

HUMAN DEVELOPMENT IN THE CONTEXT OF SOCIO-POLITICAL CRISIS (ON THE EXAMPLE OF MODELING THE COORDINATION MECHANISM FOR REGULATING AGRICULTURAL AND CONSTRUCTION POLICIES)

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Abstracts. The goal is to achieve human development through the printed media. Objectives – to study the socio-economic aspects of coordination of the activities of segmental components in the publishing industry; to find out and substantiate the strategic subjectivity of the state institutional regulation of the publishing industry of the national economy. *Methodology.* System-structural approach – in the study of theoretical and methodological aspects of ensuring the development strategy of the publishing industry of the national economy in transformational conditions; comparative analysis – for comparing objects and phenomena, identifying the general and special, for studying the causes of changes that have occurred, identifying development trends. For the implementation of the scientific topic: "Development of norms of consumption and norms of material waste in the production of textbooks and educational/teaching aids" 0122U002363. *Results.* The results of the latest pandemic caused by the COVID-19 virus and the active phase of the military confrontation have a decisive impact on the national economy and human development of our country. The current focus on agricultural development provides partial stabilization of the situation by maintaining an adequate level of food security and increasing food exports. In the long term, it is envisaged to use the existing advantages and revise the agrarian and construction policies, by coordinating them to create conditions for improving the human development situation in the country. To form the necessary theoretical basis for such changes, the definition of the term "state agricultural policy" was clarified and the list of strategic goals of the state agricultural policy was expanded. The current direction of construction policy is critically characterized. The essence of three dominants (continuation of land reform; decentralization; transformational changes in the development of agriculture), which should be taken into account when harmonizing agricultural and construction policies, is considered. The model of the coordination mechanism of agricultural and construction policy regulation was developed in order to create conditions for sustainable development of rural areas, which, accordingly, should contribute to the progress of human development.

Key words: human development, agrarian policy, construction policy, rural area, land reform, decentralization, transformation of agriculture.

JEL Classification: O15, Q15

1. Introduction

In recent decades, significant progress has been made in the field of human development, which is the development of people through human capacity building, by people and for people. This concept implies the expansion of freedoms for everyone.

These freedoms have two components: freedom of well-being, consisting of functions and potentials, and freedom of subjectivity. In turn, potential capabilities are different sets of functions that a person can achieve. The Millennium Declaration and the formulated development goals, the main directions

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of sustainable development for the period up to 2030, as well as the presented global goals, which were approved by the UN member states, are of great importance for this. Human development is characterized by an index that combines three main dimensions: life expectancy at birth; average years of schooling and life expectancy; and gross national product per capita.

It should be emphasized that human development, in particular in Ukraine, remains uneven. According to the authors of the national report *Innovative Ukraine 2020*: "Ukrainian economy and its society in the next ten or even twenty years will be divided into three, to some extent conditional, parts. The first and the most widespread is the one where the population will be mainly engaged in production, including agro-industrial activities... and for them the prospects of modernization due to innovative activities in traditional sectors of the economy are opening up. The second, relatively small one, is those who will be engaged in high-tech business, which will be integrated into global value chains, will carry out advanced scientific research on request and will be engaged in relevant educational activities. This also includes the development and production of modern weapons, which will lead to successful entry into world markets, including through new cooperation with EU countries. The third part is the impoverished mass of the population, including those who will lose their jobs as a result of structural changes and will not have the resources to receive appropriate education, and therefore will not work for the convergence of the first and second groups..." The pandemic caused by the COVID-19 virus and the active phase of Ukraine's military confrontation with the aggressor, in addition to the negative impact on the national economy, also affected the quantitative ratio of the above groups.

Printed products are of great importance for achieving the proper level of human development. The main consumer of information products for a long time was science as a relatively isolated system. But it is especially important for society that information products "circulate" in a much wider range. Previously, the system "science – technology – production" was traditionally considered. According to the authors, the course of scientific and technical development should be supplemented by the component – "education". It is education at the present stage of human and social development that will determine the prospects and life cycle of the production product through modeling the quality level of the potential consumer and the economic system as a whole. Education is an element-communicator of certain classical subsystems.

The current difficult conditions of combating the latest pandemic and the intensification of military

events require the rapid redistribution of all types of resources, the activities of agricultural enterprises contribute to stabilizing the situation in the national economy and directly affect the main dimensions of human development. This is confirmed by the data of the State Statistics Service, according to which in 2020 the net profit of agricultural, forestry and fisheries enterprises amounted to UAH 81,129.2 million, while in general for all types of economic activity – UAH 80,700.4 million, in industry losses were recorded at UAH 39,807.5 million. Another important parameter is the fact that 82.6% of agricultural, forestry and fishery enterprises were profitable, while in general for all types of economic activity this figure was only 71%. Given the positive results, the authors believe that the wrong position is to passively observe the development of events without timely response to the emergence of new challenges. The defined concepts are related to the following dominant factors of rural development: the continuation of land reform, a new stage of which began on July 1, 2021; further decentralization, the first results of which revealed complex problems for which there are currently no effective instruments of state regulation; transformational changes in the development of agriculture, which are aimed at obtaining short-term benefits. Without a timely response to the change of dominants, positive trends in the activities of agricultural enterprises can be stopped with the subsequent emergence of threats and a new crisis. With changes in agricultural and construction policies, these same dominants can contribute to sustainable rural development.

