

Peculiarities of the development of social capital of territorial communities in modern Ukraine

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Abstract. The study is pertinent due to the necessity of examining the impact of social capital development in Ukrainian territorial communities on local economic growth and entrepreneurial activity, particularly in the context of post-war recovery. The purpose of this article was to examine the impact of social capital development within territorial communities in Ukraine on local economic growth and entrepreneurial activity. To this end, the article presented a series of case studies drawn from a range of regions. The method of system-dialectical analysis, formal-logical, synthesis, generalization, induction, deduction, forecasting was used in the study. As a result, the essence of the category “social capital of the territorial community” was summarized, and the main theoretical and practical aspects of the development of such community capital were revealed. As a result, it was established that the theoretical foundations of the development of the social capital of territorial communities are mostly focused on their systematic and complex use in the mode of continuous improvement in the conditions of the war and post-war state of Ukraine. Also, during the research, it was determined that the principles of territorial community life with the appropriate level of social capital, which dominates within the community and determines the identification of residents with the community and its values in an open and free community, especially in life-threatening situations, are identified. The results obtained in the article should be used to develop programs for the development of social capital of territorial communities during military operations in Ukraine and in the post-war period

Keywords: public administration; local self-government; social norms and values; social networks; development scenarios

Introduction

The development of social capital within territorial communities in Ukraine has emerged as a key driver of local economic growth and entrepreneurial activity, particularly in the context of ongoing war and post-war recovery efforts. In the context of the current challenges posed by military actions and the post-war recovery process, social connections, trust, and cooperation assume a crucial role in fostering the sustainable growth of small and medium-sized enterprises. An examination of the impact of social capital on economic processes within these communities enables the identification of the most effective mechanisms for supporting entrepreneurship and maintaining local economic activity. Social capital, defined as the networks, trust, and civic engagement within a community, plays a critical role in fostering collaboration, facilitating access to resources, and promoting the creation of small and medium-sized enterprises. In times of crisis, the presence of strong social bonds enables communities to mobilize support and resources more effectively, which is essential for economic resilience and regeneration. The case studies presented from various regions illustrate how high levels of trust and cooperation have resulted in tangible economic benefits, including job creation, business growth, and increased access to financial resources. In particular, regions significantly affected by war and displacement have demonstrated that the presence of robust social capital can serve to mitigate the negative economic impacts of conflict. This is achieved by enabling displaced persons and local populations to rebuild their livelihoods and foster new business ventures.

This development has fundamentally changed the trend of social capital development of the population remaining under occupation, and has significantly distributed this capital between safe regions at the expense of refugees. Subsequent forecasting of trends in the characteristic

indicators of social capital of communities involves their study within the following types of territorial communities: temporarily occupied (liberated), border and close to the contact line (close rear), and deep rear. At the same time, one of the options for the development of hostilities until the victorious end of the war may become decisive, namely: optimistic, pessimistic and the most realistic (Eighteenth national survey..., 2022). This situation in public administration can be improved through the actual and rational use of the generalized theoretical and methodological foundations for the development of social capital of territorial communities of Ukraine of appropriate quality in wartime and post-war conditions.

Meanwhile, Ukraine has virtually no experience of rational use of the social capital of territorial communities in management practice at all levels of government and its scientific regulation based on forecast data. This fact does not contribute to the effectiveness of public administration, which is intended to correct the imbalances in the economic system between regions and in the vital activity indicators of displaced persons during the war and post-war periods. In the scientific doctrine, this issue is actively researched by scientists, which allows it to be revealed from different angles. In particular, V.P. Onishchenko (2023) established that the process of forecasting transformations of social capital is based on the scenario method. He concluded that it consists of realistic, optimistic and pessimistic forecasts. At the same time, he did not make an independent forecast of the development of social capital in modern Ukraine.

M. Suslov (2023) noted that in the conditions of military operations, the development of social capital of territorial communities is characterized by changes in the pro-social behaviour of civil society, for example, a decrease in

the level of social tension, as well as an increase in trust in society. At the same time, the researcher neglected the question of the development of this institute in the post-war period. According to I.I. Chernega *et al.* (2023), the dynamics of the return of citizens to their places of residence depends on a number of factors. Among them, she cited that the degree of damage to the shipping and production infrastructure, as well as the activity of the business sector. In this case, she did not reveal the role of the communities' financial capacity, as well as the existence of safe living conditions in them. B. Shevchenko & G. Lyulka (2023), in turn, described the risks faced by the processes of social capital development in territorial communities. They concluded that the main problem of the rear regions is the outflow of qualified human resources with a high level of social capital abroad. At the same time, they did not investigate the threats to the development of social capital facing the territories where hostilities are taking place.

