

DEVELOPMENT OF NON-AGRICULTURAL ENTREPRENEURSHIP IN RURAL AREAS OF THE FOOTHILLS AND MOUNTAINOUS PART OF THE UKRAINIAN CARPATHIANS

Nazar KUDLA¹, Yuriy MYRONOV²

¹The Academy of Zamość, Department of Tourism and Leisure, 2 Pereca Street, Zamość, Poland, Phone/Fax: +48732741401; E-mail: nazar.kudla@akademiazamojska.edu.pl

²Lviv University of Trade and Economics, Department of Tourism and Hotel and Restaurant Business, 10 Tuhan-Baranovskoho Street, Lviv, Ukraine, Phone/Fax: +380322756550; E-mail: yuriy@myronov.com

Corresponding author: yuriy@myronov.com

Abstract

The article examines the features of non-agricultural development in rural areas based on the research materials on rural entrepreneurship in the foothills and mountainous areas of the Ukrainian Carpathians, in particular in Lviv region. The methodological basis of the research consists of comparison, analogies, analysis and synthesis methods, process and system approaches etc. During the research the entrepreneurs' sociological survey was conducted. As a result of the research a range of problems that inhibit the effective development of mountainous and foothills areas and the factors that complicate the formation and effective use of the entrepreneurship intellectual and personnel potential in the specified region are identified. The directions of non-agricultural entrepreneurship diversification are determined (namely tourist, accommodation, recreational, trade, transport and other services as well as folk crafts), and the expediency and advantages of the rural tourism development on the territory of the Ukrainian Carpathians and the foothills are substantiated. The motivational aspects of entrepreneurial activity in the rural tourism field are considered. It can be concluded that non-agricultural activity is one of the most important elements of rural residents' alternative incomes and the intensification of economic activity in rural areas (in particular, foothills and mountainous).

Key words: entrepreneurship, non-agricultural entrepreneurship, rural tourism, the Carpathians

INTRODUCTION

Entrepreneurship should be considered a multifaceted phenomenon, which is determined by social, economic and cultural factors. In the social sphere, entrepreneurship is considered through the individual characteristics of a person (talent, intelligence, the ability to learn and use acquired knowledge, to make risky decisions), in the economic and cultural sphere, it is perceived through the quality of labor resources and the organizational culture of the enterprise (creativity, innovation, market orientation, making a profit, behavior, rules of ethics and etiquette).

In the foothills and mountainous territories, in addition to the mentioned factors, favorable prerequisites for the development of entrepreneurial potential are also needed, namely: the availability of resources (human, land, natural, ecological, touristic, recreational),

the efficiency of their transformation ensures the possibility of socio-economic development of the territory, the improvement of the quality of life of the local population.

MATERIALS AND METHODS

The works of scientists and practitioners dedicated to the entrepreneurial development of rural areas are a theoretical and methodological basis of the research, namely: Boyko V. [2], Golian S. [3], Grzybek B. [4], Hartman T. [5], Hubeni Yu. [6], Malik M. [8], Skyba T. [10], Trutenko H. [11], Vazhynskyi F., Kolodiychuk A. [12] and the others. The identified researchers determined the impact of entrepreneurship on the development of rural areas, the factors of development of rural entrepreneurship, and the organization of information support for the development of entrepreneurial activity in rural areas is investigated. At the same time, among

scientific studies, there are not enough sources devoted to the problematic aspects of entrepreneurship development, taking into account the specifics of mountainous and foothills areas, including the Ukrainian Carpathian region.

The methodological basis of the research consists of comparison, analogies, analysis and synthesis methods; normative and positive approaches to the study of economic processes; process and system approaches. The information base of the research is statistical information from the State Statistics Committee of Ukraine and the calculations of the Department of Economic Policy of Lviv Regional State Administration. During the research, a sociological survey of the entrepreneurs operating in the districts was conducted. The survey was carried out in September-October 2019, that is, before the COVID-19 pandemic. The 98 entrepreneurs from the village of Slavsko and the town of Skole were polled, who provide accommodation, transport, and trade services, and who are registered as individual entrepreneurs, which is more than 2% of the total number of employees in the sector of small and medium entrepreneurship of the analyzed districts.

RESULTS AND DISCUSSIONS

An important factor in the development of entrepreneurship is the legal framework. Entrepreneurial activity in Ukraine is regulated by various normative legal acts, in particular in the article of the Constitution of Ukraine. At the same time, the formed regulatory and legal framework for the development of entrepreneurship remains imperfect and contains many contradictions and the possibility of an adverse administrative influence on newly created entities, which negatively affects the availability of financial resources, information support, markets for products and means of their production, and professional training etc [8].

