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METHODOLOGICAL ASPECTS OF RURAL DEVELOPMENT GOVERNANCE CASE STUDY Vitalina TSYBULYAK State Organization "Institute for Economic and Forecasting of the National Academy of Sciences of Ukraine", 01133, Kyiv, Ukraine vitylia@list.ru Abstract The article discusses current approaches to the process of assessing rural development governance, reveals its advantages and disadvantages. The article as well presents performance system indicators of governance process by means of two elements of dynamics assessment, rural development (economic, financial, and social sphere, ecology and population health) and management process (assessment of strategic plan (concept) of development, program of socioeconomic development of rural areas, current activity of local authorities), in particular. More over, it is suggested to use typology of approaches (objective (evolutionary), command and control, economic (infrastructural), complex, and qualitative) to definition of process essence of rural development governance and correlation of traditional functions, performed by the subjects of the governance process of rural development (state authorities institutions, local authorities institutions, economic entities, and community). Adjusting traditional functions, performed by governance subjects of local development, their supplementing with new ones, relevant to the present-to-date model of «shared governance» is an important element of analysis of assessment tools for effectiveness of rural development governance. In addition, the author defines functioning of two forms of rural population involvement into the process of rural development governance: active and passive. Active one suggests that rural population participate in making and implementing governance decisions (public meetings, organization of social discussions, and development of territory community self-governance); passive one suggests that the emphasis is placed only on information distribution among population (meetings with

parliament members, direct phone lines with territory governors, publication of normative and legal acts and reports on budget execution). Key words: rural development, governance, performance evaluation, rural community, local authorities. JEL Classification: R11 I.INTRODUCTION Governance of rural development represents a coordinated influence of various entities on the processes in rural area in order to reach the following strategic goals: improving life quality of population and increasing customers' satisfaction, qualitative transformations of economic domain, and environmental conservation [1; 2; 5; 6; 7]. A community is considered as a main party of the rural development governance, which has its own interests and participates in their realizing. Optimal institutional support should play a leading role in organizing coordinated work of all parties of governance (state and local authorities, entrepreneurial sector, and community. Efficiency assessment of rural development governance is an obligatory condition for improving means of influence of local authorities on changes in local socioeconomic system (community) [8]. Designed assessment methodologies currently used, on the one hand, are aimed at the analysis of socioeconomic development level of rural areas, and, on the other hand, they study the process of designing and implementing strategic concepts and programs for rural development. Tools for assessing socio-economic territory development are represented in the works by V. Bilych, I. Boiarko, I. Volyk, F. Zastavnyi, A. Lisovyi, M. Minchenko, L. Fedulova, V. Haustov etc. However, the majority of them are polyvariant with a significant number of figures, which, for the most part, assess only one dimension of rural development and by no means reflect governance process effectiveness, which complicates objective differentiation of rural territories and divests them of their right to obtain respective status and state support. II.THEORETICAL GROUNDS OF RURAL DEVELOPMENT GOVERNANCE Rural development should not be perceived more simply, only as the development of material and technical base, housing sector and social infrastructure in rural area. It is directly connected to rural area restoration in terms of systemacy, i.e. through rural community's revival. Two vectors are important in this context: improving living standards (related to financial factors) and improving life quality in rural areas (related to non-financial, spiritual and social needs of a human being). Nevertheless, it is easy to trace its other aspects: preserving peculiar rural way of life and its social values, adjusting "rural way of life" to current requirements. In order rural development could be goal-directed and foreseen, could be efficient in meeting the requirements of optimum use of resources – relevant institutional support for governing these processes is required. The process of governance involves availability of two obligatory components – subject to governance (exerting governance influence) and object to governance (a part of the system towards which this influence is directed, ensures implementation of social purpose of governance) [7]. According to V. Halaktionova and V. Kozbanenko, governance is the process of establishing target-oriented interaction between the subject and object of governance for the sake of obtaining socially significant results [4?]. In the opinion of the author, the given concept includes crucially important aspects. Firstly, influence of the subject of governance on the object turns into their interaction out of lopsided phenomenon, which better reflects dialectics of socioeconomic system development. Secondly, introduction of criterion of social importance of governance result characterizes social targeting and mission of any governance system. That is why its governance requires an organization, which major mission shall be collective interests of rural people regarding rural development. Such organizations should have direct relations with local, regional authorities, in particular, relating to the issues of governance, financing, or defining tasks of development. In order to perform these tasks, the institution should meet the following criteria [1]: ?

