

## FEATURES OF MANAGEMENT OF INCLUSIVE DEVELOPMENT OF AGRICULTURAL ENTERPRISES: FACTORS, TRENDS AND EXPERIENCE OF CHINA

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*In modern conditions, the practical issues of implementing effective management of inclusive development of agricultural enterprises are extremely relevant to ensuring the country's food security. The aim of the article is to study the theoretical and practical aspects of managing the inclusive development of agricultural enterprises, factors, trends, and world practices in modern conditions.*

*Among the trends, special attention is paid to ensuring sustainable development, supporting small farmers, engaging in innovative activity and technologization, ensuring social and economic equality, and adapting to global challenges. In this context, the features of agricultural enterprises are studied. It is determined that at the world level, food security is a global problem that requires joint efforts of countries and international organizations.*

*The features of the world experience (in the example of China) of managing the inclusive development of agricultural enterprises are analyzed. The main challenges facing the agricultural sector of Ukraine and hindering the full development of biological agriculture in these countries are highlighted, namely: climate change, limited water resources, pests, and disease outbreaks, limited access to organic materials, the presence of fierce competition in the world market, lack of qualified personnel in the agricultural sector, population growth, military conflicts.*

*However, despite the challenges and obstacles, the experience of inclusive development of agricultural enterprises in the above-mentioned countries demonstrates the importance of an integrated approach, including government programs and other initiatives, financial support, training, innovation, and market access. This comprehensive approach is crucial for the success of the agricultural sector and its significant impact on the world economy and the environment.*

**Keywords:** *management of inclusive development, agricultural enterprises, food security, economic crisis, human development, factors.*

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### STATEMENT OF THE PROBLEM

In modern conditions, the inclusive development of an agricultural enterprise is aimed at creating conditions where everyone has equal opportunities to participate in and benefit from the agricultural sector, which in turn contributes to sustainable and equitable growth. At the global level, food security is a global problem that requires joint efforts of countries and international organizations. According to the UN, more than 800 million people in the world suffer from hunger, and this figure may increase due to climate change, military conflicts, economic crises, and other modern challenges. Therefore, agricultural activities that meet a crucial human need for food are of great importance for the health and safety of citizens of any country in the world. Moreover, according to FAO estimates, almost 67 % of the world's population is employed in agriculture; it accounts for almost 40 % of gross domestic product (GDP) and about 45 % of total exports [1]. Therefore, agriculture, as a critical component of the world economy, is not only the primary source of food but also the labor and income of the population. The above facts prove the relevance and timeliness of a detailed consideration of managing the inclusive development of agricultural enterprises.

### ANALYSIS OF THE LATEST RESEARCH AND PUBLICATIONS

Theoretical and methodological aspects of managing the development of agricultural enterprises, considering modern challenges, in particular inclusiveness, have recently been reflected in the works of many domestic and foreign scientists. Scientists such as A. Bazyliuk, O. Borodina, O. Vdovichena, O. Zhulin, T. Zinchuk, and P. Nesenenko considered this problem in their research. V. Mykhalchuk, V. Urusov and others.

It is important to note that in the context of the global crisis, food security remains a priority in strengthening the socio-economic stability of any state and, in general, the country's economic security. However, ensuring development in this context requires special attention and precise coordination of agribusiness representatives.

### FORMULATION OF THE ARTICLE'S GOALS (STATEMENT OF THE TASK).

The article aims to study the theoretical and practical aspects of inclusive development of agricultural enterprises, factors, trends, and world practices in modern conditions.

**PRESENTATION OF THE MAIN MATERIAL  
OF THE STUDY WITH A FULL JUSTIFICATION OF THE SCIENTIFIC RESULTS OBTAINED**

In a broad sense, inclusion is the process of increasing the level of participation of all citizens in society, which ensures the development and application of specific solutions for the equal participation of each person in academic and social life.

In economics, the inclusive approach has been used since the middle of the twentieth century as a component of the "fair" social development model. Already in the 1990s, a significant number of developing countries chose inclusive growth in the agricultural sector of the economy, applying the trends that were initiated within the framework of the "green revolution" of the 1960s and 1970s, namely: new varieties of plants, expansion of irrigation, the use of heavy agricultural machinery, fertilizers, pesticides, etc.

