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Investigation of the social factors of development of society in the territories with transforming environment

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ABSTRACT

Constantly changing environmental conditions lead to the necessity of regular updates, enhancements and adaptation of the existing approaches to the investigation of the development of societies that live in different territories. As a result, the purpose of the paper is to identify the main social factors that affect the vital activity of society at the present stage of development of territories which have unstable socio-economic and political environment. Specific trends, reflecting the state of social and economic processes in the countries of the evolving political and legal systems are considered (on the example of the Donetsk region). The components of the social and cultural environment as factors of forming a system of vital activity of the society are determined: the level of development of education, medicine, social infrastructure facilities, the environmental aspects, the social hierarchy and relationships in the community, the criminal and military risks, the demographic trends, the level of unemployment and informal employment. The authors developed a methodology of an expert assessment of the importance of the factors of forming the system of vital activity of the society. A set of recommendations for the coordinated impact on the economic and social processes in the conditions of transforming market system was proposed as a result of the research.

Keywords: vital activity of society, the Donetsk region, the socio-cultural environment, economic and social development.

1. Introduction

A study of the current state and trends of many countries and regions in conditions of transforming the political, social and market environment leads to the conclusion that most of the territories and their populations are severely affected by negative factors, leading to the deterioration of living conditions, violation of rights and freedoms, reduction of opportunities and redistribution of desires to satisfy the most simple needs. In advanced economies, these processes reveal themselves in the form of declining trends in household incomes, violation of trade relations, diversion of capital from the sphere of economic development to the sphere of military spending, curtailing of social programs. Most vividly modern social and economic cataclysms show themselves in Eastern Europe and the Middle East.

2. Literature review and problem statement

The problem of management of the complex characteristics that are used to create an enabling environment for economic and social development was raised by many scientists [Amosha, Kharazishvili, Liashenko, Kvilinskyi 2016, pp.19-34; Babkin 2013, pp. 138-148; Baranovskyi, Girchenko, Serdiukova 2017, pp. 20-33; Blagodarnyi, Tolmachova, Kvilinskyi 2014, pp. 30-37; Bondaryeva, Kravchenko, Mieshkov 2015, pp. 236-244; Bukharova 2012, pp. 1843-1849; Dementiev, Vishnevskiy, 2010, pp. 81-95; Ivanov, Liashenko, Kamińska, Kvilinskyi, 2017, pp. 86-101; Ivanov, Lyashenko, Tolmachova, Kvilinskyi 2016, pp. 9-34; Khobta, Popova, Mieshkov 2005; Kvilinskyi, Kravchenko 2016, pp. 101-112; Kvilinskyi, Zwierzchlewski, Błaszczuk 2016, pp. 310-315; Lang, Melnychenko 2016, pp. 9-17; Lis 2016, pp. 56-61; Lyashenko, Kvi-

linskyi 2016, pp. 9-24; Lyashenko, Tolmachova, Kvilinskyi 2016, pp. 155-164; Meshkov, Bondaryeva, Kvilinskyi, 2016, pp.120-134; Pajak, Dahlke, Kvilinskyi 2016, pp. 109-122; Pajak, Kamińska, Kvilinskyi 2016, pp. 204-217; Pershin 2009, pp. 96-102; Polidi, Sichkar 2013, pp. 144-149; Sisoiev 2014, pp. 76-84; Sorokina 2013, pp. 27-31; Todosiychuk 2010, pp. 15-27]. At the same time, constantly changing environmental conditions lead to the necessity of regular updates, enhancements and adaptation of existing approaches to the investigation of the development of societies that live in different territories. All this has led to the necessity of given research and formulation of the purpose of the article which focuses on identifying the main social factors that affect the vital activity of society at the present stage of development of territories, which have unstable socio-economic and political environment.

Development tendencies of a certain territory are influenced by a large variety of characteristics with different specifics and force of impact on economic agents. The study of these characteristics is relevant to all areas of functioning of the state, society and certain enterprises. This aspect makes it necessary to define the number of factors that have a decisive influence on the conditions of the vital activity of society within a particular territory.

General scientific principles of creating classifications are the selection of the constituent elements of a certain process, object or phenomenon, through the use of a specific defining characteristic which is called a criterion. Criteria may be different. Taking one feature, you can get one division of a whole object (process, phenomenon) into its component parts. Using other criteria, it is possible to create a completely different set of elements, which allows you to see the object under study from a different angle. All this is necessary for the formation of theoretical understanding of the object of research and better use of the acquired knowledge into practice in order to solve the problem of increasing the manageability of the object. The use of resulting characteristics is difficult because they are often subjective by reason of the frequent lack of clear boundaries in nature in general and in science in particular. This is why the classification is often quite subjective. At the same time, this drawback does not overlap the advantages noted above, and does not cancel the most important general scientific and practical value of making classifications.