The purpose of this article was to analyse how the development of social capital within territorial communities in Ukraine influences local economic growth and entrepreneurial activity, with a focus on specific examples from various regions.

Materials and Methods

The determination and substantiation of the key aspects of solving the voiced research problem in the Ukrainian realities was facilitated, in particular, by the requirements of the Ukrainian legislation on the principles of local self-government (Law of Ukraine No. 280/97, 1997). In this context, it was necessary to add the materials of studies of social capital of communities at different stages of their development by Ukrainian researchers, in particular: the principles of social capital development in Ukraine (Zaiats & Kraievska, 2020); patterns of social capital formation in Ukraine (Zvonar *et al.*, 2022); the scale and consequences of forced migration of the population of Ukraine as a result of the armed aggression of the Russian Federation (Libanova *et al.*, 2022); social capital as a catalyst for community development in the context of its resource (human capital) and institutional components (system of social institutions and social norms) (Revko, 2019); the importance of social capital in the organization of local self-government and social capital from the standpoint of public administration and the relationship of the state with the holders of social capital (Lesechko & Sydorchuk, 2008).

In the research of the theoretical and methodological foundations of the social capital of territorial communities, both general scientific and special methods and approaches were used. The systemic and dialectical analysis allowed for a comprehensive study of the systemic nature of the development of social capital of territorial communities; the formal logical method helped to determine the impact of key factors on this process, and the analysis and synthesis – the peculiarities of their influence. The foreign experience of developing the capital of territorial communities was studied using the method of generalization.

The methods of induction, deduction and forecasting were used to determine and substantiate the directions of improvement of the state policy on the development of social capital of territorial communities in the current conditions of Ukraine, and the methods of systemic and dialectical analysis, synthesis, generalization, forecasting, formal and logical method contributed to solving a number of problematic aspects of improving the system of public administration of Ukraine, in general, and local self-government, in particular, in the context of using the results of successful foreign experience in the development of social capital. In particular, the theoretical analysis of the definition of the category “social capital of a territorial community” is based on the principle of interaction of individuals and social groups in social networks. Forecasting of changes in social capital was carried out using a systematic approach, methods of abstraction, generalization, comparison, expert assessments, and a scenario approach to forecasting. The research is based on the hypothesis of a causal relationship between changes in the social capital of a territorial community and its development in the war-time and post-war periods. The main indicators of the forecast include the scale of volunteerism, charity, trust, social conflicts and tensions, assistance to citizens affected by the war and the Armed Forces of Ukraine.

Results

The experience of European countries shows that territorial communities develop significantly under public administration, when the state plays the role of one of its key actors in the process of achieving certain strategic goals. A similar situation exists in Ukraine, where territorial communities also strive for continuous development and achievement of goals aimed at improving the quality of life of community members, which naturally require the implementation of appropriate public policy. Moreover, the key lever of governance is the social capital of the community, which simultaneously carries the content of one of the factors of public governance, the process of its implementation, and the result of the development of the territorial community.

The analysis of all well-known definitions of the category “social capital of a territorial community” indicates the dominance of the effect of social networks and common norms of interaction, which gives grounds to define it as the ability of people to form a team of like-minded people focused on achieving a common goal, subject to the subordination of their own interests to the interests of the territorial community on the basis of the accepted set of norms and values of social relations, which guarantees mutual trust and understanding. The formation of new enterprises is contingent upon the existence of robust social networks within communities. These networks facilitate the sharing of information and resources, which is essential for aspiring entrepreneurs. By leveraging these connections, individuals can access financial support, market information, and other vital resources necessary for launching and sustaining small and medium-sized enterprises (Zvonar *et al.*, 2022).

As international experience has shown, structural and cognitive factors are crucial for the development of social capital in a territorial community. The structural factor is determined by the level of interconnections between community members who create social networks. The peculiarity of such social networks is their ability to enhance community development through the intensive dissemination of various flows of information, ideas, products and services among the population. In addition, close relationships between community members contribute to the formation of a sense of common goals, commitment to a common cause, mutual trust and value-based norms of interaction.