In today's world, the world's most influential organizations dynamically develop and promote inclusive development. To organize the process of implementing the SDGs for our country, the Ministry of Economic Development prepared the relevant National Report "Sustainable Development Goals: Ukraine," in which "inclusive" was translated as "comprehensive" and "general" [9].

Evidence of the importance of the topic under consideration is the Declaration on the Rights of Peasants and Other People Working in Rural Areas (2018), approved by the UN General Assembly. Such defining rights of peasants as the rights to land, work, decent income, social protection, food sovereignty, environmental security, etc., were supposed to contribute to inclusive rural development. As stated in the National Human Development Report, More than half of those working in rural areas are engaged in unskilled labor, which confirms their low employment status. In addition, rural households also cited access to seeds, fertilizers, and animal feed as one of their greatest needs. Depending on the region's specialization in agriculture, from 25 to 40% of the Ukrainian rural population (agrarians) ceased their activities or significantly reduced production due to the war [9].

Domestic and foreign researchers [2, 6, 11, 13] identify several factors that contribute to the transition of society to inclusive development, namely:

- normative, focused on the need to eliminate the marginal manifestations of poverty and increase the opportunities of the poor, taking into account the existing moral values;
- legal, which guarantees all members of society the minimum acceptable living conditions (including from the point of view of the realization of human rights);
- economic, it is about future growth by increasing people's participation in the processes of production and consumption, as well as increasing the well-being of the population;
- of a security nature – it is about overcoming inequalities between existing resources and livelihoods, about the implementation of ways to guarantee equal access to these resources;
- political, i.e. taking into account the needs of low-income citizens within their perception as a unit of the electorate in a democratic state.

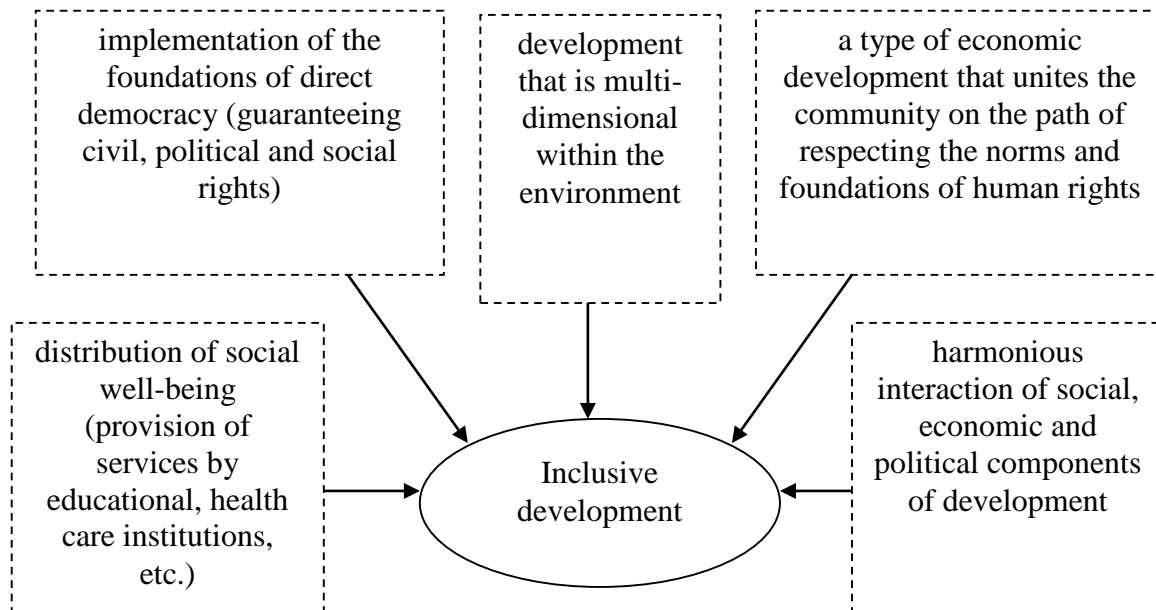
It should be noted that researchers have used the concept of "inclusive development" in scientific works on economics not so long ago, after 2008. Until now, the authors have equated the concepts of "inclusive development" and "inclusive growth", despite the conceptual differences between them. Thus, inclusive growth is "growth that not only creates new economic opportunities, but also provides equal access to them for all segments of the population, especially for its vulnerable representatives" [11]. Here, the basis is the increase in per capita income as a result of economic growth and guaranteeing the access of all citizens to non-monetary components of well-being. However, exorbitant growth can lead to an extreme concentration of resources, social exclusion of specific categories of people, etc. In contrast to inclusive growth, inclusive development includes not only economic growth but also the implementation of the foundations of direct democracy (guaranteeing civil, political, and social rights) and the distribution of social wealth (provision of services by educational health care institutions, etc.). It involves including the entire community in this process [14].

