy which declared the X Congress of the AUCP (b), marked the next stage of

agrarian reform. Beginning in 1925 it were allowed to transfer land to rent, conducted direct barter of peasant and outside tax harvesting agricultural products. Any restrictions on the activities of the owner at the time were not. At that time there was a need to develop evidence-based program restructuring agriculture and bringing it to market conditions.

Peasant farming in Ukraine lasted until the complete collectivization. The family farm was left in the form of individual farms, commodity but it was not there.

This situation remained until 1990, when the Law of Ukraine «On peasant (farmer) economy», after which a new phase in the restoration of farms as the entity in the agricultural economy of Ukraine

**Conclusions from the study.** Thus, the evolution of the peasants of Ukraine and international experience suggest that farmers in our view – it was a form of self-entrepreneurship in agribusiness, which is defined as the cost (maybe legally) independent entity created individual citizen (family or group of people) and carrying on commercial principles calculation of commodity production, processing, sale and use of agricultural self and one that purchased products based on equity and debt, land, assets, own and hired labor.

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