The informational factor influencing business activity is of key importance under the conditions of a rapid change in the external

environment because the information is not only a prerequisite but also an important resource that determines production factors and the direction of all social development. From the point of view of information provision, the specificity of rural entrepreneurship lies in the fact that state institutions are not able to carry out explanatory work in every village, and every community on the measures to implement state policy in the field of entrepreneurship, regulatory and legal acts, state programs to support rural development.

The financial and credit component of the formation of the market type of management must be considered in the combination with other factors of ensuring rural entrepreneurship. Currently, the situation with access to loans does not differ from the other sectors of the Ukrainian economy. Rural entrepreneurs work hard but are deprived of access to cheap credit resources that would allow them to create a reliable material base and develop at higher rates. One of the main problems of entrepreneurial activity in the field of lending is the limited credit resources of credit institutions, which can be provided to borrowers against property or working capital. Entrepreneurial activity, in particular in the countryside, is quite capital-intensive, and therefore unable to function normally and develop without external assistance (banks, credit unions, and other credit institutions). These additional financial resources, obtained with the help of short-term loans, are necessary for conducting the operational activity and making current payments. The real state of affairs proves that the possibilities of lending to rural entrepreneurs are quite limited because the programs of lending to rural populations including “individual lending” and “household lending” developed by credit unions are rare and not easily accessible [10]. The provision of credit funds by banking institutions is carried out without taking into account the specifics and features of entrepreneurial activity in the foothills and mountainous territories, that is, on general terms.

Characteristics of entrepreneurial activity within the mountainous and foothills territories of Lviv region

The mountainous and foothills territories of Lviv region, which are the subject of the study, include selected territorial united communities of three newly created administrative districts – Sambir, Stryi, and Drohobych. In general, the mountainous territories of the united territorial communities cover 17% of the area of Lviv region, 216 settlements are located there (about 12% of their total number in the region), but only 6.1% of the region's population live there. This is due to the peculiarities of the relief, specific climatic conditions, and partly the historical factors of the settlement of territories.

Studying the level of entrepreneurship in this type of territory, Polish scientists note that it has its specificity, which arises primarily from limited opportunities for the development of agriculture, and historical conditions associated with emigration, and a high level of self-employment, including well-developed regional folk crafts [4].

The studied territory has certain demographic features. The highest birth rate is noted in the mountainous united communities; as a result, the mountainous areas have a different age structure of the population: having only 6% of the population, 8% of the children of Lviv region live here.

The issue of demographic burden and imperfect structure of employment in mountainous areas remains relevant. The greatest demographic load is in Stryi and Drohobych districts, 30-40% of the entire labor market is unregistered, which is a significant resource for opening new enterprises and production facilities.

The sectoral structure of the economy of mountainous and foothills areas is characterized by a large share of agriculture and other services, which include education, health care, tourism, public administration, social services, etc. Instead, the share of the industry does not even reach 5%, construction – about 1% (Fig. 1).

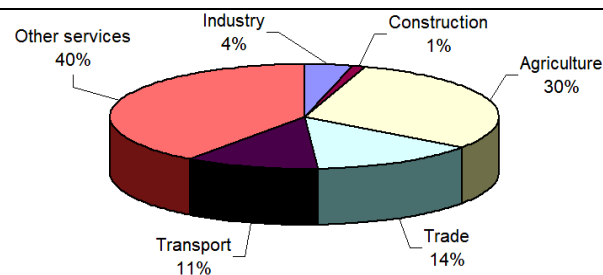


Fig. 1. Structure of the economy of mountainous areas
Source: the calculations of the Department of Economic Policy of Lviv Regional State Administration.

Transformational processes at the end of the 20th century led to the decline of industry in the region, which was mainly based on wood processing and the manufacture of various products from this raw material, and agriculture. Such a change in the structure of the economy of the studied territory over the past 30 years has caused rapid development of the service sector, including tourism and recreation.

A significant idle resource for the development of the mountainous areas of the region is the strengthening of the population's business activity, increasing the scale and efficiency of small and medium-sized business entities as a source of creating new jobs, increasing the level of employment of residents and increasing their well-being, improving the investment attractiveness of the territories, increasing revenues to local budgets, the development of social initiatives, the formation of a middle class and the development of social and economic infrastructure (Table 1).

Table 1. Comparative characteristics of the indicators of the development of small and medium entrepreneurship in Lviv region, its mountainous and other areas

Territories	Indicators					
	Number of small and medium enterprises per 10,000 population			Number of employees at 1 small enterprise	Volumes of sold products per 1 employee at small enterprises, million UAH	Volumes of sold products per 1 small enterprise, million UAH
	small	medium	total			
Lviv region	3.2	70.9	74.1	5.4	0.47	2.5
Mountain communities	0.9	23.2	24.1	4.7	0.38	1.8
Other areas of the region	2.1	46.5	48.6	5.6	0.54	2.9

Source: [7].