In this regard, Professor of the Nicolaus Copernicus University in Toruń (Poland) V. Kosiedowski considers this inclusive type of economic development that unites the community on the path of observance of the norms and foundations of human rights, guarantees everyone's participation in social and industrial life, provided that they enjoy all the benefits of economic growth, on the principles of non-discrimination, responsibility for decision-making and their implementation. This approach reduces poverty and guarantees citizens socially excluded a share in the benefits and profits derived from economic growth [12]. As O. Vdovichenko notes, inclusive development can be understood as "development that is characterized by multidimensionality within the environment formed by the state, society, and business, the integration and interaction of which creates interconnected institutions whose activities are focused on

the long term, ensuring a balanced distribution of material and intangible benefits among members of society, taking into account the needs of future generations" [3, p. 20].

According to O. Borodina, inclusive development is "a harmonious interaction of the social, economic and political components of human development, which can ensure an increase in the quality of life, which involves improving the health of the population, achieving a rational norm of nutrition, improving the system of providing educational services and reducing disparities in material support" [6, p. 4].

Thus, as the study shows, in the scientific literature, not only is there no generally accepted definition of the concept of "inclusive development", but also, in the existing approaches, there are significantly different opinions regarding the goals, strategic goals, and means of ensuring such development. The content of the concept of "inclusive development" is presented in Fig. 1.



**Rice. 1. Substantive features of the concept of "inclusive development"**

Source: developed by the author on the basis of [3, 6, 12, 14]

For them, inclusive development of agricultural enterprises means implementing strategies and approaches that ensure the participation of all population groups in the development of agriculture and agribusiness, including social and economic inclusion, environmental sustainability, and institutional support.

As already noted, the topic of managing the inclusive development of agricultural enterprises is highly relevant in the context of ensuring the country's food security. During its substantive research, the following global trends should be taken into account:

1. Ensuring sustainable development. Inclusive development involves the involvement of all social groups, including small and medium-sized enterprises, in economic growth. Sustainable development of the agricultural sector helps reduce dependence on imported products and strengthen the country's food security.

2. Support for small farmers. Inclusive development aims to help these farmers by providing them with the necessary tools and opportunities for growth.

3. Innovation and technology. Modern technologies and innovations can significantly increase the productivity and efficiency of agricultural enterprises. An inclusive approach involves ensuring access to these technologies for all market participants, which contributes to overall progress and sustainable development.

4. Social and economic equality. Improving working conditions and increasing farmers' incomes help to strengthen economic stability and social harmony. This is especially important in rural areas, where living standards are often lower than in cities.

5. Global challenges. Climate change, population growth, and urbanization pose new challenges for agriculture. Inclusive development of agricultural enterprises helps to adapt to these challenges, ensuring sustainable food production and minimizing the negative impact on the environment.

In addition to global challenges, in 2014, our country faced so-called local challenges as a result of the Russian Federation's armed aggression. Even though Ukraine has lost part of its agricultural land in the occupied territories of Luhansk, Donetsk, Zaporizhzhia, Kherson regions, and the Autonomous Republic of Crimea, the agricultural sector of the economy has almost adapted to the conditions of war and has shown stability of development.

