

Tetiana Zaiats, Halyna Kraievska, Oksana Diakonenko

*Ptoukha Institute for Demography and Social Studies of the NAS of Ukraine
Ukraine*

SOCIAL CAPITAL OF RURAL TERRITORIAL COMMUNITIES IN UKRAINE: PROBLEMS OF STRENGTHENING AND DIRECTIONS OF THEIR SOLUTION

Purpose. *The purpose of the article is to identify current problems of strengthening the social capital of rural territorial communities in the context of administrative and territorial reform with the definition of directions for their solution.*

Methodology / approach. *The paper uses general scientific methods of analysis and synthesis to collect, process, and systematize the results of scientific research; abstract-logical and critical analysis – to identify possible risks due to the implementation of administrative-territorial reform; statistical – for data collection and systematization; method of comparisons – to identify the compliance of the dynamics of various forms of social capital to the potential of communities; graphic – to visualize the results of the assessment of the new spatial configuration of socio-territorial communities and the dynamics of accumulation of various forms of social capital; correlation and regression analysis – to determine the impact of certain indicators of social capital development on the economy of rural communities; induction and deduction – to substantiate the main directions of social capital development of rural communities in modern conditions.*

Results. *Restrictions on the development of social capital accumulation have been identified, which include: shadowing of interaction and low trust in social institutions, individualization of behavioral strategies, growth of economically inactive and socially vulnerable groups, and formation of networks of discriminatory relationships, spreading of norms of destructive social behavior, as well as the risks that may arise in the new spatial configuration of socio-territorial communities. It is established that the administrative-territorial reform at the local level has created certain preconditions for strengthening the potential of horizontally and vertically integrating social capital. It was found that the dynamics of territorial identification of the population of Ukraine in relation to their community is negative and indicates low social capital at the local level. The dynamics of forms of horizontally integrating social capital of rural communities, which are represented by agricultural cooperatives, farms, and inter-community cooperation, are analyzed and it is found that the potential of their development in Ukraine has not been realized yet. The necessity of implementation of systemic decisions on the development of social capital of communities to achieve the main goals of decentralization of management is proved. The main directions of the development of social capital of rural communities are substantiated taking into account modern features of their development.*

Originality / scientific novelty. *The specifics of the formation of social capital of rural communities as small local communities are analyzed, taking into account the main determinants of influence, which include increasing territorial mobility and maintaining the asymmetry of spatial development in the direction of the center-periphery, the choice of adaptive behavioral strategies due to changes in the territorial identification of the population and the assessment of opportunities to achieve a certain level of well-being in the community. The main directions of social capital development as a prerequisite for uniting and mobilizing internal resources for rural development are substantiated based on existing problems and identified potential risks due to the reform of local self-government and territorial organization of government. Scientific and methodological bases of*

research on social capital at the local level under conditions of social and economic instability are improved.

Practical value / implications. *The results of the study will be useful for local governments of territorial communities formed as a result of local government reform and territorial organization of government, as well as district and regional state administrations, which focus on promoting inclusive community development and self-sufficiency.*

Key words: *decentralization, trust, communication networks, rural communities, social capital.*

Introduction and review of the literature. Rural settlements of Ukraine have become part of territorial communities (TCs), which allows them to increase their ability to solve problems at the local level, especially in terms of improving the quality of social services, and increasing employment potential at the place of residence. A certain share of rural settlements became the centers of newly formed rural TCs or became part of them as a parity component, the rest joined the urban communities, thus forming mixed communities. As a result of decentralization in Ukraine, a new spatial configuration of territorial communities has been formed, which differ significantly in development potential and opportunities for social capital accumulation. Administrative and territorial reform has changed the basic spatial, structural, managerial, and financial characteristics of rural development, increasing the influence of endogenous factors necessary for the formation of social capital structures.

Under the conditions of decentralization of rights, powers, and responsibilities based on subsidiarity, which is the basis of administrative-territorial reform, the accumulation of social capital of newly formed territorial communities is the key to their self-sufficient development. Decentralization implies the existence of concerned actors, including residents, entrepreneurs, and local authorities, who would be able to take responsibility for the development of local communities and have the competence to do so effectively. The formation of networks of the interaction of these entities based on observance of universal values, moral norms, social responsibility, solidarity, and trust is a strategic direction for the development of territorial communities under modern conditions. It is especially important to form effective institutions to represent the interests of small communities in rural TCs, many of which have several socio-economic problems due to labor market constraints, demographics, and social and transport infrastructure. The difference in resources for the development of the various rural settlements that are part of the TC and the significant socio-economic disparities between them requires careful study of these aspects to minimize possible social risks. It is necessary to study the problem of the development of social capital of communities under the new conditions and minimize restrictions and barriers in this area, justification of promising areas of social capital development from the standpoint of the interests of local communities.

Theoretical aspects of the accumulation of social capital at the level of small communities in the context of the neighborhood were studied by T. Coppens et al. [1]. It considers the neighborhood about the social capital of people living within the spatial proximity and their readiness for joint collective action to achieve the public good, for example, ensuring informal social control in the settlement [1]. H.-J. Kim points out

that neighborhoods with residents with higher socioeconomic status are more likely to lead to collective action, and poverty does not contribute to the organization of collective action for the benefit of the community [2].

As a resource for community development, social capital is considered in studies [3–7]. In particular, J. Salinas and S. Sastre-Merino consider social capital as a resource that can contribute to financial attraction and growth of the rural population, sustainable local development, and strengthening of the social function of financial institutions in rural areas. Particular attention is paid to solidarity funding [3]. The study [5] analyzed how social capital affects the results of resource use. The interaction between income distribution and social capital development through the group's financial ties has been identified, which may lead to incentives for cooperation. In [6] the positive influence of the social capital of communities on the corporate social responsibility of firms is proved. The study of J. Susan and H. Xiaobing revealed the positive impact of trust and sociability on the formation and effectiveness of agricultural cooperatives, the authors proposed ways to improve their development policy [7].

Important aspects of the study of social capital are reflected in scientific papers [8–11], which pay attention to the impact of community characteristics on the development of their social capital. Geographical features of mechanisms of social capital development based on community practices are reflected in [8]. It emphasizes the importance of informal mechanisms and interactions that provide access to local knowledge. The influence of the peculiarities of rural development on the formation of social capital is highlighted in the scientific work of the authors' team [9]. M. Phillips explores the links between social capital, the level of well-being of the population, and the characteristics of the community. Against this background, the interpretation of infrastructural and culturalist concepts of social capital is carried out [11].

Studies of factors influencing the development of social capital have become widespread [12–16]. Thus, M. Davenport and R. Hassan with the help of factor analysis of structural and cognitive social capital in the rural community justified comprehensive measures for its development [12]. The study [13] made a comparative assessment of the factors for the formation of social capital of two domestic agricultural holdings and substantiated the key approaches to measuring the social capital of the agricultural sector. An assessment of the impact of leadership in rural communities on the development of their social capital was conducted in the work of M. Mathews [14]. It was carried out through the study of micro-sociological processes, which include everyday behavior and interaction to form networks of relationships that are relevant in connection with the existing problems of local development. S. Nakano and A. Vashizu identified factors that increase social capital and proved that the use of advanced information and communication technologies in smart cities contributes to this. It has been confirmed that the social capital of residents who use advanced technologies is higher than the social capital of those who do not [15]. The paper [16] examines the changes in social capital in the dynamics and its relationship with socio-demographic and socio-economic factors to take into account the identified results in

improving local policies for sustainable social development.

