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Social Development of the Village in the Conditions of Decentralisation of Power

Vasyl Riabokon*

National Scientific Centre "Institute of Agrarian Economics"
03127, 10, Heroiv Oborony Str., Kyiv, Ukraine

► **Abstract.** The research covers the socio-economic aspects of rural development in the context of decentralisation of governance, specific features of rural livelihoods and capacity design for development. The purpose of the study – to analyse the state and outline the prospects of social development of the village under decentralisation of power. The study used dialectical methods of cognition of processes and phenomena, monographic (analysis of social infrastructure), empirical (comprehensive assessment of the current state of the object of study), abstract and logical (theoretical generalisation and conclusions). During the study and analysis of the social development of the village, the essence of its current state is exposed, the reasons for the abandonment of most villages are characterised, and significant factors that will significantly contribute to the elimination of existing disadvantages and miscalculations in the social development of the village are identified. Theoretical and practical provisions for the social development of the village on a new innovative foundation were further developed. The problem of rural development is examined by considering both economic and social factors in their dialectical combination and interrelation. The establishment of new agglomerations was determined as a promising area of social development in the village. Specific factors of social development of the village that can threaten both its existence and the preservation and reproduction of human capital are identified and analysed. The ways to solve the existing problem in conditions of decentralisation of power were identified

► **Keywords:** Ukrainian village, social infrastructure, demography, agricultural policy, decentralisation, agricultural sector, market economy

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*Corresponding author

► Problem statement

A unique social group has developed historically on the territory of Ukraine – Ukrainian village, which in its social and economic content reflects both the nature of agricultural production and the essence of the lifestyle and activities of millions of Ukrainian peasants. In agriculture, an appropriate material and resource base and social and economic infrastructure have been established to ensure and develop social production in many sectors and the necessary living conditions for different segments of the rural population. The place and role of the peasants in the social structure of the country's population are defined by the general social code, which is primarily to provide all residents with high-quality nutritious food, guaranteeing the food security of the state.

Over the past decades, the Ukrainian village has undergone significant changes as a result of structural economic reforms: restructuring of land and property relations, the establishment of a legal framework for a market economy through the privatisation of land, and property and using individual, and family and collective labour. However, there are several complex and unresolved issues in the rural areas, first of all, regarding the social development of the village. It is known that the state of social development in rural areas largely depends on the level of agricultural production. Therewith, the reverse process is occurring on the contrary: the level of development of the social sphere depends on the level of production in rural areas. [1]. Thus, further investigation of the problems of establishment and development of the social sphere of the village, and analysis of interdependencies between individual factors of the social sphere, and between production and social indicators to predict the prospects of their development is relevant at the present stage.

During the reforms, priority attention was devoted to the development of agrarian production and corresponding industrial relations, while the issues of establishment and development of the social sphere were ignored. As

a consequence, the social sphere not only did not develop but, on the contrary, declined even more. The reason for this, first of all, should be considered the reduction of the role of the state in solving social problems of the village, the transfer of the social sphere from the state budget to the balance of local governments, which did not have the funds to finance it, and the lack of proper control over the implementation of legislative and regulatory provisions on the social development of the village. The reform of power decentralisation, the transfer of a significant part of powers, financial and other resources from central authorities to local self-government authorities, is designed to improve the social development of rural areas [2].

► Analysis of recent studies and publications

The problems of social development of the village were explored by well-known scientists and specialists, among them: O.H. Bulavka [3, 4, 5]; O.M. Borodina, I.V. Prokopa, V.V. Yurchyshyn [6]; V.S. Diiesperov [7]; M.M. Ihnatenko [8, 9]; M.F. Kropyvko [10, 11]; V.I. Kutsenko [12]; Yu.O. Lupenko [10, 4, 13]; M. Yo. Malik [10, 11, 14]; M.K. Orlaty [15]; O.I. Pavlov [16]; N.I. Patyka [17]; L.A. Rarok [18]; P.T. Sabluk [19]; A.P. Sava [20]; O.P. Slavkova [21]; V.K. Tereshchenko [22]; O.H. Shpykuliak [14, 23, 9]; M.M. Mohylova [24] etc.

