

## Community social mobilization as a factor of economic development

### Annotation

N. Grazhevskaya, Y. Petrushenko, N. Kostyuchenko  
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*The research is devoted to the identification of the reserves of rural economic development which can be activated through social mobilization of local communities. Based on the analysis of the UNDP and European Union project "Community-based Approach to Local Development" effective ways to stimulate the development of rural communities in Ukraine are found out.*

*Keywords: communities, social mobilization, social capital, economic development.*

### Анотація

Н. Гражевська, Ю. Петрушенко, Н. Костюченко  
Соціальна мобілізація місцевих громад як фактор економічного розвитку

*Дослідження присвячене виявленню резервів економічного розвитку сільських територій в Україні, які можуть бути активізовані в ході соціальної мобілізації місцевих громад. На основі аналізу результатів проекту Програми розвитку ООН та Європейського Союзу «Місцевий розвиток, орієнтований на громаду» виділені ефективні напрями стимулювання процесів розвитку сільських громад в Україні.*

*Ключові слова: місцеві спільноти, соціальна мобілізація, соціальний капітал, економічний розвиток.*

### Аннотация

Н. Гражевская, Ю. Петрушенко, Н. Костюченко  
Социальная мобилизация местных сообществ как фактор экономического развития

*Исследование посвящено выявлению резервов экономического развития сельских территорий в Украине, которые могут быть активизированы в ходе социальной мобилизации местных сообществ. На основе анализа результатов проекта Программы развития ООН и Европейского Союза «Местное развитие, ориентированное на сообщество» выделены эффективные направления стимулирования процессов развития сельских общин в Украине.*

*Ключевые слова: местные сообщества, социальная мобилизация, социальный капитал, экономическое развитие.*

Nowadays an agricultural sector in Ukraine is strongly depressed. The quality of life is very low in rural areas. According to recent public opinion polls, more than 50 percent of rural residents consider themselves to be poor. The number of rural residents decreased by 2,5 millions over 20 years of independence. During that time 348 villages have disappeared from the map of Ukraine.

Along with economic problems the social ones arose. The rural residents who live within a single area do not constitute the community in fact. They do not have common goals and values. And therefore the community members cannot use common resources effectively despite the fact that there are quite a lot of these resources (social infrastructure, common roads, land, water and so on). All this leads to further degradation of the villages [18].

Under these conditions, the search for effective economic and organizational mechanisms which could strengthen social capital of rural communities and favour its realization is extremely important.

Over the years of independence of Ukraine, the state economic and social policy in agricultural sphere has not established the prerequisites for enabling rural communities to solve the local level development problems on their own. The level of paternalism of rural communities is extremely high.

Trying to support the development of rural areas by means of administrative methods and micromanagement, the state has overregulated agricultural sector completely. As a result, the development of farm enterprises does not take place. Small and medium-sized businesses do not exist practically.

The Ukrainian government found out the fact that there is the need to develop the institutions of civil society (particularly NGOs) and to encourage the rural residents to unite to solve problems they can not solve alone rather late. The first concept of facilitation of civil society development supported by the executive power has been approved by the Decree of the Cabinet of Ministers of Ukraine № 1035-r dated 21.11.2007. But it has not led to any visible results practically. The decree of the President of Ukraine № 212/2012 dated 24.03.2012 "On the state policy strategy of facilitation of civil society development in Ukraine and priority measures for its implementation" was its successor. According to the decree, by the end of 2012 the regional programs of facilitation of civil society development have had to be developed and approved in all regions of Ukraine.

An alternative public policy of the local community intensification for their lives problem resolution is to assist non-government development programs which presume economic cooperation and social mobilization of the community members. The United Nations Development Programme is currently implementing one of the most comprehensive and systematic project in the area of economic cooperation and social mobilization called "Community Based Approach to Local Development" in Ukraine (hereinafter referred to as the CBA project).

The CBA project is funded by the European Union and is co-financed and implemented by UNDP in Ukraine under the support of Ukrainian government. The CBA project aims to stimulate sustainable social and economic development by facilitating initiatives of community members and authorities in prioritization and solution of local level problems. The community members have to self-organize themselves in order to establish community organizations, to design and to implement micro public goods projects with organizational and financial support from the UNDP and the local authorities.

The project is one of the most large-scales projects of economic cooperation and social mobilization of the rural community members in the history of Ukrainian independence. The project operated throughout Ukraine. The districts and the village councils were selected for the CBA project based on selection criteria. Certain score was assigned by the projects experts to each village council which applied for the CBA project based on these selection criteria. The village councils from each selected district were ranked based on the obtained score. Those above the threshold were selected to participate in the program.