Drawing up a list of characteristics that form the level of development of the society is also quite a time-consuming and subjective process because of the high level of interdependence of

selectable items. For example, noting the legislative and regulatory documents as one of the factors forming the specifics of the vital activity of society, researchers have to understand that this aspect has a direct or indirect impact on most of the other characteristics. Thus, there is partial superimposition of a number of factors that must be considered when carrying out a deeper analysis.

Nevertheless, the team of authors attempted to highlight a broad range of factors that reflect the development of the territories. Also, the analysis of the peculiarities of forming the conditions of the market system functioning and the vital activity of the population of a crisis territory has been carried out (on the example of Donetsk region).

3. Research results

The entire list of various characteristics that have an influence on the development of the territory should be divided into three main categories: the state of the political and legal environment, the level of economic development of society as well as the features of the socio-cultural environment. Each group of factors requires a separate analysis. At the same time, it is necessary to take into account its specificity and the relationship with other characteristics. This study is very cumbersome, because it covers a very wide range of research areas. Therefore, its results cannot be reflected in a single article. In this regard, this paper briefly reveals a whole range of factors that influence the development of society and focuses on social and cultural factors within the formulated purpose of the article.

The main characteristics of the political and legal environment, ultimately merged into three major elements: the degree of political stability of the territory, the efficiency of the legislative and regulatory instruments, the reasonableness and sustainability of the concepts of territory development.

The principal characteristics that reflect the level of economic development of the society include: the degree of development of the tax system, the capacity and solvency of the internal market, the availability of raw materials, the rate of inflation, the stability of the national currency, the principles of formation of the national budget, the state of the stock market, the banking sector, the quality of investment infrastructure, the specifics of forming an integrated logistics infrastructure, the growth dynamics of the gross domestic product, the volume of production, logistics costs in the supply chain, capital investments. Each factor has its own peculiarities of influence on the processes of capi-

tal investment, which in different ways can manifest themselves in different circumstances.

Simultaneously with the political and economic factors socio-cultural factors of forming the system of the vital activity of society of certain territory clearly reveal themselves (fig. 1).

In spite of the lack of funding, the limitation of material resources and a high level of personnel outflow, the Donetsk region retains a sufficiently high level of training of profes-

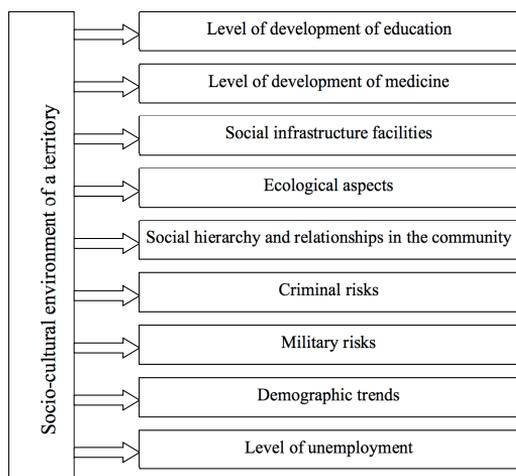


Figure 1. The components of the social and cultural environment as factors of forming a system of vital activity of the society

Source: own study

nals in technical research areas, engineers, economists, masters of innovation management [Bondaryeva, Kravchenko, Mieshkov, 2015, pp. 236–244]. However, this sphere can also come to a complete decline, without appropriate funding, creating conditions for the appearance and development of highly qualified personnel in education and industry, where the product of the educational system of the Donetsk region is mainly used.

The same trends and perspectives characterize the health sector in the region. The high level of Medicine was formed due to the development of industry (primarily: mining, metallurgical, machine-building and chemical industries). This is related to the fact that the highest levels of personal injuries and environmental pollution are the adverse effects of functioning of the industrial enterprises of the Donetsk region. We emphasize that the potential of powerful centres of the health care system, the intensity of investigations in the areas of

advanced medical science have been seriously weakened by the change in current urgent needs of the region.

