ЕКОНОМІЧНА ПОЛІТИКА РЕГІОНАЛЬНОГО РОЗВИТКУ І МІСЦЕВЕ САМОВРЯДУВАННЯ

УДК: 336.02:338.37
JEL Classification: H 72

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FINANCIAL AND EDUCATIONAL INCLUSIVENESS OF RURAL TERRITORIAL GROUPS

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ФІНАНСОВО-ОСВІТНЯ ІНКЛЮЗИВНІСТЬ СІЛЬСЬКИХ ТЕРИТОРІАЛЬНИХ ГРОМАД

Formulation of the problem. Financial and educational inclusiveness of rural communities and rural inhabitants is a decisive indicator of the availability of basic services. The question of financial inclusiveness is relevant and urgent in the present, especially in the light of decentralization and the transfer of powers of the central authorities to local. There is no doubt that the level and quality of financial and educational inclusiveness of rural residents and communities is an important area of research, as modern economic relations link quality and dynamics of economic growth and poverty reduction with inclusiveness.

Taking into account the fact that information technologies on a global scale are undergoing rapid changes and constant updating, in the field of financial and educational inclusiveness there will be a growing trend in the future. Favorable factor is the development of infrastructure, which is manifested by the significant penetration of mobile communication and smartphones in everyday life in combination with highly educated and technologically competent citizens.

Analysis of recent research and publications. Issues of financial inclusiveness are disclosed in the writings of many scientists, among which one should highlight scientific publications Lutsiv B. (2018), who explores the use of FinTex's newest financial technologies in the system of financial inclusiveness, defines their perspectives and challenges. Pakhnenko O. (2017) explores approaches to assessing the level of financial inclusiveness, points to the disadvantages of the applied techniques, Kozhyna A. (2018) highlights approaches to the classification of factors of inclusive local development, Ivanyshyn V. (2019) Investigates issues of inclusiveness from the standpoint of the inviremonal economy, Osypenko S. (2016) suggests the calculation of the integral indicator of financial sustainability of the regional budgets, Ryabushka L. (2013) considers the financial sustainability of the local budget from its position of influence on the inhabitants of the community and suggests the use of a number of relevant indicators.

Despite on the considerable attention to the problems of financial inclusiveness, today there are a number of unresolved issues regarding the formation of a unified approach to understanding the essence of financial inclusiveness and directions of its assessment. In particular, the educational component of financial inclusiveness of rural communities needs to be clarified and detailed, which is related to the provision of the corresponding subvention from the state budget and has a direct impact on the financial stability of the joint territorial communities.

Setting objectives. The purpose and tasks are to justify the directions of assessing the financial and educational inclusion of the combined territorial communities and study their financial capacity from the point of view of obtaining an educational subvention from the state budget.

Presentation of the main research material. In general, this concept involves ensuring equal and secure access of citizens or enterprises to financial products and services that are appropriate to their needs and affordable.

That is why the primary issue for Ukraine is to increase the level of financial inclusiveness of individual communities and to reach the broad financial and educational services of the general population, including the rural population, including the expansion of the range and work on improving quality.

The general model of inclusive development of the rural (territorial) community (fig. 1).