In such circumstances, one of the priorities of the state policy on the development of territorial communities in Ukraine is to promote the formation of fruitful social capital of communities by ensuring the ability of individuals, associations and organizations in a certain territory to engage in public-private partnerships to successfully achieve the defined goals of community life (Sokil et al., 2020). Furthermore, the establishment of trust and the development of robust relationships within the community facilitate access to a range of resources, including financial support, business networks and market information. These elements are of vital importance for the survival and growth of small and medium-sized enterprises, as local entrepreneurs frequently depend on the community's collective knowledge and assistance in order to overcome financial and operational challenges. Ultimately, such a state policy contributes to the development of key features of civil society among the population of a territorial community. A sufficiently high level of social capital development, as well as personal leadership abilities of individuals, which can provide them with the status of an "authorized representative" of the community or a local government official, characterize such a society (Dobroskok et al., 2019). However, experts highlight the ability of "state and legal institutions to influence both all components of social capital and civil society institutions. In addition, civil society institutions and state-legal institutions are two opposites in the development of the institutional environment of social capital, between which it is crucial to establish an optimal balance" (Yermakova, 2016; Revko, 2019).

Based on all of the mentioned above, it can be concluded that the development of social capital of a territorial community in the practice of local self-government should be ensured by the following factors: activation of community members and provision of systemic tools for managing their life activities; clear definition of the complex of available local resources and stakeholders; continuous training of local community leaders; intensive formation of specialized social networks both within and outside the community. Although there is a scientific opinion that the list of factors for the development of a territorial community's own social capital depends "solely on the mission of the community itself and its characteristics" (Haiduchenko, 2022), when groups of favourable factors that ensure the formation of a "territorial community profile" with the following evaluative characteristics are considered strategically important:

- social, economic, resource, geographical, political;
- the level of public participation in local government, social and public-private partnerships;
- level of development of social networks of communication between the population of the territorial community and neighbouring communities in the context of their co-operation;
- the level of competence, flexibility and adaptability, relationships of trust, understanding, sincerity of local self-government managers.

Specific examples from Ukrainian territorial communities illustrate the influence of social capital development on local economic growth. In regions such as Lviv and Vinnytsia, where robust social networks and elevated levels of trust are observed, the number of new enterprises has notably increased, thereby enhancing local employment rates. The advancement of public-private partnerships and the fostering of collaboration between local authorities and community members have also contributed to the advancement of economic recovery. In contrast, communities in regions such as Donetsk and Luhansk, which have been affected by war and displacement, have encountered greater difficulties in rebuilding social capital, which has resulted in a slower economic recovery. The absence of trust and the deterioration of social networks have constrained their capacity to mobilise resources for economic development (Zaiats & Kraievska, 2020).

The "profile of a territorial community" with a high level of social capital is characterized by the following characteristics regarding the rights and opportunities of community members:

- participation in making joint vital decisions;
- real influence on the internal and external conditions of the community's life;
- the ability to implement their own vision of strategic development of the community through the joint interaction of residents in the development and implementation of the relevant strategic plan;
- motivation to represent the community through consensus among its population.

A comparison of regions with varying levels of social capital serves to further illustrate the economic disparities that exist. In communities with high social capital, such as those in Lviv, Ivano-Frankivsk, and Khmelnytskyi, economic indicators such as employment rates and the number of active small and medium-sized enterprises are notably higher. These regions have effectively utilised their social capital to attract investment, generate employment opportunities and encourage entrepreneurial activity. Conversely, regions exhibiting lower levels of social capital, particularly those situated in proximity to conflict zones or characterised by elevated levels of displacement, such as Zaporizhzhia and Kherson, evince diminished business activity, weaker economic growth, and elevated unemployment rates. This stark contrast serves to illustrate the pivotal role that social capital plays in influencing economic resilience and recovery (Lesechko & Sydorchuk, 2008).

The process of developing the social capital of a territorial community is a set of formalized actions that are not always final and consistent due to the nature of human existence (Gavkalova & Kyrychenko, 2023). Therefore, the following set of basic measures for the development of social capital of a territorial community may be quite acceptable:

- defining the participants, mission and tasks of the organizational structure, which helps to focus on achieving the set goals and helps to prevent various development threats;
- collecting and analysing information, including SWOT analysis, on the internal and external environment of the community, in particular, on the quality of work of authorities and self-governing structures, infrastructure, labour force, employment rate; on income, population size and density, community boundaries;
- formulation of a vision of the desired state of the community's social capital in the future (in 5-10 years) and a strategic plan for achieving this vision based on the results of the analysis of the collected information, covering several goals, the achievement of which is conditioned by certain terms, resources and results, controlled by responsible and motivated executors with the publication of the results in the media;
- creation of a team up to 5 people from individuals capable of performing management functions for the

implementation of the strategic plan and reporting to other members of the organizational group responsible for monitoring, controlling and adjusting the plan;

- improving the implementation of the plan through adjustments to identify additional objectives in the context of their clear formulation, reduction of time and availability of necessary resources for implementation, absence of implementation risk, unanimous support of the organizational group members;
- assessment of outputs and outcomes to ensure periodic evaluation of the entire plan, including review of each additional objective, which contributes to the timely and successful implementation of planned activities and the achievement of all goals.