**2be perceived as an institutional mechanism of regional development by state authorities, local and regional**

bodies of self-governance, other structures; ? coordinate its activity with state and local self-governance

structures; ? simultaneously

**2preserve autonomy of decision making; ? have a designed strategy of rural development,**

which shall be adjusted to the priorities, specified by state authorities and communities; ? have sufficient financial resources for implementation of basic projects of rural development, support for own infrastructure; ? have a highly qualified personnel. Rural development governance must be executed on the basis of involving various institutions (government bodies and agencies, organized general public, local business, organizations as part of on communities) into the governance process and defining necessary preconditions of their effective interaction. III.METHODOLOGICAL ASPECTS OF ASSESSMENT OF RURAL DEVELOPMENT GOVERNANCE Optimum institutional support must perform major role in organizing adjusted work of all subjects of governance (state and local authorities, entrepreneurial sector, and communities). Its efficiency assessment is a necessary condition for improving tools of influence of local authorities on changes in the local socioeconomic system (community) [3]. Methodology of assessment, on the one hand, is to be aimed at analysis of socioeconomic level of rural area development, and on the other hand, - assess community's participation in developing and implementing strategic development concepts and programs for the community. It is possible to distinguish advantages and disadvantages of the current approaches in terms of the possibility to apply them by local authorities and conformity with basic criteria of rural development governance. Little attention paid to the assessment of the governance influence on the rural development level and underestimation of importance of its social and economic constituents is one of the most significant disadvantages. Moreover, assessment of the process in terms of formal characteristics (sequence of stages, following procedures etc.) is insufficiently related to the actual results assessment of the governance influence. Methodological aspects applied by the government institutions for identifying efficiency of the program, plan, and policy implemented or scheduled for implementation, have a variety of options for comparison and grouping of a large number of territories in terms of the level of development, defining rank of each particular territory [9], but along with that it does not allow to evaluate adequacy of the administrative decisions made, their perception by rural citizens and includes contradictions in the dynamics of interrelated indices. Conformity of the objectives and tasks of the territory socioeconomic development to the interests and needs of rural community population represents an important criterion for evaluation quality of governance. That is why attitude of the inhabitants to the results of the local authorities' administrative activity and level of interaction of various subjects in the rural development governance should be taken into consideration when studying governance effectiveness. At the same time, it is worth mentioning that implementation results of the administrative decisions and programs, approved by the authorities without coordination with the community, very often are in contrary to the expectations. Thus, the system of evaluation indices of rural development governance should include two elements: 1) to evaluate rural development results; and 2) to include aggregated indices of analysis of rural development governance involving rural communities. Main direction for improving leverages of local authorities on the changes nature in local socioeconomic system – local community are as follows: ? Raising attention to evaluation of governance influence on rural development level; ? Including social and ecologic aspects of development into the evaluation tools; ? Minimizing indices quantity; ? Simplifying estimation due to introduction of integral indices; ? “E-governance” systems. Evaluation of the purposes and tasks of territory development conformity to the interests and needs of the rural community represents an inseparable component of rural development governance quality assessment. Attitude of the inhabitants to the results of the local authorities administrative activity and level of interaction of various subjects in the rural development governance

