



# Development of territorial communities' potential as a factor of socio-ecological development of territories

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## Abstract

The objective of the article was to clarify the concept and classification of the potential of territorial communities; to determine the main indicators of the development of their territorial spaces; to outline the methodology for establishing the socioecological development potential of a particular territorial community and; furthermore, to determine strategic directions for its improvement. The research involved the following methods: economic statistics; BCG matrix; SWOT analysis; graphic methods. As a result of the study, the main statistical indicators related to community development were determined and, similarly, the potential for social-ecological development and the main strategic directions for increasing the potential for social and ecological development were also determined through the use of SWOT analysis. The results of the study can be used by local self-government bodies to increase the potential for social and ecological development and determine strategic directions for its improvement in terms of public policies. Everything allows to conclude that, future research on the topic should be focused on the study of directions of social-ecological development potential in the context of post-war recovery in Ukraine.

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**Keywords:** socioecological development potential; local self-government; political decentralization; strategic directions; post-war recovery.

## Desarrollo del potencial de las comunidades territoriales como factor de desarrollo socioecológico de los territorios

### Resumen

El objetivo del artículo fue aclarar el concepto y la clasificación del potencial de las comunidades territoriales; determinar los principales indicadores del desarrollo de sus espacios territoriales; esbozar la metodología para establecer el potencial de desarrollo socioecológico de una comunidad territorial en particular y; además, determinar direcciones estratégicas para su mejora. La investigación involucró los siguientes métodos: estadísticas económicas; matriz BCG; Análisis FODA; métodos gráficos. Como resultado del estudio, se determinaron los principales indicadores estadísticos relacionados con el desarrollo comunitario y, de igual modo, se determinó también el potencial de desarrollo socioecológico y las principales direcciones estratégicas para aumentar el potencial de desarrollo social y ecológico mediante el uso del análisis FODA. Los resultados del estudio pueden ser utilizados por los órganos de autogobierno local para aumentar el potencial de desarrollo social y ecológico y determinar direcciones estratégicas para su mejora en términos de políticas públicas. Todo permite concluir que, las investigaciones futuras sobre el tema deberían centrarse en el estudio de las direcciones del potencial del desarrollo socioecológico en el contexto de la recuperación de la posguerra en Ucrania.

**Palabras clave:** potencial de desarrollo socioecológico; autogobierno local; descentralización política; direcciones estratégicas; recuperación posbélica.

### Introduction

The development of territories is one of the priority directions of the EU policy (Aleksandrova-Zlatanska, 2019). This issue becomes especially important for Ukraine in view of globalization and European integration. In 2014, the decentralization process was launched in Ukraine, which should stimulate the development of the country's territories. Decentralization is

introduced in order to stimulate economic growth, improve the well-being of rural residents, strengthen civil society, increase democracy level of society, and also delegate certain powers to lower levels of governance.

Decentralization reforms are based on ideologies that eschew centralized planning, while favouring increased market competitiveness and bottom-up decision-making (Abimbola *et al.*, 2019). European experience proves the effectiveness of reforming local self-government by building an effective governance system based on self-organization and support of citizen initiatives (Zinchuk and Patynska-Popeta, 2019).

During the six years since the beginning of the reform in Ukraine, 4,882 communities have voluntarily merged into 1,070 amalgamated territorial communities. This contributed to local self-government bodies receiving the powers and resources previously held by cities of regional importance (Government Portal, 2022). As part of the decentralization reform, communities must choose their “smart specialization”. It is based on defining strategic goals and objectives by the communities, which correspond to the existing innovation potential, and takes into account the competitive advantages of the region (Voitenko, 2020).

Despite the wider opportunities that decentralization opens up for territorial communities, there are a number of problems that restrain their development. The main ones include the extinction of villages and the outflow of the workforce, in particular youth, poverty, poorly developed infrastructure, low innovative activity, as well as the environmental degradation caused, among other things, by the low environmental awareness of community residents (Prokopenko *et al.*, 2023).