The purpose of the study – to analyse the state and outline the prospects of social development of the village under decentralisation of power.

► Outline of the main material

An in-depth analysis of the establishment and development of the Ukrainian village, and its social content serves to substantiate the long-term perspective areas of radical restructuring of the rural settlement network. During centuries of the historical development of civilized social life, the peasantry has conventionally occupied and still occupies a rather significant place as the oldest community closely connected with agricultural

production, the establishment of food resources to ensure food security of the state, and satisfy the demands of the population for food.

Ukraine is one of the leading countries in the world for increasing the production and export of grain. As of December 7 this year, according to the Ministry of Agrarian Policy, more than 80 million tons of grain have been harvested, including 33 million tons of wheat, which is 26% more than last year. According to preliminary estimates, grain exports will reach 24.4 million tons, which will provide an income of about \$ 6 billion US dollars. Ukraine may become the second largest exporter after the US among grain exporters in the current marketing year (July 2021 – August 2022). The agricultural sector has the opportunity to develop more than half of the foreign exchange earnings of the state and provide a fifth of the country's GDP [25].

In general, the agricultural sector accounts for 45% of the economy, it develops almost three-quarters of retail trade turnover, and 30% of the consolidated budget [25]. Under the influence of a complex of organisational, economic, and other factors, priority is attached to the production sphere, and establishment of conditions for increasing the volume and productivity of agricultural production, as the results of the agrarian economy largely affect other sectors of the national economy.

During the years of Ukraine's independence, significant work has been performed to reform the agrarian sector, establish the foundations for social and economic changes in property relations, develop a multi-structured economy, promote the democratisation of management, and transition to a socially oriented economy. However, the issues of social development in the Ukrainian village were given a secondary role with funding on a residual approach. Consequently, this resulted in the decline of the village, which is characterised by a decline in population, adverse demographic situation, rising unemployment, low wages, and the destruction of the social sphere. Over the years, the Ukrainian village, as well as Ukraine

in general, has experienced several challenges, where demographic processes are among the main ones. According to the State Statistics Service, as of 01.09.2021, the population of Ukraine amounted to 41.3 million people, which is 400 thousand people less than in 2020. Over the past ten years, the birth rate has decreased by 40%, and the birth rate has halved. Due to depopulation, the population is ageing, which in turn increases the depopulation itself (in 2020, 48 newborns per 100 deaths) [26].

According to the forecasts of the Institute of Demography and Social Studies named after M.V. Ptukha, the population of Ukraine by 2050 may decrease to 27.9 million people, and considering migration – to 20 million (in 1991 there were 51.9 million people) [27].

The socio-economic crisis has resulted in unfavourable demographic preconditions for the reproduction of the rural population, resulting in the deterioration of the demographic potential accumulated by previous generations. From 1991 to 01.01.2021, the rural population decreased by 4.2 million people – from 16.8 to 12.6 million. The average reduction for the year was 140 thousand people. If this rate continues, in the next 30 years, the rural population will decrease to 8.4 million people [26]. The main reason for the demographic crisis was the intensification of adverse processes: low material level of people, the departure of the most productive part of them outside the country, on the one hand, the growth of mortality, divorce, ageing of the population, on the other – a decrease in fertility and marriage. A qualitatively new system of organisation of social life and everyday life of peasants should change the demographic situation and adverse trends in rural development: the development of young families, increase in birth rate, and decrease in mortality of the rural population, particularly children and people of working age, ensuring natural population growth and stopping the process of depopulation. In the period of market economy, the measures implemented in the agricultural sector should contribute to the stabilisation of

the population, optimisation of the gender-age and professional – qualification structure of labour resources, and purposefully regulate demographic and social processes in rural areas.

Regarding employment, according to the State Statistics Service of Ukraine, as of 2020, there were 15.9 million employed people aged 15-70, or 663.0 thousand people less than in the previous year. The employment rate among this category of people decreased from 58.2% to 56.2%. In addition, 1.7 million people were declared unemployed, of which 84.9% were previously employed, and the remaining 15.1% were searching for work, 22.1% of them – for 12 months or more. These are mainly young people who were unemployed after graduation, aged 15-24 years (87.5%) and 25-34 years – 12.5% [26].