At the same time, the current domestic model of development of the agrarian sector of the economy turned out to be highly vulnerable to several challenges that have the most significant impact on deepening inequality, hindering the inclusion of individuals, and inhibiting opportunities for inclusive development. Among these challenges, the following should be noted:

- inability to carry out agricultural work in the occupied territories and areas close to the conflict zone due to constant shelling or mining;
  - blocking the export of agricultural products by both sea and land;
  - destruction of production, processing infrastructure, and storage sites for agricultural products.
- In Ukraine in 2023, granaries, food warehouses, agricultural machinery, and logistics infrastructure became objects of destruction and destruction by the enemy;
- deterioration of the provision of agricultural enterprises with material and technical means;
  - problems of providing agricultural products to citizens living in the temporarily occupied and frontline territories.

These trends and challenges create appropriate conditions for agribusiness representatives to function on the principles of inclusiveness. From a scientific point of view, it becomes interesting to outline the subject area and generalize the substantive characteristics of inclusive development, considering the specifics of the agricultural sector.

The most common definition of management (or "management") is the process of planning, organizing, motivating, and controlling an organization to coordinate the human, financial, natural, and technological resources necessary to carry out tasks effectively. Proceeding from this, the management of inclusive development of agricultural enterprises should be understood as the process of planning, organization, motivation, and control of an agricultural enterprise in order to ensure quantitative and qualitative changes in the economic entity, which includes improving its access to services, infrastructure facilities, as well as guaranteeing the association of citizens on the way to compliance with the norms and foundations of human rights, guaranteeing all participation in social and industrial life, provided that they enjoy all the benefits of economic growth, based on the principles of non-discrimination, responsibility for decision-making and their implementation.

Thus, the inclusive model of economic development of agricultural enterprises provides for quantitative and qualitative changes in the business entity, which includes improving access to services and infrastructure facilities, guarantees the creation of sufficient conditions for the growth of the individual, his/her involvement in all sectors of the community, employment and equal access to all benefits. The advantage of inclusive development is the improvement of people's living standards through forming an economy with the necessary employment of the population and society as a whole with its insignificant stratification.

Let us turn to the experience of the People's Republic of China (referred to as China from now on), which is one of the most populous countries on our planet. Agriculture has always been a critical component of economic development for China and has undergone a significant transformation from traditional to modern in the last ten years. More than 300 million farmers work in the agricultural sector. In response to the challenges posed by rapid urbanization and industrialization that have led to the reduction of farmland, the Chinese government has outlined a number of strategies to support sustainable agricultural development. The first step was to increase support for scientific and technical research in the agricultural sector, which, in turn, made it possible to find ways to modernize agriculture and motivate to change production methods, contributing to the spread of the organic agriculture economy while increasing investment in the construction of rural infrastructure.

The result of such activities has been the creation of 900 million high-quality agricultural lands over the past ten years. In particular, the level of complex mechanization of wheat cultivation and harvesting exceeds 97%. Self-sufficiency in crops' seeds also exceeded 95% [4]. As a positive result of this Chinese government policy, there has been a noticeable improvement in the living environment in the countryside. This includes the accelerated construction of water supply and communication routes, schools, hospitals,

and other infrastructure facilities. In 2021, the per capita disposable income of rural residents more than doubled that of a decade ago and reached 20,133 yuan [4, 7].

Due to the lack of pastures in the most densely populated areas and the predominance of vegetarian food in the diet of the Chinese, animal husbandry plays a secondary role in the country. Preference is given to the breeding of poultry and pigs. Nevertheless, the country ranks first in the world in the cultivation of corn, rice, potatoes, tomatoes, peanuts, tea, barley, millet, etc. So, as we can see, agriculture is a vital industry in China, and the management of inclusive development of agricultural enterprises is a crucial element of the national agricultural strategy aimed at ensuring sustainable development, reducing poverty, and improving living conditions in rural areas. The main aspects of inclusive development of agricultural enterprises in China can be distinguished:

- First of all, it is state support. The Chinese government actively supports agricultural enterprises through subsidies, loans, and infrastructure investments. Programs aimed at modernizing agriculture and increasing productivity are being developed;

- development of cooperatives, i.e. the creation and support of agricultural cooperatives that bring together small farms to share resources, access markets and increase competitiveness;

- innovations and technologies, namely introducing the latest technologies in agriculture, such as precision agriculture, automation, drones, and genetically modified crops. This contributes to increased efficiency and environmental sustainability;

- education and training - availability of training and training programs for farmers to help them master new technologies and methods of farming;

- sustainable development, i.e., the introduction of environmentally friendly technologies and practices that contribute to the conservation of natural resources and reduce the negative impact on the environment.