The project provides small grant to community organizations to implement their priorities on a self-help basis and within the framework of public-private partnership. Whereby each partner shares a portion of the development cost. The established mechanism is that half of the budget must be financed with contributions of local community members (not less than 5%), the private sector, and the central and local budgets while the Project will contribute up to remaining half of the cost. The community takes responsibility to maintain the resulting output and reap benefit from it on a sustained basis with support from the local authorities. The mechanism of financing can be considered as one of important mechanisms which could motivate the community members to self-organization, initiative work and fruitful cooperation with the authorities.

The first phase of the CBA project lasted in Ukraine from December 2007 till June 2011. During this period the project has helped over 1000 Ukrainian communities in improving their living condition through collective actions and partnership with local authorities to realize community initiatives such as health, environment, energy, water management, and the local transport.

In total 1303 micro projects were implemented by the community organizations. The communities were choosing the priorities for the community development through the voting process during the common meeting. The budget of the first phase of the project was EUR 13.5 million that was approximately 0,002% of Ukrainian GDP for 2007 [16].

The effects of the CBA project on social and economic indicators of the community development and social capital characteristics are the object of our research.

The practice of a community based approach, which encourages economic cooperation and social mobilization, its importance, and its beneficial outcomes have been widely discussed in the literature: Dongier P., Domelen J. V., Ostrom E., Ryan A., Wakeman W., Bebbington A., Polski M. [4], Hardin G. [6], Mansuri G., Rao V. [8], Olson M. [11], Tanaka S., Singh J., Songco D., Maclean J. [1], etc.

American researcher, Nobel Laureate Ostrom E. in her book "Governing the Commons: The Evolution of Institutions for Collective Action" [13] proved the ability of society to solve the problem of using collective resources more effectively than if these resources were privately owned or state-controlled.

Dongier P. et al. [4] define the key reasons why community-driven development should form the base for any strategy of local development, which would lead to the social and economic success of communities. The first reason is that the community-driven development involves different sectors of the economy – community based organizations, government and non-government organizations, and the private sector. The market alone cannot provide a sufficient amount of the inelastic goods, and the community-driven development allows for an efficient complementarity of the private and public sectors in public goods provision. The second reason is that the community-driven development promotes the sustainability of development. The authors also state that the community-driven development improves the cost efficiency of services and increases the efficiency of assets usage in such sectors as infrastructure, education, micro finance, and natural resource management. This approach empowers and gives a voice in determining development priorities to such groups which usually are excluded from the development process.

Walker I., Cid R., Ordonez F. and Rodriguez F. [5] investigated the impact of the program aimed to improve living conditions of marginal social groups through financial and organizational support of infrastructural subprojects realization on social capital characteristics.

Studying the community-driven approach, Harrison L. and Huntington S. [7] analyzed an example of political strategy due to which corruption was overcome in Singapore.

Marcus A. and Fotini C. [9] investigated introduction of institutions of integration which increased interethnic cooperation and facilitated peace in post-conflict divided societies in Bosnia-Herzegovina.

Chase R. and Holmemo C. [3] have identified the positive impact of the Linking Arms against Poverty – Comprehensive and Integrated Delivery of Social Services (KALAH-CIDSS) project in the Philippines on household welfare, accessibility, and social capital.

Fearon J., Humphreys M. and Weinstein J. [2] have identified a positive impact of the community-based reconstruction program which was realized in Northern Liberia between 2006 and 2008 on the formation of local patterns of cooperation.

At the same time, the new line of research in this area is an attempt to identify the mechanisms by using which the potential of communities' social mobilization can be transformed into an increase of the economic results of its development.

The purpose of our research is to define effective mechanisms of the processes of social mobilization impact upon economic development of communities which took part in the CBA project.

The direct subject of our study is changes of economic indicators for rural communities in Sumy region which participated in the first phase of the project "Community Based Approach to Local Development". During the period of implementing of the first phase of the CBA project (2007-2010 years) 49 micro-projects in 33 communities for more than 8.7 million UAH were realized in 8 districts of Sumy region.

Despite the fact that the CBA project had a clearly defined infrastructural nature, we believe that its main achievement was social mobilization of community members, which lead to activation of "dormant" potential of collective action and the desire of people to help themselves.

That is why we decided to analyze the relationship between characteristics of social capital characteristics and social and economic indicators of community development. We used regression analysis for that purpose. Indicators of social capital characteristics were taken as independent variables and economic indicators were used as dependent ones.