The indicators of entrepreneurial activity in the studied territory are characterized by negative aspects, which can be attributed to:

- significant impact of external factors on the activity of small and medium-sized enterprises, especially inflation, the low purchasing power of the population, access to sales markets, the epidemic of COVID-19, the war with Russia;
- decrease in the number of business entities in the small and medium business sector;
- low business activity and a small number of small and medium-sized enterprises per 10,000 people of the existing population, limited entrepreneurial initiatives among rural residents;
- decrease in the number of employees in the sector of small and medium entrepreneurship;
- small volumes and low efficiency of the financial and economic activity of representatives of small and medium-sized businesses, the limitation of their intellectual and personnel, material, technical, and resource support;
- limited number of practices for the formation of integrated trade and production systems and cooperative relations with the participation of small and medium entrepreneurship entities;
- low level of the development and efficiency of functioning of the entities of institutional support, the lack of proper road and transport connections, and a sufficient number of market, financial, social, and informational infrastructure objects;
- problems of formation, development, and reproduction of human capital.

The deterioration of socio-economic development of the mountainous regions of Lviv region harms the development of entrepreneurship, which pushes the local population, primarily young people, to labor migration abroad and to large cities, where the level of wages is much higher, the labor market is more saturated, the infrastructure is developed, and living conditions are better. This complicates the formation and effective use of the intellectual and personnel potential of small and medium entrepreneurship in mountainous regions. As a result of the decrease in the number of young people, the

problem of “aging” and “extinction” of villages is actualized, which negatively affects the self-organization of the population and the implementation of business projects and public initiatives aimed at solving the current economic, household, and cultural problems of mountainous areas.

To identify the causes of the main problems, as well as key obstacles and promising directions and means of promoting the development of small and medium business in the foothills and mountainous areas of Lviv region, a sociological survey of the entrepreneurs operating in the regions was conducted. The survey was carried out in September-October 2019, that is, before the COVID-19 pandemic. The 98 entrepreneurs from the village of Slavsko and the town of Skole were polled, who provide accommodation, transport, and trade services, and who are registered as individual entrepreneurs, who represent more than 2% of the total number of employees in the sector of small and medium entrepreneurship of the analyzed districts. It is established that the main (the most problematic aspects of the functioning and development of small and medium-sized business entities according to the ranking results) causes of these problems are as follows (Fig. 2):

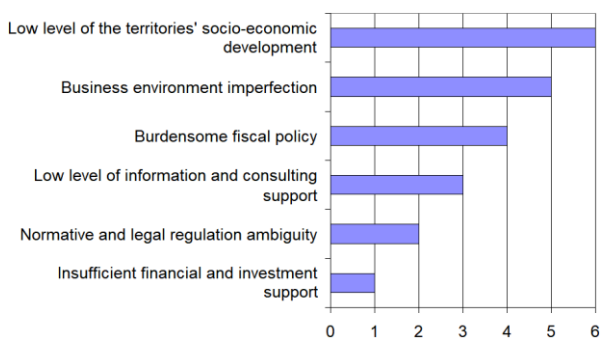


Fig. 2. Ranking of the problematic aspects of entrepreneurship development in the studied territory in 2019

Source: the results of surveys of Slavsko and Skole entrepreneurs in September-October 2019.

The obtained results proved that insufficient financial and investment support was identified by the respondents as the most significant problem of entrepreneurship development. In detailing this problem, several factors that significantly inhibit the

processes of entrepreneurial activity were revealed, namely (Fig. 3):

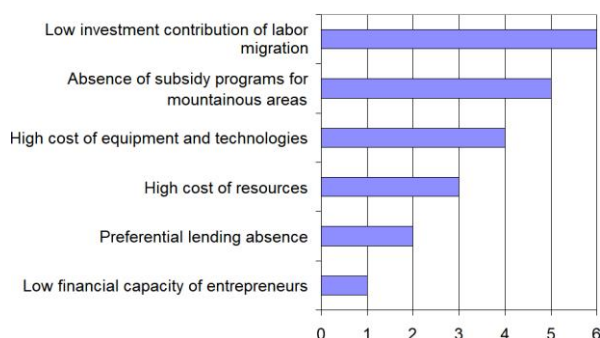


Fig. 3. Ranking of the problems of financial and resource provision of entrepreneurship in the studied territory

Source: the results of surveys of Slavsko and Skole entrepreneurs in September-October 2019.

