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STRATEGY FOR THE DEVELOPMENT OF MILITARY-TECHNICAL COOPERATION, ARMAMENTS AND MILITARY EQUIPMENT: UKRAINE PERSPECTIVES

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ABSTRACT

This article considers military technological change and its relation with politics. This relation actually represents an entwined evolution of military technology, politics, and scientific analysis by conducting an in-depth analysis of military technological innovation. The article considers the main directs and perspectives in sphere of forming the strategy for the development of military-technical cooperation, armaments and military equipment. The proposals about the content of strategy for the development of military-technical cooperation, armaments and military equipment are presented.

Key words: Armed Forces, armaments and military equipment, military-technical cooperation, state military-industrial policy, strategy.

INTRODUCTION

Government military establishments have for generations exerted an important influence on technological change in most industrial economies. Nevertheless, although the influence of military activity (waging wars, acquiring weapons, training personnel) on technological change has been pervasive for centuries, the channels through which military activity influences innovation have changed significantly, just as the structure and scale of national military establishments and the industrial societies within which they operate have changed. the influence (or lack of same) of the safety environment (and threats for it) on innovation of military programs supported by governments, raises fundamental questions about the generalizability of the experience deciding problems which connected whit the foundation of the strategy forming and development.

Formulation of the problem. Military and dual use technology developments as well as their impacts are complex phenomena, influenced by many factors which are not under the control of policy-makers. But, being relevant for many policy issues these developments, as well as studies on their dynamics constitute at least a context of importance for politics. Next to the scientists, policy and defense analysts must be involved in studies on the impact of new military technologies on arms, national and international security. But this is a sphere which is regulating by the mechanisms of the strategic level. In Ukraine this level remains undeveloped, which



creates threats to the system of national and military security. As a result the military security strategies of Ukraine and policy of innovative development of scientific and scientific and technical activities remain without proper disclosure and detail.

Analysis of recent research and publications. Scientists deals with problems of strategy and policy of military-technical cooperation, armaments and military equipment formation and development, in particular, W. Boon, J. Edler, [1], S. Currall [2], M. Grillitsch [3], H. Sapolsky [4], A. Smit [5], M. Taylor [6], J. Wilson [7] and others. Given the not significant ukrainian works on this issue, it should be noted that currently the issue of main principles and directs of the strategy of military-technical cooperation, armaments and military equipment forming and development is actual.

The purpose of the article is to consider the Ukraine perspectives in sphere of forming the strategy for the development of military-technical cooperation, armaments and military equipment.

Presenting main material. The strategy for the development of military-technical cooperation, armaments and military equipment (hereinafter – the Strategy) defines the priority areas of military-technical cooperation, the development of armaments and military equipment within the framework of the state military-industrial policy.

The Strategy takes into account the projected guidelines formed on the basis of the analysis of trends in the forms and methods of conducting armed conflict, current threats in the military sphere and their evolutionary development, changes in the conditions of the security environment, reasonable predictions regarding the essence of future military conflicts, possible forces and means that can be used during the use of military force against Ukraine by other states, in the foreseeable conditions of the future security environment.

The Strategy is the basis for the development and adoption of justified management decisions and the preparation of state programs based on defined principles and ways of solving problems related to equipping the defense forces with modern weapons and military (special) equipment, creating the necessary stocks of material and technical means that will be used for adequate response to a wide range of challenges and threats to the security environment for the successful solution of military tasks in the future.

The mission of the Strategy – is determination of directions for the development of military-technical cooperation, armaments and military equipment in order to increase the capabilities of the defense forces of Ukraine, including through the rearmament of the Armed Forces of Ukraine with weapons and military (special) equipment of domestic, foreign and joint production with foreign partners (air defense complexes, multi-purpose combat aircraft, helicopters, boats and ships with missile weapons and anti-ship missile systems), which ensures the fulfillment of tasks by the Armed Forces of Ukraine, other components of the defense forces together with the relevant structures of NATO member states on the basis of interoperability.

The purpose of the Strategy – is determination the priority areas of development and increase the necessary capabilities of the defense forces of Ukraine in accordance with the principles and standards of NATO in the conditions of legally defined volumes of financial support for the security and defense sector, taking into account the capabilities of the defense-industrial complex of Ukraine and the import of military goods.

It is reasonable to predict that the Strategy will be implemented in the following main directions:



- planning the development of weapons and military (special) equipment, taking into account all stages of their life cycle, using the program-project management mechanism of defense resources;
- development and procurement of new, modernization and maintenance of technical readiness of existing weapons and military (special) equipment using the domestic defense-industrial complex, public-private partnership and military-technical cooperation;
- development and procurement of priority nomenclature of weapons and military (special) equipment according to the directions of development of the basic capabilities of the defense forces, unified by types and equipment, which will ensure the acquisition of compatibility with NATO standards, direct procurement of weapons and military (special) equipment, material resources and services import in accordance with the legislation of Ukraine;
- development and implementation of innovative (critical) defense technologies, introduction of unmanned platforms (systems) of ground, sea and air bases and achieving technical compatibility of the defense forces with the armed forces of NATO member states;
- establishing ways to modernize the Armed Forces of Ukraine, achieving technical (technological) compatibility of the Armed Forces of Ukraine and other components of the defense forces with the armed forces of NATO member states;
- improvement of the normative and legal framework for the development of military-technical cooperation, armaments and military equipment;
- introduction of personal responsibility of stakeholders for carrying out activities in the field of military-technical cooperation, development of weapons and military equipment;
- provision of continuous scientific, information-analytical and normative-legal support of measures for reforming and developing the defense-industrial complex;
- implementation of an effective system of organizing the activities of state scientific institutions and production enterprises of the defense industries through the formation with their participation of economic associations of enterprises or holding companies, focusing on specific goals and priorities for each production segment (aviation and space, production of special means (in particular means anti-aircraft defense, radar, electronic warfare and communication, means of technical types of intelligence), armored (in particular, the production of automotive equipment, engineering and special weapons for defense needs), shipbuilding, as well as the segment of the production of high-precision weapons and ammunition);
- creation and implementation of a unified information and analytical system of the central executive body, which ensures the formation and implementation of the state military-industrial policy, as a modern means of supporting decision-making in the field of military-industrial policy implementation;
- improvement of the system of standardization, unification and product quality management in accordance with NATO standards.

At the same time, it is necessary to take into account the current and projected factors affecting the development of military-technical cooperation, weapons and military equipment. For example, the current management system in the field of military-technical cooperation, the development of weapons and military equipment does not allow to effectively increase the operational capabilities of the Armed Forces, other components of the security and defense forces, as a result of which the ability to perform their tasks as part of the joint military management bodies, the pace of



achieving interoperability, is reduced with the defense forces of NATO member states, in particular:

- the existing principles of organizing the system of military-scientific research and defense-industrial activity in the state do not correspond to world trends of scientific and technical development;
- most business entities do not have a sufficient degree of scientific-technical, financial-economic and production self-sufficiency;
- difficulty in providing highly qualified workers, destruction of the vocational training system;
- lack of domestic enterprises, institutions and organizations engaged in the creation and production of combat aviation (planes, helicopters), air defense/missile defense systems, air-space defense systems, high-precision hypersonic aircraft of various bases and means of protection against them, practically no production radio elements and microelectronics, many of which are critically needed for the production of weapons, military and special equipment, materials and components;
- incomplete provision of defense needs with material (lack of weapons and military equipment, ammunition for them, stocks and expendable of th material and technical support, elements of military infrastructure), financial (inconsistency of program objectives with the amount of defense funding) and intellectual resources (organizational and institutional inconsistency, lack of coordination of joint efforts at the interdepartmental, governmental and intergovernmental levels);
- underdevelopment of the domestic market of defense goods, low level of profitability and high cost of defense industry products; the limited ability to roll out the production base for the development and production in the necessary volumes of weapons and military equipment (newest types of weapons, missiles, ammunition, robotic systems, software for the management of troops (forces), fire, etc.);
- functional inconsistency of organizational actions (principles of regulation and standardization of defense planning) and prognostic-analytical limitations (failure to take into account during the implementation of defense planning measures the invariants of potential scenario models of the development of crisis situations in the long term);
- unbalanced scientific and scientific and technical activities of the National Academy of Sciences of Ukraine, university, institute and military science) and inconsistency of the legal framework (absence, contradiction of definitions or unclear regulation);
- complete lack of state support and funding for the development of critical technologies in the field of the defense-industrial complex of Ukraine, conducting fundamental research in the interests of the defense-industrial complex, stimulating new scientific and technical directions;
- low level of coordination of military-technical and military-industrial policy, in particular during the development and production of modern weapons, military and special equipment;
- low level of military-technical cooperation in order to attract international companies to invest in enterprises of the defense-industrial complex.

Minimizing the negative impact of these factors requires determining development priorities *и* military-technical cooperation, weapons and military equipment. Among the main priorities of the strategies can be such as:

1. Scientific-technical and production-technological development, technical re-equipment and modernization of enterprises of the defense-industrial complex will be carried out by:



– enterprises carry out modernization, introduction of the latest technologies, renewal of production assets, creation of capacities and preparation of production for the performance of tasks and measures determined by the state target defense programs, in particular in priority directions:

– creation of automated control systems, missile and space technology, high-precision means of destruction, ammunition and special chemical products, means of radio-electronic warfare, technical means of intelligence, air defense systems, unmanned platforms and shock robotics, equipping the “soldier of the future”, etc.;

– military shipbuilding, helicopter construction;

– organization of the production of samples of assault, fighter, bomber, training and training aviation equipment, which is currently not manufactured in Ukraine, with a gradual transition from its assembly and localization of the production of component and component products to full-scale serial production under license agreements;

– development of research and testing base.

2. Development of a portfolio of programs related to the planning, production and equipping of troops (forces) with weapons and military (special) equipment based on the standards of NATO member states, which involves orientation towards:

– implementation of measures to implement NATO standards, international (regional) standards in the defense-industrial complex;

– improvement of the state system of standardization of products for military and civilian purposes, creation and implementation of a system of providing national and industry standards that are adapted to NATO and EU standards, implementation of legal and state support for enterprises of the defense-industrial complex during the implementation of international standards;

– creation of an electronic database of normative documents on standardization in force in Ukraine, their review (extension of validity);

– implementation of measures to harmonize systems of standardization, quality control and certification of products with similar systems of foreign consumers and producers of products of the defense-industrial complex;

– improvement of the system and mechanisms for the unification of products of military purpose and dual use, in particular through the implementation of codes of established practice (methodology) regarding inter-industry, industry and factory unification by enterprises of the defense-industrial complex;

– optimization of approaches during the formation of requirements for procurement and contracts by state customers with the aim of wider application of NATO standards;

– development of systems for improving the qualifications of employees of the defense-industrial complex on a systematic basis.

3. Implementation of modern principles and approaches to order planning and implementation of research and development works aimed at developing the basic capabilities of the defense forces. Scientific and informational and analytical support for the activities of the defense-industrial complex will be carried out in the following directions:

– study of domestic and foreign experience regarding the integration of science and production in the defense sector of the economy;



- study of domestic and foreign experience regarding organizational and legal support, principles and mechanisms of public-private partnership in the defense sector of the economy, development of practical recommendations for the preparation of regulatory and legal acts regarding the rational interaction of enterprises, institutions and organizations of various forms of ownership in the defense-industrial complex;
 - study of the needs of the defense sector of the economy in the import of products (goods, technologies, works, services) of military purpose and dual use, development of practical recommendations for carrying out rational diversification and import substitution;
 - development of principles and mechanisms, practical recommendations for improving the system of intellectual property protection in the defense-industrial complex;
 - development of principles and mechanisms, practical recommendations and legal acts on increasing the energy efficiency of production, reducing the specific weight of the energy component in the cost structure of industrial products produced in the defense-industrial complex, bringing it closer to the level of developed countries and NATO and EU standards;
 - development of practical recommendations for the creation and development of modern competitive civilian products in the defense-industrial complex, taking into account the real and potential needs of the economy and the population of the state and the capabilities of the defense industries;
 - development of practical recommendations for improving the system of standardization, unification and quality management of military and civilian products and dual use;
 - creation of a system and improvement of mechanisms for continuous provision of scientific institutions and production complexes of the defense industries with informational, analytical and other materials regarding world achievements in the field of science and technology, development of weapons, military and special equipment;
 - creation and implementation of a secure automated information and analytical system of accounting and analysis of the activities of enterprises of the defense-industrial complex;
 - creation of a unified information base of research and development works, results of intellectual activity and technologies of military, special and dual purpose, design documentation for military products for their use during the creation of innovative high-tech products of military and civil purpose and dual use;
 - creation, mastering and implementation of a secure automated information and analytical system for expert monitoring of the activities of subjects and objects of the defense sector of the Ukrainian economy;
 - creating a system of information and publishing activities in the defense-industrial complex, conducting research on the development of the defense sector of the economy, ensuring the preparation and publication of scientific, scientific-analytical and information-analytical publications on the development of science, technology, technology, modern achievements of scientific and technical progress in the defense industry.
4. Introduction of a modern methodology for the development of innovative (critical) technologies in the field of military defense development to increase the effectiveness of military-technical cooperation with foreign countries by:
- creation of a system for evaluating the effectiveness of programs and projects for the development of weapons and military (special) equipment and a consolidated three-year plan for procurement of defense goods, works and services under closed procurement;



- development and adoption of legal acts on improving the principles of state policy in the field of military-technical cooperation, in particular, the Strategy of Military-Technical Cooperation of Ukraine with Foreign Countries, and submitting it for consideration by the National Security and Defense Council of Ukraine;
- improvement of the legal framework regarding the participation of enterprises of the defense-industrial complex in international cooperation;
- development and implementation of mechanisms of state regulation in the field of technology transfer, state support for the implementation of projects and programs within the framework of intergovernmental agreements and state guarantees for the execution of foreign economic contracts in the field of scientific and technical, in particular, military-technical cooperation;
- use of the mechanism of exhibition activity with the aim of promoting products of military and civilian purpose and dual use to foreign markets and attracting promising technologies to Ukraine;
- creation of attractive conditions for attracting foreign investments in the renewal of the technological base of enterprises, in particular through the transfer of modern technologies to Ukraine, the attraction of scientific and technical potential for the implementation of joint high-tech projects both in Ukraine and abroad.