The problems of agrarian and construction policy and rural development in relation to human development are in the field of view of such scientists as: O. Borodina, A. Veremeychuk, P. Hayyduky, V. Gotra, N. Gushtyk, H. Kaletnik, O. Kozich, V. Kravtsiv, V. Melko, V. Myagkokhod, O. Pronina, V. Romaska, Z. Titerenko, O. Chan-hee, O. Cherkasov. Given the importance and depth of scientific research, the issue of comprehensive perception and improvement of agrarian and construction policy in order to create conditions for improving the human development situation in the country remains insufficiently studied.

The study sets a number of tasks that provide for a consistent review of agricultural and construction policies with further clarification of the essence of the determining dominants as a basis for modeling the mechanism of coordination of regulation in order to create conditions for improving the level of human development of the country.

To model the mechanism of coordination of regulation of agrarian and construction policies, the methods of induction and deduction, comparison and systematization were used in the study of the

essential characteristics of agrarian and construction policies; synthesis and analysis – in assessing the results of land reform, decentralization and transformational changes in agricultural development; morphological analysis – to substantiate the content of the components of the mechanism of coordination of agrarian and construction policy; graphic – for clarity of presentation of theoretical and methodological material; abstract-logical – for theoretical generalizations and conclusions of the study.

The study is based on a systematic analysis of materials of the State Statistics Service of Ukraine.

2. Presentation of the main material

The complexity of the tasks is determined by the Law of Ukraine "On the Basic Principles of the State Agrarian Policy", which does not define the term "state agrarian policy", which is a significant problem that complicates the development of tactics and strategies by subjects (state and public institutions) to achieve the goals set out in the said legislative act.

Generalization of scientific achievements allowed to reveal the existence of several approaches ("orientation to the application of a set of measures", "direction of the state agrarian policy on the formation of favorable conditions for the development of the agrarian sector", "priority of rural development", "combined") to the interpretation of the essence of the concept of "state agrarian policy", common to which is the emphasis on the term "policy", which determines the actions, that is, the activities of the relevant bodies, with a focus on solving socially important problems. Avoiding a thorough consideration of the essence of each approach, the authors offer their own version, which is formed by taking into account the cornerstone provisions and eliminating contradictions. As understood by the authors, the essence of state agrarian policy can be defined as the activity of the state, in accordance with a scientifically sound strategy, regarding interaction with producers of agricultural and other products and the population to implement a set of tactical measures for the rational use of natural resources, food security and development of rural areas in order to improve human development in Ukraine. The authors made an attempt to combine the key factors of the existing approaches with the priorities of the State Agrarian Policy (hereinafter – SAP), in accordance with the European vector of the country's development. It is about increasing food production, ecologization, rational use of natural resources, social development of rural areas, which is possible due to the intensification of the functioning of agricultural and construction clusters.

Article 1 of the Law of Ukraine "On the Basic Principles of the State Agrarian Policy for the period

up to 2015" limits the scope of application of the state agrarian policy to "...agriculture and fisheries, food industry and processing of agricultural products, agrarian science and education, social sphere of the village, their material, technical and financial support." The absence of a new law today confirms the lack of flexibility of the state agricultural policy, the lack of strategic guidelines, the inability to respond quickly to new challenges. This is confirmed by the Law of Ukraine "On the Principles of Domestic and Foreign Policy", in particular Article 7, which defines the principles of domestic agricultural policy as follows: "...creation of conditions for the revival of the Ukrainian village, efficient use of agricultural land, formation of a competitive agro-industrial complex, increasing its export potential, ensuring food security of the state; ensuring a high level of quality of agricultural products and food, formation of a transparent market for such products; formation of land market infrastructure, ensuring registration of title documents for land ownership." Despite the fact that the last amendments to the legislative act were made in 2018, some of its provisions can be considered morally outdated and do not contribute to improving the human development situation in Ukraine. The current modernization of the legislative framework of the state agrarian policy should be carried out taking into account the principles of the SAP, in terms of interrelated regulation of agricultural production and rural development, the WTO, on the use of the "green" and "yellow" boxes for financial support of national producers, and the FAO, to ensure access to quality and safe food. In accordance with the above, the authors propose to amend the list of strategic goals of the state agrarian policy, which are defined in Article 2 of the Law of Ukraine "On the Basic Principles of the State Agrarian Policy for the period up to 2015" (Figure 1).

The following positions require further explanation:

- there are some detailed individual goals that are defined in the legislative act, in particular in the social sphere. The position on "preservation of the peasantry" is devoid of any specificity. The position of the authors is in line with the modern SAP, when the population is offered both means and opportunities to meet all needs at a level not lower than in the city;
- the emphasis is on supporting domestic producers;
- the goal of protecting the interests of the population, which is the owner of land resources, is separately highlighted. This problem is related to the current stage of land reform and will be considered further. Even at this stage, it can be argued that without control over the land market, the development of rural areas will not only be threatened, but will also cause a new social crisis.