The low financial capacity of local entrepreneurs, the absence of the possibility of preferential attraction of working capital, and the high cost of resources, equipment, and technologies stand in the way of business expansion. To conduct business activity in foothills and mountainous areas, many developed countries are trying to activate certain types of activities through the mechanism of subsidies and targeted financing of programs. In the state budget of Ukraine for 2023, it is planned to introduce a separate line for mountainous territories, and the Ministry of Development of Communities and Territories of Ukraine could already co-finance such projects.

In the territories of the mountainous areas of the region, there is practically no activity to support the functioning and further development of the institutional business infrastructure. The objective reasons for this situation are as follows:

- lower financial and investment provision due to the territorial distance from the regional center;
- features of the structure of the economy, due to relief, natural, and climatic features;
- lack of personnel (especially labor professions) due to the proximity to the border and high labor migration of the population;
- under exploitation of the potential of the territories' development, including through the implementation of business projects by small and medium-sized business entities.

The level of attracting funds from international technical assistance programs aimed at the development of small and medium entrepreneurship is insufficient. Today, local state administrations and local self-government bodies do not provide systematic stimulation of activity in this direction, and, therefore, the implementation of various projects and activities within the framework of entrepreneurship support programs having little money cannot qualitatively improve the situation regarding the development of small and medium entrepreneurship.

As for attracting loans, unfortunately, the Ukrainian banking system has not yet been able to offer appropriate products where the provision of loans for the development of a separate territory could be accompanied by certain forms of guarantees from the authorities representing this territory. The system of attracting funds for regional development through obtaining loans by business entities needs improvement. One of the directions is a search for new forms of lending under regional programs, where the interests of the state government and business would be optimally coordinated.

In the second place, the respondents noted the ambiguity, instability, and contradiction of the current legal framework of entrepreneurship, as well as the practically non-functioning nature of many legal acts, very low executive discipline concerning legal documents; the presence of many vague norms in the legislation, which can be subjected to any interpretation if desired; the unreasonableness of legal restrictions and requirements contained in separate legal acts.

For the development of entrepreneurship, informational and consulting assistance from various support institutions is necessary. Regional development agencies of Turka, Skole, Stryi, Drohobych, and Stryi Sambir districts, which are public organizations according to their organizational and legal form, operate on the studied territory. Their operation is mainly based on obtaining financial resources for activity and is sporadic. Among the implemented projects, it is possible to note the areas implemented by

the agencies in the field of information and consulting support [2]:

- provision of consultations regarding permit and registration procedures;
- promoting the attraction of investments in the development of business and rural areas;
- popularization of entrepreneurial and public initiatives among the rural population;
- provision of advice on accounting and auditing;
- spreading the idea of forming vertical-horizontal integration structures, regional clusters, and cooperatives;
- provision of legal support and assistance to business entities;
- participation in the preparation and implementation of regulatory legal acts, and program documents for the development of entrepreneurial activity and rural areas;
- organization of the exchange of experience between entities of entrepreneurial activity;
- establishment of communication links between entrepreneurs, rural communities, state authorities, and local self-government bodies;
- provision of services related to the automation of production and economic processes of business entities.

The activity of these organizations is partially financed by local and state budgets, as well as foreign investors under individual projects and requires a systematic review of approaches to the formation and implementation of the state policy for the development of entrepreneurship.

The information on the possibility of starting their business is perceived by the villagers with caution and is treated with some mistrust. There are many reasons for this, they can be considered from the point of view of the degradation of the Ukrainian countryside, the lowering of villagers' standard of living, the ignoring of local initiatives, a lack of positive examples, the unstable situation on the market, as well as a lack of the state agrarian policy, experience, and conviction of the specialists-consultants themselves.

The current format of the system of information and consultation support for the rural population and entities of entrepreneurial activity in the agricultural sector of the

economy, especially taking into account the processes of decentralization and the implementation of the land reform, demonstrates the unsystematic nature of the work of public sector institutions, registered agricultural advisory services, the insufficient level of the quality of services provided, a lack of qualified staff specialists, etc. Imperfect mechanisms for supporting the development of agricultural extension in Ukraine are not aimed at training interested stakeholders and practical assistance as well as the promotion of profitable activity in rural areas.

Under the conditions of an imperfect market and an unstable financial and economic situation, it is difficult for the entities of agricultural production to conduct their business profitably, it is not always possible due to the lack of information, knowledge, and the ability to obtain state support, investments, use the latest technologies, and withstand growing competition [11].

The fourth most important reason for the impact on local entrepreneurship is the significant influence of state regulatory bodies. The taxation system should be effective both for business entities and for the state. The fairness of taxation concerning the other incomes of citizens is an important aspect in the field of taxation of the incomes of natural persons of entrepreneurial activity. A simplified taxation system is an optimal way of business taxation since the general system is more complex and burdensome. The foreign practice of small business taxation is aimed primarily at its ability to create a sustainable socio-economic effect and then perform a fiscal function. The creation of a competitive environment and the prevention of minimization schemes that are actively used can facilitate the reforming of small business taxation systems, both general and simplified.