Research on the development of social capital of territorial communities in Ukraine is being actively conducted. Research [17–18] highlights the role of social capital in the formation and functioning of territorial communities. They were held at the stage of community unification and emphasized the use of social capital to intensify this process. The approach of considering the territorial community as a result of the formation and reproduction of interactions between its members, which are independent subjects of social action, which are characterized by unity and common goals, objectives, and interests based on common living conditions [19].

The results of the research of scientists create a complex information-theoretical basis for understanding the essence of the development of social capital of local communities. Research in this area is mainly aimed at studying various factors influencing the formation of social capital or the impact of certain components of social capital on the development of rural communities. However, the issues of social capital development at the stage of newly formed communities as a result of administrative and territorial reform remain insufficiently studied. The probable risks that arise and the substantiation of the directions of strengthening the structural components of social capital for newly formed communities need to be studied.

The purpose of the article. The purpose of the article is to identify current problems of strengthening the social capital of rural territorial communities in the context of administrative and territorial reform with the definition of directions for their solution.

Results and discussion. Decentralization of management has significantly changed the system of multilevel vertical connections (central government – local governments) and horizontal (inter-municipal cooperation, interaction of mayors with newly created territorial communities, interaction of TG representatives with district centers). A fundamentally new conceptual basis for an extensive system of relationships involves the intensification of processes related to the strengthening of social capital at the community level, which is territorial communities. It is important to note that the delegation of certain powers to the field does not reduce the level of responsibility of the central government to promote and support the successful development of local communities. The participation of the state is only transformed from directive to stimulating and supportive, and local government is intensified in the direction of influencing the realization of the existing development potential.

Given this, the logic of our study is to analyze the state of horizontal social capital of rural communities by assessing the dynamics of the number of agricultural cooperatives, farms and inter-community cooperation agreements. Then analyze the impact of specific factors on the development of social capital of rural communities, which include: the level of income that can be obtained at the place of residence; territorial identification of the population, which influences the choice of behavioral strategy for the formation of social capital; digitalization of everyday life; features of society development under market conditions. Taking into account three components: the results of the analysis, socio-economic and demographic situation of rural

settlements and changes in the configuration of relationships, responsibilities and powers as a result of administrative-territorial reform to identify complex risks of social capital development of rural communities. And the final stage is to justify on the basis of the identified risks the priority areas of social capital development of newly formed rural territorial communities, covering the main structural components of social capital, which include trust and relationships.

The formed new administrative-territorial structure of Ukraine consisting of 1469 TCs and 136 districts (on average, the district has 11 TCs) significantly simplified communication between them and ministries, state funds, regional and district state administrations, and donor organizations. Thus, at the local level, certain preconditions have been created for strengthening the potential of horizontally and vertically integrating social capital. In Ukraine, in the process of decentralization, 627 rural TCs were formed, which accounted for 42.7 % of their total number. In the regional context, there is a significant variation in this indicator – from 65.4 % in Chernivtsi to 19.2 % in the Luhansk region (Figure 1). In seven of the 24 regions of the country, the share of rural TCs exceeds half, and in five regions – less than a third. On the average, the number of villages that are part of the TC ranges from 8 to 9 in Chernivtsi and Zakarpattia oblasts, respectively, and to 30 in Kharkiv. However, only 14.1 % of the country’s population lives in rural communities. Due to differences in the inter-settlement structure, Chernivtsi and Zakarpattia oblasts lead in this indicator (34.5 and 31.6 %), and Donetsk and Kharkiv oblasts occupy the lowest positions – 3.4–4.0 % respectively. The average population of rural TC in Ukraine is about 8 thsd. people and ranges from 6 thsd. in Zhytomyr, Zaporizhzhia, Luhansk, Sumy, and Chernihiv oblasts to 12 thsd. – in the Lviv oblast.

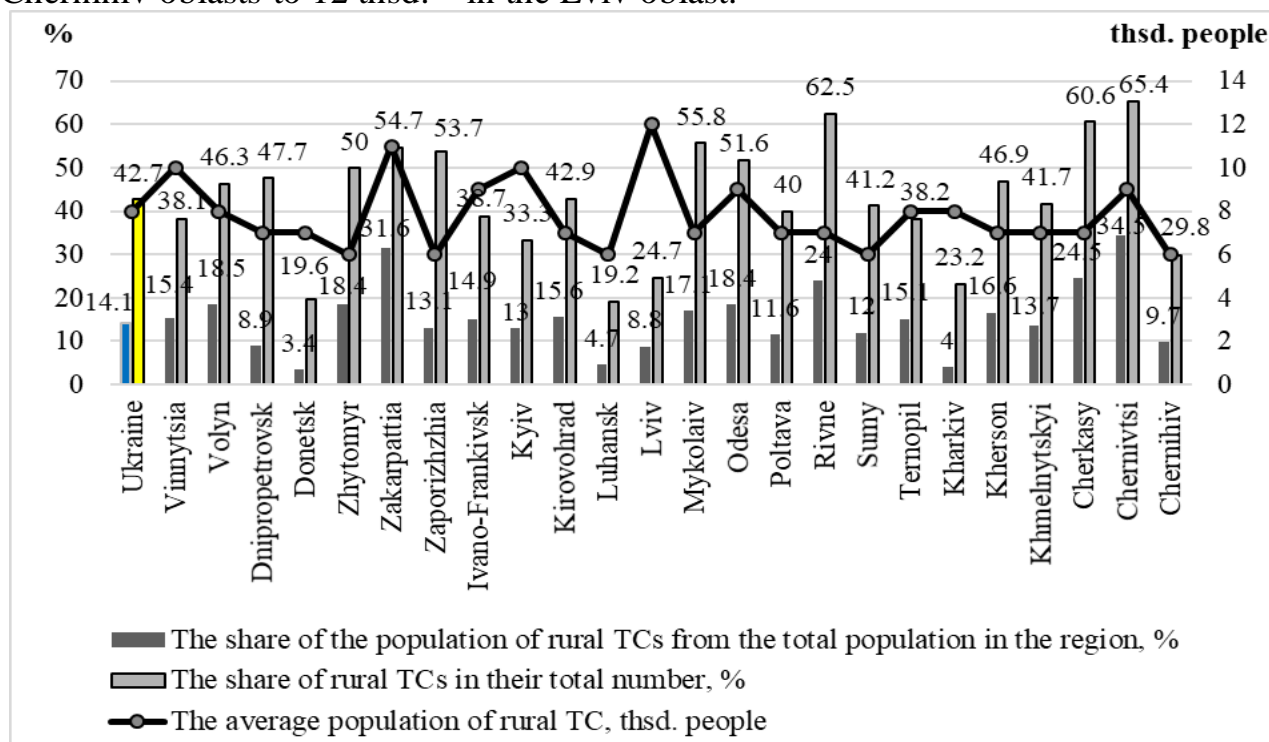


Figure 1. Rural TCs of Ukraine in the regional context, 2021

Source: calculated and built based on [20].