should be taken into consideration when studying governance effectiveness along with such indices as level of credibility to the local authorities, population awareness, level of rural citizens participation in the development program implementation etc. (Table 1). Table 1. The system of evaluation indices of local development governance Evaluation indices of the rural territory development dynamics Entrepreneurial activity Small business Economic sphere Labor market Consumer market Territory and transport infrastructure Budget Financial sphere Financial condition of the institutions Investment attractiveness Demographic situation Population income Provision of housing for population Social sphere Provision of transportation and communication services for population Provision of education services Satisfaction of cultural and sport requirements Community establishment Ecologic situation Ecology and population health Healthcare system Disease incidence Evaluation factors of the process of rural territory development governance Evaluation of the strategic plan Strategic plan availability (concept) of development Population involvement Strategic plan implementation Assessment of the program for Program strategic targeting socioeconomic rural area Complexity development Conditionality Implementation and control Assessment of the current activity of Analysis of the performance reports of the government institutions local authorities Community opinion \* Updated and composed by the author. Such system of evaluation indices of rural development governance, on the one hand, allows assessing the dynamics of the major spheres of rural development (economic, financial, social, and ecologic), and on the other hand – performing assessment of the governance process of rural development as a set of the program documents: strategic plan, development programs and projects and current activity of the local authorities. In addition, it allows answering the question: how the dynamics of indices of various rural activities affects population welfare; what which problem areas exist in local authorities' activity in the administration domain etc. Divergent understanding of the development process shall inevitably affect the nature of its governance, which is reflected in the typology of the approaches to the definition of the category "governance" of rural development content (Table 2). Table 2. Typology of approaches to defining core essence of the rural development governance № Approach Subjects of activity (governance) Results 1 Objective Are not considered Identification of changes, which may both (developmental) positive and negative 2 Command-and-control Government institutions (authorities: Meeting requirements of industrial ministries ministries, departments) and agencies, new build-up areas 3 Economic Local authorities Infrastructure development, increase of (infrastructural) economic activity effectiveness and governance of state property 4 Complex Various subjects (state and local Achievement of specified level of authorities first) development to meet the needs of community and state in the given territory 5 Qualitative A lot of subjects / stakeholders (state Improvement of population welfare (more and local authorities, communities, complete need satisfaction), its involvement and entrepreneurial sector) into the governance process and environmental conservation Updated and composed by the author. Moreover, comparison of governance. Systematization of approaches to governance of rural development is a starting point for understanding peculiarities of local development and principles of governing this process, establishing priority system of rural development, which is in conformity with current development trends of society and administrative relations. different approaches regarding participants and expected results of governance creates a basis for elaborating up-to-date toolkit for assessing efficiency of local development It is possible to make a conclusion based on the generalization of approaches to rural development governance that analysis of governance process under present-day conditions is to be based not only on quantitative, but also on qualitative characteristics. Major purpose of development must be improvement of rural people to meet their needs. (district center, rural settlement etc.). population welfare which is reflected through complex figure, including level of incomes, quantity and quality of jobs, education level, quality of living environment and other characteristics, which reflect possibility of rural A number of subjective and objective factors affect rural development. Objective factors include: spatial location, resource potential (natural- resource, financial and human potential), place in governance system Subjective factors include: availability of

qualified managerial personnel which understands essence of factors, investment attractiveness, and socioeconomic development and ability to organize it (elaboration of strategic development plan), market participation of population in the development. IV. MODEL OF "SHARED GOVERNANCE" Rural development depends on combination of natural factors and goal orientation of interested persons, namely, governance of this process. Adjustment of traditional functions performed by subjects of local development governance, supplemented with new ones, complying with the present-day model of "common governance" are needed for successful adaptation to the changes in local authorities' external and internal environment (Table 3). Table 3 represents correlation of traditional functions, performed by the subjects of rural development governance process, target-oriented directions of improving its quality. Studying of goal implementation level is an important component of toolkit analysis for assessing effectiveness of rural development governance. Table 3. Institutions of governance based on the model of "shared governance"

Subjects	Public authority	Traditional functions	What kind of participation must be in the governance
Establishing legal space, performing macroeconomic planning and control	Selective support for priority development directions	Emphasis on the effective use of available Local authority institutions	Forecasting and planning development, solving current problems, control functions
development potential, organization of governance subjects interaction, search for "new development paths"	Economic entities	Meeting the needs of population in commodities, services and jobs, making decisions of own investment policy	Partnerships with local authorities in the design and implementation of the development programs
pattern with the authorities	Source: composed by the author. development)	Community Choice of own behavior type and dialog	Transition from the object of influence to the subject of development (self-