In fact, the implementation of the Strategy, the following results can be achieved: 1) implementation of state policy on issues of national security in the military, defense and construction spheres in peacetime and special periods; 2) implementation of state policy in the field of military-technical cooperation, development of weapons and military equipment; 3) planning the development of weapons and military (special) equipment, taking into account all stages of their life cycle, using the program-project management mechanism of defense resources; 4) development and procurement of new, modernization and maintenance of technical readiness of existing weapons and military (special) equipment using the domestic defense-industrial complex, public-private partnership and military-technical cooperation; 5) development and implementation of innovative (critical) defense technologies, introduction of unmanned platforms (systems) of ground, sea and air bases and achieving technical compatibility of the defense forces with the armed forces of NATO member states; 6) improvement of the regulatory and legal support for the acquisition of interoperability with the armed forces of NATO member states; 6) introduction of personal responsibility of stakeholders for carrying out activities in the field of military-technical cooperation, development of weapons and military equipment; 7) strengthening the institutional capacities of the Ministry of Defense and other management bodies of the components of the defense forces in terms of the implementation of the state defense order; 8) gradual equipping of the Armed Forces of Ukraine and other components of the defense forces with high-tech and modernized weapons and military (special) equipment; 9) capacity development based on the principle of acceptability and balance of resource costs for their development, procurement and modernization; 10) equipping the defense forces with high-precision weapons, technical means of reconnaissance, anti-tank complexes and artillery systems, multi-functional unmanned aircraft complexes, means of radio-electronic warfare, high-tech modern weapons systems (air defense complexes, combat aircraft and ships); 11) establishment of a system of public-private partnership, which focuses on the strategic priorities of Ukraine's national security, modern principles of innovative policy for the development of scientific and technical activities, and is an integral actor of the system of international security assistance; 12) development of an innovative policy in the field of military-scientific activity, coordinated with



the state military-technical policy and aimed at the development of promising models of weapons and military equipment, implementation of domestic and foreign innovative research and development for the needs of the Armed Forces of Ukraine; 13) introduction of innovative technologies in the defense sphere (prospective research funds, military innovative technopolises, etc.); 14) creation of an effective institutional and extensive system of military and scientific research, which ensures the conduct of scientific research and development, provides scientific support for the creation and production of modern weapons and military equipment; 15) implementation of the development, development and implementation of innovative military technologies that ensure the modernization of the Armed Forces of Ukraine, according to NATO norms, principles and standards; 16) ensuring the development of modern systems for detection and countermeasures for use in unmanned aircraft systems, reconnaissance and attack systems, ground robotic systems, prototypes of remote-controlled combat modules, etc.

CONCLUSION

The main task in the field of military security is the development of deterrence potential, combat-ready armed forces and other components of the defense forces, capable of performing complex tasks in a multidimensional space based on the specification of strategic priorities in the field of military-technical cooperation, development of weapons and military equipment in state target programs aimed at the development of the components of the defense forces and solving the problems of ensuring the defense of the state, in particular, equipping them with modern weapons and military (special) equipment, creating the necessary reserves of material and technical means, modernization of the Armed Forces of Ukraine.

The strategy takes into account the projected guidelines formed on the basis of the analysis of trends in changes in the forms and methods of conducting armed conflict, current threats in the military sphere and their evolutionary development, changes in the security environment, reasonable predictions regarding the essence of future military conflicts, possible forces and means that may be used by third parties countries, in the foreseeable conditions of the future security environment.

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IMPLEMENTATION OF THE EU'S EASTERN PARTNERSHIP PROGRAM IN THE CONTEXT OF EUROPEAN INTEGRATION PROCESSES FOR UKRAINE

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ABSTRACT

The article examines the implementation of the EU program «Eastern Partnership» in the context of European integration processes for Ukraine. It has been proven that the institutionalization of the process of European integration is relevant in the way of effective implementation of state management in the sphere of economic cooperation of the countries of the Eastern Partnership.

Keywords: European Union, European integration, Eastern Partnership, public administration, association agreement.

INTRODUCTION

The regulatory mechanism is focused on the preparation of the National Program for the fulfillment of the Association Agreement, the appropriate Strategy for Ukraine's integration into the EU, the Concept of the implementation of public administration in economic cooperation of Eastern Partnership countries in Ukraine – the key documents, which adoption and implementation contribute to the success of such a policy.

At this stage, the social and political mechanism aimed at implementing public administration in economic cooperation of Eastern Partnership countries also plays a crucial role, as it is somehow responsible for the decision-making process to develop and implement corresponding regulatory documents.

In the process of implementing the key provisions of the Association Agreement, the financial and economic mechanism becomes relevant because of efficient planning, viability and comprehensiveness of the financing process, organization of the proper financial control, and the increasing level of financial sustainability, which will contribute to efficient public administration in economic cooperation of Eastern Partnership countries.

Results of the research. At this stage, it is important to directly advance the organizational and institutional structure in order to manage and coordinate the state European integration policy, namely to use the efficient institutional and administrative mechanism. Given that the successful implementation of key provisions presented in the Association Agreement between Ukraine and the EU in terms of dependence on the efficient system for coordinating the implementation of public administration in economic cooperation of Eastern Partnership countries. In fact, the establishment of a permanent coordinating body, which will significantly speed up the process of efficient government decisions in public administration in economic cooperation of Eastern Partnership countries and improve their quality, as the process of arranging draft decisions will



take place not with each ministry but in the course of public and transparent discussion involving everyone interested, including representatives of the third sector.

Quite relevant in this context, in the system of authorities, are key tasks, reasonable functions and powers of the central coordinating body to implement public administration in economic cooperation of Eastern Partnership countries.

Institutional and administrative reforming for the establishment of public administration in economic cooperation of Eastern Partnership countries practically consists in considerable enhancement of the state ability in this area, ability of coherence and responsibility of activities, institutions involved in the corresponding policy, the process of democratization of various spheres of social life, and formation of civil society. It is relevant to provide particular conditions for the entry of Ukraine into the European social, political, financial, economic, regulatory and legal space.

Thus, the institutional and administrative mechanism should substantially enhance the staffing for subdivisions of different central and local bodies of the corresponding authorities, which level of competence includes public administration issues in economic cooperation of Eastern Partnership countries, and their subordination to a certain central authority. According to the efficient, reasonable state European policy, civil servants primarily should have a range of appropriate knowledge, effective abilities and skills. They should be honest, competent, highly professional, initiative, patriotic, as well as be able to solve current national and regional issues of public administration in economic cooperation of Eastern Partnership countries.

So, while implementing the second stage, one should constantly monitor the progress of compliance with the provisions of the Association Agreement and implementation of the European integration policy in general, use civil society institutions for assessment and monitoring of the condition of compliance with the legal obligations taken on by Ukraine directly to the EU, i.e., it should correspond to the institutional administrative mechanism.

Therefore, within the implementation of the entire 2nd stage using media resources and other sources of public information, one should promptly inform the population of European integration processes taking place in the country, and corresponding competent authorities should analyze the condition of compliance with the provisions of public administration issues in economic cooperation of Eastern Partnership countries (information and communication mechanism).

For the efficient assessment and monitoring of the proper condition of compliance with the legal obligations taken on by Ukraine directly to the EU by corresponding civil society institutions, as well as for the implementation of the policy on public administration in economic cooperation of Eastern Partnership countries, which is relevant in the process of implementing the second stage of public administration in economic cooperation of Eastern Partnership countries, it is viable to:

- define the system and hierarchy of documents and programs, on the basis of which public administration in economic cooperation of Eastern Partnership countries is formed and implemented, with clear provisions for assessment and monitoring;
- have an efficient institution at the central level to ensure the coordination, proper planning, efficient monitoring, and assessment of the implementation of public administration in economic cooperation of Eastern Partnership countries;
- ensure a proper regulatory framework for compliance, monitoring, and prompt assessment of the Association Agreement;
- develop an institutional mechanism for coordination of the implementation of key provisions of the Association Agreement, which will be responsible for the process of organizing monitoring



and assessment;

- establish a common understanding and agreement among key participants for the monitoring process;
- develop a request for reporting from civil society and parliament;
- ensure the dynamic development of the ability of corresponding ministries to conduct high-quality monitoring and assessment, which requires appropriate basic skills in the database and resources;
- to organize transparency for the fulfillment of the Association Agreement.

Besides, in the process of implementing the 3rd stage – Ukraine's direct preparation for the integration into the European social, political, financial, economic, regulatory and legal space, the information and communication mechanism becomes especially relevant. It is responsible for the level of public awareness of the observance of European integration issues, promotes openness, transparency, and availability of circulation of relevant information at different levels of public authorities and official publications, represents corresponding procedures at the legal level to conduct referendums, conferences, various public hearings, etc.

At the 3rd stage, the use of the information mechanism will contribute to:

- activation of public participation in the establishment of public administration in economic cooperation of Eastern Partnership countries;
- a possibility for citizens to affect corresponding managerial decisions, budget development;
- a proper level of public awareness of particularities of public administration in economic cooperation of Eastern Partnership countries, openness, transparency, and availability of circulation of relevant information at the level of public authorities;
- proper support for efficient dialogue between corresponding authorities and civil society;
- consistency of social and economic interests of the state and society during the regulation of issues of public administration in economic cooperation of Eastern Partnership countries, etc.

Based on the implementation of the information and communication mechanism, one will present and take into account the public opinion concerning the entry into a corresponding European social, political, financial, economic, regulatory and legal space.

In this aspect, to ensure the efficient implementation of public administration in economic cooperation of Eastern Partnership countries, it is important to organize public consultations as a significant component of the process of developing and implementing the efficient policy by the authorities at all levels of government. Nowadays, public consultations carried out without taking into account the progressive legislative regulation have not acquired the specific nature of systemic practice for activities of the authorities.

The institutional and administrative mechanism is aimed at establishing an efficient organizational structure responsible for the implementation of public administration in economic cooperation of Eastern Partnership countries in Ukraine and consolidating it with an appropriate regulatory framework; developing a modern system for training and retraining of the appropriate management personnel directly engaged in the process of implementing public administration in economic cooperation of Eastern Partnership countries; ensuring active public participation in the establishment of the state policy for the European integration process.

Corresponding allocated powers of state institutions for the implementation of public administration in economic cooperation of Eastern Partnership countries and subjects of the social and political process should be clearly introduced, should ensure the reliable exercise of rights and freedoms for citizens, consider the public opinion on the European integration policy, for which



the institutional and administrative mechanism is responsible.

Efficient implementation of public administration in economic cooperation of Eastern Partnership countries in Ukraine is possible only due to the development of a clear vertical and horizontal line for government institutions responsible for the elaboration of relevant European integration issues. Defined powers of such institutions for the implementation of public administration in economic cooperation of Eastern Partnership countries and subjects of the social and political process should be clearly specified, for which the institutional and administrative mechanism is responsible.

The relevant aspects of the efficient implementation of public administration in economic cooperation of Eastern Partnership countries in Ukraine is the institutionalization of the European integration process. It means the process of establishment and functioning of a network of special institutions responsible for the establishment, implementation, monitoring, and assessment of Ukraine's state policy on the EU integration.