Social capital is a network of connections, social norms, and trust that foster interaction between for-profit and common interests. The amalgamation of settlements generates a new impetus for integration processes at the local level and the strengthening of social capital as a resource of trust and partnership – on the one hand, and causes certain social risks as a result of changing the status quo – on the other. The amalgamation of territorially close village councils usually does not cause new problems, as such administrative-territorial units develop previously formed social ties. The situation is different in mixed territorial communities due to asymmetry in socio-economic and demographic developments against the background of the weakness of civil society institutions that have to represent and protect the interests of the population. A separate group consists of TCs, which included the population on the borders of the former administrative districts (their total number of 76 communities or 5.2 %). They have relatively well-established links with the community center, due to the inertial processes of the former district centers taking over the functions of rural settlements, which have experienced population decline. With each variant of unification of territorial communities, the tasks of developing effective horizontal and vertical connections are actualized.

The type of relationship that is most characteristic of the local community is the neighborhood. If group social capital is formed based on common values and views (friendship), professional interests (labor collective), and commercial interests (for example cooperative), the place unites very different people in values, norms of behavior, and level of education, profession, etc. The need and ability for the spatial organization of life is the basis of the local community.

Social capital is accumulated in the presence of extensive and strong internal horizontal and vertical links, solidarity, which consists in identifying and accepting common interests and goals of local groups, practices of joint activities in addressing local issues or local groups in the community, forming and strengthening horizontal and vertical trust. The larger the territory occupied by the local community, the more pronounced the core and periphery. Often the size of the territory affects the degree of formality of the community.

The asymmetry of spatial development in the direction of the center-periphery is preserved. Despite the administrative-territorial reform, one of the goals of which was to improve the living conditions of the population regardless of location, the strength of the asymmetry of spatial development remains, which affects the territorial mobility of the population and determines the fragmentary functionality of communities. The latter is not always a place to work or receive social services for the population living in them. Under such conditions, the value of the community as a territorial resource for implementation decreases. Attitudes towards it, and the degree of activity and interaction in the community are changing.

The Internet and social networks as a result of scientific and technological progress can be tools to form communication networks, accelerate interaction, and under conditions of low civic activity a tool to distract from it through the virtualization of everyday life. As a result of increased population mobility and depopulation, the

relationships of the community are delocalized. We agree with B. Wellman [21, p. 228], who noted that in modern society, communities have moved from groups based on close residence with clear boundaries to networks that serve as a source of socialization, have blurred boundaries, and change frequently. B. Wellman noted that for a community it is important not how close people live to each other, but what they do for each other.

Conceptual features of the development of society under market conditions actualize those aspects of the individual that determine its passivity in public life. The main function of people in these circumstances is to consume. Powerful marketing and mass media work on this concept. Over time, the concept of smart consumption has emerged, but it has not become widespread yet. Hyperbolization of consumption in market relations, underestimation of labor, and popularization of life on credit cause an increase in personal passivity in terms of civic activity. In Ukraine, this is happening against the background of exaggeration of the service function of the state, which represents itself and is perceived by the majority of the population as a provider of social or administrative services. And although the service function is one of the main in the state, its excessive hyperbolization against the background of maintaining the paternalistic sentiments of the population causes a certain form of new paternalism. The socially active function of the resident is supplanted by the role of the consumer of public services. In addition, the exaggeration of the role of the consumer intensifies egocentrism, the emphasis shifts to meeting needs, overestimating the value of things and finances, and sources of social capital are often non-economic (altruism, charity, moral satisfaction with their results, etc.).

From 2000 to 2020, there were changes in the identification of the country's population (Figure 2). Thus, the share of the population who consider themselves primarily residents of their community decreased from 31.3 to 23.9 %. At the same time, the share of the population who consider themselves primarily citizens of the country increased from 41.0 to 61.7 %. The maximum acceleration of multi-vector dynamics was observed in the period from 2004 to 2015. During this time, two revolutions took place in Ukraine (Orange and Dignity Revolution), which could affect the growth of identification at the state level through patriotism, independence, and the definition of the vector of development of the country. However, Figure 2 shows that the decline of local identification began before the revolutionary events and continues after them. Unfortunately, this trend may also indicate a low level of social capital at the community level. Perception of the place of residence as a service space, not as a place for the development of which there is a responsibility.

The paternalistic strategy of behavior, which has been practiced for decades in the administrative-command management system, influences the formation of social capital. Under the conditions of changing the ideological paradigm of development of independent Ukraine, which provides for more individual freedom and, consequently, responsibility, the paternalistic strategy of behavior contradicts modern conditions of development. However, it remains effective to this day, although it tends to weaken. The impact of this strategy is perceived by citizens and is noted as the main reason that hinders public initiative. Passivity, indifference, and disbelief in one's abilities have

taken the lead in answering the question of what hinders people's participation in the activities of public organizations, associations, or public initiatives? Paternalistic sentiments are declining in dynamics, but remain quite significant. Thus, the share of people who stated that they lack the initiative and independence to solve life's problems increased from 33.6 % in 2000 to 48.5 % in 2020 [22, p. 235].

