
6) DEVELOPMENT OF AGRICULTURAL COOPERATIVES IN THE CONTEXT OF DECENTRALIZATION: A LEADERSHIP ASPECT

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Abstract

The role and place of local governments and rural communities' authority decentralization in the formation of sufficient motivational, organizational and financial tools ensuring their own development and gaining autonomy in managerial decisions are investigated.

A thorough analysis of the basic principles of agricultural cooperative development is carried out and the role of the leader in this process is determined.

The main constraints on the development of cooperative movement in the rural areas caused by a number of general and specific problems have been identified. It is substantiated that the success of agro-cooperatives in Ukraine is based solely on the community enthusiasm, particularly on their leaders, as well as on the support of associations and international donors.

This is confirmed by the study of the activities of the leading agricultural cooperatives of Cherkasy region and Kyiv region "Bulls of Cherkasy region" and All-Ukrainian agricultural cooperative headed by people influencing the groups and encouraging the cooperative members to take active action, and their instructions are followed unconditionally. These leaders take personal responsibility for their initiatives; they have a vision of the deliverables and can set priorities well.

The survey conducted among the members of the cooperatives revealed their awareness of the need for group actions and the possibility of obtaining personal benefits through group actions and a special system of relationships, which implies a certain group interdependence.

The survey also found that training the heads of local self-government bodies in the organizational and legal issues of establishing and managing a cooperative was appropriate along with applying for grants, business plans development and search for financing for the purchase of fixed assets.

It is summarized that the formation and development of agricultural cooperatives is an important tool for local economic development, contributing to the development of the private sector in the countryside, expanding employment and improving the quality of life and income of the rural population.

Key words: cooperative movement, local governments, rural areas, leadership

Introduction

It is proven by world science and practice (Moldovan, 2016; Bijman & Iliopoulos, 2014; Zinovchuk, 2019) that rural cooperation is a powerful tool for the effective development of rural communities and the agrarian sector of the economy. Cooperation is the only way to help the rural dwellers to use resources effectively, to produce and sell agricultural products, to eliminate intermediaries and find markets at a bargain price. Cooperatives establishment contributes to solving the problem of unemployment in the countryside, local budgets filling, and, accordingly, the development of the region infrastructure.

Recognizing the importance of cooperation prompted the Ministry of Agrarian Policy and Food of Ukraine to prioritize the development of agricultural cooperation. Nevertheless, the pace of the domestic agricultural cooperatives development has slowed down considerably after some upturn in 2005 for a number of political, economic and social reasons. And since cooperation is a form of voluntary association between individuals and legal entities for collective production, business, trade or consumer activity on the

basis of democratic governance and the combination of personal and public interests, the participants can not be forced to do the activities. Establishment of a cooperative requires the awareness of the effectiveness of group actions and the desire to earn a decent income through the group work and the willingness to develop production together.

Material and Methods

General scientific methods used in the research allowed to determine the features and main tendencies of agricultural cooperation development (analysis and synthesis methods); to justify the impact of decentralization on the development of agro-cooperation (generalization method). The statistical data were analyzed using special methods; specific sociological methods - the survey method - were used to define the role of a leader in agricultural cooperatives development and to identify key limiting factors of cooperative movement development in rural areas.

Results and Discussion

While analyzing the reasons that hamper the agricultural cooperation development, we found out that in addition to the imperfection (weak) regulatory support and lack of start-up capital, the farmers are not aware of the essence of cooperation. Among the other reasons are lack of trust in institutions, between people, underestimation of the role of a leader, unwillingness of the vast majority of participants to adhere to the international practice in cooperation principles. In addition, there is a national mentality implying that everyone is on their own.

It should be noted that the successful implementation of the decentralization reform of power was a significant impetus for the cooperative movement development. Since decentralization involves the population self-organization and self-government, it correlates with the basic principles of cooperation.

Communities possess sufficient authority and resources and thus they enable residents to cooperate and work together by interacting with each other without mediation. These processes have been notably intensified after establishment of integrated territorial communities.

Research into the process of establishing the agricultural cooperatives found that the success of agro-cooperatives in Ukraine is based solely on the enthusiasm of the community, their leaders in particular, and the support of international donors.

Our research emphasized the role of a leader in the activities of the leading agricultural cooperatives of Cherkassy and Kyiv regions such as "Byky Cherkashchyny" ("Bulls of Cherkassy"), "All-Ukrainian Agrarian Cooperative", "Rodynniy Dobrobut" ("Family Welfare"). We found out these leaders are people who gained certain practice, knowledge and professional skills. They own the means of production and can successfully run their business in a market economy. These people also have an influence on the group and encourage the members of the cooperative to take active action. Also, their instructions are accepted unconditionally and are enthusiastically executed. These leaders are personally responsible for their initiatives, they have a vision of the problems, they are able to set priorities appropriately. That is, these are people followed by others voluntarily and deliberately.

According to the survey of the heads and members of the studied cooperatives, the respondents also mentioned the need for explanatory and organizational work as well as training the heads of local self-government bodies on the organizational and legal issues of the cooperative establishment and management, on business plans developing and search for financing for the fixed assets purchase, grants submitting etc.

As for the leaders who are the heads of the cooperatives under study, they were all unanimous in the opinion that the development of the cooperative requires real support from the state authorities, realizing that the cooperative is a necessary form of business able to economically support agricultural producers through the formation of a cooperative support fund. They also believe that the legal regulation of the cooperative units needs improving. In particular, the terms of individuals membership and legal entities in the cooperative should be determined; the law is to provide an explanation of the subjects of land and property and to determine the nature of the ownership of the objects; to provide a mechanism for establishment of an agricultural cooperative based on the interconnections between different actors of the cooperative; to clearly define the share of income that will be used for the cooperative development and for the formation of appropriate funds; to grant more rights to associate members of the cooperative, etc.

Also important, according to the view of the heads of the cooperatives under study, is the formation of an effective information policy aimed to develop the cooperative processes in the agricultural sector of the economy, the organization of training the community residents, representatives of local self-government and officials of local self-government bodies in the basics of cooperation provided by higher education institutions.

While studying the role of the leader in the development of the cooperative movement in Ukraine, we also aimed to identify the role of the leader in the development of territorial communities in the context of decentralization. It is worth noting that based on the available literature data, it has been found out that successful and capable communities owe their leaders much. Leadership is a key factor in communities. The essence of any opportunity to influence lies in the ability to attract another person to participate. There is a close relationship between the motivation of the leader and the members of the community, namely, instead of constantly urging their community to move toward their intended aim, the leader simply need to make the others interested. If there is no any interest in the community, it is only because the leader has failed to interest the members. A community leader is able to relate meeting their community's needs with their daily work and the ultimate purpose.

Conclusions and Outlook

Therefore, given that the cooperative model of economy is an important step in the future of the Ukrainian peasantry, the formation and development of agricultural cooperatives is an important tool for local economic development, contributing to the development of the private sector in the countryside, expanding employment and improving the quality of life and income of the rural population. Leadership development is the main and most effective method of accelerating the development of cooperation under decentralization. The development of effective leadership should be implemented in the following way: individual leadership, group leadership and community leadership. The community is strong if the leader is responsible and indifferent, if there is mutual trust and responsibility. The policy of public management of agricultural cooperatives development should be based on efforts and resources concentration aimed at intensifying this process as a basis for rural development.

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