The financial and economic mechanism provides not only financial support for the implementation of the European integration policy but also regular financial support for initiatives on the regulation of tasks related to the efficient European integration policy of each state etc. Given the abovementioned, the application of mechanisms for implementing public administration in economic cooperation of Eastern Partnership countries in Ukraine is changing.

Therefore, the social and political mechanism is the main one at the first stage of implementing public administration in economic cooperation of Eastern Partnership countries, as it lays the foundations for the further implementation of European integration areas in Ukraine.

Regulatory and institutional and administrative mechanisms are also significant. They allocate powers among corresponding subjects of this policy on public administration in economic cooperation of Eastern Partnership countries for its efficient implementation and form a regulatory framework for the consistent and systematic implementation of such a policy.

The financial and economic mechanism of public administration is not actively involved at this stage.

The key task in the implementation of the information and communication mechanism for public administration in economic cooperation of Eastern Partnership countries at the first stage is to form the public opinion concerning this policy and ensure the public support for its implementation.

Thus, at this stage, the main importance is also acquired by the regulatory and institutional and administrative mechanisms serving as the conceptual foundations of the implementation of public administration in economic cooperation of Eastern Partnership countries in Ukraine, particularly compliance with the Association Agreement, and providing proper conditions for this.

The financial and economic process is usually relevant in the process of implementing the Association Agreement, as it provides sustainable financing of the appropriate European integration policy, the absence of which makes its implementation impossible.

The social and political mechanism is rather less important in such a period. At this stage, the social and political mechanism has already almost lost its key fundamentality and, consequently, is only intended to determine the choice of priority areas for further development and efficient implementation of the defined European integration policy and to coordinate proper actions to enhance social and political relations in the implementation of the policy on public administration in economic cooperation of Eastern Partnership countries.

Accordingly, at the second stage, the information and communication mechanism introduces



innovative IT technologies to organize monitoring of the key areas of public administration in economic cooperation of Eastern Partnership countries and provides access to proper information, complying with the European integration situation in the country, which is extremely important in the process of implementing Association Agreement provisions. Thus, one should organize public monitoring to implement public administration in economic cooperation of Eastern Partnership countries. Key methods for public monitoring include:

- the analysis of appropriate regulatory documents regulating public administration in economic cooperation of Eastern Partnership countries;
- provision of necessary information on requests and appeals to the public authorities in the context of receiving corresponding information in the implementation of public administration in economic cooperation of Eastern Partnership countries;
- external monitoring of the work of particular officials of public authorities at different levels of government, as well as certain collegial bodies in the process of development and adoption of reasonable managerial decisions on the implementation of the European integration policy. It contributes to the definition of real decision-making procedures in the further analysis to comply with the current legislation.

As part of the implementation of public administration in economic cooperation of Eastern Partnership countries at the third stage, one prepares Ukraine for the process of integration into the European social, political, financial, economic, and regulatory space. The information and communication mechanism is primarily relevant.

When implementing all three stages of the implementation of public administration in economic cooperation of Eastern Partnership countries, the information and communication mechanism should be constantly involved, complying with the following provisions:

- prompt updating of information on the current condition and development prospects of relations between Ukraine and the European Union;
- acquisition of proper information on the discussion process, expected goals and structure of public administration in economic cooperation of Eastern Partnership countries, including the establishment of advanced and comprehensive free trade zones between Ukraine and Eastern Partnership countries;
- proper informing of the population about changes implemented while establishing and implementing the policy on economic cooperation of Eastern Partnership countries;
- provision of proper information on the definition of reasonable managerial decisions by the EU to organize and implement international relations in Ukraine;
- organization of the permanent information and analytical work on the progress or regress of the process of implementing public administration in economic cooperation of Eastern Partnership countries, etc.

Therefore, the relevance of the information and communication mechanism is caused by the fact that the basic information awareness of various conceptual and methodological principles for the state European integration policy, the content of national interests, the goal of Ukraine's European integration, functioning of corresponding institutions, defined living standards in European countries, Ukraine's efficient cooperation with Eastern Partnership countries and its member states will form an appropriate public opinion, contributing to the public support of Ukraine's course in the social, political, financial, economic, and regulatory space.

Currently, Ukraine's integration into the EU is not supported by all of society. The main reason is the insufficient awareness of citizens, which does not represent only acquired knowledge of



European integration issues but also implies the formation of a certain worldview, allows developing an active position of citizens in the implementation of public administration in economic cooperation of Eastern Partnership countries, as well as defined ideals and values of the democracy in Ukraine. Therefore, what matters in this aspect is the correct and coordinated public informing of European integration issues. This is what the information and communication mechanism is responsible for.

Thus, in the context of the efficient implementation of public administration in economic cooperation of Eastern Partnership countries, it is relevant to increase the public awareness of this issue by: organizing major efficient information campaigns; implementing information and educational activities to gain the public support of Ukraine's integration into the EU; maintaining websites with relevant information presenting clearly this issue; providing all citizens with accurate information online; affecting decision making in public administration in economic cooperation of Eastern Partnership countries; implementing the process of mutual communication to gain the public support of such a policy, etc.

The institutional and administrative mechanism also remains relevant because each stage of the efficient implementation of public administration in economic cooperation of Eastern Partnership countries requires the specific, appropriate professional organization of the implementation of such a policy.

Let's update the issue that the efficient implementation of public administration in economic cooperation of Eastern Partnership countries is possible only due to clear coordination, for which the institutional and administrative mechanism is responsible, and proper financial support backed by the financial and economic mechanism.

At this stage, the regulatory and social and political mechanisms are not promising for the implementation of public administration in economic cooperation of Eastern Partnership countries.

With the significant increase in the requirements for the organization of the efficient work of civil servants, the proper information support becomes especially important to make reasonable managerial decisions.

One has identified key relevant areas for Ukraine implemented in mechanisms of public administration in economic cooperation of Eastern Partnership countries in terms of priorities: Economic development and market opportunities – overcoming gaps in access to finance and financial infrastructure; involvement of new opportunities to provide jobs at the local level; harmonization of digital markets in the context of achieving goals stipulated by the Association Agreement; implementation of provisions for the advanced and comprehensive free trade zone. Strengthening institutions and proper governance – strengthening mechanisms of the rule of law and fight against corruption; implementation of key reforms on legal proceedings; implementation of the public administration system reform; achievement of national security goals. Interrelation, energy efficiency, environment, and climate change – expansion of the key TEN-T networks; energy efficiency, the use of renewable energy, as well as the reduction of emissions; environment and adaptation to climate changes. Mobility and contacts between people – liberalization of the visa regime and partnership in mobility; youth, education, development of skills and culture; foundation of the European School of Eastern Partnership; research and innovations.

Key positive vectors of the implementation of the EU Eastern Partnership program can include the following: first, despite the global economic crisis, a large part of Eastern Partnership



members (except Belarus) carried out efficient economic and structural reforms primarily focused on the convergence of economic legislation and technical standards of such countries with European ones. Second, the establishment of the Eastern Partnership totally reformatted the post-Soviet space, as a result of which the Russian Federation lost its monopoly of influence on post-Soviet countries. However, it still keeps a dominant impact on some countries of the Eastern Partnership. Third, it is worth mentioning the key role of the Eastern Partnership in the security aspect, both for the entire EU and for Eastern Partnership countries. Fourth, we can see an increasing political attention to Ukraine while Eastern Partnership countries have had the opportunity to substantially strengthen a political dialogue as well as take part in the development of a common agenda (by participating in Eastern Partnership summits, ministerial meetings and other formats of political involvement). Therefore, we have got a one more powerful platform for meetings with leaders of the EU states at the highest level, unlike bilateral summits where only leading leaders of the EU institutions are present. Fifth, since 2016, a full and comprehensive free trade zone between Ukraine and the EU has come into effect. In current conditions, the European Union is a key trade partner, to which Ukrainian exports grow rapidly every year.

The analysis of the implementation of mechanisms of public administration in economic cooperation of Eastern Partnership countries allows us to distinguish the main priorities. The first priority: since the end of 2016, almost 10,000 additional small and medium enterprises have benefited from EU support (80% of them in countries with the deep and comprehensive free trade zone); the number of national government assistance programs for small and medium enterprises has improved/increased (one has established an appropriate agency to deal with small and medium enterprises); one has launched pilot programs aimed at developing a complex approach to the implementation of market reforms; one has developed efficient credit registers to ensure advanced highlighting and a more efficient information flow between financial intermediaries to facilitate the terms of secured credit; almost 15,000 farmers are members of business-oriented farmer groups/cooperatives; at least 1,000 business-oriented farmer groups have been established; significant progress in implementing agricultural development strategies; availability of pilot jointly functioning cross-border electronic signature systems and a regional system providing cross-border digital business services between partner countries and the EU; one has established relations between ecosystems of partner countries and similar ecosystems of the EU, including via the EaP Connect infrastructure and services.

The second priority: one has developed and put into effect efficient systems of asset declarations and conflict of interests at least for MPs, politicians, and senior officials (they include: electronic public registers of declarations and interests that are easy to search; efficient data verification mechanisms; deterrent sanctions); one has taken steps towards the implementation of the GRECO (The Group of States against Corruption) recommendations on the prevention of corruption in relation to MPs, judges, and prosecutors, which are based on the outcome of the fourth round of GRECO assessment; one has made a decision on changes required to bring the government in the Eastern Partnership countries closer to the EU standards regarding economic governance, including using more active budgetary supervision, fiscal rules, councils, and medium-term budgets; improved ability of partner countries to counteract organized crime; one has approved Action Plans to solve cybercrime problems; one has implemented the Budapest Convention, especially in the format of procedural legislation for in-country investigations, public and private cooperation, and international cooperation.



The third priority: one keeps working on six missing connections within the expanded TEN-T network with the existing portfolio of approved projects; quick wins projects allowed eliminating obstacles in logistic chains; timely implementation of the Paris Agreement transparency requirement; the share of green economy sectors and benefits have increased; more than 200 small and medium enterprises have been trained (60 pilot enterprises have reduced their expenses by 10% due to cleaner production).

The fourth priority: one keeps implementing criteria stipulated by the Free Liberalization Action Plan for Georgia, Moldova and Ukraine, and annual reporting of the Committee; efficient implementation of all partnerships on mobility, complying with 4 aspects: legal migration, illegal migration and development, international protection, including circular migration, return and reintegration procedures; significant progress towards possible completion of the criteria of the Visa Liberalization Action Plan with Armenia and a subsequent visa-free regime for its citizens if all requirements are met; an upgraded network of border crossing points between partner countries, as well as between them and the EU countries; contribution to enhanced trade and mobility between Eastern Partnership countries, as well as between them and the EU; Eastern Partnership countries are reducing youth unemployment and numbers of neither students nor working youth; one is developing employment and work transition strategies as well as skills development activities; strengthened cooperation within the Creative Europe network; increased participation by Eastern Partnership countries in the Horizon 2020 program; one has created 6 new EU-Eastern Partnership innovation clusters (one in each Eastern Partnership country); innovation managers from countries were trained.

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INTERNATIONAL EXPERIENCE OF REFORMING PUBLIC ADMINISTRATION AND ITS ADAPTATION IN UKRAINE

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ABSTRACT

An evaluation of international public administration systems was carried out on the example of the member states of the European Union. Systematized the most common reform trends that are key components of the "European" approach to public administration reform: open government initiatives and reforms to strengthen external transparency: legislation on freedom of information, open data, procurement reforms, creation of anti-corruption bodies; civil service reform with an emphasis on retrenchment measures to reduce the size and costs of civil servants, improve performance appraisals and introduce codes of conduct; measures of electronic governance; reforms to strengthen the coordination capacity of the government and merger of bodies (mainly created during the reform period); performance management and productivity reforms; reducing the administrative burden on enterprises and citizens. The directions for adapting positive vectors of public administration reform to Ukrainian realities are systematized. Strategic directions for increasing the efficiency of the public management system are proposed: implementation of the open data strategy; focusing on sub-themes rather than comprehensive and often overly general activities; measurements that can be used for learning purposes less than for evaluation; using the survey method.

Key words: strategy, public administration, reform, experience, efficiency.