It can be noted that most of the problems associated with insufficient development of territorial communities are concentrated around socio-ecological issues. That is why determining the potential of territorial communities in relation to socio-ecological development is an important theoretical and practical issue that requires close attention of the scientific community and state administrators.

Besides, it should be noted in the context of recent events that a large-scale military invasion of Ukraine in 2022 will have the largest impact on the development of territorial communities. It causes catastrophic human losses and destruction of infrastructure in particular communities, but does not negate the need to plan and develop strategies for future periods.

In this context, the opinion of Roger Myerson, who was awarded the 2007 Nobel Memorial Prize in Economic Sciences, is interesting. He noted that the reform of local self-government can be defined as one of the main reasons that determined the will of Ukrainians to fight for the country. People are ready to risk their lives, protecting the Motherland, when they know that they serve both the state and their own community (Decentralization, 2022).

The analysis of academic literature identified that the researchers do not have a single view on determining the potential of territorial communities. Most of the studies are dedicated to revealing the features and composition of certain types of potential of territorial communities. Most often, researchers consider aspects of financial or financial and economic potential (Vdovenko *et al.*, 2021; Boyko and Bozhenko, 2020; Zinchuk and Patynska-Popeta, 2019; Lysiak *et al.*, 2021; Shchur, 2018; Hlibko *et al.*, 2021), resource potential (Savchuk, 2018; Matseliukh, 2022), human or social potential (Bil and Leshchukh, 2019; Vitenko, 2021).

Besides, many studies are based on the combination of outlined types of potential of territorial communities or their further division into constituent parts. There are studies that deal with the aspects of the tax potential (Shapoval and Chekh, 2021), which is also often distinguished as part of the financial potential of territorial communities (Shchur, 2018), financial and investment potential (Lapishko *et al.*, 2021), natural resource potential (Hutsuliak and Hutsuliak, 2022), labour potential (Filenko, 2018), intellectual potential (Chubar, 2022), innovation and investment potential (Korzhenivska and Niskhodovska, 2022), natural and recreational potential (Tsaryk *et al.*, 2022), tourism potential of territorial communities (Ilnytska-Hykavchuk, 2022), as well as certain types of potential of territorial communities, such as globalist potential (Bobrovnyk, 2019), etc.

Undoubtedly, all outlined types of potential directly or indirectly affect social and ecological development. However, the researchers paid extremely little attention to the role of socio-ecological aspects in determining the potential of territorial communities. Besides, there is no thorough view of the calculation of the potential of territorial communities. In this study, an attempt was made to cover this omission by using the concept of “potential for socio-ecological development of the territorial community” and proposing a methodology for determining it.

Therefore, the aim of the research is to clarify the concept and classification of the territorial communities' potential, to determine the main indicators of the development of territorial communities, to outline the methodology for determining the potential of social and ecological development of a territorial community, and to determine strategic directions for its improvement. The aim involves the following research objectives:

- conduct a statistical analysis of the main indicators of the development of territorial communities;
- determine the potential of the social and ecological development of the territorial community on the example of the Velykoburlutska Community (Kharkiv region) using the BKG matrix;
- justify the choice of directions of the territory's socio-ecological development strategy by applying the SWOT matrix.

### 1. Literature review

There are many works in the academic literature that study the potential of territorial communities. The absolute majority of studies deal with only one specific type of potential. Table 1 shows the types of potential of territorial communities that are most often found in the works of researchers.

**Table 1. Overview of the definitions of certain types of potential of the territorial community based on the analysis of literature.**