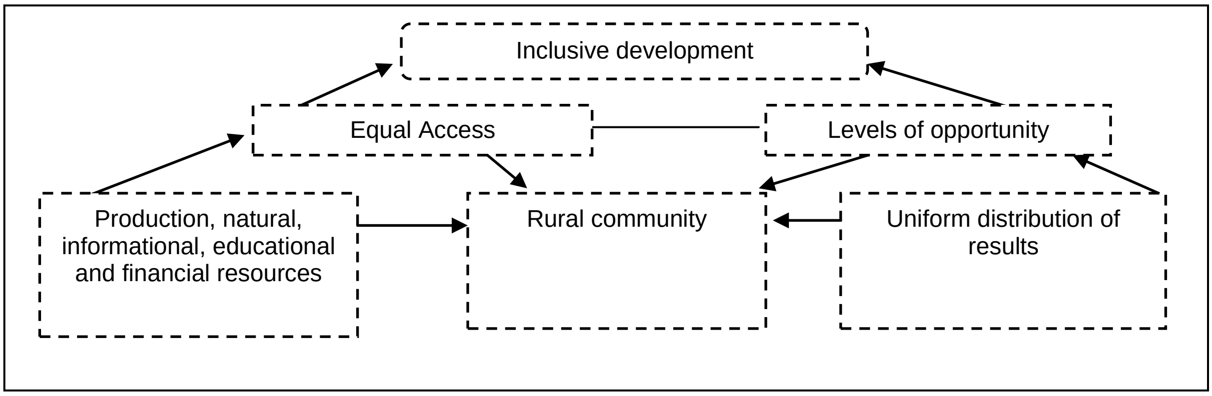

Fig. 1. The general model of inclusive development of rural communities

Source: authors development

According to the World Bank, which are reported in the Global Findex, 78% of the world's adult population does not have bank accounts. That is why considerable attention from the side of this structure is drawn to the expansion of the availability of financial services. The priority here is not only concrete investment projects, but also the dissemination of knowledge about the financial sector and its potential among potential consumers. It should be noted that today, one-hundred percent level of financial inclusiveness of the population is observed in Denmark, Sweden, Norway, the Netherlands and Australia. In Ukraine, according to World Bank data, in 2017, 37% of the adult population did not have any bank accounts and did not use financial services. That is why the National Bank of Ukraine intends to increase the share of cashless payments up to 55% and determines the priority of the Cashless economy project, which should be based on the following areas: lowering cash demand, increasing the number of non-cash transactions, developing a payment infrastructure and changing the financial culture and citizen's awareness [1].

At this stage, the banking sector undergoes radical changes, the essence of which is that the bank becomes a function in the digital economic system. This is primarily due to the behavior of customers who prefer to communicate through remote channels.

Nowadays, there are different approaches to assessing financial inclusiveness. In particular, international institutions (World Bank, IMF, OECD, Basel Committee on Banking Supervision, etc.) monitor and collect statistical data, calculate and analyze the indicators of financial inclusiveness. To this end, new international and regional organizational structures are being set up, including Alliance for Financial Inclusion (AFI), Global Partnership for Financial Inclusion (GPFI), Microfinance Information Exchange (MIX), Finscope, etc. [2, p.171].

In assessing the indicators of financial inclusiveness in general, distinguish the following main approaches: the analysis of financial inclusiveness from the positions of demand and from the standpoint of supply. The first approach uses the Global Findex (World Bank) statistical database, which includes more than 100 indicators of savings, loans, risk management and settlement.

An assessment of financial inclusiveness from the supply side is conducted by the International Monetary Fund "Financial Access Review" (FAS). The FAS analysis includes data on deposit-taking corporations, commercial banks, credit unions, financial cooperatives, deposit-taking microfinance institutions, and so on. Financial service users in the FAS study are grouped into entities: non-financial corporations, including small and medium-sized enterprises and households [2, p.171].

The Financial Inclusion Alliance (AFI) uses two groups of indicators for the study: the "access" indicators that take into account the availability of financial infrastructure and indicators of "use" that indicate the degree of involvement of consumers in financial services (Table 1).

Table 1

Indicators of financial inclusiveness

Accessibility indicators	Indicators of use
1. Number of branches of commercial banks per 1000 sq. km	1. The number of depositors of credit unions and financial cooperatives per 1000 adult population
2. Number of ATMs per 1000 sq. km	2. Number of credit accounts in microfinance institutions per 1000 adults
3. Branches of commercial banks per 100 thousand adult population	3. Share of bank deposits in GDP,%
4. Insurance companies, other financial intermediaries	4. Share of bank loans to small and medium enterprises in GDP,%

Source: Written by [2]

In our opinion, the financial inclusiveness of rural (territorial) communities and their inhabitants should be considered in the economic, social (personal), informational and infrastructural dimensions (table 2).