INTRODUCTION

It is undeniable that the key factor in the success of any state policy is the adoption and proper implementation of a science-based program of public administration. The importance of effective public management lies, in particular, in the fact that it allows you to establish subject relations with the public in order to significantly reduce or minimize possible losses and risks in your activities, thereby obtaining more benefits. Public relations entities have the opportunity to use the above process also to maximize their interests and protect the rights and freedoms of the country's citizens. At this stage of the development of public administration, the urgent importance of developing and implementing a modern program of effective public administration in various spheres of public life is emphasized. Special emphasis is placed on the need to support international cooperation in times of active globalization. The main goal of any manager in the public-private sector is to achieve maximum efficiency, reasonableness and effectiveness with minimal resources, time and effort. The main task facing a public manager is different from the task of a manager in the business sector. A public manager cares about how to rationally use



public infrastructure to produce public goods and satisfy public interests. It is worth noting that most of the constitutional rights of citizens, foreigners, and stateless persons are exercised at the level of local self-government. At the same time, local self-government plays a special role in the mechanism of public administration, it ensures the relationship between society, the individual and the state.

Analysis of recent researches and published papers. Based on the socio-scientific relevance of issues related to the content of the topic of this article, it should be emphasized that the field of public administration was considered by many experts. Many qualified specialists from scientific fields related to public administration are engaged in the study of the fundamental regularities of this sphere, namely: O. Antonova, M. Blazhivska, E. Borodin, O. Bosak, G. Diana, R. Dzyaniy, H. Hurst, I. Khozhilo, A. Kolodiy, M. Kuybida, A. Lypentsev, N. Lipovska, M. Minenko, L. Prokopenko, S. Serokhin and others.

The purpose of the article is to identify proposals and recommendations to ensure the effective functioning of the public administration system in Ukraine. The main emphasis is on the study and analysis of foreign public administration systems in order to find the most effective one for Ukraine.

Results of the research. The general state structure, history and current politics and other cultural aspects of each EU member state remain decisive factors in the formation of commitment to reforms and certain types of administrative modernization. First, there is a constant high heterogeneity among EU member states, which has a significant impact on the results of public administration reforms. Second, valid comparative data for systematic evaluation of public administration and the results of public administration reforms are still lacking in many areas. Most of the findings in EU countries emphasize the lack of systematic evidence and evaluations of the success of administrative reforms. In most countries, there is also no center for a mechanism for monitoring and reporting on the progress of reforms [1].

However, despite the different starting points, the analysis of the 28 EU member states shows interesting results and common characteristics. What is most striking is the continued high relevance and momentum of public administration reform in EU member states, even in countries that are performing relatively well. The trend of fairly high intensity of implementation of public administration reforms, which has been observed for many years since the 1980s [2], has also continued in the last decade and can be confirmed for all EU member states.

As for the content of the reform, despite all the differences between the countries, we see significant common features in the topics of public administration reform. Such features are increasingly influenced by the European Commission's agenda and support mechanisms (e.g. Single Window, Regulatory Impact Assessment, Administrative Burden, Digitalization and Open Government), especially in Southern and Eastern Europe. Below are the most common reform trends observed in 28 EU member states, which are key components of the "European" approach to public administration reform [3-4]:

- open government initiatives and reforms to strengthen external transparency: legislation on freedom of information, open data, procurement reforms, creation of anti-corruption bodies;
- civil service reform with an emphasis on retrenchment measures to reduce the size and costs of civil servants, strengthen meritocracy, improve performance evaluation and introduce codes of conduct;



- e-government measures, such as the creation of portals and electronic signatures, the introduction of online services and the development of a single window in order to improve the provision of services;
- reforms to strengthen the coordination capacity of the government and the merger of agencies/independent bodies (mostly created during the reform period);
- performance management and reforms to increase productivity and strengthen results orientation;
- strengthening evidence-based policy development and better regulation experience with various tools such as regulatory impact assessment, factual assessment or stakeholder consultation;
- reducing the administrative burden on enterprises and citizens.

Reforms in most countries were caused by a combination of changes in government (14 countries) and the pressure of European integration (18 countries). In a significant number of countries, budget pressures (15) and the financial crisis also became the main driving force behind the reform. The most important event that influenced the course of reforms was the independence of several countries, while all other factors, such as citizen, business or trade union pressure, played only a minor role in most EU member states [5].

It is difficult to determine general patterns, however, we can note that the reforms in 2/3 of the EU countries are rather incremental in nature, rather than on a significant scale. In all other EU countries, there is a clear approach to reforms based on the law. The most obvious observation about the nature of the reforms is undoubtedly the top-down approach. Most of the changes were mainly planned and implemented by executive politicians and senior civil servants. Thus, the reform of public administration in Europe is mainly in the hands of the political elite [6].

The responsibility for public administration reform in most EU member states is divided between different ministries or organizations, and we can find different approaches to coordinate administrative reform. Rather, in many countries we observe frequent structural changes in the bodies responsible for public administration, which indicates the complex role of such coordinating bodies.

The analysis and generalization of the experience of the EU countries is a convincing proof that, among the general public, the administrative reform over the last decade has been quite fast, with both positive and negative evidence regarding the overall success of the reform plans, as well as specific reform initiatives presented in the documents. The analysis also shows that the results of public administration reforms are extremely difficult to determine, and cross-country reports consistently highlight the lack of systematic evidence and evaluations of the success of administrative reforms. Most countries also lack central mechanisms for monitoring and reporting on the progress and results of reforms.

Based on our systematic comparative analysis of public administration reform in EU countries, key indicators of the reform have been identified (1. Transparency and accountability. 2. System of public service and public administration. 3. Service provision and digitalization. 4. Government organization and management. 5. Policy formation, coordination and regulation) and frameworks for assessing the potential of public administration, its productivity.

In the field of state organization and management, the last decade has been characterized by both the continuation of decentralization and the reduction of the number of local self-government bodies. At the central government level, many EU Member States have also sought to improve horizontal coordination and strengthen the capacity of management centers to reduce the number



of agencies but also improve management productivity and focus. Also, many EU countries have reformed their budget process to better link it with strategic planning and government activities.

A key trend in reforming the organization of central government in the EU states has been the reduction of the number of agencies, especially through mergers. Although we observe important diversity in terms of the number of agencies in the EU Member States. This is particularly true in Northern European countries such as Finland and Sweden, where agencies have traditionally been an important feature of central government even up to the 1990s, and in Central and Eastern European countries, where the number of agencies has increased well before EU accession [7].

In parallel with the reduction in the number of agencies, many EU Member States have sought to improve centralized management and coordination capacity, using approaches such as strengthening the Center of Public Organizations, strategic frameworks, performance measurement and management by objectives.

Within the dimension "Organization and management of the state", the aspect "capacity for strategic planning" is a good indicator of how well prepared the governments of a country are than others, since only holistic and integrated approaches to public administration can be put into practice if there are clear visions, specifically defined goals and political commitments.

According to this indicator, the three Scandinavian countries (Denmark, Finland, Sweden), in addition to Great Britain and the Baltic countries, Latvia and Lithuania, have the highest level of government capacity for strategic planning among all EU member states. Southeast countries such as Slovenia, Romania, Greece, and Cyprus, as well as Hungary, surprisingly, Germany and Luxembourg have quite low scores for this indicator [5].

Strategic planning capacity must be complemented by "implementation capacity" enabling governments to implement their plans. The "Public Administration Reform Capacity Indicator" combines both qualitative and quantitative evaluation indicators based on 7 dimensions (1) government effectiveness, (2) compliance of ministers, (3) monitoring ministries, (4) monitoring agencies and bureaucracy, (5) task funding, (6) constitutional discretionary powers, and (7) national standards for assessing implementation capacity.

While there is a fairly strong correspondence between strategic and planning capabilities with this indicator, there are some interesting differences between countries. Sweden, Luxembourg, Poland, as well as France and Germany are clearly ranked higher in terms of "ability to implement reforms". On the contrary, Croatia is much stronger in strategic planning than in implementation [6].

Based on the analysis of the effectiveness of the implementation of public administration reforms in the EU member states, we have systematized the key areas of adaptation of positive vectors to Ukrainian realities.

1. Political support and consistency. Continuity of government activity and corresponding political commitment at the top is assessed by many experts as a key factor for successful public administration reforms. Political interest, support and consistency certainly contribute and can ensure a large-scale reform (at least three years or more). For example, a parliamentary majority can be crucial, as inter-ministerial rivalry (a political power game) often impedes or reverses reform efforts. It also includes the desire for persistence and the commitment of external factors, which means a combination of incentives and sanctions of specific reform programs.

In the same context, the success of the reform depends on how far the politicians want to go and how far they are not afraid of complex reforms. However, as a note and a certain limitation, if new parties with no experience come to power, they must first learn their trade and are not ready



for major reforms. As governments often do not have enough capacity to tackle large-scale reforms, targeted reforms are more successful (eg the experience of Estonia).

Experience shows that small and gradual reforms work better. There is a clear need for a more strategic approach to the future government of some EU Member States, which are far-reaching and far-reaching in scope, such as Finland's Future Government Reports, which have been an integral part of the parliamentary cycle for over 20 years.

Finally, trust in reformers is very important. There is a lack of trust in various countries of Southeast Europe towards reformers, as reforms become tools for political games between different parties. Mechanisms of reforms must be depoliticized and the autonomy of reformers is necessary. Effective communication (many times reforms have failed due to lack of adequate competence) and leadership, as well as engagement of opponents (it is better to integrate the opposition) and depoliticization of civil servants are imperative.

2. Build strong stakeholder support and internal ownership and achieve this through a combination of top-down management and bottom-up participation.

In public sector organizations, it is recommended to increase strategic flexibility based on processes that are more open, evidence-based and iterative. An innovation sector was established in cooperation with the European Commission, which created a new framework for the transformation system in the public sector, outlining a number of interrelated elements that must be taken into account by public administrations. Example:

- accommodation (time and resources to better understand and research the policy issue from different perspectives allows for a better definition of the purpose and objectives of the intended change. Connecting with a diverse set of internal and external stakeholders is also important to obtain valuable ideas. This also creates legitimacy for the change process and stronger support from stakeholders, allowing them to reflect on the problem without offering preconceived solutions);

- design and prototyping (it is necessary to choose a specific method according to the specific context, the design process should define the elements of the proposed solution, as well as the actions that need to be performed to create the desired result. The design should also be tested to obtain further evidence of the problem to be solved, and solution outcomes that ultimately improve the proposed solution);

- leadership (management refers to a form of flexible leadership or transformational leadership that directs and controls the implementation of a proposed project and adapts decisions in the light of unexpected events and new information during the implementation phase. This requires the allocation of resources more efficiently between the design and implementation phases).

3. Designing a civil service management system:

3.1. There is a broad consensus that reward for performance has positive consequences for the performance, motivation and integrity of civil servants, while the politicization of the civil service is widely associated with negative consequences.

2. Civil service reformers and academic researchers lack adequate evidence on how to develop effective performance-based selection systems and how to overcome the politicization of the civil service in the first place.

3. There is limited knowledge of what works in other areas such as civil service management, such as pay management, performance management and career management, and how best to design civil service management structures for this context.



Evidence of the effectiveness of many functions of public service management is often unavailable or unreliable. Furthermore, the available evidence suggests that some practices may be generally beneficial for public service quality, but in many cases the choice of public service design may be context-specific. Monitoring and evaluation tools that help identify strengths, weaknesses, and thus areas of public service management need improvement. In addition, they can be an effective management tool to engage people in public administration, get feedback and respond to problems.

4. Assessment and measurement of public administration performance. In recent decades, measuring the effectiveness of public administration has had continuous international, European, and sometimes national ambitions of governments. The drive to develop benchmarks has grown in recognition of the fundamental role of public administration in building prosperous societies. Successful measurement projects in other policy areas have fueled interest in measurement in public administration. Health indicators, environmental indicators and the PISA project for educational performance are positive examples of international comparative indicators that have been used in many policy documents and discussions [7].

Issues of reliable confirmation of conceptual models of public administration productivity are gaining relevance. We offer several strategic guidelines for improving the efficiency of the public management system, taking into account the world's leading experience:

1. Focus on subtopics rather than complex and often overly general measures. Well-chosen sectoral topics, such as tax administration issues, provide useful information that also gives an indication of the system as a whole (e.g. EU integration, digital agenda) and call for action.
2. Measurements that can be used for learning purposes less than for evaluation (or purely for accountability purposes). This seems to be sorely lacking. It turns out that systems (and people) are looking for technically valid and reliable measurements that "tell the truth" and easily demonstrate cause and effect. However, this requires a mental approach to finding measurements that can indicate something in the area of result/impact. Things that can spark political debate.
3. Using employee surveys to collect comparative data on public administration. While the views of citizens, businesses and experts are often used now in indicator schemes, workers are left out of the equation. It is advisable to conduct pan-European regular surveys by developing, supporting and providing advice on this matter with the support of academic circles, trade unions of civil servants, etc.
4. The implementation of the open data strategy allows analysts to conduct academic and non-academic community research to study issues of public management effectiveness.
5. Apart from public finance statistics, public administration data are not included in the Eurostat system. Eurostat does have an experimental statistics program where they are developing new data sources. Public management may be suitable for experimental development into an established data stream. Relevant services can collect, analyze and use such (sub-thematic) data in the field of public administration.