The data on social capital characteristics were obtained as a result of the survey process implementation at the end of 2011 and the beginning of 2012 in both intervention and comparison communities. To measure the level of social capital

we used a questionnaire designed based on the Integrated Questionnaire for the Measurement of Social Capital worked out by the World Bank [10], The World Values Survey [12], The European Social Survey [15], and The Social Capital Question Bank [14]. The questionnaire was field tested and adapted to Ukrainian realities before implementation.

Economic indicators of communities development are available from the Conditioning of Sumy region villages conducted in 2011 [17].

However, many scientists agree that characteristics of social capital are inert. And there were no significant social shocks in 2011 (The first phase of the CBA project started in 2007. In most communities the first phase has already finished by 2011. During this period no special state programs for social development were implemented). So the difference in time for economic indicators and social capital characteristics can be considered negligible.

We examined the causal effect of social capital characteristics (Traditions of the community; Information and communication; Empowerment and political action; (Anti-) paternalism; Level of trust; Solidarity and inclusion; General norms; Collective action and cooperation; General characteristics of the community) on selected economic indicators of community development (Number of households, Number of people who left the village per capita, Number of people occupied at all sectors per capita, Number of people occupied out of the village per capita, Number of officially unemployed people per capita, Number of seats at schools and kindergartens per capita, Bus connection (the number of trips per day) per capita, Budget expenses per capita) in three different groups:

1. Treated communities (see Table 1).
2. Communities that applied for the first phase of the CBA project but were not selected to participate (see Table 2).
3. Communities that did not apply for participation in the program (see Table 3).

The results presented in the Tables 1, 2, and 3 indicate that the number of significant causal effects between social capital characteristics and economic indicators is the smallest in communities that did not apply for participation in the CBA project. The greater number of significant causal effects is seen in communities that applied for participation in the project but were not selected. The largest number of significant causal effects is seen in treated communities.

Collective action and cooperation, Solidarity and inclusion, and (Anti-)paternalism have the biggest effect on employment indicators. (Anti-)paternalism has a positive effect on employment for all the three groups of communities.

The impact of Collective action and cooperation and Solidarity and inclusion on the employment indicators is significant both for the first and second group of communities indicated above.

Negative significant causal effect is seen between unemployment indicator and Collective actions and cooperation for communities that participated in the first phase of the CBA project and also between unemployment indicator and (Anti-)paternalism for the same group of communities.

Table 1 Impact of social capital characteristics on economic indicators for the communities which participated in the first phase of the CBA

Characteristic of social capital	Economic indicators							
	Number of households	Number of people who left the village per capita	Number of people occupied at all sectors per capita	Number of people occupied out of the village per capita	Number of officially unemployed people per capita	Number of seats at schools and kindergartens per capita	Bus connection (the number of trips per day) per capita	Budget expenses per capita
The traditions of the community	13.903+	0.005	0.056+	-0.033	-0.026	-0.111	-0.001	58.566
Information and communication	210.873	-0.018	0.718	-0.119	0.206	0.074	0.002	-600.760
Empowerment and political action	-294.534*	-0.000	0.324	-0.242	-0.049	0.248	0.005	536.340
(Anti-)paternalism	126.180	0.004	0.420*	-0.243	-0.009*	0.043	-0.003	-36.660
Level of trust	123.853	-0.014	0.279	-0.158	-0.138	0.003	-0.008	6.805
Solidarity and inclusion	437.367+	-0.012	1.177**	-0.439+	0.228	0.470+	0.002	-986.779
General norms	-113.592	0.010	0.365	0.046	0.040	0.182+	-0.008	711.465
Collective action and cooperation	225.553	-0.042*	1.004+	-0.159	-0.150+	0.045	-0.002	208.002
General characteristics of the community	138.820	0.003	0.184	0.062	-0.287*	-0.016	0.006	-10.389
The number of observations for the regression analysis = 33								
+ p<0.10, * p<0.05, ** p<0.01, *** p<0.001								

Table 2 Impact of social capital characteristics on economic indicators for the communities which applied for participation in the first phase of the CBA but were not selected