<b>The type of the territorial community's potential</b>	<b>Authors</b>	<b>General definition</b>
<b>Financial and economic</b>	Vdovenko <i>et al.</i> (2021)	The financial and economic potential reflects the ability of the territorial community to attract, accumulate and effectively use financial resources from various sources in order to solve problems of local importance.
	Boyko and Bozhenko (2020); Semenyshyn <i>et al.</i> (2020)	The financial potential of the ATC consists in the formation of a set of own and borrowed financial resources, which are used to finance the needs for the implementation of tactical and strategic goals of community development.
	Zinchuk and Patynska-Popeta (2019); Lysiak <i>et al.</i> (2021)	Financial potential of ATC includes all available and potential resources of ATC, as well as the ability of local self-government bodies to accumulate and effectively use the necessary number of financial resources in order to achieve the sustainable development goals of communities.
	Shchur (2018)	The financial potential of the ATC is a set of available resources from any sources and opportunities for the effective use of such resources for the purposes of operational, investment activities, etc. in an unstable environment.
	Bulavynets and Karpyshyn (2020)	Financial potential of ATCs — available and potential financial resources, which are attracted by ATCs through the application of investment, budget, grant and credit mechanisms and are used to ensure the effectiveness of the functioning of the territorial community.

<b>Resource potential</b>	Savchuk (2018); Rudyk <i>et al.</i> (2022)	The resource potential includes natural resources, production and technical, property, financial, investment, demographic, innovation and other potentials, as well as the territory, taking into account the features of its infrastructure
	Matseliukh (2022)	The resource composition of the potential of the ATC includes natural, material and production resources belonging to economic entities and residents of the ATC, as well as intangible and financial resources, which include social, administrative, personnel, institutional, intellectual, communicative, informational, innovative, organizational resources and time.
<b>Human/ social potential</b>	Bil and Leshchukh (2019)	Human potential includes intellectual, labour, physiological, socio-psychological, cultural and other opportunities of society that can be used for the purpose of ATC development.
	Vitenko (2021)	Social potential consists in establishing mutual relations between citizens on the basis of trust and assistance, which stimulates self-organization of residents within the ATC.

**Source:** prepared by the authors based on the works and authors consulted.

As Table 1 shows, the resource potential is broadest concept in the understanding of researchers, because it includes all other types of potential that are most often found in the studies (financial, social, etc.). However, researchers do not often distinguish the potential for the socio-ecological development of the territorial community among individual types of resource potential. The works of researchers single out natural resource and social or human potential, but an important scientific issue is their study in combination, because they are subject to significant mutual influence.

As it was established earlier, environmental problems are often associated with insufficient environmental awareness of citizens. Besides, there are no sufficiently substantiated methods for calculating such potential, which is also a critical issue in view of the need to determine the existing and desired level of the potential of socio-ecological development of the territorial community.

## 2. Methods and materials

### 2.1. Research design

The approach used in the article requires the distribution of information into three interrelated and sequential stages. The first stage provided for

the study of the main indicators of the general state of public housing in Ukraine through the use of economic statistics. In particular, the number and area of public housing in different regions, the distribution of the volume of infrastructure subsidies by directions and regions, the level of public housing income per inhabitant by region, the structural composition of public housing revenues, as well as the number of ATC located in areas of hostilities or under temporary occupation, encirclement were studied. The information is illustrated with graphs and charts for greater clarity and ease of comparison and data analysis.

The second stage involved determining the potential of socio-ecological development of the territorial community using the example of the Velykoburlutska community (Kharkiv region) using the BCG matrix. The community was chosen because of the availability of information regarding the budget of the ATC, as well as due to the fact that the community was under occupation for some time and continues to be in the combat zone. Therefore, it is important to determine its pre-war potential of socio-ecological development in order to choose the priority areas of post-war development.

The chosen method of determining the potential using the BCG matrix and the selection of indicators (ATC's expenditures related to socio-ecological aspects) is based on the need to identify directions that require close attention in view of their insufficient development and funding. The time period used in the analysis (2019 and 2021) is due to the limited information on the budget of the OTG, but this does not significantly affect the results of the study.

The third stage provides for the justification of the choice of directions for the socio-ecological development strategy of the territory by applying the SWOT matrix. This method was used to determine the main strengths and weaknesses, opportunities and threats of ATC regarding the potential of socio-ecological development. The directions of the strategy of socio-ecological development of ATC were proposed on the basis of this definition by using the methods of analysis and synthesis.