Therefore, it can be stated that the current legislation is characterized by a significant lag

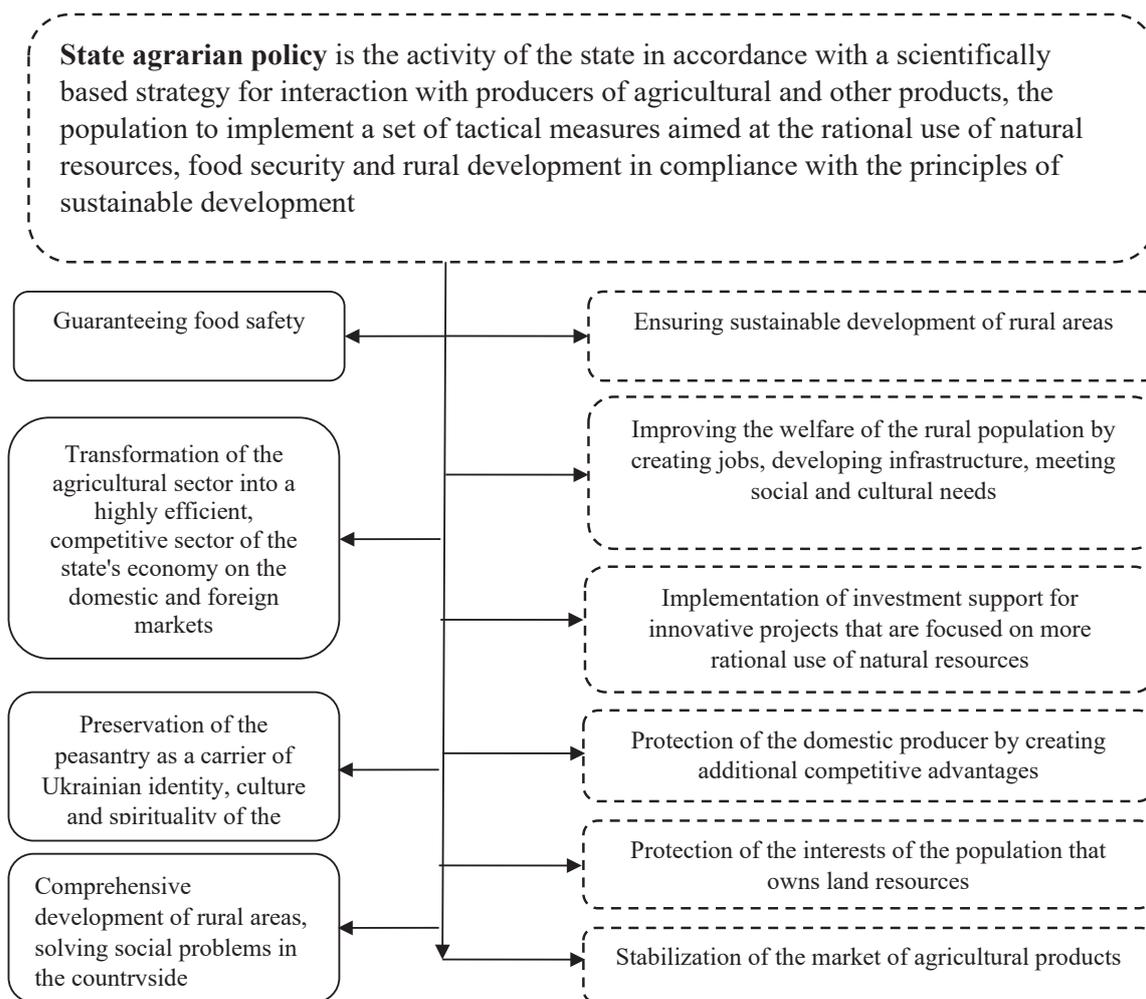


Figure 1. The essence and strategic goals of the state agrarian policy

Source: supplemented by data: On the Basic Principles of the State Agrarian Policy for the period up to 2015: Law of Ukraine of 18.10.2005 № 2982-IV. Information of the Verkhovna Rada of Ukraine. 2006. № 1. P. 17.

behind the current needs of rural development. The erroneous focus solely on increasing agricultural production only complicates the situation, which against the background of economic instability can cause a complex social crisis, the solution of which requires significant resources and time.

In accordance with the defined tasks, in the future the attention will be paid to the state policy in the construction industry. Over the past 30 years, significant changes have taken place in the system of public administration of the construction industry. It is about partial re-profiling, periodic redistribution of functions and powers between state bodies. For example, in 1991–1992 there was the State Committee of the Ukrainian SSR for Architecture, Construction and Protection of Historical Heritage, which in 1992 was reformed into the Ministry of Investment and Construction, with the subsequent creation of the Ministry of Construction and Architecture on its basis. Nowadays, the industry is managed by the Ministry of Communities and

Territories Development of Ukraine, as well as departments within other ministries, in particular, the Ministry of Environmental Protection and Natural Resources of Ukraine and the Ministry of Infrastructure of Ukraine.