As stated above, main tools of the development governance are represented by the strategy and rural development programs. In practice we may see a frequent identification of planning and programming processes, which reduces efficiency of these administrative instruments application. Socioeconomic rural development strategy should be designed with respect to up-to-date strategic planning principles, which allows using the full potential of local authorities and all available resources, including social capital, and based on a clear vision of the object of governance condition, possible changes in the environment that reveal new possibilities of development or create hazards to it. Thus, socioeconomic rural development strategy is not the instrument for involving resources from the budgets to solve current issues and "cover gaps" that we may see now. New requirements to strategic planning should find their reflection in rural development governance. The following interrelated factors are the most relevant for the local government institutions: change of the governance subjects' role, increase of the information significance, population involvement into the governance of development etc. An important characteristic of the efficient governance is withdrawal from the standard decisions and orientation towards new options of reaching the targets, which is extra-relevant under conditions of the intensified differentiation of institutional establishments according to the level and potential of development. Active involvement of the community to the governance of rural development shall contribute to quality improvement of "governance product" owing to a range of the following factors: 1) due to studying and considering needs of a community when making strategic decisions, which ensure positive evaluation of the development process; 2) using of such undependable resource of development as social capital and human creativity; 3) consolidation of a community which may be further used for more efficient reaching of the development goals. There are two functioning forms of the rural population participation in the process of rural development governance: active and passive (Fig. 1). Active involvement of rural community into the process of elaborating strategy and concept of rural development is of prime importance under current conditions, as they reflect issues of rural life-sustaining activity and their further solving. Forms of the rural population participation in the rural development governance

Active	Passive
Inhabitants participate in making governance decisions and their implementing (public hearings, public discussion and development of territory emphasis is placed on the population informing phone lines with the territory governors, publication	The (meetings with the parliament

members, direct public self-governance) Source: composed by the author. of legal acts and reports on budget fulfillment) Figure 1 - Forms of population participation in the rural development governance criterion of improving tools of local authorities influence on the nature of changes in the local socioeconomic changes is represented not by mere assessment of rural development governance, but by defining its efficiency as well. As a rule, economic component receives more attention when studying efficiency source not found.]. However, it is more important to emphasize on a social component, as Necessary [Error! Reference this is it that reflects development of the institutional establishments and mechanism of their work. There are no a unified toolkit of analysis of governance efficiency of socioeconomic rural development in Ukraine. Adopted system of statistic data does not satisfy local needs. Purposeful work for its improvement is not conducted over the last period. As a result, subject of study is not provided with the required information base to the full extent. We may observe a significant discrepancy between indicators of estimate,

**2**calculated on the basis of statistic data and results of

opinion poll of rural communities, aimed at establishing conformity of the purpose and tasks of rural socioeconomic development to the interests and needs of rural area population. To the author's opinion, methodology of the Ukrainian statistics does not allow to carry out a complex study of and to compare the development dynamics of peculiar rural areas, to define how the governance system influences the changes and how these changes are reflected in the life of population. Thus, tools used by the government authorities, do not provide the possibility of assessing effectiveness of rural development governance in full. This preconditions the necessity of seeking new approaches and designing assessment system of development results and purpose-oriented impacts, which define directions and dynamics of the local development. In order to obtain more objective results it is necessary to consider the following aspects in the process of the analysis: opinion of the population; nature and scope of the information about activity of local authorities in governance of rural development; degree of cooperation between the subjects of rural development governance; orientation to search of nonconventional methods of problem solving. V.CONCLUSIONS Summarizing mentioned above it is possible to state that complex analysis should include indicators of estimate, calculated based on not only statistic data but also results of the sociological polls of a rural community, analysis of application of the governance tools of rural development and reports of the local authorities on the work done. That is why it is required to have a system for efficiency assessment of local development governance in a logic interconnection with the concept of local communities' development and approach towards governance according to the results. Its applicability by the local authorities shall ease self- control of the results of the rural development governance by local population. VI. REFERENCES 1. O.Borodina. Rural Development in Ukraine: the Challenges of Establishment / O.Borodina, I. Prokopa // Economics of Ukraine. – 2009. – № 4. – P. 74-85. 2. Local Development Involving Community: Sociologic Study. – K., 2011. – 108 p. 3. W. Eucken. The Fundamentals of the National Economy / W. Eucken. – M.: Economics, 1996. – 352 p. 4. M. Olson.

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