According to the Institute of Demography and Social Studies, named after M.V. Ptukha [27], the most active and motivated people aged 25-35 go to work abroad, and the second group is people of pre-retirement age, most of whom will retire in 10 years. The labour force will be replenished by those who are under 20 years old, and their proportion is the lowest among people of working age. All this will result in a deficiency of the skilled labour force in ten years.

It is expected that by 2050 the number of pensioners in the total population will increase from 20% to 30%, that is, every third of residents will be a pensioner. Already in 10 years, there will be two pensioners per working person, i.e. in the official sector of the economy up to 8 million will be employable persons, while the number of pensioners will increase to 16 million [27].

The same trends in employment are inherent in rural areas, which have 28,221 settlements with 5.5 million people aged 15-70, including almost 5 million employed. There are 3 million people involved specifically in agriculture, forestry, and fisheries, which is 1.3 million less than in 2000 and accounts for 18.2% of the total number of employed (in 2000 – 21.5%). Among the total number of employed, one in six worked in agriculture, forestry, and fisheries. These farms are considered to

be the main activity of the informally employed population (44.1%). Among the employed population, the smallest share (160.7 thousand, or 1.2%) was represented by skilled agricultural workers [26].

The employed population consists of members of private farms, which number almost 4 million. They provide production of more than 35.4% of gross agricultural products, including 31.7% of crop production and 47.7% of livestock production. In addition, the number of people employed in household farms has slightly increased in recent years, which is explained by difficulties with employment and the necessity to provide their food requirements. Therewith, the number of hired workers in agriculture, in particular from 2000 to 2020, decreased from 2.8 million to 445.4 thousand people, and the number of self-employed increased [26].

In rural areas, according to the State Employment Service, last year alone, compared to the previous year, the number of employed decreased by 213 thousand people, the employment rate decreased from 56.2% to 54.1%, while the number of unemployed increased by 80 thousand people (to 573.2 thousand), and the unemployment rate increased from 8.7% to 10.4%. Among the unemployed, 32.2% were previously employed in agriculture, forestry, and fisheries. There are serious discrepancies between the demand and supply of labour. If, on average, in Ukraine, as of January 1, 2021, 11 unemployed people applied for one vacant job, then, in agriculture 41 qualified workers applied for one vacancy. In general, the number of vacancies for rural residents remains limited [28]. The problems of rural employment cannot be solved without the participation of public authorities. First, it is necessary to legislatively define the employment status of persons who own or use land plots (shares). Secondly, the employment of those who used to work in cities and, having lost their jobs, returned to the countryside is still under question. If they had at least one-hundredth of a hectare of land, they were classified as employed in private farms. Thus,

official employment is solved, but in fact, people remain unemployed. Thirdly, the significant role of the state in the development of non-agricultural (alternative) activities in rural areas, can involve the unemployed population.

Low wages in agriculture have been an unresolved problem for many years. Despite its gradual annual growth, the level of average monthly wages is the lowest compared to wages in the economy in general and in other sectors (Table 1).

Table 1. Average monthly wage in agriculture as a percentage of wages in other sectors, %

Indicator	Year				
	2017	2018	2019	2020	2021 (august)
In general in the economy	81.1	80.8	83.2	84.0	83.4
Industry	75.5	74.4	74.1	76.3	77.6
Construction	92.2	91.4	93.4	99.0	98.4
Transport	74.9	72.7	74.7	81.5	77.5
Trade	75.5	76.2	80.9	86.2	85.3
Financial and insurance activities	44.8	44.3	45.7	47.8	49.6

Source: According to the State Statistics Service of Ukraine [26]

Low incomes of citizens with constantly rising prices for housing and communal services are intended to compensate for housing subsidies. However, the number of subsidies and the number of households receiving them have recently decreased significantly. If in 2018, 3.9 million households received subsidies, in 2021 – only 2.4 million. Accordingly, the amount of subsidies for 2021 with preliminary adjustment is planned for UAH 35.2 billion against UAH 43.1 billion paid in 2018 [29].