The listed measures constitute a certain algorithm for the development of social capital of a territorial community, as presented in Figure 1. It is important to emphasize that the development of social capital of the territorial community population is based on the personal value of each active community member and the high probability of their voice being taken into account in the decision-making process of local authorities; on their personal potential for usefulness in terms of providing resources, responsibility for the results of joint activities and full awareness as a result of communications in social networks.

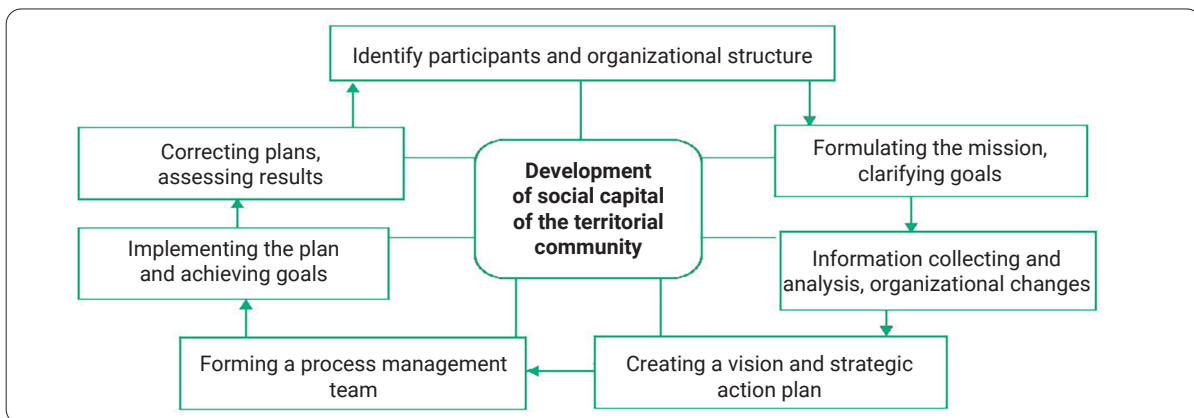


Figure 1. Algorithm for the development of social capital of a territorial community

Source: compiled by the authors on the basis of material by S.A. Haiduchenko (2022)

Everything discussed above gives grounds for identifying the following key areas of state policy on the development of social capital of territorial communities in the process of their development (Haiduchenko, 2022):

- improving legislation to ensure the actual participation of citizens in the management of local affairs;
- development and implementation of state training Programmes for civic leaders and local government officials on the development of territorial communities in the context of successful European experience;
- creation of platforms at the state level for discussing problematic issues and experience in solving them, as well as coordination of joint Programmes and projects between different territorial communities;

• continuous improvement of the system of monitoring and evaluation of the development of territorial communities and their social capital;

- continuous improvement of legislation and state policy on systemic support for the formation of civil society.

The final direction of the state policy on systemic support for the formation of civil society in Ukraine from the standpoint of the development of social capital of territorial communities is quite complex, time-consuming and controversial due to the objective need to form the population's value orientations in accordance with the challenges of the coming information civilization and taking into account the historical features of the system of spiritual values inherent in the Ukrainian people.

The peculiarities of social capital formation in the context of martial law in the country, which carry the risks of destabilizing war pressure and a significant reduction in the capacity of the public administration system to provide constitutional guarantees to society, are also the subject of professional discussion. In this case, the determining factor is the strengthening of the social capital of territorial communities in terms of consolidating their population around the goal of ensuring not only the territorial integrity of Ukraine, but also the final identification of its population with the national idea of unity in all spheres of life based on the historical experience of the struggle for independence, including territorial values in a situation of threat to life (Mykhailichenko *et al.*, 2024).

In particular, experts consider forecasts of the transformation of the social capital of territorial communities under optimistic, pessimistic and realistic scenarios of the development of military operations (Dyakonenko, 2023). The optimistic scenario provides for a positive impact on the development of the social capital of territorial communities through the stabilization of their livelihoods and the increase in their financial capacity, which will strengthen the sense of social protection among the population of communities and reduce economic anxiety. Therefore, it is only natural that volunteerism, charity, trust in military authorities and leaders, community cohesion, entrepreneurship, repair of damaged housing, infrastructure and production facilities, citizen participation in solving problematic issues of community life will increase.