In this work, we agree with N. Gushtyk that today "the state policy in the field of construction is carried out through the development, adoption and application of normative legal acts, building codes and regulations." Among the main functions of public administration (forecasting, planning, organization, regulation, coordination and control), the priority is actually given to regulation, which provides for the implementation of measures by state structures to control the economic activities of market participants in order to solve the most important socio-economic problems of society. Along with this actual restriction, which does not contribute to the development of construction in our country at a higher pace, we consider it appropriate to agree with O. Kozych that within the framework of regulation "...formation of

goals and objectives of the construction complex development, determination of objects of regulation, organization of the management system, determination of subjects of regulation and formation of their structure, delimitation of functions and selection of necessary methods of regulation, evaluation of regulation results." All these stages should be accompanied by the application of appropriate forms of state regulation, namely: financial and credit support of business entities, logistics, tax preferences and management assistance, information support. Accordingly, it can be argued about the low level of state regulation. The position of V. Melko is sufficiently well-argued, which proves that "...today we observe a low level of control by state authorities in the field of construction, as well as low efficiency of state regulation of construction activities: illegal construction without appropriate permits and land rights; violation of technical standards of construction; non-compliance with environmental safety standards; insecurity of investors and potential building owners; high level of bureaucracy and difficulty in obtaining permit documentation for construction works; low level of application of the financial and credit mechanism and insurance mechanism, etc." O. Romansko also adds to the facts ... the development of recreational areas and places of rest and leisure, such as playgrounds and sports grounds... corruption, and sometimes fraud, which thousands of citizens fall victim to, left alone with their problems." The authors argue that today the actions or omissions of state structures regarding regulation in the construction industry are used contrary to the interests of society in favor of certain business structures.

Summing up, it is appropriate to emphasize that the state policy in the construction industry today, limited to the implementation of mainly regulatory management functions, does not create favorable conditions for improving the situation with human development in Ukraine. The main investor is the population and business structures. While the population is focused on meeting the need for housing, businesses are interested in industrial infrastructure in accordance with their production needs. In addition, the problem of social infrastructure has a clear tendency to aggravation.

Earlier, three dominant factors that directly affect agricultural and construction policies were identified. The first of them reproduces the land reform that was initiated in the early 90s, in particular due to the adoption by the Verkhovna Rada of Ukraine on December 18, 1990 of the Resolution "On Land Reform", which stated that "...the task of this reform is to redistribute land with its simultaneous transfer to private and collective ownership, as well as to enterprises, institutions and organizations in order to create conditions for equal development of various

forms of land management, formation of a multi-structured economy, rational use and protection of land." It should be admitted that the declared focus on the free ownership, use and disposal by each owner of his part of agricultural land has not yet been fully implemented. The next important stage began on July 1, 2021, when the land market was launched, albeit with significant restrictions. It is important to form a general idea of the changes that directly affected the development of rural areas, for which land remains the most valuable resource. Scientists of Vinnytsia National Agrarian University distinguish four stages of land reform: "... transformational to market environment (1991–1999); reformation (2000–2008); adaptation to WTO membership (2009–2013); the current stage of external influence (since 2014)." According to the authors, the launch of the land market makes it possible to distinguish the fifth stage, which began on July 1, 2021. This phasing is due to the complexity of the transformation processes, which consisted in denationalization, that is, the liquidation of collective and state farms with the formation of new agricultural producers, with the change of ownership of the main resource – land.

The prerequisites of the first one are the determination of the existence of an absolute monopoly of the state on land, the absence of payment for land as a resource that allows to obtain a product, and the lack of responsibility for the results of agricultural activities, when losses were covered by the state budget. The first stage was marked by legislative changes that provided for denationalization with the transfer of property rights to citizens, institutions and organizations. In accordance with the provisions of the Land Code of Ukraine, which was adopted on March 13, 1992, land resources and land used by collective and state farms were transferred to collective ownership to the economic entities created on their basis, i.e. collective agricultural enterprises. Despite this important step, members of the new entities did not become real owners of land resources. With the entry into force of the Decree of the President of Ukraine of August 8, 1995 "On the Procedure of Land Sharing Transferred to Collective Ownership of Agricultural Enterprises and Organizations", the process of issuing certificates certifying the right to a land share began. It was with this step that the process of transformation of collective property into private property began, which was subsequently reflected not only in documents, but also in the actual allocation of land plots.

Along with legislative initiatives, before the implementation of the Decree of the President of Ukraine "On Urgent Measures to Accelerate the Reform of the Agrarian Sector of the Economy" of December 3, 1999 № 1529/99, the main producers of agricultural products remained collective