One of the elements of the imperfection of the business environment is a lack of cooperative relations among local entrepreneurs. In the project on the Concept of stimulating the development of entrepreneurship in rural areas until 2030, several factors [9] are indicated which are the main ones that shape

the current state of local economies. Among the list of problems, there is a lack of stimulating factors for the consolidation and cooperation of small agricultural commodity producers regarding their creation of value-added chains. The topic of cooperation has a rich history, but it is very difficult to implement this movement in the mountainous and foothills areas selected for the research. As noted by Prof. Yu. Hubeni, a striking majority (76.8%) of the villagers do not see the prospects of self-management, and the share of optimists only slightly exceeds 6%. The attention of the villagers regarding cooperation in economic activity is even more impressive. More than 67% of them are not ready for economic cooperation. On the other hand, the share of optimistic (9.8%) and cautious (the answer is “perhaps”, 13%) respondents together create a sufficient basis for pro-cooperative activity [6]. The indicators of socio-economic development of the studied territory are significantly lower compared to the other areas of the region.

The substantiated issues are consistent with the visions of F. Vazhynskyi and A. Kolodiichuk, who defined the primary measures of effective support and prospects for the development of entrepreneurship at the regional level, namely [12]:

- improvement of living conditions and creation of benefits for the rural population so that they can realize their potential without moving to the city or abroad;
- formation of a favorable business climate and compliance with current legislation;
- development of entrepreneurship development strategies according to the potential inherent in the area in which such a strategy is implemented by local self-government bodies of rural communities;
- support of innovative awareness of rural residents;
- introduction of an effective financial mechanism for supporting small and medium-sized enterprises from rural budgets.

In the studied rural area, very small entities of economic activity prevail – shops (usually, food), rather primitive service enterprises, sawmills, rental points of sports and tourist equipment, and rural estates that provide

tourist services, the management of which does not require significant investment costs and highly qualified personnel specialists. The majority of small business owners consist of people who are not characterized by production expansion. However, in this large number of rural entrepreneurs, there could be active individuals who soon will be able to increase the efficiency of the business they lead. After all, it is known that one place created for the accommodation of one tourist provides five people with work in other spheres of life of society – supply, storage, processing, food, etc. Small rural business must be treated responsibly because it can play an important role in the development of rural areas.

Development of rural areas in the context of non-agricultural entrepreneurship

The multifunctional nature of rural areas is the concept of forming a village development strategy, in particular, supporting the non-agricultural activity of its residents. Local entrepreneurship is a basis of such development, first of all, which is aimed at various forms of capital attraction, on the one hand, the expansion of agricultural activity and the development of other or new agricultural production directions, and, on the other hand, the formation of business not related to the agricultural sector of the local economy [1].

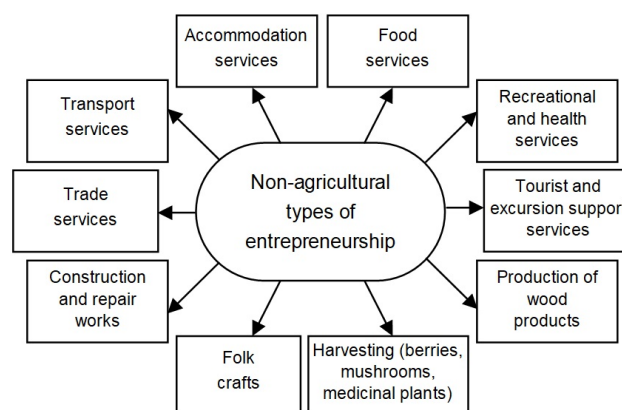


Fig. 4. Main non-agricultural types of entrepreneurship of the studied territory

Source: compiled by the authors.

Non-agricultural employment in the context of multifunctional development of rural areas is defined quite broadly and covers all types of economic activity that are related to

entrepreneurial activity in rural areas, except for agriculture and forestry, hunting, and fishing. Such activities can come from agriculture and the use of natural resources through the links in the production chain. The other activities (e.g. services, trade, etc.) are similar to those found in urban areas. Natural-climatic and geographical characteristics, communication accessibility, and cultural stratum of the territory create prerequisites for the development of the main non-agricultural types of entrepreneurial activity (Fig. 4):

The reasons for the diversification of the activity of the peasant economy can be different. The most important of them is the desire to receive additional income, which is important in the conditions of low incomes of the population. Income from non-agricultural activity can be a source of financial support for a peasant family and its household. The search for additional income may be caused by the desire to make better use of available material and human resources. The question of adjusting the surplus labor force arises, especially in the winter period, when there are no other employment opportunities in the countryside.