## **2.2. Information background**

The information background of the research is Ukrainian academic periodicals, academic publications of other countries, data from reports (Ministry for Communities and Territories Development of Ukraine, 2021), official websites of the government and local self-government bodies (Decentralization, 2022; Velykoburlutska Community, 2022).

### **2.3. Research methods**

The following scientific methods were used in the study: economic statistics – for the analysis of the main indicators of the general state of the ATCs in Ukraine; BCG matrix – for determining the potential of socio-ecological development of the territorial community; SWOT analysis – to substantiate the choice of directions for the strategy of socio-ecological development of the territory; graphic methods – for visualization of the provided information.

### **2.4. Limitations of the research**

The limitations of the research are related to the lack of individual statistics on the official website of the Ministry for Communities and Territories Development of Ukraine, dating after 2019. The latest document published on the website is the Report on the Review of State Budget Expenditures for Regional Development in Terms of Supporting the Formation of Infrastructure of Amalgamated Territorial Communities, which was published in 2021 with data for 2019 (Ministry for Communities and Territories Development of Ukraine, 2021).

Therefore, some other data are taken for 2019 in order to ensure the structure and homogeneity of the study, but this does not significantly affect the results of the study, because statistics provides only a generalized vision of the issue under research.

## **3. Results**

### **3.1. Statistics on territorial communities of Ukraine**

In order to obtain a general understanding of the state, number, opportunities, priorities, resources and needs of the ATCs, it is appropriate to study the main statistical indicators describing their development at the current stage.

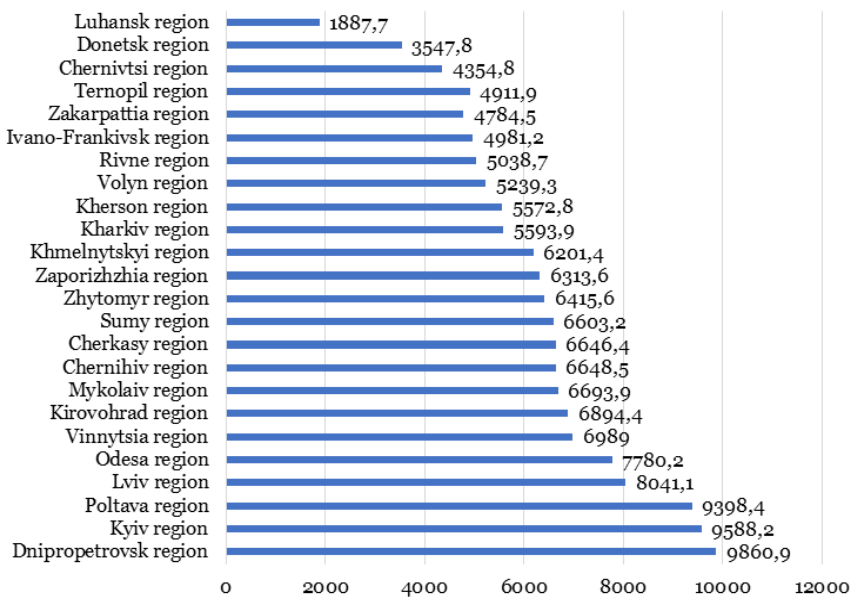
ATCs occupy more than 50% of the region's territory in many regions of Ukraine. This testifies to their significant influence, as well as economic, social and ecological development of the regions. It should also be noted that, the number of ATCs continues to grow in subsequent periods, which, among other things, indicates the effectiveness of the decentralization reform.

Inadequate development of infrastructure in the regions, especially in remote areas, was identified as one of the most problematic issues related to the development of the ATCs in this article. Therefore, an important



indicator regarding the development of the ATCs is the determination of the scope and directions of the infrastructural subvention of the ATCs.

During the research it was discovered that the leaders in terms of the amount of infrastructure subvention received, namely: Dnipropetrovsk, Zhytomyr, Khmelnytskyi, Chernihiv and Volyn regions. Besides, an important indicator for comparing the current state of the ATCs of different regions is the amount of revenue per person in local budgets (Figure 1).