It should also be noted that many educational and medical facilities of Donetsk and the Donetsk region greatly suffered from military operations. In general, the social infrastructure of the region is largely outdated and preserved since the Soviet times. Mainly, it concerns the social and cultural facilities, housing and the utilities sector, health and education facilities, which have a high average level of physical deterioration and obsolescence, as well as a need for the creation of alternative facilities or reconstruction.

In view of the impossibility of qualitative monitoring of the functioning of enterprises, ecological risks have increased. Stopping of many enterprises, along with the negative economic and social consequences, has led to occasional positive side effects, which is to reduce the negative impact of these economic entities on the environment. At the same time, many experts point out a decrease in the requirements for environmental safety in the majority of functioning industrial enterprises throughout the Donetsk region. In addition, criminal risks become higher, as well as specific regional risks: first of all, the need to maintain a proper form of underground coal mines, which cover most of the territories of the cities in the region: the prevention of floods, landslides, etc. In recent years, the risks of destruction of infrastructure and damage of the health of employees as a result of hostilities were added. War risks have become greater than all the other negative characteristics. Two years ago, many experts, making an assessment of the level of development of the Donetsk region, did not even take this factor into account.

All post-Soviet states since the beginning of the 1990s up to the current period are characterized by an extremely high level of social inequality. The classical model of a developed society implies the existence of a layer of wealthy people, poor people and a massive layer of the middle class, which largely determines the level of economic development of society and its social and cultural priorities. In the Ukrainian society, the middle class was extremely insignificant: from the end of the 1990s to the beginning of the second half of the 2000s, with great effort, it was increased. However, the crisis of 2008 and the war that started in 2014 have led to critically negative changes in the structure of income and needs of the population, primarily in the Donetsk region.

The high level of migration has led to deterioration of demographic indicators. The

statistics that reflect the real dynamics of the current population of the region are missing. At the same time, it is evident that many qualified and able-bodied residents have found temporary or permanent employment and residence in the territory of Russia, Ukraine, Belarus and other countries. This led to a decrease in the average skill level of employees in the region and a significant decrease in the proportion of the working population.

In general, the related problems of unemployment and informal employment during the last twenty-five years were very urgent in Ukraine. The indicators of registered unemployed in the country as a percentage of the working age population in the pre-war period amounted to 1.8-2.1%. In the Donetsk region, they were even lower - 1.2-1.3%. However, the statistics in this case are not indicative because of widespread informal employment and understatement of declared wages of many employees of private companies. Thus, at present there is a significant number of citizens who have worked for many years without registering labour relations with their employer or getting a small part of their wages officially. As a result, a very serious social problem has appeared. Pensioners aspire to continue working as long as possible, in contrast to the Western model of behaviour of the age population, which is expressed in the postulate of „Retirement – Only the Beginning”. In addition, some persons who have retired, have to put up with a multiple decrease in income and decline in living standards due to the lack of sufficient savings or loss of savings due to the financial crisis and in view of the lack of development of private pension insurance.

All these factors cause the serious condition of the system of vital activity of the Donetsk region society now. As a result, it is necessary to identify the most significant and urgent characteristics and search for the ways to improve them.

Further, the expert assessment of the importance of social factors that influence the development of the society was carried out. The research methodology assumed the use of a survey method with semi-closed questions to quantify the degree of influence. The selection of experts was carried out by random sampling without replacement sampling. Twenty representatives of the scientific school of investment and innovation theory and practice of Donetsk National Technical University (which was headed by Professor V.M. Khobta for twenty years) took part in the expert evaluation [Bondaryeva, Kravchenko, Mieshkov, 2015, pp. 236–244]. The scientific school of investment and innovation theory and practice had prepared about

three and a half thousand graduates and currently about one hundred and fifty persons are administrative staff. Their activities are directly related to the analysis of investment processes in the economy (15% – random sampling). Currently, experts are leading specialists of educational institutions and enterprises, such as Donetsk National Technical University, Donetsk National University, Poznań University of Economics and Business, the “PricewaterhouseCoopers Ukraine” company, the “Metinvest” company, the “Ukrpodshipnik” group and others (survey date – April 2016).

A numerical system of evaluation has been used in conducting the expert assessment. Six basic levels were defined depending on the influence on society development (Table 1).

Table 1: The method of expert assessment of the significance of factors of forming the system of vital activity of society

Influence of the characteristics on the level of development of society	Points
Decisive (the highest possible) influence of the factor	5
High level of influence of the factor	4
Medium level of influence of the factor	3
Low level of influence of the factor	2
Episodic (very low) influence of the factor	1
Influence of the factor is not observed	0

Source: own study.