Table 2

Areas of assessment of financial and educational inclusiveness of rural (territorial) communities

Economic aspect	Social (personal) aspect	Information aspect	Infrastructure aspect
1. Financial sustainability of rural (territorial) the community	1. National capital (the sum of economic abilities, knowledge and behavior of citizens, is based on education, knowledge and experience that make it possible for a person to be economically productive)	1. Communicative inclusiveness of the inhabitants regarding the directions of use of community financial resources	1. The presence of financial institutions or points of access to financial services in the community and information technologies
2. Economic activity and community contribution to the formation and use of the budget	2. Providing the ability of different age groups to adapt to new opportunities associated with financial inclusiveness.	2. Inclusiveness of financial and legal assistance	2. Availability of transport and logistics services
3. The ability to conduct economic transactions online (payment of goods, calculations, etc.)	3. The level of access to community resources	3. Inclusiveness of educational services	3. The presence of Internet providers
4.Economic integration of inter-economic links between subjects of activity	4.Social mobility	4. Collaboration with NGOs	4. Presence of institutions of education and culture
5. Capital mobility			5. Availability of recreation and leisure facilities
6. Improvement of logistics			

Source: authors development

Among the above-mentioned directions is the study of the economic component of financial inclusiveness, the basis of which determines the financial sustainability of the rural community; economic activity and contribution of the community to the formation and use of the budget; access to financial transactions online; economic integration of inter-farm relations, mobility of capital, improvement of logistics. We consider a rather significant index of inclusiveness to be human capital, which has recently been considered by scientists as the fourth production factor (capital of knowledge, skills, experience, the basis of which is education) [3; 4].

In general, the financial sustainability of rural communities reflects the extent of their dependence on the state budget (educational, medical subventions, subvention for the training of labor personnel, and some authors suggest using a number of indicators for assessing the financial sustainability of local budgets.) For example, Osipenko S. (2016) offers an estimate of the integral indicator of financial stability, which includes the following coefficients: the coefficient of budget coverage, the coefficient of withdrawal of funds to the state budget, the coefficient of subsidization, the coefficient of tax autonomy, the coefficient of budget security [5, p. 126]. Ryabushka L. (2013) suggests that the financial sustainability of the local budget be considered taking into account the impact on the individual community, while considering the following indicators: the level of income per capita, the ratio of budget aid , the level of budgetary provision of the population, the average per capita level of tax security, the ratio of GRP to tax revenue, the average per capita level of foreign trade turnover, foreign trade quota, the ratio of GRP to fixed capital investments, the ratio of GRP to fixed capital investments into education, health care and social protection, and utilities) [6, p.131].

According to Pakhnenko O. [2, p.173], the typical shortcomings of the methods used to assess financial inclusiveness are:

- use of indicators of formalized financial services provided by traditional financial intermediaries;
- Insufficient research on the availability of financial services according to the structure of incomes of citizens;
- the diversity of financial services and their quality, as well as the diversity of financial intermediaries, remain unnoticed;
- insufficient consideration of the issue of financial literacy and quality indicators of financial, legal, information infrastructure for access to financial services and ensuring financial inclusiveness.

In our opinion, the importance of allocating the amount of state subsidy to local budgets to the formation of the infrastructure of the united territorial communities is of great importance in the study of the financial sustainability of rural communities. The Cabinet of Ministers of Ukraine approved an appropriate order in 2019, according to which the funds are distributed on the principle of proportionality of the area and the number of rural population among the budgets of 806 united territorial communities of Ukraine. The total amount of the state subvention is 2.1 billion UAH. According to the document, the largest amount of subvention in 2019 is expected for the united territorial communities of Zhytomyr – 175.3 million UAH, Dnipropetrovsk – 174 million UAH, Khmelnytskyi – 145.2 million UAH, Chernihiv – 134.1 million UAH areas [7].