The pessimistic scenario of military operations does not exclude their “freezing” within the currently occupied territories, which could ensure that the occupiers prepare for a repeated large-scale massive offensive and the seizure of new territories. Under such conditions, the transformation of the social capital of territorial communities may be affected by a decrease in the level of trust in the authorities and neighbours, as well as the activity of the progressive public. In addition to such opposing options for the development of hostilities, we should expect a more realistic option for the complete liberation of Ukrainian territories from the occupiers in 2023-2024. This option will contribute to the revival of Ukraine, restoration of the damaged housing stock and infrastructure, as well as the construction of new housing and infrastructure facilities before and during the return of the evacuated population to their places of permanent residence.

In these circumstances, researchers predict “significant positive changes in the social capital of territorial communities with a unifying effect, which will manifest itself in a reduction in social conflicts and tensions; increased trust among the population and assistance to war-affected residents; prevention of looting” (Dyakonenko, 2023). Characteristically, such manifestations dominate mainly within the community and, to a lesser extent, outside it, as proven by theoretical and statistical studies. In particular, medical scientists attest to the fact that a substance is generated in the human body under the threat of death, which

“makes a person identify with his or her community and community values” (Bauer *et al.*, 2012), and sociological researchers point to statistics during the war in Nepal that “demonstrate greater in-group social capital and less out-group social capital” (Gilligan *et al.*, 2014). However, they will continue to feel the effects of the war for a long time to come in the context of lower levels of trust and happiness; fear of losing their families and homes; and a biased and even hostile attitude towards citizens of the aggressor country who support the war. The latter factor in this psychological state of Ukrainians is substantiated by the results of a survey conducted by the Rating Sociological Group, as of October 2022, 81% of the Ukrainian population had a “cold” attitude towards Russians, and 93% had a “definitely hostile” attitude (excluding residents of the temporarily occupied territories).

The most problematic factor that hinders the development of civil society and its unifying social capital in such territories may be the unwillingness of some pro-Russian community residents who remained under occupation and were influenced by anti-Ukrainian propaganda to cooperate with the Ukrainian authorities (Sokolska *et al.*, 2021). The most publicly discussed issue of exposing such propaganda should be a fairly broad set of its mechanisms, namely:

- distortion and substitution of facts;
- Russian language as an open hostility;
- provoking emotional perception of information;
- public support for pro-Russian managers in all spheres of life, political figures, public, political and religious organizations (Libanova *et al.*, 2022).

The most publicly discussed issue of exposing such propaganda should be a fairly broad set of its mechanisms, namely:

A specific problematic issue for the Security Service of Ukraine and the Ministry of Internal Affairs of Ukraine is ensuring national security in the face of rejection of national values of life after the liberation of their community by persons liable for military service and employees of law enforcement agencies. They are likely to take a passive stance of rejection or, on the contrary, provoke processes in the community that destabilize its life (Aghajanian, 2016). The most realistic scenario of hostilities in Ukraine is that the population of territorial communities in the border areas and close to the line of contact with the enemy will suffer from the constant threat of an aggressor’s offensive and its regular shelling, as they serve as the first line of logistical support for the Armed Forces of Ukraine. In such circumstances, it is extremely important for the development of the social capital of this group of communities to establish its social ties and relations with all institutions of civil society and public administration; a high level of trust in the charitable and volunteer movement, clearly coordinated with the activities of executive authorities in the context of partnership cooperation; increasing the level of mutual assistance and assistance to community residents who have lost their homes, loved ones, and financial sources of livelihood (Spytska, 2024).

This was confirmed by experts who identified Kharkiv, Dnipro, Odesa as the most active regions, with a high level of civic engagement in supporting the life and assistance to

the Armed Forces of Ukraine, although at the same time, in Mykolaiv, Kherson, Sumy, Chernihiv regions, the social movement was weak and ineffective due to high risks to life and the overwhelming trust of community residents in informal non-governmental organizations in joint actions to help the army and victims in the war. Therefore, it is quite likely that in these areas in the post-war period, there may be a rather low probability of building the necessary level of social potential due to factors such as insufficient coherence of interaction between the population and its significant social stratification; high migration risks (low financial security, educational indicators of citizens, the number of young residents) (Dyakonenko, 2023).

In the most realistic scenario, in wartime and post-war times, in the territorial communities of Ukraine, which are called the deep rear, due to their considerable distance from the combat zone, the trends in the formation of social capital are determined by the scale of refugee reception and business activity, as well as the ability of the authorities to effectively manage these processes. Where the conditions for business relocation are favourable, the community effectively uses its positive social potential, which can deter people from returning to their places of permanent residence. Conversely, under unfavourable conditions, there may be an outflow of highly skilled human resources and social capital to neighbouring European countries, but those who remain will seek to invest in these areas and cooperate with local authorities and self-governing organizations to further improve their living conditions. As a result, such territorial communities will have a significant increase in social capital and all the conditions for further development (Law of Ukraine No. 280/97, 1997).