agricultural enterprises, the results of which had a clear tendency to deteriorate. For example, the total gross agricultural output in 1999 was 137.5 billion UAH. In constant prices of 2010, when in the base year 1999 – 289 billion hryvnias. In the period 1995–1999, the average annual decline in production was recorded at 6.3%. Only Leonid Kuchma's legislative initiatives, which provided for the division of land and property of collective agricultural enterprises, the introduction of compulsory rent and a fixed tax for producers, the allocation of preferential loans, etc. made it possible to change the situation. In 2000 the volume of gross output increased to 151 billion UAH. It should be noted that L. Kuchma in his actions relied on the achievements of scientists and was forced to confront a powerful agrarian lobby, whose representatives tried to adhere to the socialist approach in the state agrarian policy, that is, with the preservation of absolute control over land resources. The main directions of land reform during the presidency of L. Kuchma P. Haidutskyi mentions the following "...1) land reform (land parceling, inventory, valuation, land lease); 2) economic reform (transformation of collective and state farms into private economic structures); 3) reform of the market for products (abolition of state orders, introduction of exchange trade, development of market infrastructure); 4) reform of the state support system (introduction of a fixed tax, preferential lending, targeted grant programs, subsidizing leasing of machinery; 5) reform of the system of social development of rural areas)." About 60 decrees signed by L. Kuchma on reforming, not only in terms of transformation of collective agricultural enterprises into private economic structures, but also on social development of rural areas, are the key point of land reform in Ukraine. Significant progress can be illustrated by the following analytical data, according to which in 2002 "...out of 42.7 million hectares of agricultural land, 32 million hectares were privately owned, 10.5 million hectares were state-owned, and 30 thousand hectares were communally owned." It is reasonable to agree with P. Haidutskyi's position that L. Kuchma stopped one step short of creating a land market, trying to solve this politically complicated issue by creating a land bank, but his initiative was not supported due to the interest of certain circles to take control of unshared land shares, the volume of which in 2002 was estimated at 3 million hectares.

According to the Land Code of Ukraine, which was adopted in 2002, a moratorium on the purchase and sale of agricultural land was established, which significantly slowed down the pace of land reform, effectively depriving 7 million citizens of the right to freely dispose of their property.

Within the framework of the third stage, which is connected with the accession of our country to the

WTO, official statistics indicate that agriculture is not subsidized until 2000, but as a budget-forming sector. Membership in the WTO, along with filling the domestic market, made it possible to increase export potential, and thus stabilize the national economy through the inflow of foreign currency. One cannot ignore the fact that export orientation has led to the emergence of new risks associated with dependence on the world market conditions.

The fourth stage is related to the adaptation of the legislative field of Ukraine to the terms of the "Association Agreement between Ukraine and the EU", which requires changes in the institutions of state regulation of the agricultural sector in accordance with EU practice, in particular in terms of decentralization, development of local self-government and the formation of public policy mechanisms, promotion of human development in Ukraine.

The dominant of them is related to decentralization, but in the context of land reform, it is appropriate to emphasize the fact that since 2014, 1.68 million hectares of agricultural land have been transferred from state to communal ownership (as of 2019, but this process continues), which allows communities to receive additional financial resources for social development through their lease.

This stage is also characterized by the annual postponement of the lifting of the moratorium due to the imposition of certain warnings on the society with which it was associated:

- the possibility of acquisition by individual companies of large areas of agricultural land with further uncontrolled use without taking into account the interests of the population of rural areas;
- speculative purchase of land from the population at low prices with subsequent resale at a higher price;
- loss of land resources due to their acquisition by foreign companies;
- incomplete reform of the land cadastre, which in combination with high centralization and corruption of officials does not provide the necessary level of protection of property rights of owners.

A significant part of owners, not being interested in independent agricultural activities, leased them, which cannot be considered a rational use of the country's land resources. This thesis is based on analytical data, according to which in 2019 the rental price of 1 hectare of agricultural land in Ukraine was 80 USD. While in France it was 165 USD, in Hungary – 194 USD, in Bulgaria – 278 USD and in Italy – 917 USD, which indicates a significant shortfall in income for owners. It is advisable to take into account that large agricultural holdings conclude lease agreements for a period of at least 7 years with the subsequent right of prolongation, which makes it impossible to increase the owners' income by renegotiating the agreement on more favorable terms.

Tenants suffer from the crushing of leasehold shares and cannot ensure further productivity growth. Thus, the average share size is roughly 4 hectares, when "...the optimal size of a grain farm is 300-400 hectares, and animal husbandry is unprofitable with an area of less than 55 hectares." Therefore, the losses from the moratorium are significant.

In this paper, it is agreed with the authors of the article "Strategy for the development of land relations in Ukraine", who confirm that due to the existence of a moratorium on the purchase/sale of agricultural land and the existing state management of land resources, Ukraine is significantly inferior to other countries in terms of agricultural efficiency. Analytical data, according to which: "...the volume of added value of agricultural production per hectare of agricultural land in Ukraine in 2019 amounted to 355 USD, compared to 792 USD in Poland, 502 USD in Brazil, 1316 USD in Germany, 1558 USD and 456 USD in the USA."

The fifth stage, in addition to the launch of the land market, is interesting in relation to the issues under study because, in accordance with the provisions of the Law of Ukraine "On Amendments to the Land Code of Ukraine and Other Legislative Acts on Improving the Management System and Deregulation in the Field of Land Relations", which was signed by the President of Ukraine on May 24, 2021, determines the procedure for transferring land plots located outside settlements to communal ownership to village, settlement, city councils, which creates new resources for the development of rural areas.