Lack of money deprives rural households of the opportunity to purchase the necessary equipment for their requirements. About 80% of households use mostly manual labour for the cultivation of land plots, and only 17.4% – agricultural machinery, and these are farms with more than one hectare of agricultural land. In 2021, only 19.1% of rural households had a tractor, 1.4 – combines, 11.5 – seeders, 13.7 – cultivators, 2.5% – cars [26].

Regarding the state of fixed assets in the country in general, the situation is as follows: firstly, more than 80% of them are physically depreciated and require replacement, and secondly, the provision of agriculture with a tractor fleet

does not exceed 45-50%. Therewith, the production, in particular, of tractors in 2019 compared to 2000 decreased by almost 2.5 times in 2020, only 900 tractors with an engine power of more than 59 kW were produced. And this is in conditions when in 2019, the number of agricultural machinery in enterprises significantly decreased: tractors – by 59.1%, grain harvesters – by 59.4%, and corn harvesters – by 81% [30]. And thirdly, only in 2019, compared to the previous year, the average price for one tractor increased by 7.5%, corn harvester – by 57.7%, and milking machine – by 38.8%. Therewith, during this period, the price of grains and legumes decreased by 10.4%, oilseeds – by 10.7%, and meat – by 2%. For the regular reproduction of the machine and tractor fleet, it is necessary to renew 8-12% of the equipment annually, while only 3-5% is renewed [26].

Own production of agricultural machinery is restored and developed too slowly. Agrohholdings, and somewhat more capable farms, tenants of shares, as a rule, buy imported equipment. Thus, in 2019, 45% of tractors and 21.9% of combines were imported [26]. Moreover, the import of agricultural machinery has increased 17 times.

Therewith, rural households at current prices, which are growing from year to year, do not have the opportunity to buy both imported and domestic agricultural machinery. They are forced to lease their land plots.

The purchasing power of rural residents is decreasing, the cost of living is rising, most families are not provided with the subsistence minimum and are below the poverty line, and 67% of the population considers themselves poor. Salaries and pensions are low, and prices and tariffs for utilities are constantly rising. In particular, over the year, gas prices have increased by 2.6 times, and utility prices – by 35%. The population's debt for utilities as of October 1, 2021, increased by 1.5 times [26]. Ukraine ranks last in Europe in terms of living standards. According to the results of the recent UN happiness rating, which includes all components of the material and spiritual state of people, Ukraine is in 110th place. According to the Ukrainian Institute for the Future (UIF) [31], for the living standards of Ukrainians to reach the current level of Italy, Spain, and Slovenia by 2030, Ukraine's GDP growth should exceed 10 times. It is completely unrealistic. The National Bank of Ukraine, for example, forecasts the GDP level in 2021 to be 3.1% instead of 3.8%, and in 2022 – from 4% to 3.8%.

As a result of miscalculations in the implementation of agrarian reform, violation of inter-sectoral equivalent exchange, deepening disparity of prices for industrial and agricultural products, inflation, constant price growth, adverse processes acquired a stable tendency, which resulted in a significant decrease in the solvency of the population, continuous rise in the cost of living and ultimately determined a significant reduction in the consumption of staple foods, its transition beyond the minimum physiological provisions. Thus, more than half of the family budget (58.9%) is spent on food products. On average, in 2020, 65.7% of meat, 58.1% of milk, and 48.0% of fish and fish products were consumed per person to the standard. Most families are not provided with the subsistence minimum, which is significantly lower than the UN poverty standard [26].

The above factors encourage the most economically active and able-bodied part of the population to go abroad with the hope of improving their lives. According to unofficial data, more than 10 million mostly young people with appropriate professional training work abroad, mainly in Poland, Russia, the Czech Republic, and Germany.

Ukrainian citizens are already among the top five recipients of permanent residence or citizenship in 10 out of 27 EU countries. According to EUROSTAT, in 2020, more than 600 thousand Ukrainians received their first residence permit in EU countries. It is the largest group of citizens among all beneficiaries. Of all issued visa permits for Ukrainians, more than 81%, or 488.9 thousand, are for Poland.