One of the reasons for the transition to non-agricultural activities can include subjective factors, which are manifested in the desire to satisfy the needs for recognition, prestige in the rural environment, the disclosure of personal talent, and the self-realization of the peasant family. The diversification of the activity of the peasant economy in practice evidences a huge number of its forms and types. One of these forms is the provision of tourist services in rural areas, which are distinguished by attractive objects of the natural and cultural environment.

Very rarely, only in some estates, services for organizing fishing, harvesting nature's gifts, hunting, master classes in folk crafts (pottery, pysanka studies, etc.), as well as organizing traditional folk festivities (for example, Boyko vechornytsi) are offered.

Thus, the range of additional services of the rural estate of Slavsko United Territorial Community is quite standard and limited and is often based on resources located outside the estate. Services for the organization of

transportation, active rest, recreation, and health care prevail. Instead, ethnocultural, entertainment, and agro-tourism services, which play an important role in rural tourism, are practically undeveloped. It can be argued that the tourist product of rural tourism in the foothills and mountainous areas of Lviv region is rather vague and does not have a bright ethnic coloring (in contrast, for example, to Ivano-Frankivsk region, where the Hutsul coloring occupies an important place).

The offers of regional tourist products, goods, and services in the studied territory cover a rather narrow spectrum. First of all, rural estates offer recreation, traditional cuisine, health procedures, and active forms of tourist activities, which are based on external resources (climatic, landscape, balneological), often with the involvement of third-party entities. With this in mind, it is important to reorient entrepreneurs to internal resources, which are still not very involved in the creation of a tourist product. In particular, services related to traditional agro-tourism are poorly developed here.

Traditional agro-tourism includes the categories of tourist products and services directly related to the production process in a peasant or farm economy. The products and services of traditional agro-tourism may include familiarization with the technology of growing crops, animal care, primary processing of agricultural products, the direct participation of tourists in this process, the sale of own products from the garden or vegetable garden, didactic trails, agro-tourism farms, home zoo, etc. In recent years, agro-tourism entertainment and new-generation games (corn mazes, field games with the use of straw structures, various quests, geocaching, etc.) have been rapidly developing in the world. Another promising direction for rural estates of Lviv region is cultural and ethnographic tourist activities like mini Skansen (open-air museums), home museums, master classes on folk crafts and cooking of traditional dishes, village celebrations, and festivals.

Rural estates need to deepen specialization and create tourism products of a certain

thematic direction. In particular, based on the use of Polish experience, the authors have proposed the selection of the following areas of specialization: “active recreation” (winter and summer options), “health”, “family leisure”, “culture and traditions”, “peasant household”, etc. Agro-estates specializing in one or another area should focus on providing appropriate services, which will allow them to form their image and more purposefully promote their product in the market.

The peculiarities of the development of entrepreneurship include the heterogeneity of the development of rural communities within the studied territory (Figs. 5 and 6).

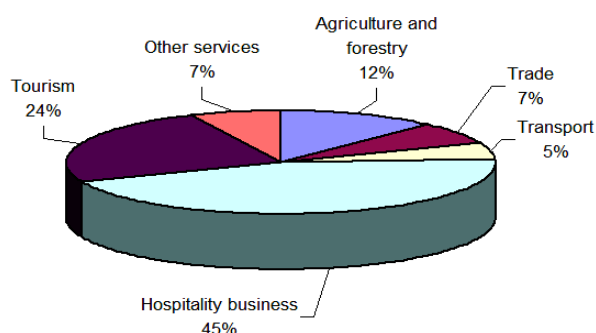


Fig. 5. Structure of the types of economic activity of small and medium entrepreneurship according to the potential of the development of Slavsko Territorial Community

Source: results of the research.

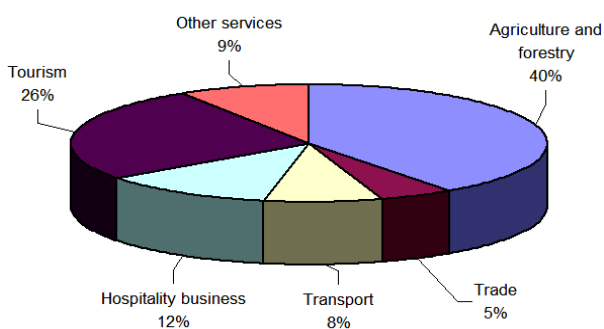


Fig. 6. Structure of the types of economic activity of small and medium entrepreneurship according to the potential of the development of Turka Territorial Community

Source: results of the research.