According to the results of the study, we argue that over the past thirty years there has been a significant change in approaches to the use of land as the main resource for agricultural production and rural development. The elimination of the state monopoly on land contributed to the formation of a new generation of owners, the transition from inefficient forms of organization in the form of collective and state farms, and later collective agricultural enterprises to private structures, the acquisition by local communities of land resources within and outside settlements as an additional source of income to finance socially important projects. Today's stage, marked by the launch of the land market, is characterized not only by a number of restrictions on free disposal, but also by a high probability of new risks associated with an increase in the number of raider attacks, financial constraints of medium and small farmers in access to land resources, a decrease in diversification in land use due to the increase in land resources owned by agricultural holdings, the release of labor with the deepening social crisis in rural areas. Accordingly, the need to develop mechanisms that would allow to respond to the identified risks in order to prevent their further transformation into real

threats to the agrarian sector of our country, form the basis for improving the situation with human development by using new opportunities that have emerged. One of the mechanisms should be related to the formation and development of agrarian and construction clusters, whose activities are focused on more efficient use of natural resources and creation of conditions for full satisfaction of the needs of the population of rural areas.

The second dominant, defined as the one associated with decentralization. The relevance of administrative and financial decentralization, which actually began in 2014, O. Pronina connects with "...insufficient funding for the development of rural areas, the weak development of the local self-government institute, the lack of effective mechanisms for the implementation of sustainable rural development programs." The importance of the reform is justified by the multidirectional vectors of rural and agricultural development. Since 2000, agricultural production has been characterized by generally positive dynamics, in particular in the cultivation and export of grain, while at the same time there has been a reduction in the number of employees at agricultural enterprises and deterioration of social infrastructure. The state agricultural policy provides support to agricultural producers in connection with the growth of their role in stabilizing the national economy. The Decree of the President of Ukraine "Basic Principles of Rural Social Sphere Development" (2000) and "State Program of Rural Social Sphere Development for the period up to 2005" (2002), "State Target Program of Ukrainian Rural Development for the period up to 2015" (2007) were mainly declarative in nature, as they did not contain a real mechanism of financial support for rural development.

In the short period of time since the start of decentralization, some conclusions can be drawn about its results, but it is difficult to fully assess its impact on sustainable rural development, in particular because of the relationship with the land reform under consideration. Therefore, the authors will focus on two facts: the tasks and expectations from decentralization and the real results for today, which concern rural areas. An important clarification is that decentralization is the whole system of public administration, not just rural areas.

In the most general sense, decentralization is defined as "...the process of redistributing or dispersing functions, powers, people, or things from central control." That is, it is about the transfer of some functions from central government to local self-government bodies. For rural areas, given the analytical data on the level of employment, welfare, the ability to meet the needs of the population, the changes should be positive. It is not only about increasing the financial resources for the

implementation of socially important projects, but also about the fact that local residents participate in the formation of requests for their development, based on real needs, are ready to join the implementation process and, in the future, act as consumers. The following points deserve attention: firstly, the possibility of using the so-called "social mobilization" method; secondly, the focus on the implementation of micro-projects, rather than large projects, i.e., with a clear definition of the end user. Social mobilization consists in uniting different people into groups to meet a common need, based on their own capabilities. Social mobilization is characterized by: a high level of self-organization, the absence of any restrictions for participants, priority in achieving common interests both through coordination and partial personal restrictions. Personalization of needs is the basis for consideration of projects that are relevant within the community, they are inferior in scale to those that can be implemented under conditions of centralized management, but the effectiveness is much higher, in particular, due to passive support and active participation on the basis of partnerships.

Thus, it can be argued that decentralization as a process is designed to solve a number of complex problems related to improving the situation with human development, in particular in terms of multifunctional development within rural areas through the implementation of projects to support non-agricultural production with more efficient use of available resources and compliance with the principles of sustainable development.

Today, the results of decentralization in Ukraine can be assessed only as intermediate, in particular, due to the low speed of changes in the transfer of powers and redistribution of financial resources. The emphasis is only on those points that relate to the development of rural areas as a basis for further development of a mechanism for coordinating the regulation of agricultural and construction policies.

A. Wiremeichyk and O. Ruban offer the following information to characterize the current results of decentralization: "...before the reform, 92% of rural communities had less than 3,000 inhabitants, almost 11% of rural territorial communities had less than 500 inhabitants. At the same time, in more than 50% of rural communities, the subsidy was more than 70%. In general, 483 territorial communities were supported by subsidies for 90%." The above analytical data explains the gradual decline of social infrastructure in rural areas, which was caused by the dispersion of funding from the state budget, and its volumes could not be used for improvement, but only for the minimum level of support for socially important facilities.

According to the Decentralisation website, as of July 2021, 1,470 hromadas have been formed in

Ukraine, including 627 rural ones with a population of 4,926,682 people and a total area of 173,444.0 km², uniting 3,291 councils. The number of amalgamated councils varies significantly – from 2 to 24. Another fact is that the AHs include villages with centers in cities and urban-type settlements, which, accordingly, significantly complicates the analysis of trends in rural development before and after decentralization. For confirmation, the publications of V. Gotra and A. Kovach emphasize the fact that "...at the beginning of 2019, the composition of the united territorial communities included an average of 11 villages, but the majority (55%) with centers in the cities and towns of the city type. On average, there are 14 villages per urban (rural) united territorial community, and 9 villages per rural community." The amalgamation of several villages around a city as an economic, social and cultural center provides such communities with significant advantages compared to rural Amalgamated hromadas (hereinafter – AHs), which leads to an imbalance in the level of development already at the initial stages of the reform. Rural AHs with a small population and area and without functioning producers (taxpayers) are characterized by low capacity. By this term, the authors who prepared the practical guide on decentralization understand "...a hromada in which local sources of budget revenues, infrastructure and human resources are sufficient for local self-government bodies to solve local issues envisaged by the legislation in the interests of the residents of the hromada."