But it is quite natural that the most desirable scenario is an optimistic one, when the hostilities end with the victory of the Armed Forces of Ukraine in the struggle to liberate its territories from the occupiers. Accordingly, it can be expected that in the post-war period, the authorities will be able to ensure the restoration of decent living conditions for the population of territorial communities, especially those most affected by the war (Shtal *et al.*, 2019). The pace of refugees' return to their places of permanent residence will depend on this, mainly due to the extent of damage to housing, infrastructure and production facilities, the level of state resource provision to communities and the intensity of recovery processes. Added to this are well-established social networks of communication between territorial communities, which will facilitate partnerships and assistance with wealthier and more successful neighbouring communities. All of this together will only contribute to the growth of positive social capital in Ukraine's territorial communities.

A pessimistic scenario of hostilities in Ukraine is completely unacceptable, as it could lead to a delay in the end of the war with all the negative consequences that threatens to further reduce the population of communities and, as a result, the level of their social capital. The main factors are the growth of migration due to the low capacity of the state to protect the population and its decent living standards; the

spread of bribery, corruption, unemployment, and shadow employment, which together contribute to the development of social capital in territorial communities with negative characteristics. Therefore, the challenge of our time and the subject of discussions in governmental structures, as well as discussions among the progressive public, is to intensify Ukraine's international policy in order to obtain comprehensive assistance, which is essential for a speedy victorious end to the war in the context of establishing its sovereignty and security of its European neighbours, as well as guarantees of Ukraine's security in the post-war period. In addition to this, the actual regulation by the public administration system of the development of social capital of territorial communities should be added.

Discussion

The problem of the development of social capital of territorial communities is actively studied not only by Ukrainian researchers, but is also widespread in foreign scientific doctrine. The direct impact of social capital on entrepreneurial outcomes is clearly demonstrated in a number of case studies from Ukrainian territorial communities. To illustrate, in the Lviv region, the advancement of robust community networks has resulted in the establishment of new small businesses, even amidst the prevailing conflict. The aforementioned entrepreneurs have benefited from the trust and cooperation within their communities, which has facilitated access to financial resources, shared business knowledge and fostered local consumer loyalty. These networks have been instrumental in surmounting the obstacles posed by the war, particularly in regions with a considerable displaced population.

Accordingly, scientists analyse the conditions for the implementation of this process, as well as the factors affecting its effectiveness. In particular, M. Rezaei *et al.* (2020) believed that a high-quality institutional foundation plays an important role in the process of social capital development. It should be noted that this condition was also noted in the results of this study. They established that the state, as well as local authorities, should ensure this process, both by stimulating interaction between community representatives and by forming external relations. This is common between both studies, which emphasized the priority of preserving social infrastructure in rural territorial communities, such as post offices, railway stations, bank branches. The researchers believed that an effective approach is the development of state programs aimed at involving local stakeholders in the improvement of territorial communities. As a result of this, local action groups are formed, which correspond to the development and implementation of various development strategies. This approach was also mentioned in the results of this study. In this case, both works share a description of the principles on the basis of which programs for the development of the social capital of territorial communities should be developed. Among them, a local approach; interaction; vertical relations "bottom up"; involvement of community members in management; innovativeness;

cooperation. In addition, there is a common conclusion about the structure of such programs, which should consist of local action groups; effective development strategies; specifically, defined areas of application of the program.

Community networks have been instrumental in assisting displaced populations in the reconstruction of their lives, offering both emotional and practical assistance. In regions such as Ivano-Frankivsk and Khmelnytsky, where local networks have been particularly robust, communities have collaborated to create opportunities for displaced entrepreneurs. These include the provision of resources such as temporary workspaces, access to local markets and financial support through community-driven crowdfunding initiatives. Such a collective response serves not only to mitigate the economic impact of displacement but also to reinforce the social fabric of these regions, thereby facilitating a more rapid recovery from the economic disruptions caused by the war (Berdar *et al.*, 2024).