A high share of the tourism activity of Slavsko Territorial Community is related to natural, infrastructural, and communication factors. An important place in the promotion of tourism on the territory of the community is occupied by the National Nature Park “Skole Beskydy”, which actively participates

in the creation of tourist routes, ecological and educational trails, and various thematic resting places for travelers. Turka United Territorial Community does not have a developed tourist infrastructure, and forestry and tourism make up the basis of its economy.

To analyze the functioning of business objects in the field of rural tourism in the studied territory, the authors used the available information, which is presented on the Internet sites that are usually used by potential tourists to plan a trip:

- 1)Booking.com (<https://www.booking.com/>);
- 2)Karpaty Info (<https://www.karpaty.info/>);
- 3)Rest in Ukraine (https://ua-travel.info/ua/53/lvivska_obl.html);
- 4)Carpathians Travel Guide (<https://turizm-karpaty.com.ua/>).

The results of the analysis are presented in Table 2.

Table 2. Private estates of rural tourism (according to Internet resources)

Name of the administrative district	Selective data of the Internet resources				Estimated number of overnight places
	Booking.com	Karpaty Info	Rest in Ukraine	Carpathians Travel Guide	
Drohobych	76	74	56	28	318
Stryi	240	452	307	175	2,350
Sambir	130	13	10	7	52
Total	446	539	373	210	2,720
Other districts	74	10	5	8	45
Lviv region	520	549	378	218	2,765
Territory covered by the research, %	85.7	98.1	98.6	96.3	98.3

Source: results of the research.

The Internet resource [karpaty.info](https://www.karpaty.info/), which is used by the majority of potential guests, is the most popular among the owners of private estates. It should be noted that there is an increase in offers for placement in objects without a category on the global internet platform [booking.com](https://www.booking.com/). These two platforms dominate the market for providing accommodation services in the Carpathian region. The other platforms have a much smaller database of accommodation offers, information on only selected tourist destinations, and a limited ability to apply filters to search for accommodation that would meet the individual needs of guests.

According to the data obtained from the Internet resource [karpaty.info](https://www.karpaty.info/), the authors ranked the studied territory by the level of

entrepreneurship in the field of providing housing services in private rural estates in newly created united territorial communities (Table 3).

The main centers of development of rural tourism in Lviv region are concentrated in mountainous and foothill areas. The absolute leader is Stryi district (82%, 452 estates), and in second and third place, respectively, are Drohobych district (14%, 74 estates), and Sambir district (2%, 13 estates).

All the other administrative districts of Lviv region account for only about 1.8% of the total number of facilities for temporary residence in rural areas.

Table 3. Ranking of the administrative objects by the level of entrepreneurship in the field of rural tourism of the studied territory

Number of rural tourism facilities	Development level	Territorial Community
0-5	Low	Sambir, Rudky, Dobromyl, Novokalynivka, Stryi Sambir, Khyriv, Biskovychi, Raliv, Strilky, Stryiska, Zhydach, Mykolayiv, Novyi Rozdil, Khodoriv, Gnizdychiv, Zhuravno, Hrabovets and Duliby, Trostyanets, Boryslav, Drohobych, Medenychi
6-50	Average	Morshyn, Skole, Truskavets, Turka, Borynya
>50	High	Koziv, Slavsko, Skhidnytsia

Source: results of the research.

In 2 districts of the region, according to karpaty.info, there are no rural estates at all. The obtained results testify to the extremely uneven development of rural tourism in the foothills and mountainous areas of Lviv region.

Stryi district. Of 14 territorial communities, the vast majority of private estates that provide rural tourism services are found in the Slavsko village and the Koziv village territorial communities. The indicator of provision with agro-estates per 1,000 people of the rural population is 8.22. The main centers of development of rural tourism in the district are the following ones: the urban-type settlement Slavsko (230 estates), the town of Skole (39), the village of Volosianka (41), Oriavchyk (20), Plavie (35), and Tuholka (8). In the rest of the settlements, there are from 1

to 5 estates. The two main factors that determine the number of agro-estates in individual settlements are the availability of ski lifts and the proximity to the international highway M-06 Kyiv-Chop. The centers such as Slavsko, Volosianka, Oriavchyk, Plavie, and Tysovets are also well-known ski resorts, so in the winter season, private estates here specialize in providing accommodation services for fans of winter recreation.

Drohobych district. The district is characterized by an average level of development of rural tourism. Of 89 settlements of the district, agro-estates were found mainly in Skhidnytsia and Truskavets United Territorial Communities. The main centers are Skhidnytsia (58 estates) and Truskavets (14), which are well-known balneological resorts; in the third place is the village of Stryi Kropyvnyk (2). The development of a network of rural tourism facilities in the Drohobych district is closely related to the availability of mineral water sources and creates an alternative to hotels and sanatoriums in the region. Most of the estates in this region, along with accommodation services, also offer full board (three meals a day), sometimes even diet, and additional services include the delivery of mineral water, herbal tea, massage, the consultation of a doctor or nutritionist, and in some cases – even the treatment of certain diseases under the supervision of a qualified specialist (for example, “U Pana Tkachyshyna”, Skhidnytsia). Some estates also offer alternative services of health improvement, such as apitherapy (sleeping on beehives) or yoga.