The result is a ranking of the characteristics depending on the importance of their impact on the level of development of the society. All the analyzed factors were identified as having a value from low to very high. (Table 2).

The methodology for analyzing the results of assessing the impact of factors on the investment climate formation includes statistical methods for assessing the consistency of expert actions and methods for assessing the degree of variation of expert opinions on each individual issue. The studies carried out are based on a sufficient degree of consistency of experts, which is confirmed by a concordance coefficient of 0.52 ($\omega=0,52>0,5$). However, it was established that the opinions of experts on different issues vary not equally. The highest consistency of opinions of experts was obtained on two factors: the level of political stability (the degree of variation is 9.7%) and the quality of

investment infrastructure development (variability of expert opinions - 12.46%). The similarity of opinions in these cases is explained by the obviousness of the meaning and content of factors, as well as the relevance to modern conditions. The most numerous were the factors with variation of experts' estimates from 15% to 30%. Moreover, in this group a larger number of estimates are closer to the average value for the group, and only some experts expressed an opinion different from the majority. The other six characteristics of the investment climate (the principles of budgeting, the level of development of medicine, the quality and accessibility of social infrastructure, social hierarchy and relations in the society, criminal risks, the level of shadow employment), having a debatable nature, were assessed by experts heterogeneously. For example, the principles of budget formation as an investment climate factor received an average score of 2.5 with a range of variation from 0 to 4 points and a volatility of 41.9%, which is the maximum of the observed factors.

This study shows that of greatest importance are the military risks, which on closer examination, may also have political sources. The importance of the level of development of education, criminal risks, demographic (personnel) trends, ecological risks was estimated as above average.

Table 2: Expert assessment of the importance of factors of forming the system of vital activity of the society

Factors of forming the system of vital activity of the society	Average points
Military risks	4.33
Level of development of education	3.5
Criminal risks	3.44
Demographic trends	3.22
Ecological aspects	3.11
Level of unemployment	2.94
Level of informal employment	2.72
Level of development of medicine	2.61
Social hierarchy and relationships in the community	2.39
Social infrastructure facilities	2.22

Source: own study.

4. Conclusions

These aspects lead to the necessity to generate a sequence of interrelated actions which are aimed at overcoming the crisis and the gradual recovery and improvement in the level of development of the Donetsk region. The solution to current acute problems of stabilizing the functioning of the system of vital social activity in the Donetsk region is based on the implementation of three global phases: the achievement of peace; optimizing the quality of labour resources; involvement and effective use of financial resources from various sources.

The first basic socio-political stage is to establish sustainable peace in the Donbass due to strict observance by all participants of the conflict of conditions of the Minsk Agreement of February 11-12, 2015, as well as other international agreements aimed at de-escalating the military conflict.

The establishment of peace as well as loyal and friendly relations in the society should be the basic premise of restoring the personnel potential. First of all, it must be associated with the return of highly qualified employees who have left the region because of the fear for the life and health of their families, and also with the efficient use of existing potential and the ability to develop available staff. The responsibility of higher education institutions in solving the problems of strategic development of human resources is very high. Using the advanced experience of scientific schools of the Donetsk region in training professionals in the field of technical sciences, engineering and economic specialties, investment and innovation has the prospect of obtaining a high-quality human resource product that can be used in industry to increase its economic potential, as well as in other business spheres [Babkin, 2013, pp. 138-148; Bondaryeva, Kravchenko, Mieshkov, 2015, pp. 236-244].

Strengthening the capacity of human resources in the region is associated not only with an increase in the level of qualifications, but also with the decision of a number of problems in the field of mentality. These problems must be solved by raising the general cultural level, the level of spirituality, overcoming the high level of cynicism that has formed in the society. This feature is expressed in the high requirements for the other people, while the requirements of the individual to own characteristics are understated, and the main efforts are directed at creating the illusion of high morality to others. The solution to this problem requires deep understanding of one's own need to begin the transformations with oneself, which is

greatly facilitated by effective the state policy, especially in education, culture and upbringing of the youth. The implementation of the first two stages will provide the basis for financing economic development programs, providing a further increase in social welfare.

Summarizing all the above, it should be noted that the formation of favourable conditions for the development of society is an extremely

difficult, complex problem. It repeatedly amplifies in the territories with unstable political, economic and social environment. Each of the selected characteristics is a separate sphere of research. Improving its current state requires more concrete recommendations, taking into account the specificities of different territories. This aspect determines the necessity of a large number of subsequent investigations.

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