During the study of the specifics of the development of the social capital of territorial communities, special attention should be paid to the risks arising in this process. This position is taken by I. Saz-Gil *et al.* (2021), who's in their work highlighted various problems that arise during the formation and provision of social capital. This study also emphasized the priority of studying risks and emphasized the expediency of overcoming them. First of all, the researchers revealed the problem of social exclusion of community representatives who do not agree to accept local social norms. In addition, they singled out the risk of developing xenophobia, as well as intolerance to the new in society. Thus, the work has in common the identification of the uneven involvement of different social groups as an important problem that negatively affects the development of social capital. Based on this, it can be noted that the main advantage of the effective implementation of this process is the opportunity to ensure the development of informal relationships between representatives of various social groups, as well as members of the territorial community. The common conclusion is that the development of social capital allows revealing the mental characteristics of citizens, peculiarities in their behaviour and approaches to community management. It is imperative to recognise the pivotal role of social capital in post-war recovery. Communities with higher levels of trust and cooperation, as evidenced in the western regions of Ukraine, have demonstrated resilience in the face of economic challenges brought on by the conflict. The capacity of these communities to mobilise resources and provide support for entrepreneurial activities serves to illustrate the pivotal role that social capital plays in fostering long-term economic stability. In contrast, regions exhibiting diminished social capital, such as those situated in proximity to conflict zones, have encountered significant challenges in their economic recovery. This underscores the imperative for targeted initiatives aimed at restoring social cohesion and trust in these regions.

The analysis and selection of approaches to increase the efficiency of the social capital development process in

various territorial communities presupposes a primary study of social values, as well as social norms. According to R. Musavengane & R. Kloppers (2020), this stage is mandatory during the formation of programs to ensure the above-mentioned process. This approach coincides with what was revealed in this study, as it allows to determine the conditions under which the development of social capital occurs in specific territorial communities. First of all, the researchers emphasized the priority of the family and the closest social environment for representatives of different communities. In addition, he pointed to the low degree of involvement of citizens in public life, in particular outside the boundaries of their own family. Common between the works is the identification of such a condition as the average level of social trust. In this case, the level of trust manifested in different subjects was investigated, and it was also established that the greatest trust is in the members of one's family. The researchers also emphasized the close connection of community members with their neighbours, which positively affects the development of the social capital of territorial communities. The common conclusion is that a high level of trust is also reflected in the relations of citizens with religious organizations. Accordingly, the disclosed relationships reflect the specifics of the development and consolidation of social capital in various territorial communities.

One of the components of the qualitative process of social capital development is the interaction between community members and the authorities (Hysi *et al.*, 2024). This issue was analysed in his research by W. Mandrysz (2020), who established that it is advisable to consider the involvement of residents as a two-way process, which involves both taking into account their interests during the selection of approaches to the development of the territory, and their activation. This was also mentioned in this study, namely, the specifics of the implementation of measures aimed at involving community members in its development were described. What is common between the works is the identification of the principles based on which the implementation of this process should take place. Among them, goal setting; participation limits; equal access; tolerance; as well as feedback. At the same time, the researcher also paid attention to promising methods for involving local self-government bodies of community members in joint management activities. He singled out the method of informing as one that involves providing citizens with access to up-to-date and objective information, which leads to conveying to the public the essence of a social problem. Such an approach was also mentioned within the framework of this study; accordingly, it was emphasized that informing all layers of the territorial community contributes to increasing their awareness in the sphere of public life. Common among the studies is the conclusion that informing citizens about the state of development of social capital can be carried out using various communication channels, in particular official websites, blogs, and social networks.

F. Chen *et al.* (2023) also paid attention to ways of increasing the effectiveness of cooperation of community

members with local self-government bodies, while revealing the essence of the method of consultation and interaction. They established that the consultation process should provide management bodies with the opportunity to receive feedback from citizens regarding a specific problem in the community. This study also analysed various forms of consulting community members in the process of developing social capital. The researchers indicated that an effective approach to the implementation of counselling is the diversification of interaction methods. For example, they suggested organizing long-term consultations for those subjects who show the greatest interest in the relevant public issue. Within this work, various consulting methods were also revealed, including surveys, public hearings, community-based educational programs and advisory groups. Thus, the conclusion about the expediency of organizing the interaction of local self-government bodies with citizens through consultations is common among the studies. The works described the advantages of this approach and determined its impact on the dynamics of social capital development.

M. Igalla *et al.* (2020) revealed them in their research, in particular, they pointed to the development and consolidation of stable relationships between local authorities, residents, as well as other interested entities in the community. Within the framework of this study, it was also emphasized that the development of social capital provokes an increase in the self-government body's awareness of the needs, interests, and wishes of various members of the community, as well as representatives of social groups. Accordingly, the common position is that with the help of strengthening ties between different parts of the community, the legitimacy of local authorities is increased, and the level of non-acceptance of various management decisions by citizens' decreases.

Based on the above, it can be established that the positions of various researchers regarding the organization of qualitative interaction between the community and the governing bodies coincide. This is explained by the fact that this indicator affects not only the development of individual social groups, but also the community as a whole. Taking this into account, it is worth noting that the successful development of the social capital of the territorial community is impossible without ensuring effective cooperation and the development of trusting relations between its various parties.