CONCLUSIONS

Thus, the study found that public administration as a social phenomenon, its forms, methods, principles and specific mechanisms are determined by the existing needs of socio-economic development. European integration processes put forward new requirements for the system of functioning of the national system of public administration, which should become an effective and



efficient means of public administration, promote openness and transparency in the development of public relations, etc.

In turn, based on the study of the experience of foreign countries, it can be concluded that the development of public administration should be based on the simultaneous qualitative improvement of several aspects related to this field. First of all, it is about improving legislative regulation as the main condition for effectiveness. Changes in the assessment of the quality of managerial activity are also important.

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ASSESSMENT OF THE CONSEQUENCES OF THE MILITARY AGGRESSION OF THE RUSSIAN FEDERATION AND IDENTIFICATION OF SOURCES OF COMPENSATION FOR DAMAGES

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ABSTRACT

Daily losses caused by the Russian aggression entail a number of destructive changes in the overall structure of the Ukrainian economy. Destruction of infrastructure, industrial facilities, housing stock, energy and humanitarian crises caused by the Russian aggression require assessment and development of a detailed mechanism for determining the amount of damage, the size of losses and the cost of lost profits as a result of hostilities. Timely assessment is a guarantee of war crimes. It helps to attract financial assistance from international financial organizations, foreign investors and is the basis for planning the necessary amount of funds for the restoration of lost property. In such circumstances, the issues of determining the methodology for assessing the damage caused and finding the best ways of post-war reconstruction of Ukraine and sources of reimbursement for its restoration are extremely important. Despite the huge total amount of funding, the experience of other countries shows that reconstruction takes many years, and a phased approach is critical. Assessing the level of damage to sectors of the economy is crucial for further planning and implementation of investments and is part of Ukraine's recovery plan.

Keywords: structure of losses, loss assessment, compensation mechanism, post-war reconstruction.

INTRODUCTION

War always entails losses, first of all human losses. The deaths of military and civilians, destruction of infrastructure, destruction of industrial enterprises and residential facilities, economic and migration crisis, growth of public debt, outflow of investment flows, decline in living standards – this is the price of freedom that Ukrainians have to pay every day.

As of June 1, 2022, according to the World Bank, the amount of damage is estimated at \$ 97 billion, while the total amount of losses and lost profits by sector of the economy is \$ 252 billion. However, the war continues, and therefore its socio-economic consequences are growing daily. The cost of reconstruction needs for the first 4 months of a full-scale war already exceeds Ukraine's GDP in 2021 by 1.6 times. It is inexpedient to delay the reconstruction of the country, accumulating the amount of investment needed for recovery. First of all, it is advisable to rebuild the infrastructure and strategically important facilities on which the growth of Ukraine's income depends. It is extremely important to assess the damage in a timely manner, this figure is necessary primarily to attract financial assistance from foreign investors. In such circumstances, the issues of determining the methodology for assessing the damage, finding the best ways of post-war reconstruction of Ukraine and sources of reimbursement for its restoration are of utmost importance.

Analysis of recent researches and published papers. The first thorough review of economic

needs was conducted by the Government of Ukraine in cooperation with the European Commission and the World Bank within the RDNA (Rapid Damage and Needs Assessment) [2]. Economic damage was also assessed by experts of the Center for Economic Strategy [3]. Post-war industrial recovery was studied by Y. Kindzersky in his works [7]. V. Kruhov considered the model of public-private partnership as a means of reducing post-war losses [6].

Results of the research. According to official data, the Armed Forces of Ukraine have liberated about 28% of the occupied territories since 2014. However, active hostilities do not stop. Accordingly, the total number of losses is growing rapidly. If as of June 1, the level of damage was \$ 97.4 billion, then on September 1, this figure increased to \$ 127 billion. The dynamics of direct losses can be traced in Fig. 1.

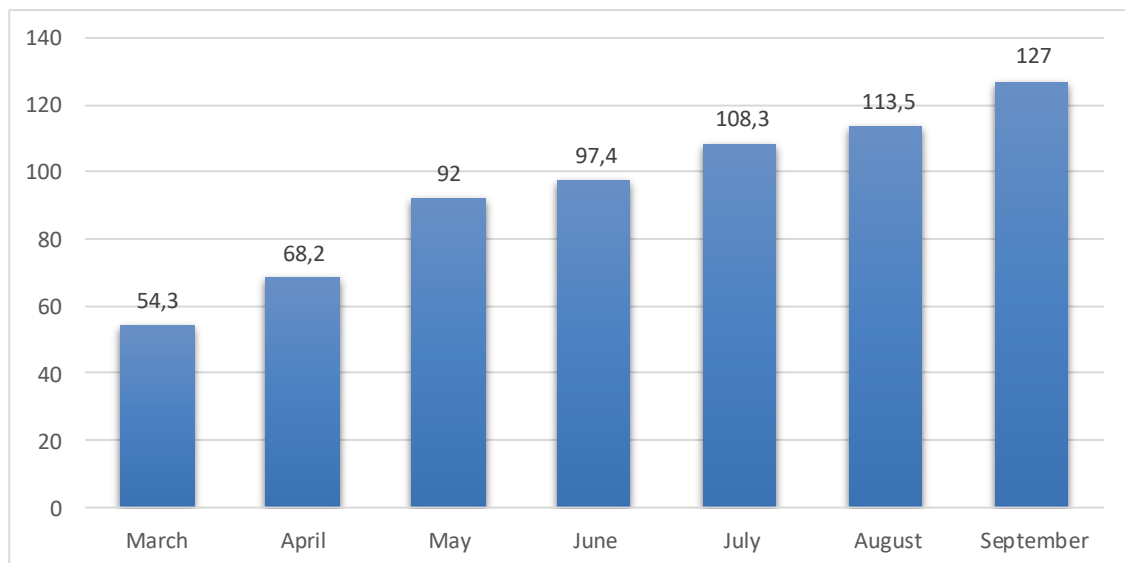


Fig. 1. "Dynamics of the total assessment of direct losses of the Ukrainian economy, billion USD"
Source: [1,2,3]

The largest share in the total amount of direct losses as of June 2022 is occupied by the social sector (40%), damaged infrastructure (38%), losses of the production sector (12%) (Table 1).

Table 1

Total damage, losses and recovery needs by sector (USD billion)

Sector	Damage caused	%	Losses	%	Needs	%
Social sphere	45,3	45	44	18	119,1	35
Production sector	12,13	12	84	33	55	15
Infrastructure sector	37,3	38	49,8	20	98,9	29
Cross-cutting sector	2,7	5	74,13	29	75,3	21
Total	97,43	100	252,93	100	348,3	100

Source: [2].



The scale of the damage to the housing stock is the most proportionate and unevenly distributed across the regions: Donetsk, Luhansk, Kharkiv and Kyiv regions account for 82% of the total damage to the housing stock in Ukraine in the amount of \$ 39.2 billion. At the same time, the number of damaged residential buildings is increasing daily in Kherson, Zaporizhzhya and Mykolaiv regions. The total area of damaged or destroyed objects is 74.1 million square meters, which is 7.3% of the total housing stock of Ukraine. In addition, the structure of the social sector also includes: education, health care, social protection, culture, sports, tourism.

More than 1270 healthcare facilities were destroyed or damaged due to the hostilities, not including private healthcare facilities in the list of damages. The amount of damages includes the number of lost beds, calculation of the area of the facilities by the average cost per square meter in the Prozorro procurement system.

The number of destroyed educational institutions is at least 810, and more than 1639 objects were damaged. In total, 117 objects of movable and immovable property of 34 institutes and other institutions of the National Academy of Sciences of Ukraine were seized for the needs of the Armed Forces of Ukraine, or damaged, which amounts to \$ 7.8 million. The total cost of damage in the educational space is about \$ 3.4 billion.

The Ministry of Communities and Territories Development estimated the destruction and damage to social infrastructure at \$ 0.2 billion, which includes social protection institutions, sanatoriums, orphanages, shelters for the homeless, etc. This figure is the lowest in the structure of destruction of the social sector.

The cultural sector suffered considerable losses. More than 1077 objects of cultural value were damaged, including: Mariupol Drama Theater, National Literary Memorial Museum of Hryhoriy Skovoroda, Museum of Antiquities in Chernihiv, Kharkiv House "Slovo", Holy Dormition Sviatohirsk Lavra and another 77 spiritual institutions, 335 houses of culture, 33 museums. 149 tourist sites in 14 regions of Ukraine were also damaged.

The largest direct costs associated with the complete or partial destruction of physical assets in the production sector were incurred by trade and industry, as well as agriculture. The amount of losses in industry is estimated in monetary terms with the estimated cost of replacement or repair of physical assets and infrastructure at UAH 9.7 billion. In total, at least 412 enterprises have been damaged or destroyed since the beginning of the war. The following have suffered the greatest destruction: Azovstal Iron and Steel Works, public joint stock company Ukratnafta (Kremenchuk Oil Refinery), private joint stock company Vetropack Gostomel Glassworks, state enterprise Zorya Gas Turbine Research and Production Complex- Mashproekt and many others.

Among the infrastructure sectors, energy and transport suffered the most damage. In general, in recent months, massive Russian attacks have damaged 40% of Ukraine's energy infrastructure (TPPs, CHPs, HPPs), 35% of key trunk power grid facilities. Since the beginning of hostilities in Ukraine, 19 airports and civilian airfields, at least 110 railway stations have been damaged. 25.0 thousand km of roads and 315 bridges and bridge crossings of state, local or municipal importance were destroyed.

In the cross-cutting sector, the largest amount of money for compensation for damages should be directed to environmental protection (\$ 0.7 billion) and cleanup of the country's territory (\$ 73.2 billion) – debris removal and demining of 30% of Ukraine's territory.

During the next three months of the war, the amount of losses increased by 31.5 billion dollars. Changes in the structure of damage in June – August this year can be seen in Fig. 2.

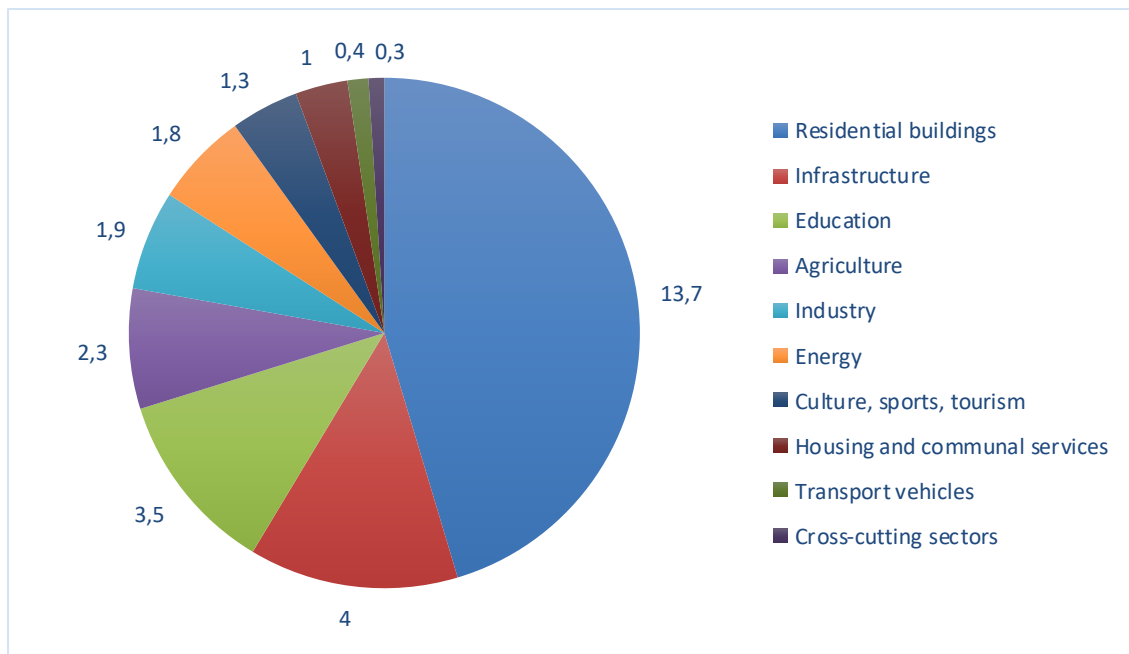


Fig. 2. "Growth of losses caused to Ukraine in June–August 2022, billion USD"

Source: [1].