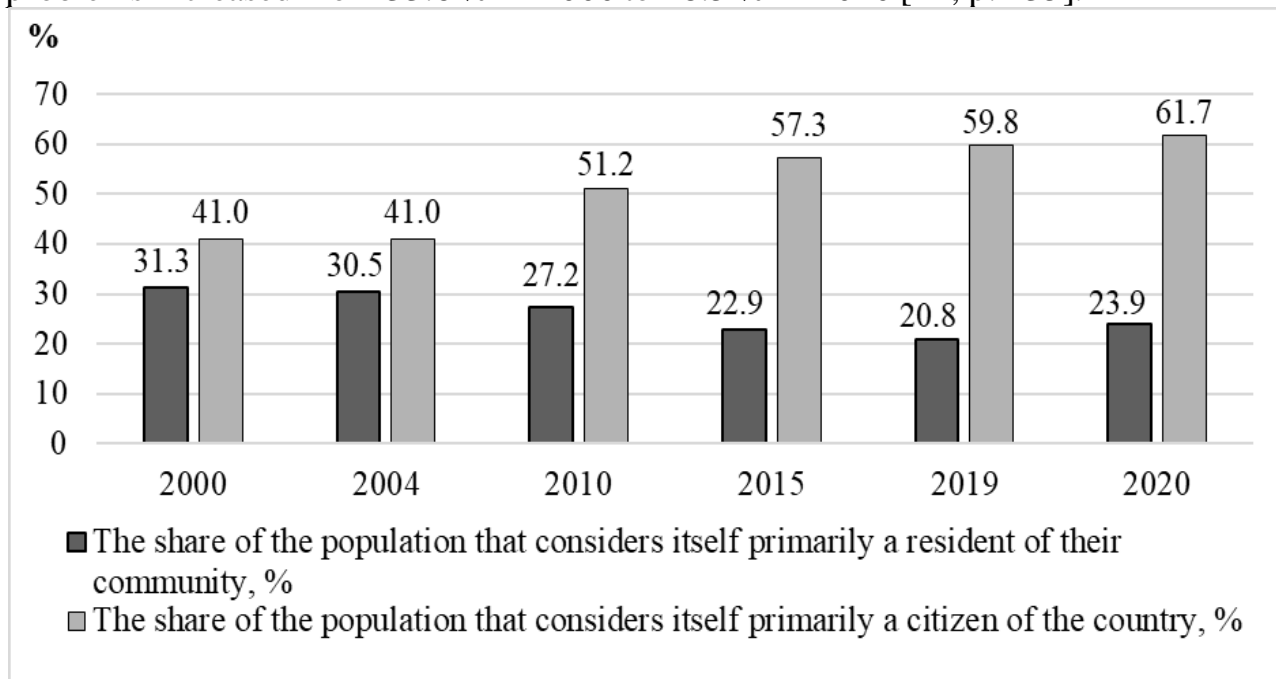


Figure 2. Dynamics of territorial identification of the population of Ukraine, 2000–2020

Source: built based on [22, p. 350].

The economic crisis is affecting the formation of social capital in the community as low labor costs, and lack of jobs within daily transport accessibility lead to a reduction in time and effort for community activities, establishing and maintaining relationships and interactions in the community. About 34,0 % of respondents explain such a low public initiative as the lack of free time and 20.4 % by financial problems in the family and the need for additional earnings.

The formation of social capital is determined by the choice of strategy of the behavior of the population. In poverty, a person in most cases chooses a life strategy in one day, it can't predict and influence their lives in the long run. The more chronic poverty becomes, the greater the feeling of insecurity and self-doubt. Fear and insecurity paralyze activity and promote mistrust. Social capital is formed through the accumulation of positive information about the constructive activities of the subjects of interaction.

Confirmation of the existence of economic constraints in the accumulation of social capital is evidenced by the share of the population with incomes up to 5 thsd. UAH (at the actual subsistence level, which in 2020 was 4546 UAH), which amounted to 39.4 % of the total population. According to international criteria, the poverty line was less than 5.5 USD a day. The above group (39.4 % lives on 6 USD or less per day. The incomes of communities per capita are not high either. Thus, in 2020,

based on the analysis of 872 united territorial communities, incomes per capita amounted to 5200 UAH, and expenditures amounted to 6986 UAH [23].

Compared to its seven neighboring countries, Ukraine has an outsider position in terms of gross domestic product (GDP) per capita at purchasing power parity. This affects not only the perception of the community as a promising place for efforts, including the accumulation of social capital but also the country as a whole. Thus, in the ranking of countries by GDP (in purchasing power standards – PPS) per capita, Ukraine ranked 90th and is the last among neighboring countries (Figure 3). Compared to Poland and Hungary, GDP per capita is 2.5 times lower. As a result, experts estimate that 2.7 mln Ukrainians work abroad, which does not contribute to the accumulation of social capital not only at the level of local communities but also at the level of families.

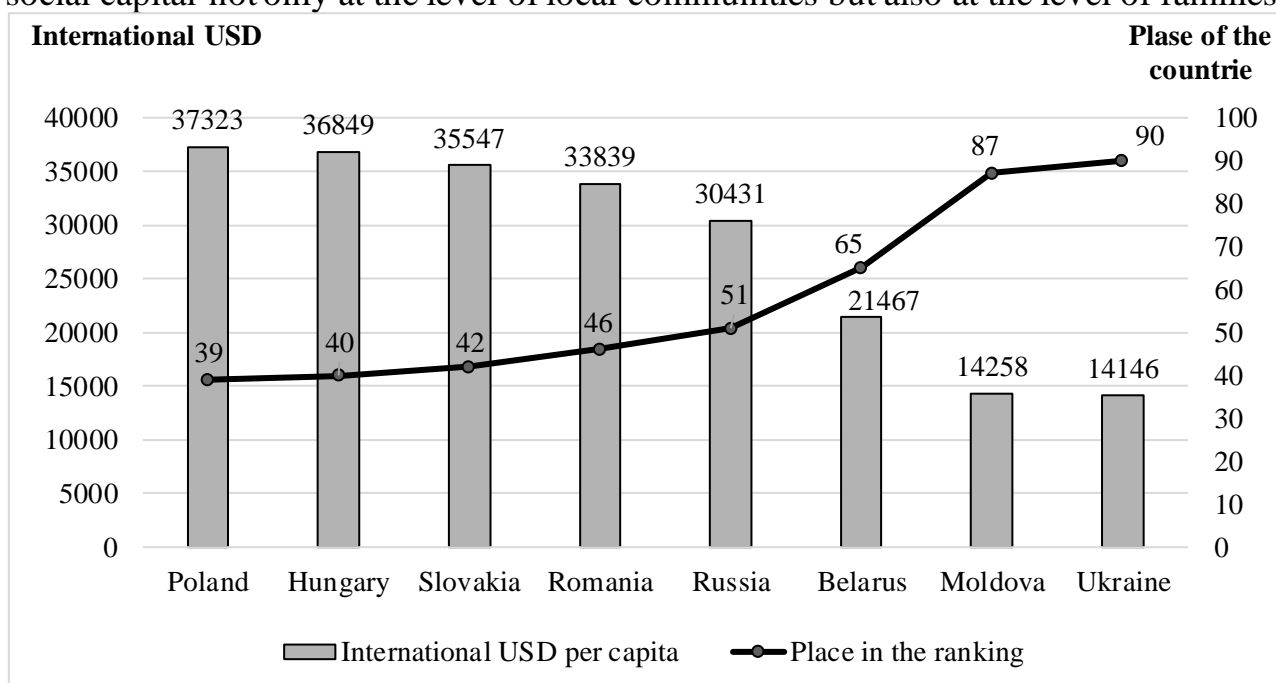


Figure 3. Ukraine and neighboring countries in terms of GDP (PPS) per capita, 2021

Source: built based on [24].

Among the main forms of social capital important for the development of rural TCs, horizontal integration should be singled out. It is represented by forms of the cooperative movement, inter-settlement interaction and cooperation, farming, realization of the potential for initiatives. Due to statistical information on the spread of various forms of social activity at the level of individual settlements, it is difficult to assess the potential of this capital. However, certain ideas can be formed based on the dynamics of farming and agricultural cooperatives as promising forms of building horizontally integrating social capital. Most farms in Ukraine are a family type with an average number of employees in one farm at the level of 3 people. Their number per 10 thsd. economically active rural population fluctuates in dynamics. The lowest rates are observed in 2018 and the inhabitants of 59 farms per 10 thsd. economically active rural population (Figure 4). However, in 2019–2020, it increased significantly to 85 units. The development of family farms has a significant potential for strengthening

productive social ties in the countryside, meeting the need of active state support.