Sambir district. It is characterized by a low level of rural tourism development. There are 35 agro-estates located in 12 settlements of 67 (18%) on the territory of the district. Estates are more or less evenly spread over the entire territory of the district. The most important centers are the village of Verkhnie Husne (4), Verkhnie Vysotske (3) and Rozluch (4). From 1 to 2 estates also function in the villages of Bilychi, Velyka Volosianka, Verkhnie Vysotske, Kryivka, Spas, Yavora, and Yasenytsia Zamkova. Picturesque mountain landscapes, a large number of monuments of

wooden sacred architecture, preserved Boyko traditions, as well as mineral water springs in Rozluch, and several ski lifts are the prerequisites for the development of rural tourism in the region.

Motivational aspects of entrepreneurial activity in the field of rural tourism

The development of rural tourism is motivated by the fact that in recent years there have been significant changes in the preferences and behavior of vacationers; the socio-industrial and economic situation for the residents of rural areas has changed, and the awareness of preserving picturesque landscapes, folk traditions and crafts, and the environment has been revived.

The development of rural tourism depends on objective and subjective factors. The objective ones include, first of all, significant potential opportunities for organizing this form of recreation in the studied territory. In many cases, the unfavorable financial situation of the villagers and the inefficient use of labor resources cause the corresponding changes. Instead, subjective factors include the desire to raise the standard of living of the family through the diversification of an additional activity or the search for alternative incomes related to agriculture. To ensure the appropriate level of income for the majority of peasant households, primarily those with little land and the poor, it is not enough to produce only food products. Sometimes it is more appropriate to limit or even abandon agricultural activity, especially farming in mountainous areas. It is for this reason that some enterprising villagers of the mountainous and foothills part of Lviv region have ventured into providing various services, including tourist services.

For the majority of the surveyed entrepreneurs, economic needs were the main factor that prompted entrepreneurial activity. In the minds of the villagers, they have a double meaning. First, the owners of the studied rural estates needed additional means of livelihood, because farming or other activities did not satisfy the basic needs of their families; secondly, the expectations of entrepreneurs regarding the standard of living

far exceeded the results of their previous activity.

The conducted studies prove that the decision to start a business activity in the field of tourism is accompanied by various motives and motivational actions (Table 4).

Field studies show that the most important motives for deciding to provide tourist services included the desire to raise the standard of living of the family, the possibility of using unengaged resources, especially housing and land, the location of the house near attractive tourist destinations, the positive practice of successful entrepreneurs, and the need to implement life plans.

Table 4. Motives for decision-making regarding the provision of tourist services of the selected objects of the Slavsko United Territorial Community

Motives	Answers, %
Desire to increase income	83.1
Location of the household in a tourist-attractive area	67.4
Examples of positive practice (success) of neighbors and acquaintances	63.0
Possibility of realizing old ideas	55.2
Willingness to receive guests, establish communications	43.5
Impossibility of stable employment	19.6
Redundancy or layoff (retirement)	15.2
Availability of vacant living space	12.9
Family traditions of hospitality	6.5
Other	4.3

Source: results of the research.

In the process of researching the motivation of Polish owners of rural estates, S. Golian concluded that over time, economic aspects become less important, instead, the importance of motives related to self-realization, meeting new people, and realizing one's interests increases [3].

So, it can be concluded that the revenues received from the provision of tourist services by local entrepreneurs are intended for:

- stabilization of seasonal fluctuations in the standard of living of household members, which is manifested in the direction of these incomes for household purposes;
- increasing the comfort of life, thanks to equipping the household with engineering communications (water, sewerage, gas,

heating), repairing the house, and organizing the yard;

- increase in material security as a result of the purchase of modern energy-saving devices, the construction of a residential component, and the repurposing of commercial premises.

CONCLUSIONS

The further development of non-agricultural activity requires an active state policy to promote rural entrepreneurship, the modernization and development of local infrastructure, the creation of favorable investment, and competitive and innovative conditions for the development of small and medium-sized businesses. It can be assumed that entrepreneurial initiatives will be directed to new market niches that meet the requirements of the market economy.

Non-agricultural activity is one of the most important elements of alternative incomes of rural residents and the intensification of economic activity in rural areas (in particular, foothills and mountainous) and is a subject for further scientific research.

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