Conclusions

The advancement of social capital within territorial communities is of paramount importance for the stimulation of local economic recovery and entrepreneurial success, particularly in light of the challenges currently facing Ukraine. Social capital, defined as the networks of relationships, trust, and norms within communities, provides the foundation for individuals and groups to collaborate toward shared goals. This collective endeavour, based on mutual trust, serves as the bedrock for local economic resilience. It can be observed that communities with robust social capital are better positioned to withstand economic disruptions resulting from conflict and displacement. They are better

equipped to rebuild and encourage entrepreneurship by leveraging these connections. The experience of countries that have achieved successful outcomes demonstrates that social capital with positive features should be a principal instrument in the management of local development. The presence of social capital has been demonstrated to have a positive impact on economic outcomes, as well as on the quality of community governance and the level of civic participation. The principles of shared interest in solving common problems, transparency, and diverse forms of public participation create an environment in which community members contribute to social and economic initiatives, thereby driving local development.

The research findings in Ukraine reveal considerable regional disparities in social capital, which exert a pronounced influence on economic outcomes. For instance, in localities with robust social networks, such as those in Lviv and Vinnytsia, regional economic growth has been more pronounced, with elevated rates of job creation and entrepreneurial activity. These regions have utilised their social capital to attract investment, provide support for small and medium-sized enterprises, and foster civic engagement, which serves to enhance economic resilience. In contrast, regions such as Donetsk and Luhansk, which have experienced the erosion of social capital as a consequence of armed conflict and population displacement, are confronted with more significant obstacles in the reconstruction of their social structures and economies. In these regions, the weakening of social networks and a lack of trust have constituted significant obstacles to recovery, thereby limiting opportunities for entrepreneurship and economic growth. This contrast serves to illustrate the pivotal role that social capital plays in determining the resilience of territorial communities.

The prospective evolution of social capital in Ukraine is contingent upon the capacity of the state to guarantee security and provide conducive living conditions, thereby facilitating the reconstruction of more robust networks and the enhancement of trust among residents. In an optimistic scenario, state support for community initiatives, in conjunction with the restoration of infrastructure, will result in favourable outcomes for the development of social capital, thereby creating an environment conducive to entrepreneurship and local growth. Nevertheless, should the deterioration of social capital persist due to the prolongation of conflict, communities may encounter difficulties in their economic recovery. A weakening of social bonds may result in an increase in migration, unemployment and a reduction in civic engagement, which could further impede local recovery efforts. It is therefore recommended that policies aimed at rebuilding social capital should prioritise the restoration of trust, access to resources and inclusive civic participation in the context of post-war recovery.

Social capital will undoubtedly be a pivotal factor in Ukraine's post-war recovery. The restoration of robust social networks and the fostering of trust will facilitate the restoration of livelihoods, the creation of new

enterprises, and the promotion of long-term economic growth. It is imperative that further research be conducted into the rebuilding of social capital in areas affected by war, in order to ensure the success of Ukraine's recovery and its future stability.

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Conflict of Interest

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Особливості розвитку соціального капіталу територіальних громад в сучасній Україні

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Анотація. Актуальність дослідження зумовлена необхідністю вивчення впливу розвитку соціального капіталу в територіальних громадах України на місцеве економічне зростання та підприємницьку активність, особливо в умовах післявоєнної відбудови. Метою цієї статті є дослідження впливу розвитку соціального капіталу територіальних громад в Україні на місцеве економічне зростання та підприємницьку активність. Для цього в статті представлено низку тематичних досліджень, проведених у різних регіонах. У дослідженні використано методи системно-діалектичного аналізу, формально-логічний, синтезу, узагальнення, індукції, дедукції, прогнозування. У результаті було узагальнено сутність категорії “соціальний капітал територіальної громади”, розкрито основні теоретичні та практичні аспекти розвитку такого капіталу громади. В результаті було встановлено, що теоретичні засади розвитку соціального капіталу територіальних громад здебільшого орієнтовані на їх системне та комплексне використання в режимі безперервного вдосконалення в умовах воєнного та післявоєнного стану України. Також в ході дослідження визначено принципи життєдіяльності територіальної громади з відповідним рівнем соціального капіталу, який домінує в межах громади та визначає ідентифікацію мешканців з громадою та її цінностями у відкритому та вільному суспільстві, особливо в ситуаціях, що загрожують життю. Отримані в статті результати доцільно використовувати для розробки програм розвитку соціального капіталу територіальних громад під час воєнних дій в Україні та у післявоєнний період

Ключові слова: державне управління; місцеве самоврядування; соціальні норми і цінності; соціальні мережі; сценарії розвитку