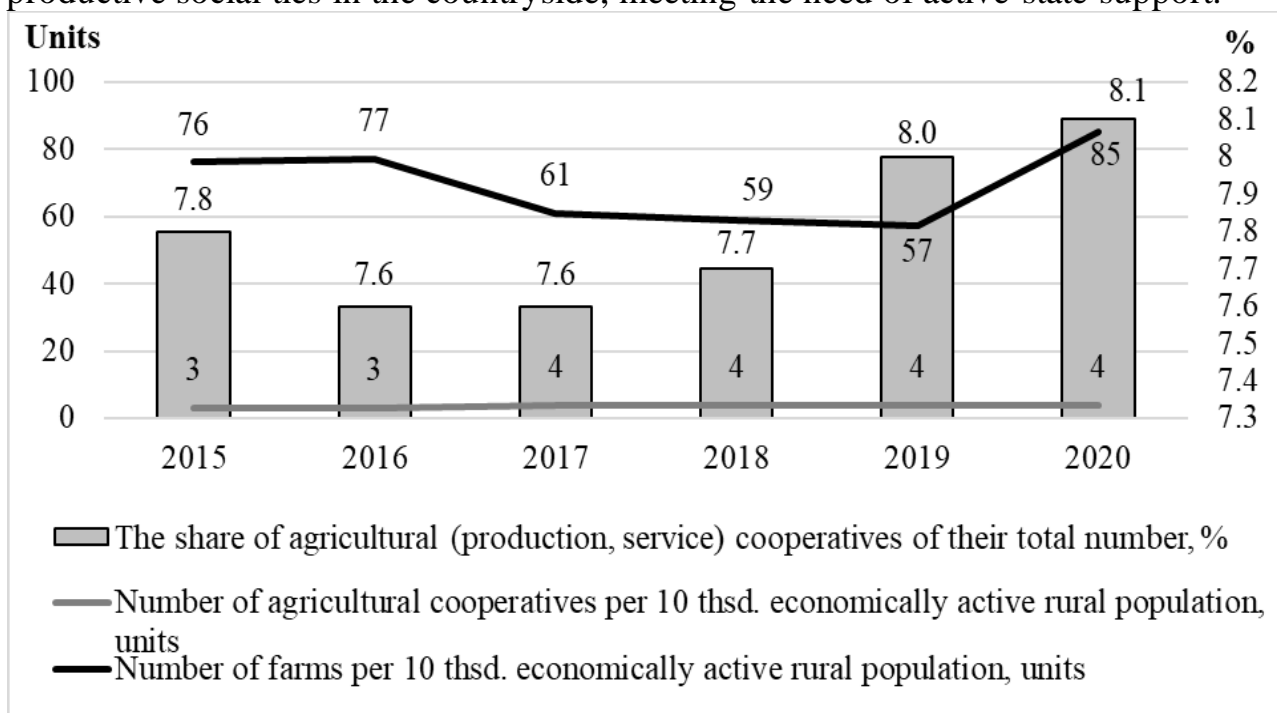


Figure 4. Dynamics of agricultural cooperatives and farms in Ukraine, 2015–2020

Source: calculated and built according to the State Statistics Service of Ukraine and the Ministry of Development of Communities and Territories of Ukraine.

In Ukraine, there were only 4 cooperatives per 10 thsd. economically active rural population in 2020. For comparison, according to our estimates, this figure in France reached 9 cooperatives. Between 2015 and 2020, the number of agricultural cooperatives increased by 282 units, but ranged from 7.6 to 8.1 % of the total number of all cooperatives in the country, remaining one of the most promising forms of management in agriculture with state support.

To assess the impact of the cooperative movement on the rural economy, we conducted a correlation and regression analysis between GDP in agriculture, forestry and fisheries and the number of agricultural (production and service) cooperatives, which showed a strong relationship. The variation in GDP in the studied sector during 2010–2021 in Ukraine by 75.9 % depends on the variation in the number of agricultural cooperatives (Figure 5), the correlation coefficient $r = 0.871$ is high. The estimated value of the Student's t-test is 3. Its critical value is 2.074, with a significance level of $\alpha = 0.05$. The differences are statistically significant, so there is a relationship between these indicators. The F -test is estimated to be 31.5 and is greater than the tabular value of 4.96, which indicates that our regression model is significant. The development of cooperatives in rural communities has potential due to the raw material nature of agriculture, a high degree of small-scale production in rural households, a high share of owners of land shares that lease them (38.8 % of all owners). With state support, the cooperative movement can be a promising tool for strengthening the economy of rural communities.

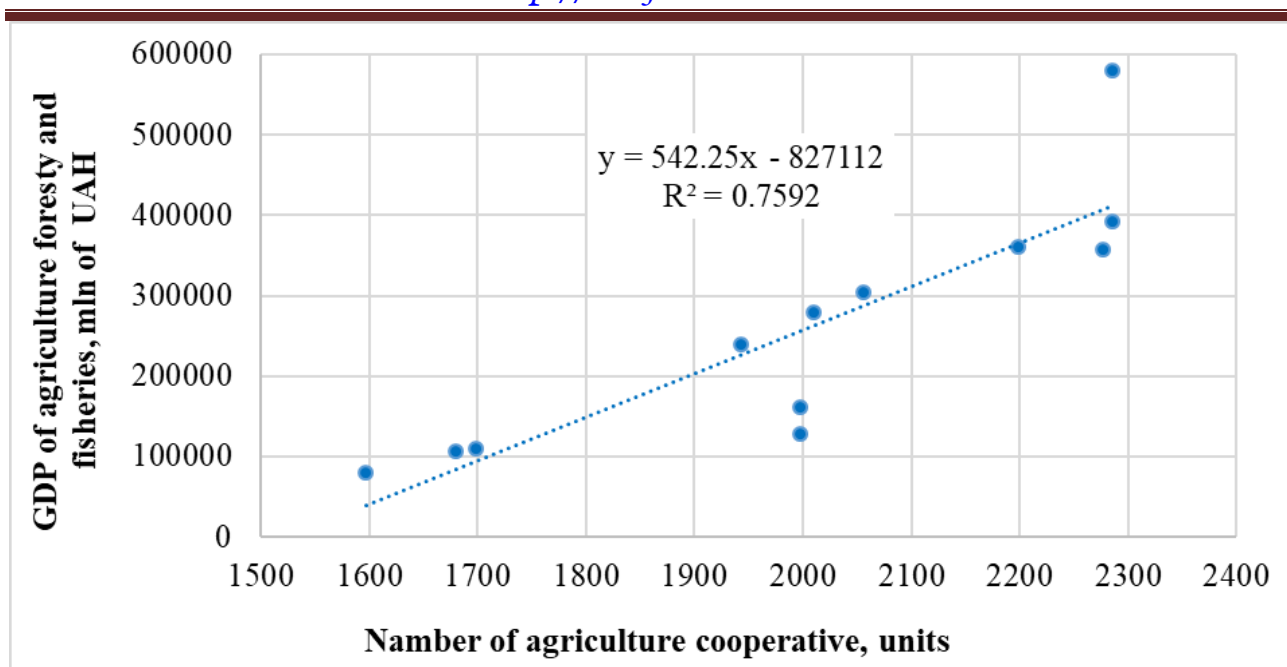


Figure 5. Influence of the number of agricultural cooperatives on the GDP in agriculture, forestry and fisheries in Ukraine, 2010–2021

Source: calculated and built according to the State Statistics Service of Ukraine.