According to the above-mentioned website "Decentralization", during 2015–2021 with a forecast for 2022, there is a positive dynamics of growth of the share of local budgets (without transfers) in the consolidated budget of Ukraine. Thus, this share in 2015 was 18.5%, and in 2019 reached 23.3% with a slight decrease in 2020 to 22.6%. It is also important that the share of transfers in revenues is gradually decreasing – from 59.1% in 2015 to 34.0% in 2020, which is partly due to the growth of local budget revenues. It is appropriate to agree with the position of Z. Titenko on the importance of voluntary amalgamation of more hromadas with a larger population, which due to the deduction of 60% of personal income tax allows to form a larger budget to achieve the goals of the hromada. Small communities do not have the necessary human resources for development, although the exception is those where large budget-forming enterprises are located. In addition, the amount of state support in the form of subventions is carried out taking into account "...the area of the united territorial community and the number of rural population in such a territorial community with equal weight of both of these factors."

According to official sources, today in Ukraine there are signs of increasing disparities in the development of territories. Thus, the average income per capita in January-May 2021 in Ukraine amounted to UAH 3358.4, which is 21.2% more than in the same period in 2020. In addition, in the regional context, the lowest level of this indicator was in Transcarpathian region – UAH 1,921.6, and the highest in the city of Kyiv – UAH 7,305.1. Accordingly, the share of own income in total income in these administrative-territorial units was 49.4% and 90.6%.

In addition to the risk of deepening disparities in the levels of development, the issues of territorial associations have become relevant today, which require the development of appropriate mechanisms. Risks, according to the generalization and clarification, include:

- reduction of the state budget if it is necessary to further perform the function of protection of socially vulnerable groups of the population;
- weakening of control over the efficiency of the use of local budgets by the state in the absence or imperfection of the institution of public control;
- imbalance between the powers and available resources of local self-government;
- regional centres and AHs established with the participation of cities have greater economic and labour potential and developed social infrastructure, and therefore, acting as regional centres, become more attractive for further employment and permanent residence of the rural population, which deepens the demographic crisis in rural areas;
- growing influence of local elites on the process of formation of revenues and expenditures of local self-government bodies in order to lobby the interests of their own business;
- impossibility to meet the social needs of the population within rural AHs due to limited resources;
- failure to take into account the socio-economic needs of AHs in the distribution of subventions;
- the existence of the practice of influence of people's deputies on the distribution of subventions;
- focus on achieving short-term goals, i.e., maintaining an acceptable level of social infrastructure, and lack of understanding of the need to achieve strategic goals in the form of increasing the investment attractiveness of rural areas.

It is difficult to assess the results of decentralization unambiguously, given the fact that since 2014, changes have been made to the implementation process, which have significantly affected the level of capacity of the AHs to meet the socio-economic needs of the population. Decentralization is accompanied by the emergence of a number of risks, the lack of response to which, in the form of the application of corrective mechanisms, can complicate the process of rural development.

The third dominant factor – transformational changes in the development of agriculture – is directly related to the agricultural development of Ukraine. Thus, a group of scientists convincingly argues that the current situation with the lease of land resources has a number of threats associated with "...deformation of the structure of gross agricultural output (in 2014, crop production accounted for 71%, and livestock – 29%); refusal to keep livestock – 56% of enterprises are not engaged in it; large-scale spread of monocultures (the most profitable crops – wheat, corn, sunflower, rapeseed occupy 80% of the area), etc." Updated data, according to the State Statistics Service, indicate that the share of crop production increased to 79.1% in 2019, soybean acreage has increased 13 times in 29 years, and rapeseed – 15.5 times, that is, this disproportion has only increased. The focus on higher profits in the short term leads to a higher level of soil depletion due to non-compliance with crop rotation policy. If to add to this the uncontrolled use of cheap and low-quality agrochemicals, which harms the land and adversely affects the health of villagers bordering the fields, then in the future our country may lose part of the most valuable resource – fertile soils. These actions are partly related to the uncontrolled actions of tenants who are focused on making quick profits, which causes an environmental disaster and deterioration of the quality parameters of soils that remain in the ownership of the rural population, thereby complicating the possibility of achieving and maintaining sustainable development goals and improving the human development situation.

Scientific sources substantiate the need for the integrated application of "...market, state and corporate mechanisms of regulation" of agricultural production. In addition, the connection of tasks with the improvement of the situation with human development is taken into account, which requires the development and application of a mechanism for coordinating the regulation of agricultural and construction policies, taking into account three key dominants: land reform, decentralization and transformational changes." (Figure 2)

The author's position differs from the existing view on the coordination of agrarian and construction policies as the basis for the development of agrarian and construction clusters, which forms the necessary basis for solving a whole range of complex problems that are characteristic of rural areas and are determined by the content of the three dominants.

