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**PSYCHOLOGICAL CAPITAL AS A FACILITATOR ON THE
UKRAINIAN ECONOMY RECOVERY**

Psychological capital [1] is a term that refers to the positive psychological resources of an individual or a group, such as self-efficacy, optimism, hope, and resilience. Psychological capital can influence the motivation, performance, and well-being of people in various domains, including work, education, and health. In this essay, I will discuss the role

of psychological capital in the Ukrainian economy recovery in the aftermath of the full-scale war with Russia.

The Ukrainian economy has faced multiple challenges in the past decade, such as political instability, corruption, territorial disputes, armed conflict, social unrest, and public health crisis. These challenges have adversely affected the economic growth, social cohesion, and human development of the country. According to the World Bank [2], the gross domestic product (GDP) of Ukraine contracted by 30,1% in 2022, and the poverty rate increased from 19,5% in 2019 to 27,8% in 2022. Moreover, the war and the pandemic have taken a heavy toll on the mental health of the population, with increased rates of depression, anxiety, post-traumatic stress disorder, and suicide.

To overcome these difficulties and achieve a sustainable and inclusive recovery, Ukraine needs to invest in its human capital, which is the sum of the skills, knowledge, and health of the people. Human capital is essential for enhancing the productivity, innovation, and competitiveness of the economy, as well as for improving the quality of life and social welfare of the society. However, human capital is not only determined by the tangible factors, such as education, health care, and infrastructure, but also by the intangible factors, such as psychological capital. Psychological capital can enhance the human capital by fostering the positive attitudes, behaviors, and outcomes of the people, such as:

- *Self-efficacy*: the belief in one's ability to accomplish a task or a goal. Self-efficacy can increase the confidence, motivation, and persistence of the people, as well as their willingness to take on challenges and learn from feedback. Self-efficacy can also reduce the fear of failure and the negative effects of stress. For example, a worker with high self-efficacy will be more likely to seek new opportunities, acquire new skills, and perform well in their job, than a worker with low self-efficacy.
- *Optimism*: the expectation that good things will happen in the future. Optimism can enhance the hope, happiness, and satisfaction of the people, as well as their ability to cope with

adversity and uncertainty. Optimism can also influence the decision-making, risk-taking, and goal-setting of the people. For example, an entrepreneur with high optimism will be more likely to start a new business, pursue a new market, and achieve a higher profit, than an entrepreneur with low optimism.

- *Hope*: the belief that one can find a way to achieve a desired goal. Hope can increase the creativity, flexibility, and resourcefulness of the people, as well as their capacity to overcome obstacles and setbacks. Hope can also inspire the people to have a vision, a plan, and a commitment for the future. For example, a student with high hope will be more likely to pursue a higher education, explore a variety of career options, and attain a higher income, than a student with low hope.
- *Resilience*: the ability to bounce back from difficulties and to adapt to changing circumstances. Resilience can strengthen the mental and physical health of the people, as well as their endurance, perseverance, and recovery. Resilience can also enable the people to learn from experience, grow from challenges, and transform from crises. For example, a community with high resilience will be more likely to rebuild after a disaster, restore after a conflict, and revitalize after a recession, than a community with low resilience.

Psychological capital can play a vital role in the Ukrainian economy recovery, by enhancing the human capital of the country. By investing in the psychological capital of the people, Ukraine can foster a culture of positivity, empowerment, and innovation, which can boost the economic performance, social cohesion, and human development of the country. Some of the possible ways to invest in the psychological capital of the people are:

- Providing accessible and affordable mental health services and support systems, especially for the vulnerable groups, such as the displaced, the injured, the bereaved, and the frontline workers. This can help to prevent, treat, and reduce the mental health

problems of the people, as well as to promote their psychological well-being and functioning.

- Implementing evidence-based interventions and programs that can enhance the psychological capital of the people, such as coaching, mentoring, training, and counseling. This can help to develop and strengthen the positive psychological resources of the people, such as self-efficacy, optimism, hope, and resilience.
- Creating a conducive and supportive environment that can foster the psychological capital of the people, such as a democratic, transparent, and accountable governance, a fair, inclusive, and diverse society, and a safe, healthy, and green living. This can help to increase the trust, participation, and collaboration of the people, as well as to protect their rights, dignity, and well-being.

Psychological capital is an asset that can contribute to the Ukrainian economy recovery, by enhancing the human capital of the country. By investing in the psychological capital of the people, Ukraine can leverage the positive potential of its people, and achieve a sustainable and inclusive recovery.

To realize that goal Coventry University & Alfred Nobel University are working now on the Double Diploma Masters programme, “Smart Sustainable City Development,” which aligns very well with the needs of mitigating the consequences of war and contributing to the recovery and future reconstruction of Ukraine in several ways including those which are based on the psychological capital concept.

Coventry University is already deeply engaged in Ukraine Encouraging new ways of thinking and new ways of working. The directions of these efforts are:

- Exploring with a new generation of leaders how to work across silos and boundaries and how to engage and empower others.
- Instilling the belief that everyone has responsibility for leadership, and that leadership is dispersed across organisations.

- Increasing practical and critical ability to scope, lead, manage, and embed change and examine how beliefs, values, and preferences impact change scenarios.
- Developing greater confidence in engaging with, influencing, and supporting colleagues both vertically upwards, downwards and across university structures.
- Developing greater confidence in representing their university nationally and internationally.
- Enhancing self-awareness of strengths, development needs and behavioural preferences and an ability to reflect critically on their actions.

Utilizing the experience and approaches successfully implementing sustainable city development programs from the United Kingdom, the program will include the following areas of activity:

- Infrastructure Restoration and Modernization.
- Application of Modern Technologies: Implementation of digital innovations, and smart technologies to improve city management and enhance efficiency.
- Entrepreneurship Development: Creating conditions for the development of SMB, startups, and innovative entrepreneurship, fostering economic growth and job creation.
- Social Programs: Ensuring access to education and medical services for all residents, as well as supporting vulnerable population groups and veterans.

The programme focus is on Sustainable Development and Resilience: the programme emphasizes smart and sustainable city development, which is essential for rebuilding communities in the aftermath of conflict. By promoting sustainable practices in infrastructure development, and resource management, the programme can contribute to creating resilient and eco-friendly cities focused on inclusive growth that are better equipped to cope the future challenges. Simultaneously the programme is

generating positive closed-loop feedback enhancing the psychological capital of the local community which in turn raises its resilience needed to mitigate crisis [3].

References:

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