**Figure 1. Amount of the local budget revenues per person**

Source: Kuznietsova and Pelekatyi (2020).

Dnipropetrovsk region is the absolute leader both in terms of the amount of infrastructure subvention and the amount of own income per person. Kyiv, Poltava, Lviv, and Odesa regions are also noted for their high level of income.

Personal income tax (PIT) accounts for the largest share in the revenue structure of the general fund of local budgets of the ATCs (more than 60%). Land fee and the single tax account for more than 14 and 12 percent, respectively.

In the context of the characteristics of the general indicators of the ATCs during martial law, the number of communities located in the areas of hostilities or that are under temporary occupation, encirclement should be noted (Table 2).

**Table 2. The number of communities located in areas of hostilities or under temporary occupation, encirclement (as of November 30, 2022).**

<b>Region</b>	<b>The total number of communities in the region</b>	<b>The number of communities in the region located in areas of hostilities or under temporary occupation, encirclement</b>
Dnipropetrovsk	86	10
Donetsk	66	66
Zaporizhzhia	67	62
Luhansk	37	37
Mykolaiv	52	26
Sumy	51	19
Kharkiv	56	56
Kherson	49	49
Chernihiv	57	4

Source: Decentralization (2022).

It can be concluded from Table 2 that all communities in four regions (Donetsk, Luhansk, Kharkiv, and Kherson) fall under the category of being located in areas of hostilities or under temporary occupation, encirclement. This brings catastrophic human losses and material damage to communities, completely changing their pre-war situation. Therefore, it can be noted that the main priority for the development of communities is their post-war recovery with orientation to a more optimal path of development.

The statistical characteristics of ATCs give grounds to state that, given the growth in the number and area of ATCs, their impact on the socio-ecological development of the regions is significant. It is also an important aspect that educational facilities rank first in the structure of the infrastructure subvention in terms of the volume of financial resources, which plays a significant role in social development.

Ranking of regions by the volume of infrastructural subvention and own income per person enables determining the leaders in relation to individual components of the financial potential, which is closely related to the

possibilities of socio-ecological development. The next step of the research is, in fact, a review of the methodology used to determine individual characteristics of the potential of socio-ecological development of the ATCs.

**3.2. Determining the potential of socio-ecological development of the territorial community on the example of the Velykoburlutska community (Kharkiv region) using the BKG matrix**

Determining the potential of socio-ecological development of ATCs will be based on the use of the BCG (The Boston Consulting Group) matrix (Yatsiv *et al.*, 2019; Hossain and Kader, 2020). This matrix is used to divide the components of the potential of socio-ecological development of ATCs into four groups. It is common knowledge that such groups are defined as “stars”, “cash cows”, “difficult children” and “dogs”.

However, such definitions are inappropriate in the context of this study, so they will not be applied. The location of the components of the potential of socio-ecological development on the matrix determine the main strategic goals of the development.

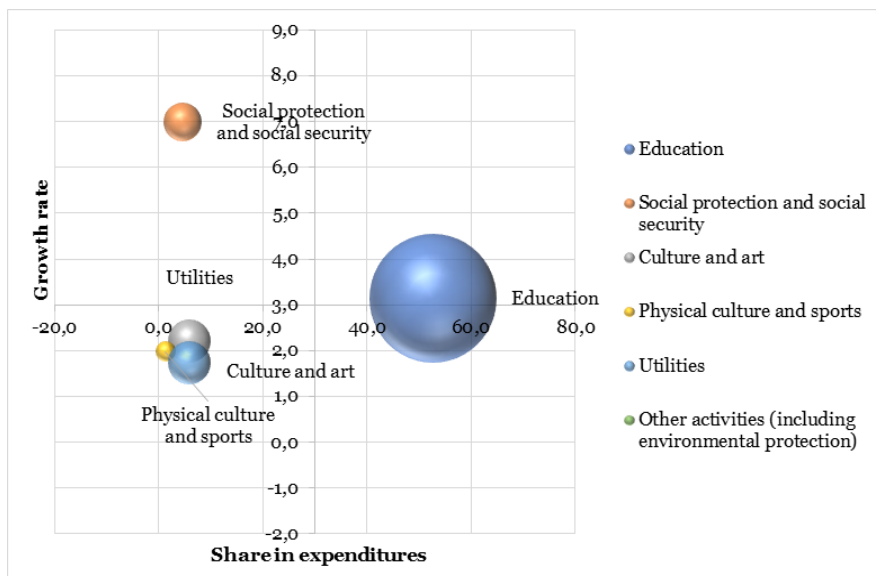
Velykoburlutska community of Kharkiv region was chosen as an example for determining the potential. Table 3 contains the initial data for building the matrix.