The integrity of the perception of the content of the identified dominants and the consideration of international experience in sustainable rural development allowed us to substantiate the strategy, goals and objectives that can be achieved through the harmonization of agricultural and construction

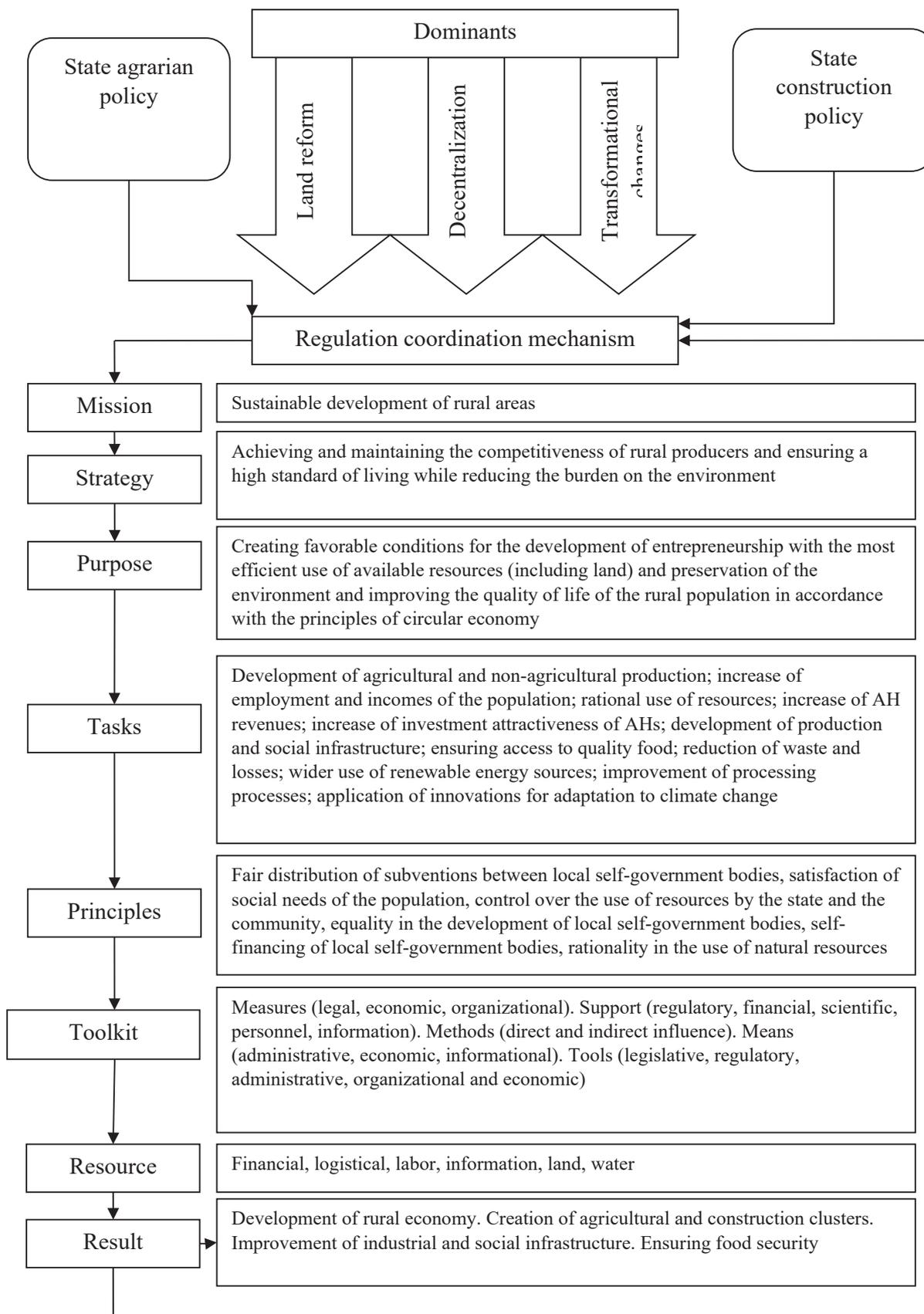


Figure 2. Model mechanism for coordination of agricultural and construction policy regulation as a basis for sustainable rural development and improvement of human development

policy regulation, which, accordingly, should contribute to improving the human development situation in our country.

3. Conclusions

The study proves that without harmonization of agricultural and construction policies, taking into account the priority of rural production for further stabilization of the national economy and the need to form social infrastructure and diversification in the use of rural resources, threats may arise in the future, the impact of which will spread to industries of all countries. Land reform, decentralization and transformational changes in agriculture require the prompt application of measures that would ensure

the coordination of the interests of the state, business structures and the population in order to improve the situation with human development. The development of social infrastructure and creation of proper conditions for labor activity will contribute to the stabilization of economic, social and demographic situation in the whole country and individual regions. Each position of the formed model of the coordination mechanism of regulation of agrarian and construction policy is supported by the considered key facts and is based on analytical materials on the activities of agricultural producers, construction enterprises, rural development. Further research can be conducted in the direction of substantiation of ways to intensify the formation and development of agro-industrial and construction clusters.

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