The illustrated structure of losses requires the urgent development of projects to restore the damaged areas of Ukraine. However, this requires a mechanism to accurately determine the amount of damage. The Cabinet of Ministers of Ukraine developed and approved Resolution No. 326 of March 20, 2022 "On Approval of the Procedure for Determining the Damage and Losses Caused to Ukraine as a Result of the Armed Aggression of the Russian Federation". According to the Resolution, 21 areas of determining the damage are analyzed, indicating the body responsible for calculating the damage:

1. Human losses and social costs of providing assistance to victims and their families – Ministry of Social Policy;
2. Economic losses associated with a decrease in population – Ministry of Economy;
3. Military losses directly related to hostilities – Ministry of Defense;
4. Losses related to ensuring security and order, combating crime, inviolability of the state border, etc;
5. Social protection of war veterans – Ministry of Veterans;
6. Losses of housing stock – Ministry of Reintegration;
7. Loss of public buildings – Ministry of Regional Development;
8. Losses of housing and communal facilities – Ministry of Communities and Territories Development of Ukraine;
9. Damage to land resources – State Environmental Inspectorate, military administrations;
10. Loss of subsoil – State Geological Service;
11. Damage to water resources – State Environmental Inspectorate;
12. Damage to the atmosphere – State Environmental Inspectorate;
13. Losses of the forest fund – State Forestry Agency;
14. Damage to the nature reserve fund – State Environmental Inspectorate;



15. Losses of infrastructure – Ministry of Infrastructure;
16. Losses of energy infrastructure – Ministry of Energy;
17. Loss of cultural heritage – Ministry of Culture and Information Policy of Ukraine Ministry of Culture and Information Policy of Ukraine;
18. Economic losses of enterprises – ministries, other central and local executive authorities that are authorized management bodies, regional state administrations, military administrations;
19. Losses of institutions and organizations – ministries, other central and local executive authorities that are authorized management bodies, regional state administrations, military administrations;
20. Economic losses of enterprises of the defense-industrial complex – ministries, other central and local executive authorities, which are authorized management bodies, regional state administrations, military administrations;
21. Losses of institutions and organizations of the military-industrial complex – ministries, other central and local executive authorities that are authorized management bodies, regional state administrations, military administrations [4].

This methodology will also allow to determine the losses from lost profits due to the impossibility or obstacles in carrying out economic activities by enterprises that have suffered real losses.

A more precise estimate will be determined after the victory, but it is extremely important to estimate the cost of losses now. There are several reasons for this: to attract foreign assistance (grants, international loans); for the government to plan the necessary amount of funds to restore lost and damaged property; to establish war crimes and file lawsuits against the invader.

Assessment of the damage caused will be necessary to compensate for the losses caused by hostilities. According to international law, there are two ways of compensation – reparation and contribution.

Reparation is a form of material liability of the aggressor country for damages caused to another subject of international law for committed offenses.

Attribution is a forced collection or seizure of property by the victorious state from another defeated state or its population.

In addition to these methods, significant assistance is expected from foreign investors and partner countries, primarily in the form of international grants, non-repayable financial assistance and loans.

Several initial estimates of the cost of reconstruction have already been presented in post-war reconstruction projects in Ukraine (Table 2).

The first project, which is reflected in the table, was presented by Ukraine at an international conference in Lugano, Switzerland. It covers 850 projects divided into 15 areas and is divided into three stages. The first is the restoration of critical infrastructure facilities by the end of the year (repair of boiler houses, networks, housing, support for small and medium-sized businesses). The second one is the restoration of social facilities, housing construction. The third is the modernization of Ukraine for accession to the EU.

Among the list of national programs in this project are: strengthening security and defense, institutional capacity of the state, its digitalization, energy independence, ensuring macro-financial stability, development of value-added sectors of the economy, restoration and modernization of housing and infrastructure of the regions and others. The implementation of all plans requires funds. Ukraine sees them in the provision of partnership grants, as well as loans, equity and private investment.



Table 2

"The cost of post-war reconstruction of Ukraine"

Projects of assessment of the cost of reconstruction of Ukraine	International conference on the reconstruction of Ukraine (Switzerland)	Assessment by the Government of Ukraine, the European Commission and the World Bank (Belgium)	International expert conference on restoration, reconstruction and modernization of Ukraine (Germany)
Announced funding needs	750 billion USD	349 billion USD	55 billion USD
Funding period	2022–2032	2022–2032	2023
Amount of funding	60–65 billion USD (2022 p.); 300 billion USD (2023–2025 pp.); 400 billion USD (2026–2032 pp.)	105 billion USD (2022–2024 pp.); 244 billion USD (2025–2023 pp.)	55 billion USD
Financial direction	rebuilding infrastructure, maintaining financial stability, modernization of economic sectors	rebuilding infrastructure, ensuring human development, cleaning up the territories after the war, purchasing gas, supporting the agricultural sector, modernization of economic sectors	rebuilding infrastructure, maintaining financial stability

Source: [5].

Attracting private capital is key to addressing the infrastructure financing gap and becomes even more important against the backdrop of large-scale destruction in Ukraine. It is necessary to attract private capital to infrastructure with the active participation of multilateral development banks, export credit agencies, donors and the state. Public-private partnership is one of the effective instruments of post-war urban reconstruction. The public sector improves the quality of infrastructure, minimizes the financial burden, maximizes investments in infrastructure projects and increases economic efficiency. The private sector increases competitiveness and provides profits [6].

A large amount of money will also have to be invested in rebuilding the industry. This is due not only to the factors of war, but also to the inefficient system during 31 years of independence. In Ukraine, this has resulted in deep deindustrialization and structural deformation of the economy, which in the current conditions has given rise to mass poverty, unemployment, technological backwardness of industry [7]. For example, the structure of industrial production in the EU is aimed at increasing competitiveness on an innovative and technological basis, rather than using the country as a raw material appendage. Ukraine, which plans to be a member of the EU, should be equal to this.



CONCLUSIONS

Taking into account the large-scale losses caused by the military actions of the aggressor country, the issues of determining the ways of their assessment, economic recovery, search for sources of financial assistance have become key tasks for Ukraine. The basis of the mechanism for determining the damages has been laid. Now the Government should pay attention to the identification of key areas and objects of restoration. Critical infrastructure facilities that are necessary to support industry and business require priority restoration. In the conditions of war, they should work much better to replenish the state budget. The use of public-private partnership in the context of economic recovery aimed at overcoming complex challenges and eliminating uncertainty in the development of cities is proposed as one of the main tools of post-war recovery. Ukraine's cooperation with international financial organizations to assess the level of damage caused to Ukraine, the formation of a package of financial assistance for the defense and reconstruction of the country, obtaining international grants are also priority areas for the reconstruction of Ukraine and support of its financial and economic situation. Of course, the optimal recovery strategy will be developed after the victory, but now it is necessary to move towards the development of common systems and processes to ensure maximum efficiency of fundraising for the preparation of projects and development of financial strategies for various sectors of the Ukrainian economy.

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STATE POLICY FOR THE DEVELOPMENT OF SMALL AND MEDIUM-SIZED ENTERPRISES BASED ON THE EXAMPLE OF THE LVIV REGIONAL MILITARY ADMINISTRATION

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ABSTRACT

Small and medium-sized entrepreneurship is a specific form of conducting business processes in the economy based on the use of personal abilities of entrepreneurs based on risk and entrepreneurial initiative. It is a segment of the economic system, which provides for the organization of work and activities of various spheres of entrepreneurship, which in its totality provides innovative, systematic, independent economic activity in order to ensure the corresponding social and economic effect. Small and medium-sized entrepreneurship, by its very nature, implies rigidly deterministic restrictions on the criteria for conducting economic activity. This feature of small and medium-sized business realizes its role in maintaining a competitive environment in the conditions of a market economy. The aggregate of small and large enterprises forms the economic basis of the market economy of the region and the state as a whole.

A significant part of the economy of any state is occupied by medium and small enterprises, which play a significant role in the social life of the state. By creating new jobs, they help solve the problem of unemployment and loss of skills of workers. That is, the development of these types of business helps to develop the middle class of the population [14, p.848]. Small and medium-sized enterprises exert a significant influence on the saturation of the market with the necessary consumer goods at both the quantitative and qualitative levels, which, of course, contributes to the development of NTP. The activities of such enterprises lead to the creation of additional jobs, and therefore improve the overall socio-economic situation of the country or a separate region and contribute to the solution of many other pressing social problems. The priority direction of the development of economically successful states has always been the comprehensive support of small and medium-sized businesses, in particular, the development of legal frameworks for promoting their export activities. For Ukraine, the development of export potential in the segment of small and medium-sized enterprises is extremely important, which requires revision and constant improvement of national legal mechanisms for promoting export activity, implementation of the best international experience.

Keywords: business, economy, small and medium entrepreneurship, development, Department of Economic Policy of the Lviv Regional Military Administration.

INTRODUCTION

The purpose of the work is to investigate the functioning of business in the Lviv region in the context of modern conditions using the example of the state policy of Lviv Regional Military



Administration entrepreneurship support, to carry out an analysis of state support for the development of small and medium-sized enterprises in Ukraine, as well as to develop proposals for its improvement taking into account best practices.

Analysis of recent research and publications. In scientific works related to issues of state support for the development of small and medium-sized enterprises, quite important attention is focused on the functions of public authorities in the course of developing measures to support economic entities. The relevant theoretical aspects of the researched issues are revealed in the works of such scientists as O. Gubanov, S.O. Kokhan, L.V. Prudius, N.O. Runova, D.I. Sukhinin, I.Yu. Khomyshyn, I.V. Chaplay, etc. However, aspects of improving state support for the development of small and medium-sized enterprises, taking into account best practices, require further research.

The purpose of the article. The purpose of the article is the analysis of the state policy for the development of small and medium-sized enterprises in Ukraine, as well as the development of proposals for its improvement, taking into account the best practices.

Presenting main material. Entrepreneurship is a socio-economic institution and an integral part of the country's economic system. According to these provisions, entrepreneurial activity is a legal form of management. Changes in legislation caused panic among entrepreneurs, which was reflected in the mass closure of small businesses, namely individual entrepreneurs. At the same time, the developed countries of the world are characterized by the integration of small and medium-sized entrepreneurship as a socio-economic phenomenon into the general economic situation and form a mixed form of economy.

Vasileva L.M. characterizes small business as the activity of small enterprises or individuals, the purpose of which is to make a profit. Riskiness and innovation of activity are not mandatory. In this, it should be aimed at realizing one's own economic interest" [1]. In our opinion, the term "business" is the English-language version of the concept that denotes activity for the purpose of obtaining income, and the term "entrepreneurship" is a concept that has a close, practically identical interpretation. Therefore, the distinctive features between the terms "small business" and "small entrepreneurship" are not significant, since the definitions of these two concepts are similar. Those signs that scientists attribute to small entrepreneurship are also characteristic of small business, namely:

1. Innovative approach in activity (use of new equipment, new raw materials, new methods of production).
2. Propensity to risk – the implementation of any activity is associated with various types of risks.
3. Independence and initiative of activity, as well as responsibility for its results.
4. Activities are carried out at the expense of own or borrowed funds.
5. The functions of owner and entrepreneur are combined in one person.
6. Scales of activity.
7. Availability of state registration.
8. Constancy and systematic activity.

Thus, we come to the conclusion that the concepts of "small business" and "small entrepreneurship" are identical, therefore, the established definition of "small entrepreneurship" should be taken as a basis. It should be noted that the peculiarity of the development of small entrepreneurship is that it is largely tied to the relevant territory - oriented to regional economic interests. This fundamentally distinguishes a small business from small corporate business model, which is generally characterized by corporate features, i.e. tied to large economic structures.



Many authors, including S.Kocelko [8], also include socio-economic components in the business interpretation of the "small and medium-sized enterprises" category. However, if this group of subjects from a social point of view plays one of the leading roles in solving certain social problems of public life, then from the state's point of view, the main goal of a small business is its economic growth. Solving social problems from the point of view of the state, given its economic importance, plays an important, but not exclusive, role. In connection with various tasks, the term "small and medium-sized enterprises" can be interpreted in different ways due to its socio-economic significance for the state. The social approach to the concept of "small and medium-sized enterprises" characterizes it as follows: small and medium-sized enterprises that perform certain functions in society and the economy are recognized as particularly important from a social point of view and play a very important role. The social importance of entrepreneurship can be considered from two perspectives: from the point of view of its significance for economic development (increasing the number of taxpayers and increasing stability) and from the point of view of social development (reducing unemployment and reducing crime) [9].

From an economic point of view, "small and medium-sized enterprises" can be characterized as a group of economic units that play a very important role in solving certain economic problems and perform important functions in the economy, therefore their activity is facilitated by the state support system [5]. The social approach to the term "small business" characterizes it as follows: small enterprises that perform certain socio-economic functions, which are recognized as particularly important from a social point of view and play a very important role in solving certain social problems.