**Table 3. Expenditures of the budget of Velykoburlutska community (Kharkiv region) for 2021, related to socio-ecological development and are the initial indicators for building the BCG matrix.**

Area of expenditures	2019	2021	Growth rate	Share in budget expenditures
Education	26,095.5	81,927.6	3.1	52.7
Health care	0.0	14,333.8	-	9.2
Social protection and social security	1,032.7	7,219.5	7.0	4.6
Culture and art	4,106.3	9,039.9	2.2	5.8
Physical culture and sports	1,003.1	1,986.7	2.0	1.3
Utilities	5,245.0	9,067.5	1.7	5.8
Other activities (including environmental protection)	0.0	0.0	0.0	0.0

Source: Velykoburlutska community (2022).

As Table 3 demonstrates, the indicators for building the BCG matrix are the budget expenditures of the Velykoburlutska community (Kharkiv region) for 2021, related to socio-ecological development. The specified directions are related to the level of development of individual components of the potential of socio-ecological development. These components include education, health care, social protection and social security, culture and art, physical culture and sports, utilities, other activities (including environmental protection). The use of budget expenditures in the analysis will allow to determine the degree of their influence on the potential of socio-ecological development of the ATCs. Figure 2 shows the BCG matrix.



**Figure 2. Determining the potential of socio-ecological development of the Velykoburlutska community (Kharkiv region) using the BCG matrix**

Source: built by the author.

As Figure 2 shows, “Social protection and social security” as component of the potential of socio-ecological development has the highest growth rates of expenditures. But it is characterized by low shares in the total expenses like “Culture and art”, “Physical culture and sports” and “Utilities”.

The last three directions also have low growth rates, being found in the lower left part of the matrix. “education” has MEDIUM growth rates, because it is located at the intersection of the upper and lower right parts of the matrix, but it is the undisputed leader in terms of the share

of expenditures. The matrix should also contain “Health care” and “Other activities (including environmental protection)”, however, the growth rate for the former cannot be calculated because of zero expenditures in 2019, and the expenditures for the latter equal to zero in both periods.

The distribution obtained in Figure 2 means that education is the most priority component of the potential of socio-ecological development. The strategic objective in relation to education is to support the existing trend and further investment in this area. It can also be noted that the direction of social protection and social security is developing rapidly, but further investment in the area are recommended.

Culture and art, physical culture and sports, and utilities are insufficiently financed, and the growth rate of spending on these areas is also low. Therefore, the development of these areas requires close attention from the local self-government. However, the biggest problem is the lack of spending on the environment and (in 2019) on health care. This requires additional research and establishing the reasons. The conducted analysis is an example of the application of the method of determining the socio-ecological potential using the BCG matrix. It can be adjusted depending on the specifics of a particular ATC and the priority of indicators determined by the researcher.

### **3.3. Justification of the choice of strategic areas of socio-ecological development of the territory through SWOT analysis**

The statistical analysis of indicators of ATCs of Ukraine as a whole and the analysis of the potential of socio-ecological development of ATCs carried out in the article on the example of Velykoburlutska community determined the main strengths and weaknesses, opportunities and prospects of the ATC with regard to socio-ecological development. These aspects are presented in the form of a SWOT matrix (Table 4).