The accumulation of horizontally integrating social capital of communities is based on the mechanism of inter-municipal cooperation. The total number of concluded agreements on such cooperation in 2020 was 4 times higher than in 2015 due to the active implementation of new practices of intersettlement cooperation in this period (Figure 6). The main form of cooperation agreements between communities were joint projects.

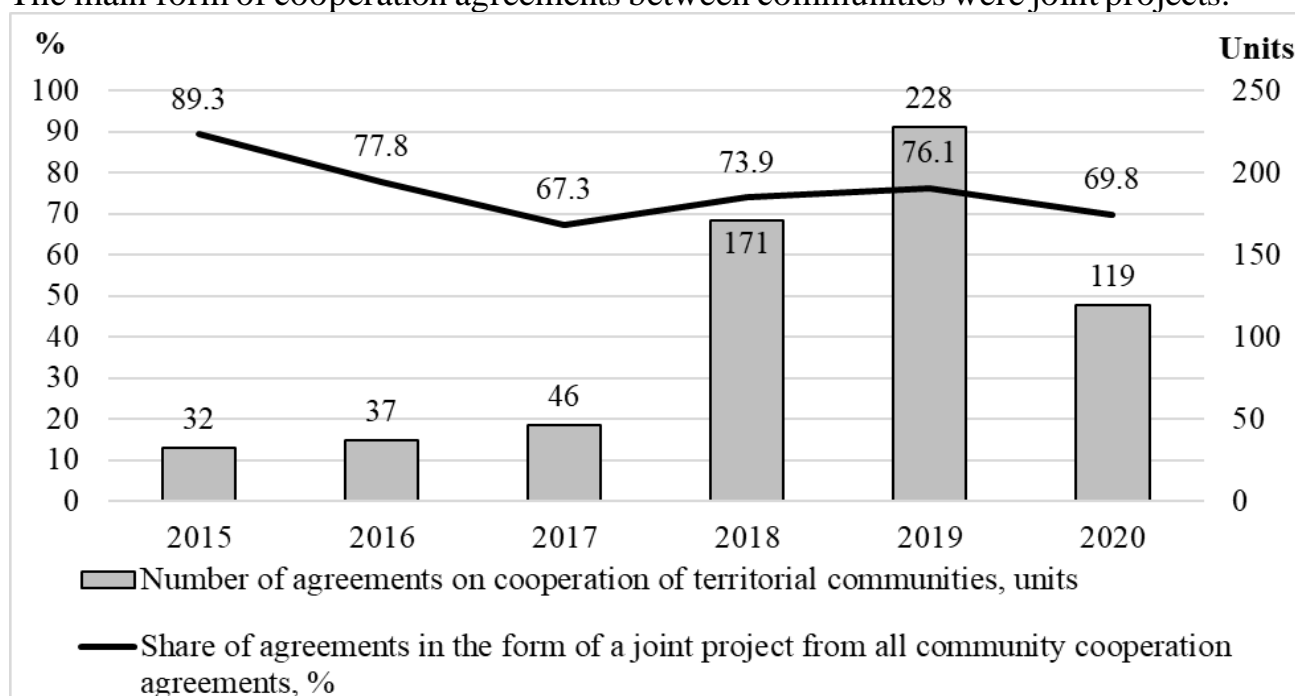


Figure 6. Dynamics of the number of agreements on cooperation between communities in Ukraine, 2015–2020

Source: calculated and built according to the State Statistics Service of Ukraine and the Ministry of Development of Communities and Territories of Ukraine.

Their share in the structure of various forms of contracting, although decreasing in dynamics from 89.3 in 2015 to 69.8 % in 2020, remains predominant. Despite the significant positive dynamics of community cooperation, its potential remains unrealized to the fullest.

Positively assessing the results of the administrative-territorial changes in terms of strengthening the potential of social interaction, it should be noted that any changes in the status quo within the administrative-territorial entities cause certain risks of a systemic nature. *Firstly*, there are significant risks of discrimination against rural communities that have become part of urban communities, forming mixed-type TCs, which account for 56.3 % or 810 communities in the country. The idea of such an association is to increase the influence of cities on rural development. In this regard, it is worth noting that the State Strategy for Regional Development for 2021–2027 identifies the formation of economic, infrastructural, socio-cultural connectivity, and integration at the national, regional, and local levels as one of the important development priorities for the future [25].

According to the logic of reforms and the experience of other countries, it was initially assumed that the disappearance of administrative barriers would strengthen integration processes due to the impact of the urban environment, especially business practices, on trends and living space in rural areas. Unfortunately, these expectations have not materialized yet due to the weak and inefficient links between different types of communities. Under conditions where village elders are appointed by the head of the community and not elected by the residents, and the directions of using the local budget are determined by the deputies by voting (the number depends on the size of the settlements they represent) there is a high risk of discrimination united communities. Therefore, there is a need to create an effective system of checks and balances within the TC itself to prevent discrimination against individual communities.

Secondly, there are possible risks of abuse of power in the management of territorial communities. The assertion of universality and expansion of the functions of local self-government often occurs against the background of unproductive interaction of various branches of government – legislative, executive, and judicial. Democratic, and therefore socially significant tools for the development of territorial communities, have not become widespread in the practice of local government as the most effective at the local level of government. Under such conditions, there is a high probability of abuse of power, imbalance of interests of the subjects, and growth of social tension in the community.

Thirdly, the risks of growing inequality and social exclusion of the rural population due to the latifundization of rural areas. Unfortunately, Ukraine still has political and economic preconditions for the spread of social irresponsibility – a highly polarized social structure with significant property stratification and inequality, an oligarchic monopolized structure of the rural economy with corrupt principles of big business, the practice of non-compliance with laws both among public authorities and citizens of the country. Under the conditions of functioning of the land market against the background of the formed powerful agro-corporate structures on the one hand and

peasants of owners of land shares, most of which in the presence of financial restrictions cannot use their land for economic activity and are compelled to lease it. Landlessness of some peasants may occur, which will affect even greater conservation of rural poverty and migration of the rural population.

These risks may be manifested against the background of existing problems of social capital development of rural settlements, which include:

Shading of interaction connections and low trust in social institutions. The reorganization of agricultural production and change of its structure causes a reduction in the total number of employees and acceleration of the dismissal process at the initiative of the administration. Given the shortage of jobs in rural areas and problems in organizing their own business, a significant number of peasants are unable to find employment at their place of residence or within acceptable transport accessibility. Under such conditions, the population resorts to models of labor behavior focused on shadow activities, often ignoring the rules of legality and social responsibility.

Individualization of behavioral strategies and low trust. The process of individualization as a consequence of market behavior causes completely different social effects, as it depends on the conditions of implementation of specific economic goals and objectives. The strengthening of the general tendencies of individualization inherent in the market system is a challenge for most of these communities, as cohesion around solving common tasks at the local level is significantly more difficult. Most members of rural local communities prioritize solving their own household's life problems. Public affairs are relegated to the background, which worsens the social climate in the community. Thus, the processes of individualization are quite ambiguous in terms of building the potential for productive interaction and the possibility of its transformation into social capital. Under conditions when socio-economic instability becomes chronic, selfishness in interaction increases, and a short radius of trust is formed, which is usually limited to the family.