In view of the above, small and medium-sized enterprises should be understood as the entrepreneurial activity of an individual or legal entity, associated with increased risk and based on the use of innovative ideas, the main goal of which is to maximize profit through the production and sale of goods and services. Small and medium-sized enterprises ensure the production of products or the provision of various services in the economy, taking into account the economic, social, environmental and strategic components of the economic activity of an individual or legal entity, which are subjects of small and medium-sized businesses. Important attributes of the development of small and medium-sized businesses are compliance with the requirements of legislation, the desire of small businesses as an economic necessity to become a connecting link between large and medium-sized companies.

Therefore, small and medium-sized entrepreneurship is a specific form of implementation of business processes in the economy based on the use of personal abilities of entrepreneurs based on risk and entrepreneurial initiative. It is a segment of the economic system, which provides for the organization of work and activities of various spheres of entrepreneurship, which in its totality provides innovative, systematic, independent economic activity in order to ensure the corresponding social and economic effect. Small and medium-sized entrepreneurship, by its very nature, implies rigidly deterministic restrictions on the criteria for conducting economic activity. This feature of small business realizes its role in maintaining a competitive environment in the conditions of a market economy. It is important to emphasize the regional orientation of the development of medium and small businesses. The aggregate of small and medium-sized enterprises forms the economic base of the market economy of the region. Small business provides significant income to local budgets. On the other hand, small businesses are very interested in close and effective cooperation with local public authorities, as most of the problems of small business development are related to solving issues of regional and local importance.



Foreign experience shows that small and medium-sized enterprises give impetus to the development of the country's economy. In turn, the governments of the post-Soviet space used to consider these types of entrepreneurship as one of the methods of replenishing state budgets. But it is worth considering that they perform a sufficient number of economic, financial and social purposes [11, p. 126; 2; 6-7] (functions). Among the main ones are:

- solving the problem of employment of citizens and loss of their qualifications due to the creation of new jobs;
- are ahead of the pace of socio-economic outflow of the industry, creating and implementing innovative products and services (for example, institutional, commercial, technological, etc.);
- providing flexibility and adaptability of the market. Small and medium-sized businesses contact consumers faster and more efficiently, respond better to market needs, provide better customer service;
- preservation of flexibility and adaptability of the market.

Representatives of small and medium-sized enterprises more skillfully use networking with importers and other users of their services, respond more healthily to the needs of the market and provide better services. Often, the development of any business requires the support of the state and the conduct of the right policy to ensure the stability of the economic system. Using the example of the Department of Economic Policy of the Lviv Regional Military Administration, we can consider examples of the correct prioritization of actions for conducting an effective regional development policy and supporting small and medium-sized enterprises.

A small type of entrepreneurship has been the dominant sector of entrepreneurship for a long time in terms of production volumes and the number of services provided and sales of goods. It is flexible and allows to ensure a certain stability of the economic system. However, despite the fact that small business in our country occupies a leading position, the level of its development is not high enough. Complications arise at the stage of correctly formulating a development action plan, solving the problem of business fragmentation, and insufficiently clear structure. Another point among the list of problems is the low number of effective cooperation with large enterprises. One of the stages of solving such issues is cooperation and adopting the work experience of foreign companies. Thus, the introduction of new technologies into the work of business structures will take place and will allow the creation of new and effective development strategies.

Often, the concept of medium-sized business is not expressed in specific terms. That is, it is something "average" between large and small types of entrepreneurship. However, its development is of great importance for the state. Even the President of Ukraine, Volodymyr Zelenskyy, noted that the development of medium-sized businesses is one of the important points of his political program [2]. It creates more than half of the gross product, almost a third of tax revenues and a large number of jobs[2]. According to the legislation of Ukraine, the Department of Economic Policy of Lviv Regional Military Administration (hereinafter - DEP LRMA) was established in the field of competences established in the direction of the organization of the improvement of the territory and its development of the self-governing body - Lviv Regional Military Administration . Thus, according to the decision of the meeting of the city council of the city of Lviv, this body started its work. There were many prerequisites for the creation of this department, the main ones being:

- improvement of the quality of services and infrastructure;
- provision of means to achieve goals for the development of the city of Lviv and the Lviv region in general;

– socio-economic development of recreation and tourism in the city of Lviv and the Lviv region in general;

- implementation of the foreign economic development policy of the Lviv region.

Another goal of the creation was the formation of the necessary starting points for improving the promotion of services and the products themselves, which are the results of the activities of the enterprises of the region. An additional area of work of DEP LRMA is the development and promotion of the brand of the Lviv region. This will help regional production reach a new level both on the international and Ukrainian markets, as well as improve the image of the region.

The Department of Economic Policy aims to solve a considerable number of issues in the sphere of social and economic development of the Lviv region, in particular:

1. An increase in the local budget of the region due to an increase in tax revenues.
2. Restructuring and creation of new departments, structures and institutions to promote effective economic development.
3. Development of a plan to ensure favorable conditions for the development of tourism. The need to ensure that the tourist services market reaches a new level in Ukraine and abroad.
4. Creation of new tools and methods of supporting medium and small businesses.
5. Support for ensuring the quality of goods and services in the region, as well as expanding their offer.

6. Formation and application of programs and measures to protect local resources of the economy. DEP LRMA implements various initiatives aimed at increasing the investment potential of the region and creating economic infrastructure for the development of small and medium-sized businesses. For example: an aspect that needs to be paid special attention to is supporting small and medium-sized businesses, conducting consultations and providing advice and clarification.

Indicators of small business in the equivalent of the economic life of the region for the period 2010-2020 are shown in Fig. 1.

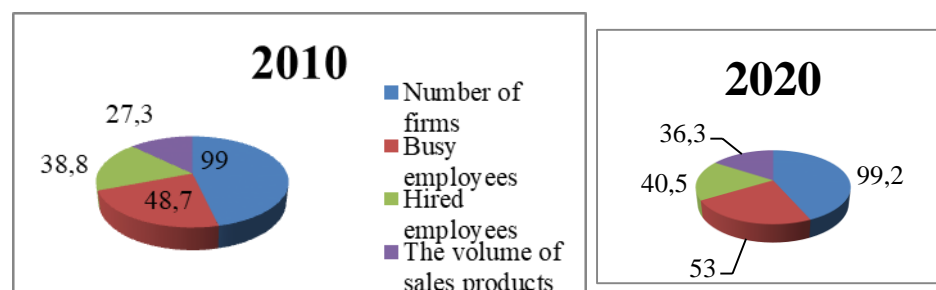


Fig. 1. Indicators of small business in the equivalent of the economic life of the region for the period 2010-2020, %

Source: built by the authors[4]

According to Fig. 1, the sector of small and medium-sized enterprises in 2010 and 2020 is +99%. And the share of employed workers has increased over the past 10 years (2010 – 48.7%, 2020 – 53%). Analyzing hired workers for the period 2010-2020, it is also worth noting a positive trend (2010 – 38.8%, 2021 – 40.5%). The volume of sold products is also pleasing with positive dynamics (2010 - 27.3%, 2020 - 36.3%). That is, there was a significant improvement in indicators as a whole. If we evaluate the development of small and medium-sized enterprises in

the Lviv region, it is worth paying attention to the classification by spheres of economic activity. These data can be seen in Fig. 2 [4].

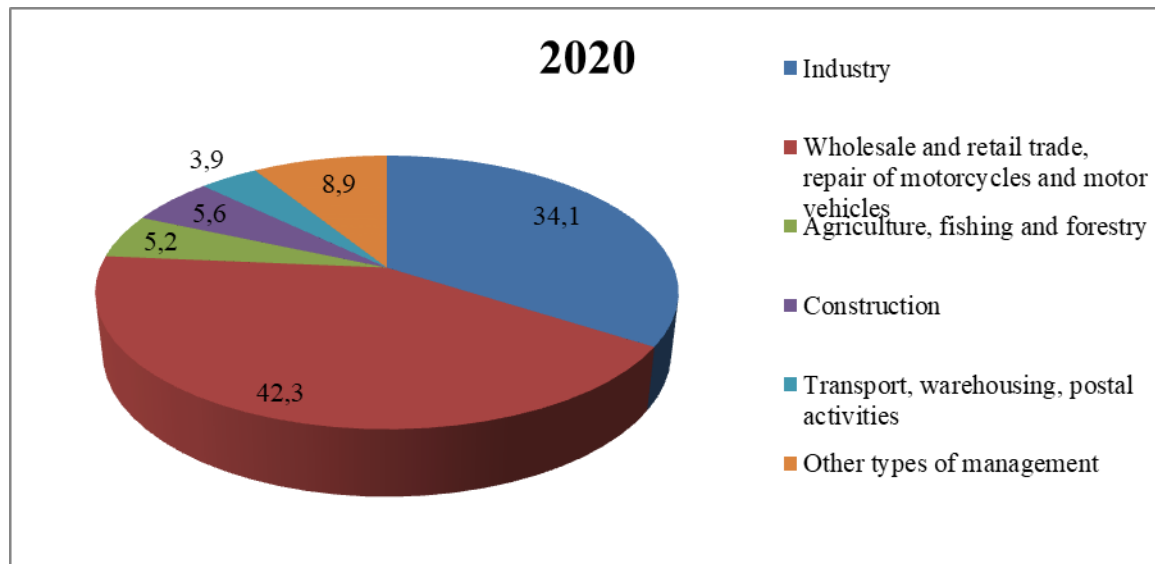


Fig. 2. Classification structure of the volume of products sold by small business entities of the Lviv region by economic sector in 2020, %

Source: built by the authors[4]

Table 1 shows data on the performance indicators of small and medium-sized enterprises for the period 2015-2020. compared to big business [4].

Table 1

Financial results of business by branches of economic activity

	Financial result, thousand UAH.					
	2015	2016	2017	2018	2019	2020
Microenterprises	-722902	-451835	15464	456662	838218	-1562538
Small business	-2325060	265025	702062	3248005	4695784	-1093518
Middle business	-3054372	127702	3122071	5417200	7444403	4524408
Big business	-2111837	1278700	753419	-503558	-2410890	-962941
All enterprises	-7491268	1671428	4577552	8161647	9729297	2467950

Having analyzed the shares of small and medium-sized enterprises in the results of the financial part of the region, it is worth saying that their share in the period 2015-2020 was on average +/- 30-48% of the work of all enterprises in the region. It can also be said that a medium-sized business has a much larger share of the market, so its results are, accordingly, greater. The greatest importance of the results of small business activity in 2019. -48.3%, and the average business in 2020 – 83.3%. These data by year can be seen in Fig. 3.

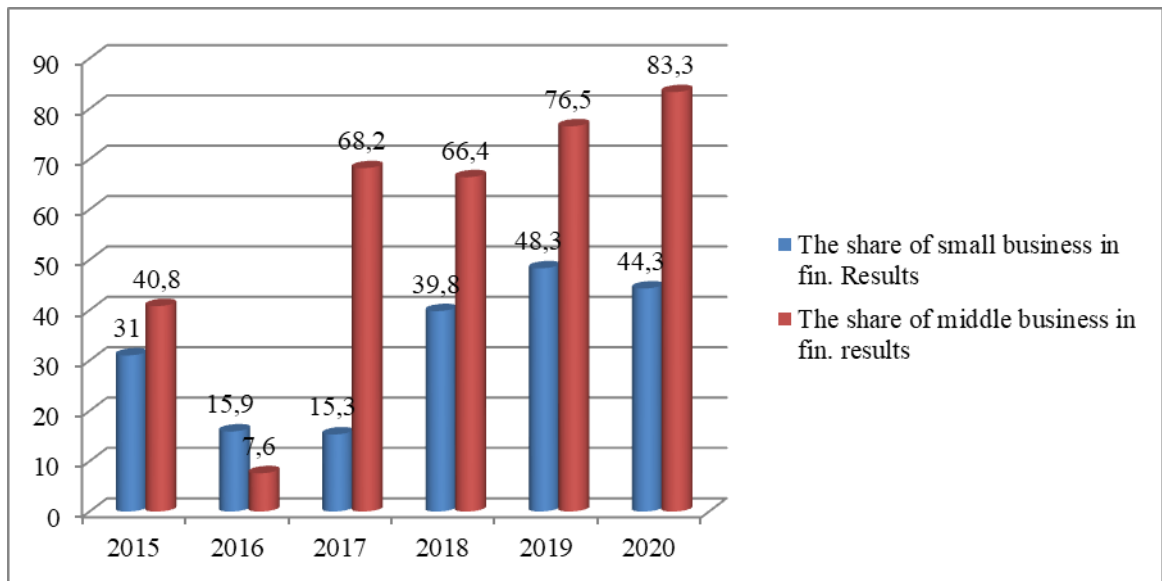


Fig. 3. The dynamics of the share of small and medium-sized enterprises in the formation of the results of the work of the financial part of the Lviv region in the period 2015-2020, %
 Source: built by the authors[4]

The field of tourism brings a large part of the profit to small businesses. Therefore, in 2020, the financial results are slightly worse than in previous years. This is due to the pandemic and crisis caused by the coronavirus.