According to the Social Group "Rating", 35% of Ukrainians want to leave Ukraine forever, and 54% of them are young people aged 18-35. Thus 65% of respondents are ready to work not in their field of speciality, and 30% – are in lower positions. Among potential migrants, the first place is occupied by economic inquiries. Every year, migrant workers transfer to Ukraine 10 billion US dollars to, and up to 5 billion, according to various estimates, is brought in cash. In total, it is equal to the revenue from foreign trade turnover of food and agricultural products, which, in particular, as of 1.01.2021 amounted to 15.5 billion US dollars [32].

The massive outflow of rural residents results in the deepening of the adverse demographic situation, the degradation of the countryside has been occurring for a long period, and 14 rural settlements disappear from the map of Ukraine annually on average (432 for the period 1990-2021), particularly, small and medium-sized villages, which are practically extinct.

Despite the legislative and regulatory acts adopted by the state on the design and development of the social sphere of the village, it has not developed over the years of independence, but, on the contrary, is in decline due, first of all, to the lack of sufficient funds and material and technical resources. It results in the suspension of systemic

restoration of consumed funds in the social sphere, and its material and moral decline.

The material basis of the social sphere in the village, the totality of objects belonging to the sphere of services to the rural population, is the social infrastructure, which in most rural settlements is at a low level and does not correspond to the modern requirements of civilized public life. Therewith, the potential of social infrastructure continues to decline, which decreases the commissioning of housing and communal and socio-cultural facilities, reduces educational and cultural opportunities for the rural population, and complicates the provision of medical care. The development of social infrastructure largely determines the standard of living and social security of the population, the establishment of conditions for the development, reproduction, and provision of human capital. According to the Law of Ukraine "On the priority of social development of the village and agro-industrial complex in the national economy", the minimum amount of investment aimed at strengthening the material and technical base of the social sphere of the village and agro-industrial complex should be at least 1% of GDP, including at least half of the investment should be allocated for the construction of non-production facilities [33]. However, from year to year, the Law is not implemented both in the construction of social infrastructure facilities and in providing quality services to the rural population. Although the average per capita level of housing in the countryside is somewhat higher than in the city, the housing stock in rural areas is physically and morally outdated, one third of rural houses were constructed before the 60s, more than 47% – in the 60s-70s, 15% – in the 80s, the rest – since the early 90s of the last century. The vast majority of rural households are characterised by unsatisfactory quality and low levels of comfort of housing stock. There is no water supply, sewerage, central heating, hot water, bath, or shower.

To improve the housing and social conditions of rural households in all regions, by the Decree of the President of Ukraine "On measures

to support individual housing construction in rural areas" [34], funds were established to support individual housing construction in rural areas and regional programmes "Own House" was approved, which provide rural developers with long-term preferential loans with a 3% per annum interest rate (large families are exempt from paying interest). Last year alone, 1388 Ukrainian families joined this program and received soft loans. The implementation of the program "Own House", in particular in the Chernihiv region, deserves attention. As of 1.08.2021, 7160 families from 518 rural settlements, using state credit support and using soft loans, have constructed 760 residential houses with a total area of 78.0 thousand m² and 274 outbuildings with an area of 19.8 thousand m², purchased 330 residential houses or apartments, constructed 780 km of street gas pipelines and water pipes, and equipped 5618 estates with engineering facilities. Preferential loans have benefited 1250 young families and 2168 families of rural pensioners, 715 workers in education, 365 – in medicine, 257 – in culture and social services, 347 – in local government, and 2560 workers in agriculture. Large families received 245 interest-free loans. In addition, 380 families purchased 319 units of agricultural machinery, 369 units of agricultural equipment, and 150 heads of livestock [35].

In the Ivano-Frankivsk region, for example, they determined the term of the program implementation – five years and, accordingly, calculated the projected amount of funding. Thus, for 2021 – 2025, funding for UAH 74.3 million is planned, including UAH 44.3 million from the state budget, UAH 20.9 million from the regional budget, and UAH 9.1 million from the district budget. During this period, it is planned to introduce 121 houses, reconstruct and overhaul – 51 houses, provide communications – for 190 houses, and purchase – 60 houses. However, in general, in the state, the regional programs "Own House" is far from being implemented, as the funds planned for them are not allocated [36].