**Table 4. SWOT matrix of the ATC regarding the potential of socio-ecological development (developed by the author on the basis of the conducted analysis and research**

<b>Strengths</b>	<b>Weaknesses</b>
1. Favourable conditions for the development of agriculture 2. Natural resources and production potential of the ATC 3. Active participation of the population in the life of communities, cohesion of residents 4. Historical, natural and cultural monuments 5. Development of organic agriculture 6. Increasing the level of autonomy in decision-making	1. Extinction of villages 2. Poverty and unemployment 3. Low level of well-being of citizens 4. Insufficient attention to the development of physical culture and sports 5. Weak support for the development of culture and art 6. Poorly developed infrastructure (road, utility, etc.) 7. Slow pace of introducing innovations 8. Inadequate quality of medical services 9. Insufficient state support
<b>Opportunities</b>	<b>Threats</b>
1. Introduction of the decentralization reform 2. Increasing demand for environmentally friendly and organic products 3. Integration with the EU, international programmes to support the development of territories 4. Development of rural and green tourism 5. Expanding the use of renewable energy sources	1. Full-scale military invasion 2. The outflow of youth due to labour migration 3. Problems with ecology, insufficient environmental awareness of residents

Source: Korkuna et al. (2020), Tkachuk et al. (2019), Sodoma et al (2022), Senyshyn and Kundytskyj (2018).

The conducted SWOT analysis determined the main priority areas of increasing the potential of socio-ecological development the ATCs of Ukraine:

- development of agriculture (including organic) in order to increase competitiveness, income level, create new jobs and reduce unemployment and poverty;
- the use of historical, cultural and natural potential for the development of rural and green tourism, which will increase investment attractiveness and contribute to the improvement of infrastructure, increase in income and employment of the population;
- introduction of environmental programmes and measures to increase public awareness of environmental issues, which will

ensure the improvement of ecology, strengthening of health of residents, increase in demand for ecological products, etc.;

- introduction of innovations (including the use of renewable energy sources) in order to increase the energy efficiency of production, product quality, efficiency of organizational processes, environmental friendliness, etc.

Special attention should be focused on the post-war recovery, which will require the use of all the potential of the ATCs, in particular the socio-ecological development potential, because the consequences of the war and the war crimes of the enemy affect all aspects of community life. Therefore, the post-war strategy should cover a wide range of objectives — from the need to build infrastructure to ensuring a decent standard of living for community residents and restoring the environment.

#### **4. Discussion**

The academic literature provides many approaches and points of view regarding the definition, classification, and structure of the potential of territorial communities. Often, such views not only do not coincide, but are also opposite to each other. Therefore, it is appropriate to consider several points of view and compare them with the view provided in this article in order to determine advantages, disadvantages, omissions, opposites, etc. This will improve the general understanding of the concept of the potential of territorial communities and its structure.

Savchuk (2018) deals in his research with the resource potential of territorial communities. The analysis of the author's conclusions gives grounds to state that it is the resource potential that is the broadest in terms of the coverage of components, because it contains natural resource, production, technical, demographic, financial, investment and innovation potentials. Bil and Leshchukh (2019) believe that the endogenous potential of a territorial community contains economic, financial and human components.

The researchers include production, entrepreneurial, natural resource, managerial, organizational, infrastructural, innovative, scientific and informational components to the economic potential. Financial potential includes budgetary and tax potential, investment potential, the potential of the real sector of the economy, financial and credit institutions, and households. Human potential is a reflection of the possibilities of society, including physiological, labour, intellectual, etc.

The researcher did not single out socio-ecological development potential, but considered in terms of its separate components: social and

natural resource potential. This article expresses the opinion that social and natural resource potentials have a high degree of mutual influence, so they should be considered in combination.

Besides, there are differences in the essence of the concepts “natural resource potential” and “ecological potential”, and the latter is defined in the works of researchers very rarely, being reduced to certain ecological aspects. However, it is the ecological potential that indicates the degree of implementation of ecological initiatives in the region, its ecological condition as a whole, and opportunities for improving ecology – in contrast to the natural resource potential, which mostly characterizes only the available natural resources.