Growth of economically inactive and socially vulnerable groups. Under conditions of unsuccessful adaptation to new conditions, antisocial phenomena, especially alcoholism and drug addiction, spread in territorial communities. Under conditions of problems with the satisfaction of basic life needs, the criminal activity becomes more active. In rural communities, this is facilitated by the overly deformed social structure of the population in terms of wealth. The high share of people with incomes below the subsistence level and a wide stratum of the poor make up the largest share in this structure. The middle class, which is the driver of the accumulation of social capital in rural areas, does not play a leading role in these processes yet. Chronic poverty shapes the worldview of citizens who are desperate on their own and with paternalistic guidelines. Distrust of government deprives communities of faith in better prospects. Prolonged accumulation of experience of negative practices essentially blocks their activity, and hence the development of social capital in rural communities.

Forming networks of discriminatory relationships. Violation of the principle of parity of interaction of subjects as a common phenomenon in the realities of rural society only strengthens the economic position of the strong side, i.e. powerful

agricultural business structures as representatives of large capital and external entities about the territory of economic activity. By subordinating economic activity to the production of rent-oriented profits, they try to form and consolidate a new form of monopoly on the use of land, property, a network of infrastructure facilities with the support of their interests by local authorities or its passive position of an outside observer, which discriminates against rural rights.

Dissemination of norms of destructive social behavior. Due to the passivity of civil society, and its non-interference in social conflicts, the manifestations of irresponsible behavior of government agencies were gradually transformed into a kind of management norms, which are perceived by society as necessary elements in the current bureaucracy. Often, demonstrating the practice of double standards and unfulfilled social promises, changing the previously adopted conditions for the implementation of certain management decisions, they consciously or unconsciously destroy the foundation of consolidating principles of rural communities, based on trust and partnership between interacting parties. The atmosphere of irresponsibility in the country and its regions is created by too frequent changes in the electoral system, unpredictable reorganization changes at the highest levels of government, especially at the level of executive bodies against the background of weak civilian control over their activities or its complete absence.

The problems of uniting rural territorial communities and strengthening their social capital, as well as the risks of disintegration processes, require systemic solutions to achieve the main goals of decentralization. Analysis of legal documents and several studies on this issue [25; 26; 27; 28] makes it possible to determine the expected results of decentralization: the transfer of a significant share of resources, powers, and responsibilities to local governments to eliminate excessive centralization to increase the effectiveness of management decisions and reduce bureaucracy; improving the logistical and financial support of local communities, restoring infrastructure and reducing the risk of man-made disasters, limiting the fragmentation of administrative-territorial units, which is the reason for the low level of professionalism of local government officials; achieving self-sufficiency of territorial communities as a result of their consolidation and population growth in the new administrative-territorial boundaries.

It is pertinent to note that the delegation of certain powers, resources, and responsibilities to the localities, as well as the increase in the number of communities, does not automatically increase managerial efficiency and social inclusion. Financial support of territorial communities is a consequence of an inefficient local economy due to the lack of a sufficient budget base for their development. An important role in these processes belongs to the mechanism of resource allocation within the TC, which can be discriminatory for small rural settlements that are part of them. In addition, the high fragmentation of the development of administrative-territorial units is not always the result of the low level of professionalism of local government officials but depends on many factors, including the democracy of electoral procedures. The growth of self-sufficiency of rural communities, their ability to meet the needs of the population

through their efforts based on financial independence, and the capacity of local governments is the integral effect of ongoing reforms.

On the way to the successful unification of rural territorial communities, there is trust in government structures at various levels as a sign of strong social capital. In the context of decentralization of management, the central government becomes a full partner of local government in the development and financing of economic and social projects of local development. In Ukraine, at the regional level, with the support of the U-LEAD with Europe program and the Ministry of Community and Territorial Development of Ukraine, Centers for Local Government Development have been established. They carry out active educational and consulting activities on administrative-territorial reform, ignoring the problem of low professional level of officials. According to the current legislation of Ukraine, the requirements for a candidate for the position of TC chairman are limited to age restrictions (at least 18 years) and the presence of Ukrainian citizenship in the complete absence of requirements for the level of education or work experience. It is quite natural that according to the results of the survey of village council chairmen and deputies, a significant part of them were not ready to develop effective strategies and programs for community development in the future due to a lack of necessary knowledge and experience. In particular, among respondents in Bila Tserkva and Uman districts, 55 and 72 % were identified as such persons, respectively. At the same time, 43 and 32 % of respondents stated that they need educational services in the form of training; 30 and 39 % – have master's programs [29, p. 156]. Thus, the need to intensify the activities of the Centers for Local Government Development to improve the educational and qualification level of officials remains unrealized. This negatively affects the process of development and implementation of TC development strategies and projects. To cover as many officials as possible with these services, it is necessary to form a platform and identify effective mechanisms of influence at the district level.

Due to the significant expansion of functions and powers and the growing responsibility of local authorities for the development of territorial communities, it is advisable to revise the legislation to strengthen the requirements for local government officials (education, work experience, skills, priority and quality of its improvement). To stimulate the activity of local self-government, international standards of public administration in Ukraine and incentives to increase the effectiveness of their activities (financial, administrative, reputational, etc.) should be gradually introduced. Experts in the field of public administration note the need to implement tools of public control over the activities of local governments [30]. However, under conditions of low social capital of communities with a passive-expected strategy of the behavior of residents, and distrust of existing government institutions, it is problematic to count on the effectiveness of public control tools. The high share of the poor population, targeted at solving local problems in difficult socio-economic conditions, creates a kind of “institutional trap” for the accumulation of social capital in rural areas.

Under such conditions, it is important to focus on the implementation of tools to stimulate the development of social capital, which will be aimed at forming and

strengthening ties, the practice of interaction between stakeholders of community development (local government, residents, entrepreneurs, investors, institutions); involvement in joint planning and organization of activities, implementation, and control of community development plans and projects; accumulation of trust between stakeholders through joint actions, using various forms of work in the community, which are initiative groups, clubs, training centers, societies, self-help groups; formation of transparent information space of local self-government bodies. The main directions of the development of social capital of rural TCs in Ukraine are coordination of common interests, creation of a basis for interaction, due to which networks of connections, and accumulation of trust are formed (Figure 7).