Medical care for the rural population remains problematic. According to the annual report of the

World Economic Forum, the main regression in Ukraine is recorded in the field of health care – 101st place out of 141 countries under study. Although medical reform has been launched as part of the decentralisation reform and several legislation and regulations have been adopted, rural healthcare is in an unsatisfactory state. Out of 4 thousand outpatient clinics and almost 13 thousand paramedic and obstetric stations, only 28% have water supply, and one-third – wells, 18% do not have bathrooms, and only 17% of paramedic and obstetric stations and outpatient clinics are provided with transport. The provision of outpatient clinics per 10 thousand people is approximately 2.5 (the European figure is almost 5). Funds allocated for rural medicine are usually not used. Thus, UAH 6 billion was provided for the construction of outpatient clinics in rural areas in 2017-2019. However, at the time of the audit conducted by the Accounting Chamber in 2019, 39% of the allocated funds were used and only 17% of the planned outpatient clinics were constructed, of which 58.5% were ready for operation [37]. In rural areas, in the vast majority of cases, primary health care is not able to provide the required assistance to patients. Therefore, a significant part of them receives it at the second or third levels, although with proper provision of villages with medical facilities, the appeal to the primary level is at least 70-80%. The implementation of the medical reform involves the construction of new and repair of existing outpatient clinics with the appropriate equipment, specialised transport, and required medicines to provide quality care to patients. The load on one primary care doctor should be up to 1.5 thousand patients, and the distance from the outpatient clinic should not exceed 5 km. The Law of Ukraine “On Improving the Accessibility and Quality of Health Care in Rural Areas” [38] defines the introduction of telemetry medicine in rural areas as one of the main directions of health care development, which will enable both the doctor and the patient to receive online consultations from qualified high-level specialists. However, rural medicine is not prepared for this at all. First of all, it is required to implement several practical

measures to provide healthcare institutions with modern telecommunication technologies (Internet, software, computer, and other equipment). Some provisions of the reform should be reconsidered, and the reasons for its obvious lagging behind should be analysed.

There is an urgent issue of staffing of primary health care institutions, which are staffed with 70-75% of doctors. Most of them are older people, as young specialists are reluctant to go to work in the village, mainly due to the lack of required conditions there. The above-mentioned law defines efficient mechanisms for attracting qualified personnel to rural medicine, in particular through guaranteed wages, proper working conditions, provision of required medical equipment and transport, provision of service housing, mobile communication, preferential loans for the construction or purchase of housing, compensation for housing and utilities, promotion of professional knowledge and practical skills. However, the available funding for rural healthcare is unable to ensure the implementation of this law.

Doctors from rural areas should be trained in school. It includes career guidance among high school students, the establishment of specialised classes, allocation of specific quotas for rural applicants for admission to higher education institutions, provided that they return to the village after graduation. The tradition when economic entities, caring about the personnel of the village, employed students of medical, pedagogical, and agricultural universities for full financial support during all the years of study should be revived. Currently, this could be initiated by united territorial communities, agricultural holdings, and large farms together with other entities. The rural coefficient (RC) should be more actively used when young people enter higher education institutions.

Personnel training requires qualitatively new approaches to education, particularly in rural areas. And it is essential to start with preschool education, which more than half of the village children do not have access to. According to the State

Statistics Service, in 2020, 39% of children aged 1 to 6 years were covered by preschool education institutions, and according to the Institute of Educational Analytics, in the 2019/2020 academic year, only 8.5% of the total number were covered by out-of-school education institutions [26].

In rural areas in the 2020/2021 academic year, there are 9.3 thousand secondary education institutions (62.5%), including 2.5 thousand small schools, the number of which is decreasing every year. 365 schools have already been closed, and another 93 schools are expected to be closed in 2021-2022 [26]. Small schools lack both resources and qualified staff and lack the required extracurricular activities for students. It results in a low level of quality of knowledge, which affects the results of EIT and limits the opportunities for higher education. Access to high-quality education in rural areas is much worse than in cities. According to PISA 2018 information sources, in Ukraine, the difference between the performance of students in rural areas and large cities is more than two years.