The relevance of the views provided in this article is confirmed by the fact that researchers often pay attention to social and ecological aspects in the course of revealing the content, components, indicators of various types of potential of territorial communities. When identifying the determinants of the growth of the financial and economic potential of the territorial communities of Ukraine, Vdovenko *et al.* (2021) identified the indicators which can be used to evaluate its social and ecological components.

Indicators characterizing the social component include: population income, labour market strength, total residential area. The researchers included the following indicators of the environmental component: the total amount of accumulated waste per 1 resident, the number of waste disposal centres, the volume of emissions of pollutants into the air, capital investments in environmental protection per person.

Zinchuk and Patynska-Popeta (2019) distinguish the following areas of management of the financial potential of territorial communities: economic, social and environmental. The economic direction provides for ensuring economic growth, which involves achieving financial self-sufficiency and capacity; social direction includes measures to improve the quality of life of the population, infrastructure development; ecological direction is aimed at protecting the environment through its protection and ensuring the appropriate use of natural resources.

Boyko and Bozhenko (2020) include the indicators characterizing the well-being of community residents and natural resources in the indicators that form the assessment of the financial potential of the territorial community. Lysiak *et al.* (2021) emphasizes the role of financial potential in ensuring socio-economic development.

Bulavynets and Karpysbyn (2020) reveal the importance of the financial potential of territorial communities in relation to all aspects of the lives of their residents. Researchers note the possibility of compensating for the lack of financial resources by introducing specialized programmes of the European Union, being part the European Neighbourhood Instrument.



Such programmes are implemented in some border communities of Ukraine and are aimed at developing medicine, improving road infrastructure, improving environmental safety, improving recreation, supporting culture, etc.

Shchur (2018) identifies the budgetary, investment, and tax potential when determining the components of the financial potential of territorial communities. The researcher emphasizes that the investment component is especially important in the current conditions, but does not examine the need to invest in the potential of social and ecological development.

Vitenko (2021) characterizes the resource potential of ATCs, emphasizing that one of the main roles belongs to the intellectual resources of people. Matseliukh (2022) also focuses on resource potential, confirming his opinion that post-war recovery is impossible without the availability of the appropriate number of necessary resources and skills to effectively manage them.

So, the need for close attention to the potential of socio-ecological development of the ATCs and further studies in this direction was confirmed as a result of the discussion. The issue of increasing the potential of socio-ecological development is especially acute in the context of post-war recovery, which will be a relevant topic for future research.

## **Conclusions**

A selective review of general statistics regarding the development of the ATCs gives grounds to draw the following key conclusions:

- the number of ATCs in Ukraine continues to grow, and their area in many regions (seven regions — as of 2019) occupies more than 50%;
- the priority directions of infrastructure subvention are education, road infrastructure, special transport, culture and energy supply;
- Dnipropetrovsk, Zhytomyr, Khmelnytskyi, Chernihiv and Volyn regions are the leaders in terms of the amount of infrastructure subvention received;
- Dnipropetrovsk, Kyiv, Poltava, Lviv, and Odesa regions have the highest income levels;
- the personal income tax prevails in the structure of revenues of the general fund of local budgets of the ATCs;
- all communities in at least four regions fall under the category of being located in areas of hostilities or under temporary occupation, encirclement (as of the end of November).

The used method of determining the potential of socio-ecological development of ATCs using the BCG matrix makes it possible to estimate this type of potential based on the calculation of the growth rate and the share of individual types of expenditures in the total number of expenditures related to socio-ecological aspects. This enabled determining the directions that require close attention, namely: culture and art, physical culture and sports, utilities, ecology and health care.

The conducted SWOT analysis determined the main priority directions for increasing the potential of socio-ecological development of the ATCs in Ukraine, in particular, the development of agriculture (including organic); the use of historical, cultural and natural potential for the development of rural and green tourism; introduction of environmental programmes and measures to raise public awareness; introduction of innovations (including the use of renewable energy sources). Besides, the article emphasizes the need and importance of using all resources of socio-ecological potential during post-war recovery, which should be the direction of further research.

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