An analysis of the directions of scientific research allowed us to focus on the educational component of the financial inclusiveness of rural communities and their inhabitants, which manifests itself in the form of educational subventions and, undoubtedly, is the basis for any positive qualitative changes in the analyzed environment. To this end, the Financial Intelligence Index of the educational network should be considered, which shows the difference between the financing of school education from the state budget and the financial needs of educational institutions of the united territorial communities. The calculation of the indicator is carried out taking into account the difference between the actual fullness of the classes of the institution of school education and the calculation. If the actual fullness exceeds the estimated one, then there are free funds that the community can use for the results of the fiscal year to modernize and update educational institutions. Lack of funding arises when the actual fullness of the classes is less than the estimated one. The study of this indicator (table 3) shows that educational institutions of rural communities of Ukraine do not even receive funds for their needs from the state budget. For example, 20 OTGs out of 44 in the Khmelnitskyi region are not well-funded, 16 are middle-income and the rest have free funds [8]. A similar situation is characteristic of many regions of Ukraine. According to our calculations, 26% of the communities have a low educational-financial capacity index. This means that those rural communities with incomplete schools will have to consolidate them.

Table 3

The index of financial capacity of the educational network

Regions	Total created communities	Index of financial capacity of schools for individual communities		
		high	medium	low
1	2	3	4	5
Vinnytsia	35	13	10	12
Volyn	50	18	10	22
Dnipropetrovsk	60	33	19	8
Donetsk	10	2	4	4
Zhytomyr	51	14	18	19
Zakakarpattia	6	4	1	1
Zaporizhia	43	22	16	5
Ivano-Frankivsk	29	19	5	5
Kyiv	13	5	1	7
Kirovohrad	20	6	5	9
Luhansk	9	5	3	1
Lviv	40	11	14	15

continuation of tabl. 3

1	2	3	4	5
Mykolaiv	28	17	8	3
Odessa	28	19	7	2
Poltava	44	19	12	13
Rivne	31	17	11	3
Sumy	29	14	11	4
Ternopil	47	11	12	24
Kharkiv	16	11	4	1
Kherson	27	17	8	2
Khmelnytskyi	44	8	16	20
Cherkasy	53	16	17	20
Chernivtsi	32	21	10	1
Chernihiv	37	20	12	5
Total	782	342	234	206

Source: calculated by authors on the basis of [8]

This situation is quite critical and indicates a lack of positive dynamics in ensuring the educational financial inclusion of rural communities in Ukraine. Ultimately, we will close a large number of educational institutions due to their financial inability, which will only deepen the existing negative state.

Conclusions from the conducted research. The study found that the financial inclusiveness of rural communities and their inhabitants is to a large extent related to modern information technologies, including in the banking sector, which in these circumstances demonstrates positive technological changes and solutions and requires close interaction with the educational component.

An analysis of the approaches to financial and educational inclusiveness has made it possible to distinguish the directions of its evaluation, adapting them to the conditions of the combined territorial communities. As a result, the phenomenon under study can be evaluated in the following areas: economic, social (personal), informational, and infrastructure.

The study of financial inclusiveness on the financial sustainability of the combined territorial communities in terms of providing a state educational subvention has led to the conclusion that a significant part of the formed communities has a low index of educational financial capacity, which ultimately leads to the closure of individual schools and may negatively affect the quality of human capital, the basis of which is education, which, in turn, will reduce the financial and educational inclusiveness of rural inhabitants.

We see the directions of further scientific research in formulating methodical tools for studying the financial and educational inclusiveness of the united territorial communities, developing indicators of its evaluation, enriching the theoretical basis on the essential content of the specified category and finding ways to increase the level of financial and educational inclusiveness of both communities and their inhabitants.

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Стаття надійшла до редакції 21.02.2019 р.