To improve the quality of education in rural schools and to provide funds for the development of the educational sphere in the framework of the decentralisation reform, the process of optimisation of the network of educational institutions has been launched, which involves reducing the number of schools and consolidating classes. Allocations to schools with less than 50 students (according to the ITS "DISO" 97.5% are rural schools) are limited, and state subventions for hub schools are simultaneously increased. The objective is to ensure that children study in the primary school in the village and continue their education in the hub school, which should be fully equipped with classrooms, laboratories, Internet, computer equipment, sports facilities, and qualified personnel.

According to the Ministry of Education and Science of Ukraine, as of the beginning of October this year, there were 993 hub schools in Ukraine, including 492 in AHs, almost one and a half thousand branches, of which 719 are in AHs. Already 1750 school buses have been purchased and are

used to transport 90.6 thousand students to hub schools [39].

School optimisation is an objective process. However, it should be implemented in a balanced manner, considering several factors. First, it is essential to identify hub schools in advance and strengthen their material and technical base, establishing a modern educational environment. Secondly, to increase the amount of state-targeted subventions for road infrastructure, purchase the required number of school buses to transport children to hub schools. In the reform of the educational sphere, amalgamated communities are expected to perform an active role, in particular in the development of roads, and investment in hub schools, since subventions, will be allocated based on co-financing. Thus, the legislation allows AHs to transfer the saved funds to the general budget for the next year and use them for road repairs or make additional payments to teachers.

Many complex and unresolved issues are noted in other spheres of the social infrastructure of rural areas – cultural, domestic, trade, and transport services, which serve as evidence of the critical state of the social sphere of the village, which results in the destabilisation of the national economic complex. There is practically no state investment in the social development of rural areas, and the adopted legislation and regulations are declarative.

The neglect of the social sphere, destructive demographic processes, unemployment, low wages and high prices for essential goods and utilities, and poverty are threatening the preservation and reproduction of human capital, and the existence of the Ukrainian village in general.

In the country, the design of processes connected with the development of public awareness of the objective necessity of socio-economic and technical-technological restructuring of the Ukrainian village, and its agrarian sphere of production are gaining more and more development. Several attempts to develop organisational and economic programmes for the revival and development of the Ukrainian village have been

implemented, including the adoption of the Law of Ukraine “On the Priority of the Development of the Ukrainian Village and the Agro-Industrial Complex in the National Economy”, the State Target Programme for the Development of the Ukrainian Village for the period up to 2015, the State Target Programme for Sustainable Development of Rural Areas for the period up to 2020, the State Strategy for Regional Development for 2021-2027, which identifies, among others, rural areas that require particular attention. [40]

The main principles of these documents are ensuring sustainable development of the Ukrainian village, improving the living conditions of the rural population, implementing social standards and provisions for living and working in rural areas, and providing rural settlements with social infrastructure. Unfortunately, both the law and any of the programs remained unimplemented. Financing the social sphere of the village has been and continues to be based on the residual principle. The main sources of such funding were local budgets, which did not have enough money even for their simple functioning. During the period of reforming the management of social and economic development of the country in the field of power decentralisation, the sources of filling local budgets have been significantly expanded. From 2014 to 2019 alone, local budgets increased by UAH 206.4 billion (from UAH 68.6 to UAH 275 billion). While in 2015, the proportion of local budget revenues (excluding transfers) was 18.5%, in January-August 2021, it was 23.3%. Local budget revenues per capita for eight months of 2021 increased by 121.2% compared to the same period last year. For example, in the Vinnytsia region last year, compared to the previous year, revenues to the general fund of the budgets of AHs increased by 6.2%, and personal income tax – by 5.9% [41]. Planned capital expenditures in the budgets of AHs have increased almost 4 times. With the support of donor countries – Switzerland, Canada, and the European Commission, several projects of socio-economic development of communities are being implemented in the region, and

the implementation of three international technical assistance projects funded by the European Union is underway. Currently, according to the Constitution of Ukraine, local communities are endowed with broad powers. They approve the budgets of the respective administrative-territorial units and control their implementation, establishing local taxes and fees by law. AHs have become priority public investors in their territories. In addition, they will be allocated subventions from the state budget for the development of social infrastructure, in particular, for the construction of new and repair of existing cultural, sports, communal facilities, etc. In addition, they will be allocated subventions from the state budget for the development of social infrastructure, in particular, for the construction of new and repair of existing cultural, sports, communal facilities, etc. Since, as always, there is a lack of financial resources, there are various reasons for delays in their transfer to AHs and regions. In 2021, state financial support for community design and infrastructure development was reduced by UAH 20.1 billion, including UAH 0.5 billion for rural design [42].