Characteristic of social capital	Economic indicators							
	Number of households	Number of people who left the village per capita	Number of people occupied at all sectors per capita	Number of people occupied out of the village per capita	Number of officially unemployed people per capita	Number of seats at schools and kindergartens per capita	Bus connection (the number of trips per day) per capita	Budget expenses per capita
The traditions of the community	166.539	-0.004	0.108	-0.016	-0.045	-0.083+	-0.000	-444.894*
Information and communication	358.110	-0.019	0.147	0.039	0.039	0.088	0.004	125.103
Empowerment and political action	-92.035	-0.037+	0.457	0.079	-0.070	0.058	0.013	258.607
(Anti-)paternalism	75.999	0.002	0.071+	-0.105	0.002	-0.073	-0.003	-48.673
Level of trust	112.508	0.031	0.153	-0.117	0.071	-0.225	0.008	105.202
Solidarity and inclusion	155.938	0.006	0.158+	-0.048	0.014	0.144	0.008	304.269
General norms	-172.565	-0.024	0.560*	0.074	-0.058	-0.038	-0.009	-84.222
Collective action and cooperation	461.763	-0.005	0.106+	0.236	-0.007	0.295	-0.015	-137.561
General characteristics of the community	353.082	-0.020	0.152	0.083	-0.073	-0.016	0.002	712.802
The number of observations for the regression analysis = 51								
+ p<0.10, * p<0.05, ** p<0.01, *** p<0.001								

Table 3 Impact of social capital characteristics on economic indicators for the communities which did not apply for participation in the first phase of the CBA

Characteristic of social capital	Economic indicators							
	Number of households	Number of people who left the village per capita	Number of people occupied at all sectors per capita	Number of people occupied out of the village per capita	Number of officially unemployed people per capita	Number of seats at schools and kindergartens per capita	Bus connection (the number of trips per day) per capita	Budget expenses per capita
The traditions of the community	55.838+	-0.003	0.144	0.017	-0.029+	0.055	0.010	32.004
Information and communication	236.828+	0.013	-0.489	-0.045	0.016	-0.126	0.007	-324.634
Empowerment and political action	-125.304	-0.000	-0.161	0.046	-0.003	-0.162	-0.051	331.095
(Anti-)paternalism	-74.801	-0.003	0.142+	-0.000	-0.017	-0.067	0.014	121.366
Level of trust	-129.607	-0.008	-0.557	0.175	0.070	-0.198	-0.037	323.502
Solidarity and inclusion	300.765	-0.014	-0.294	-0.032	-0.030	-0.074	-0.110	324.833
General norms	58.750	0.002	0.373	-0.036	0.021	0.189+	0.068	54.788
Collective action and cooperation	58.555	-0.001	0.920	-0.004	-0.029	0.177	0.134	253.719
General characteristics of the community	430.160	0.010	0.584	-0.051	-0.063	0.387	0.038	818.757
The number of observations for the regression analysis = 69								
+ p<0.10, * p<0.05, ** p<0.01, *** p<0.001								

The analysis of the impact of social capital characteristics on economic indicators of community development showed that the effect is more significant in the communities which participated in the CBA project. We found out there was a significant impact of some social capital characteristics (such as (Anti)paternalism, Solidarity and cooperation) on employment indicators.

Bigger in its absolute value interaction between social capital characteristics and economic indicators is typical for the communities which applied for the CBA project but were not selected for participation than for those which did not apply.

This results in the conclusion that social capital is a resource for economic development in the presence of an effective institutional mechanism for joint collective actions. The community organization can be considered as such institutional mechanism in the communities involved into the program. To participate in the CBA project, the community members had to set up the community organization. At a meeting of the community organization community development planning took place, priority issues were determined, contractors were selected, conflicts were solved, etc.

Community organization acted as an institution that transforms the potential of social capital of community members into economic results of its development. The success of the CBA project in a particular community depend on the capacity of a community organization. The project got failure because of the weakness of community organization, the incompetence of its members or dominant leadership.

And vice versa, those communities, in which potential of community organization was built up in such a way so that community members could make joint decisions with local authorities, mobilize resources, implement local priorities and sustain the results, succeeded.

Therefore, one can conclude that the most important instrument of a community-based approach is to set up the community organizations based on which activities legitimate collective decisions are made.

The conducted analysis of the impact of the CBA project on social and economic indicators of the communities in Ukraine confirmed the conclusion made by Ostrom E. [13] – governing the common community resources and its development can be effective in the presence of an effective mechanism of collective decision-making and monitoring of its implementation. The community organization can be considered as such organizational mechanism for decision-making and its implementation in the rural communities in Ukraine. The decisions of community organizations made by the community members are mandatory for them. Therefore, facilitating the setting up of community organizations and growth of their capacity should be a priority of the state policy in the field of rural development in Ukraine.

An important direction of further analysis of economic policy in this area is to ensure the long term sustainability of the community based approach to local development, and to find effective ways to spread its experience to the new communities.

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