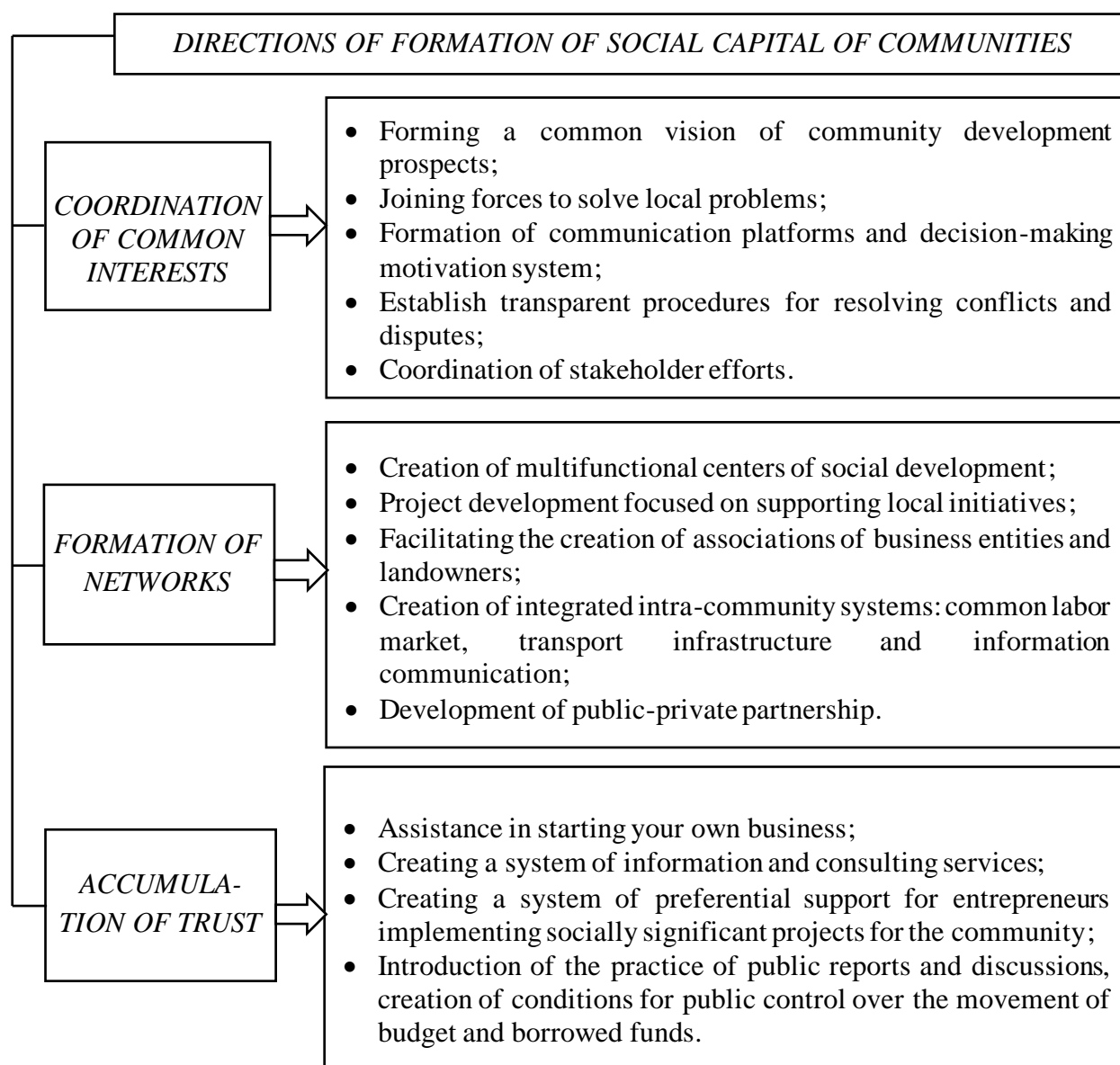


Figure 7. The main directions of development of social capital of rural TCs in Ukraine

Source: developed by the authors.

It should be noted that various interest groups of members of rural territorial communities (formal and informal) are formed against the background of unfavorable

public moods, especially depression, anxiety, and despair. Therefore, it is important to focus on the tasks arising from the common vision of the real opportunities for job creation, including in the field of entrepreneurship at the place of residence. It is necessary to coordinate the efforts of public administration bodies with public organizations, educational institutions, and international organizations, as well as to coordinate national and international programs in the field of the development of territorial communities.

Strengthening the social capital of rural territorial communities in terms of their consolidation should be based on the formation of an established system of relationships focused on:

- dissemination of the practice of multifunctional centers of social development (school-garden, leisure centers, centers of cultural and household services, recreational and medical institutions) to unite community members based on increasing the degree of territorial accessibility of services;

- implementation of social activity projects with a grant support mechanism to provide start-up capital to communities, implementation of their initiatives in such areas as public transport (to overcome isolation in rural areas), energy conservation, and environment;

- formation of communicative relations between different types of communities that are part of TC, through the creation of an integrated and efficient labor market; optimizing the scale and improving the activities of social institutions to ensure the constitutional rights and guarantees of citizens; development of the transport network, quality and intensity of passenger transportation services within the community and to the basic centers of territorial development;

- support (organizational, informational, financial) consolidation of small (personal farms) and medium-sized producers (farmers) to improve the competitive environment and balance the impact on the socio-ecological development of rural settlements; promoting the uniting of small landowners in an association to defend their interests;

- creation of a single information base and system of dissemination of information both on the territory of the country and abroad, on investment opportunities and prospective projects of development of rural territorial communities;

- formation of an effective system of stimulation of business structures that implement projects and programs aimed at improving the socio-economic situation in rural settlements (job creation, increase tax revenues, provision of information and consulting services, improvement of transport links);

- promotion of entrepreneurial initiative through state support in starting your own business (elimination of bureaucratic obstacles, information, and consulting services), identification and elimination of problems in the business environment (monopoly, breach of obligations to tenants).

Conclusions. At the new stage of implementation of tasks of decentralization of management at the level of rural territorial communities the tasks of strengthening vertically and horizontally integrating social capital based on the development of

various forms of fruitful partnership are actualized. The study identified limitations in the development of social capital accumulation of communities, which include: shadowing of interactions and low trust in social institutions, individualization of behavioral strategies, growth of economically inactive and socially vulnerable groups, the formation of networks of discriminatory relationships, proliferation norms of destructive social behavior. At the same time, the administrative-territorial reform has created favorable conditions for the development of the social capital of communities at the local level.

Analysis of the dynamics of forms of horizontally integrating social capital of rural communities, represented by agricultural cooperatives, farms, and inter-community cooperation, revealed their unrealized potential for development in Ukraine. In particular, per 10 thsd. economically active rural populations in 2020 there were only 4 agricultural cooperatives, 85 farms, and 119 agreements on inter-municipal cooperation. The impact of the indicators of social capital development of oblasts on their economy has been assessed by correlation and regression analysis of the gross regional product volume and the number of inter-municipal cooperation agreements, self-organization bodies, and cooperatives. As a result, it was found that there is a significant relationship only with the latter indicator: the variation in gross regional product by 75.9 % depends on the variation in the number of cooperatives. The main directions of the development of social capital of rural communities are substantiated taking into account modern features of their development, which are represented by coordination of common interests, creation of a basis for interaction, due to which networks are formed and trust is accumulated.

Prospects for further research in this area are the study of mechanisms influencing the development of social capital of communities at different levels of administrative and territorial management and improving scientific and methodological approaches to designing social capital development at the level of rural territorial communities. The implementation of the results of such research would significantly contribute to the development of self-sufficiency of territorial communities based on inclusiveness.

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