Land resources are an essential factor in filling the budget of rural territorial communities in conditions of power decentralisation and local self-government reforms. In this regard, it is essential to accelerate the transfer of agricultural land from the state to commercial ownership of rural territorial communities, and state-owned agricultural land located outside settlements. Their involvement in economic turnover in the interests of the local population will be an essential factor in both rural development and diversification of the rural economy.

The process of structural reorganisation of the agrarian economy should be implemented in the field of radical restructuring of the socio-economic context of rural settlements, the establishment of new agglomerations in the structure of united territorial communities, which reflect the territorial concentration of agricultural and industrial production, targeted at the location of production and technological, residential,

administrative, cultural, educational and health sectors of public life within the existing rural areas. Agro-industrial and social agglomerations are an essential step towards solving a global problem – the restoration and preservation of the Ukrainian village.

► Conclusions

The problems of preserving the Ukrainian village, its human capital and the urgent necessity of their solution require strengthening the role of the state in the system of agrarian relations, which is determined, first of all, by the implementation of appropriate agricultural policy as a powerful factor of both economic and social development of rural areas. However, often the absence of such a policy negatively affects the rural settlement network and requires a reasonable definition of strategic areas of functioning of the social sphere and improvement of the economic mechanism for regulating its development.

The development of a long-term strategy should be based on the theoretical foundations for the establishment of a fundamentally new scientifically based innovative model of structural

reorganisation with the gradual development of priorities for economic and social development of agricultural production. In determining the priority areas for the implementation of the strategic course of structural reorganisation of the economy, it is essential to significantly strengthen its social orientation, with priority provision of conditions for the comprehensive intellectual and physical development of human capital. It is about the radical restructuring of the social and economic context of the Ukrainian village, but it is about the overall development of the social and psychological essence of its inhabitants. First of all, it concerns the development of a full-fledged living environment, ensuring the economic and social interests of the rural population, comprehensive development of rural areas under the condition of increasing production volumes, and acceleration of socio-economic transformations in the countryside. Successful solutions to these objectives will be facilitated by the reform of power decentralisation, increasing the role and significance of local self-government authorities in the economic and social development of the Ukrainian village.

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Соціальний розвиток села в умовах децентралізації влади

Василь Петрович Рябоконт

Національний науковий центр «Інститут аграрної економіки»
03127, вул. Героїв Оборони, 10, м. Київ, Україна

► **Анотація.** У статті розглянуто соціально-економічні аспекти розвитку сільських територій в умовах децентралізації управління, особливості організації життєдіяльності сільських територій та формування потенціалу для розвитку. Мета статті – проаналізувати стан й окреслити перспективи соціального розвитку села в умовах децентралізації влади. У процесі дослідження використано діалектичні методи пізнання процесів і явищ, монографічний (аналіз соціальної інфраструктури), емпіричний (комплексна оцінка сучасного стану об’єкта дослідження), абстрактно-логічний (теоретичні узагальнення та формування висновків). Під час вивчення й аналізу соціального розвитку села розкрито сутність його сучасного стану, охарактеризовано причини занедбаності більшості сіл, визначено важливі чинники, які суттєво сприятимуть усуненню наявних недоліків і прорахунків у соціальному розвитку села. Набули подальшого розвитку теоретичні й практичні положення щодо соціального розвитку села на новій інноваційній основі. Проблема розвитку села розглядається при врахуванні як економічних, так і соціальних факторів у їх діалектичному поєднанні та взаємозв’язку. Визначено перспективним напрямом соціального розвитку села створення нових агломераційних формувань. Визначено і проаналізовано конкретні фактори соціального розвитку села, які можуть поставити під загрозу як його існування, так і збереження та відтворення людського капіталу. Намічено шляхи вирішення наявної проблеми в умовах децентралізації влади

► **Ключові слова:** українське село, соціальна інфраструктура, демографія, аграрна політика, децентралізація, аграрний сектор, ринкова економіка