Examples of successful government initiatives include the poverty reduction program, the development of rural tourism, and international cooperation in the implementation of advanced agricultural technologies and practices. According to the state initiatives, it is planned to completely solve the problem of the rural development strategy by 2050 to make "agriculture strong, the village beautiful, and the peasants rich" [8, p. 58]. Therefore, the inclusive development of agricultural enterprises in China contributes to economic growth, social stability, and environmental safety. The introduction of innovations, government support, and the involvement of local communities make this process efficient and sustainable.

## CONCLUSIONS

Thus, the study gives grounds to assert that the management of inclusive development of agricultural enterprises is an important aspect of modern agribusiness and contributes to the sustainable development of agriculture and improving the quality of life of rural communities. The world practice of successful management of inclusive development is cooperatives that pool the resources of small farmers to increase production efficiency and access to markets; microfinance - providing small farmers with access to microloans and other financial instruments for the development of their farms and agricultural startups. All the above examples demonstrate that inclusive development of agricultural enterprises is possible with the active participation of the government, NGOs, and international partners. The main principles of success are ensuring access to resources, training, and supporting cooperation among farmers. The main trends are considered, and the factors contributing to society's transition to inclusive development are analyzed. Among the trends, special attention is paid to ensuring sustainable development, supporting small agricultural producers, engaging in innovative activity and technologization, ensuring social and economic equality, and adapting to global challenges.

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## ОСОБЛИВОСТІ УПРАВЛІННЯ ІНКЛЮЗИВНИМ РОЗВИТКОМ АГРАРНИХ ПІДПРИЄМСТВ: ЧИННИКИ, ТРЕНДИ ТА ДОСВІД КИТАЮ

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*В сучасних умовах практичні питання реалізації ефективного управління інклюзивним розвитком аграрних підприємств є надзвичайно актуальною в контексті забезпечення продовольчої безпеки країни. Метою статті є дослідження теоретичних та практичних аспектів управління інклюзивним розвитком аграрних підприємств, чинників, трендів та світових практик в сучасних умовах.*

*Розглянуто основні тренди та проаналізовано чинники, які сприяють переходу суспільства до інклюзивного розвитку. Серед трендів особливу увагу приділено забезпеченню сталого розвитку, підтримці дрібних фермерів, інноваційній активності та технологізації, забезпеченню соціальної та економічної рівності, адаптації до глобальних викликів. В цьому контексті досліджені особливості аграрних підприємств. Визначено, що на світовому рівні продовольча безпека є глобальною проблемою, яка потребує спільних зусиль країн та міжнародних організацій.*

*Проаналізовано особливості світового досвіду (на прикладі Китаю) управління інклюзивним розвитком аграрних підприємств. Виокремлено основні виклики, що постали перед агросектором України, та які перешикоджують повноцінному розвитку біологічного землеробства в цих країнах, а саме: зміна клімату, обмеженість водних ресурсів, шкідники та спалахи хвороб, обмежений доступ до органічних матеріалів, наявність жорсткої конкуренції на світовому ринку, брак кваліфікованих кадрів у агросекторі, збільшення населення, військові конфлікти.*

*Проте, не зважаючи на виклики та перешикоди, досвід інклюзивного розвитку аграрних підприємств вищевказаних країн демонструє важливість комплексного підходу, що включає урядові програми та інші ініціативи, фінансову підтримку, навчання, інновації та доступ до ринків. Усі вказані аспекти роблять аграрний сектор країн особливим і важливим гравцем на світовому ринку агропродукції та визначають суттєвий його вплив на світову економіку і природне довкілля.*

**Ключові слова:** управління інклюзивним розвитком, аграрні підприємства, продовольча безпека, економічна криза, людський розвиток, чинники.