Therefore, a very important aspect of promoting the development of small and medium-sized businesses in the Lviv region is the support of Lviv Regional Military Administration for small and medium-sized enterprises. That is, the provision of soft loans, consultations and clarifications. The sector of small and medium-sized enterprises in 2010 and 2020. was +99%. Over the past 10 years, the share of employed workers has increased by almost 4.3%, and hired workers by 1.7%. The volume of sold products is also pleasing with positive dynamics - an increase of 9%[4]. That is, there was a significant improvement in indicators as a whole.

If we talk about the year 2022, then according to the plan for the implementation of regional target programs for the year 2022 (01.01.2022 - 07.11.2022) [3] in the Lviv region, a business support program was financed for UAH 29,074.55 thousand. According to the plan (Tabl. 2) provided for 52,405.00 thousand hryvnias, so 55.48% was implemented. All these funds were allocated from the regional budget of the Lviv region.

But in the conditions of war, the biggest influencing factor is the situation in the state, economic instability, limited resources, reduction of production volumes and limited personnel.

Currently, enterprises located in the east of Ukraine cannot or can only partially resume their activities, so relocation is the solution for the normal functioning of business. That is, a change of location. The challenges that businesses now have to solve are moving equipment and workers to a safe area. Here it is important to take into account the lease or purchase of premises for production, as well as land plots for capacity and warehouse logistics. If we look deeper, the industrial potential of Ukraine has been gathered in the Donetsk, Luhansk, Kharkiv, Dnipropetrovsk and Zaporizhia regions since historical times [12]. Today, these are territories

where active hostilities are taking place. The Russian-Ukrainian war threatens the destruction of not only production premises, workshops and warehouses, but also the destruction of equipment. Therefore, at the state level, methods of solving business aid and promoting the relocation of enterprises to safer regions have been adopted.

Table 2

Implementation of LRMA regional target programs for 2022

Funding has started		Funds are provided	Funded	Cash expenses	%, execution	Unused funds
Program	Events					
26/26	149/215	2,063,656.71	1,211,094.34	1,117,113.75	54.13%	93,980.58
Program	-	Funds are provided	Funded	Cash expenses	%, execution	Unused funds
Business support	-	52,405.00	29,074.55	29,074.55	55.48%	0.00

Source: built by the authors[4]

Lviv region has taken in a large number of enterprises that moved from the war zone. Orest Hryniv, the deputy head of the Department of Economic Policy of the Lviv Regional Military Administration, noted that as of September 2022, 207 enterprises had moved to the Lviv region. Of them, 144 have already started their activities. 14 enterprises that relocated have already returned to their cities [10]. According to him, Lviv region is a leader in business relocation, because it takes care of enterprises that have expressed a desire to relocate - from the beginning of the consideration of applications to the relocation.

Businesses from the fields of light and food industry, machine building and metalworking were mainly relocated to Lviv region. The largest representatives are: "Pozmashina", "Matrolyuks" and "Wind systems of Ukraine". Together, they created about 5,000 jobs[10].

As for the number of employees, in most cases, enterprises bring with them 20% of employees, the rest are recruited from the region.

Lviv RMA helps with the search for premises and transports equipment free of charge with the help of Ukrzaliznytsia and Ukrposhta, provides support with documentation and helps with the employment of employees. In particular, the Business Support Program, which was developed by the Lviv RMA during the period of martial law, operates in the Lviv region. It can be used both by enterprises relocated from other regions of Ukraine, and by entrepreneurs who worked in the region before the war [10].

Also, financial assistance in the amount of 100,000 hryvnias is given to manufacturing enterprises that have relocated, provided that the enterprise is re-registered on the territory of the Lviv region. The company will also receive an additional UAH 100,000 if it creates at least 20 new jobs [7].

Also in Lviv Oblast there is a program for micro and small businesses "Microgrants for relocated enterprises in Lviv Oblast". Businesses can receive up to \$4,000 for the purchase of equipment or machinery, resumption of operations, or rent payments[7].

So, it can be seen that Ukrainian business needs state support for successful functioning and development. The main tasks of the course of the state program for supporting small and medium-sized enterprises [13]:

- increasing the competences of the state in business development policy. Establishment of the Agency for Development and Support of Small and Medium Enterprises;



- facilitation of access to financing for small and medium-sized enterprises. The development of the state program "Affordable loans", its improvement, as well as the introduction of tools for the development of alternative methods of financing. Another important item on the list is the development of special educational programs and financial literacy classes;
- introduction of a program to help start-ups develop and provide financial support in the implementation of their business ideas;
- development of methods of ensuring competitive business models;
- creating a strategy for the development of small and medium-sized businesses aimed at supporting them in the post-crisis period.

CONCLUSIONS

The main drivers of the development of the Ukrainian economy are medium and small businesses. Solving the problems of Ukrainian small and medium-sized enterprises should be one of the key areas of economic policy. As you know, it is these layers of business that help realize the potential of the state's economy and optimize the country's participation in the international market as a full-fledged entity. Therefore, in order to solve the financial problems of entrepreneurship at the national level, it is necessary to organize the creation of funding funds.

Summarizing the activities of the Department of Economic Policy of the Lviv Regional Military Administration, it is worth saying that it conducts a correct and perspective-oriented policy in the economic sphere. Creative ideas to support business and other areas of the region's economy have their results. The effectiveness of their work is proven by the results of support programs, as well as statistical data.

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FOREIGN EXPERIENCE OF BUSINESS PROCESS DIGITALIZATION IN LOCAL GOVERNMENT INSTITUTIONS

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ABSTRACT

The article is devoted to the analysis of the foreign experience of business process digitalization in local government institutions.

The authors indicate the following main internal problems regarding the introduction of digital models of public administration in Ukraine: the absence of an officially defined category-concept apparatus; the non-compliance with legal, informational-analytical, scientific-methodical, financial, organizational-technical, personnel support, etc.

The authors underline that digital technologies and their use in all spheres of society's life-activity allow to create new business practices that are reflected in the emergence of gig economy, freelancing, crowdfunding, crowdsourcing, crowdcasting, etc. and other new types of services.

A comparative analysis of public administration models in different countries indicates that the institutions and mechanics of public power of the countries of Europe, the USA, Japan, China and others are caught by various historical, economic, political and cultural experience. In each of the models, the function of public administration bodies supports the necessary level of regulation of social and economic processes and ensures stable public development.

Keywords: local government institutions, business process digitalization, public administration model, foreign experience.

INTRODUCTION

The introduction of information and communication technologies and the development of elements of the digital society is considered in most countries of the modern world as one of the priority strategic tasks and regional priorities. Digital technologies, as well as related public and human activities, form the digital sphere of modern society, from which, in the current conditions, depend its economic and innovative potential, social progress, efficiency of management,



implementation of democratic procedures, education, level of human development, national security.

The country's abandonment at the rate of growth of goods and services produced and provided by information computer technologies (as the digital gap is called) automatically causes its abandonment in other departures as well. And the most dynamic, sustainable development of the digital sphere, the promotion of digitalization and digital transformation is the fundamental basis for increasing the competitiveness of the country on the international stage and the quality of life of its citizens, achieved in many ways through the growth of diversity and objects of both traditional and new services with the use of modern digital technologies.

Thus, a new reality has developed in the world, which encourages the governments of all countries to implement the policy of the system digital economy through digital transformation: the strengthening of relevant national legislation, the development and implementation of large-scale state strategies, projects, programs. Inevitably, the two main priorities are practically always the provision of the country's international competitive advantages (region, inter-state association) related to the digital economy development and the optimization of internal development. All the above mentioned emphasizes the relevance of the research topic.

Analysis of recent research and publications. Many authors devoted their own scientific possessions to issues of foreign experience of business process digitalization, in particular the following: A. Draghici, C. Feldmann, L. Ivascu, A. Koopman, P. Lückmann, D. Paschek, P. Seymour etc. Even a runaway comparison of different models (strategies) of the development of digital society, currently living in the world, allows us to state a significant variability in conceptual approaches, priorities, mechanics and ways of their realization. At the same time, the effectiveness of their application strongly depends on the cultural and civil environment, the region or even the country being implemented and other strategies. In other words, there are no university models for the management of the state by means of digital transformation mechanics, a lot of depends on the institutional means.

Presenting main material. Even within the framework of a fairly constitutionally homogeneous European Union, it is possible to distinguish several very successful, but different models of the development of the digital economy: Scandinavian, Central (FRG), Western European (Switzerland, Netherlands), island (United Kingdom) ones, etc. Thus, although Ukraine is on this stage of developing the digital economy in the country and has determined its external policy course for digitalization of all society, including the public administration system, it will have to seek its own path of digital transformation, while focusing on the standards and goals of the world scale of the digital economy. Learning and making creative use of the relevant experience of other countries are absolutely essential for our state along the way.

It should be noted that the digital economy is dynamically gaining new momentum, its volume is, according to the latest data, about \$3 trillion on an international scale. This figure represents a tiny fraction of the overall capitalization of most businesses around the world, as well as surpassing GDP. For example, the UK in the whole has an extraordinary capital sum that reflects the achievement of the digital economy in just a quarter of a century. Digitalization of the economy has brought greater impact to the widespread use of the Internet, which infiltrates all public processes.

Overall, the digital economy is not just about relationships that are being challenged by the internet, cell link, ICT. The use of the entire range of functions of digital technologies has the following effect on the economy of the country:



- 1) economic interactions are being developed; long chains of intermediaries are destroyed;
- 2) different transactions (credit, leases, buy-sales, tax payments, settlements, etc.) are accelerating;
- 3) barriers of access to markets are restricted, due to which spatial restrictions are eliminated and alternative commercial platforms are created;
- 4) competitive advantages are provided to companies regardless of their size;
- 4) it is possible to create an effect of the scale and realization of its positive output at reduced costs [1; 3].

Thus, digital technologies and their use in all spheres of society's life-activity allow to create new business practices that are reflected in the emergence of gig economy, freelancing, crowdfunding, crowdsourcing, crowdcasting, etc. and other new types of services. The manifestation of the development of new technologies is the avalanche-like growth of the number of interactive interactions that are inherently servile in nature.

Existing types of household activity are on different stages of transformations captured by digital technologies. The way in which the community adheres to digital technology is indicative of the fundamental shift and deepening of the digital transformation processes that are manifesting themselves: in the increasing concentration of digital technology on production activities, not just on the field of entertainment (thus, there is a transition from the development of services to implementation of services). It is necessary in the transition from using digital technologies to accumulate retrospective data online, not only business-oriented, but also hyperlocal, not only structured, but also unstructured, which not only increase life level, but are critical to life; moving from digitization of separate spheres to an extraordinary digital society.

According to estimates of analysts, each dollar invested in digital infrastructure will bring in an additional \$5 in GDP by 2025. The digitization of information made the household activity built on it significantly impressive. Digital economy is developing in the global economy. In separate national economies with different speed, we can see changing the process of labor, labor relations, employment. In countries with advanced economies and in industries that are easily automated, over the past 20 years, the fate of workers in average qualification has been cut [2; 4].

In 2015, Digital Economy and Society Index (DESI) was first reviewed with the aim of identifying priority investment targets in the creation of the digital market and supporting EU countries in improving digital productivity. It consists of the following five subindexes that measure development:

- 1) infrastructures of connectivity to the broadband Internet;
- 2) ultrastructures of human capital development;
- 3) using the Internet;
- 4) the integration of digital technologies into business;
- 5) coverage of the digital technologies of the public sector.

The role of changes, which is assessed by subindexes, is different in achieving digital production and is measured with the effectiveness of the weight ratio of each of them according to the absolute indicators and pace of their changes. Thus, the following four groups of countries were allocated by the use of this subindex for each state. Denmark, Finland, Sweden and Netherlands are put to the group of countries with the most modern digital economy in the EU by this index, in the group with low results there are Romania, Bulgaria, Greece and Italy. In 2016, the highest rates of change (more than 0.04 compared to an average of 0.028) were demonstrated by Slovakia and Slovenia. Portugal, Latvia and Germany showed little growth (below 0.02).



An analysis of the data obtained in the study shows that although European countries occupy high places in similar world rankings, they concede to Japan, South Korea and the United States. Huawei explores trends in the development of the digital economy during 4 years with the help of the Global Connectivity Index (GCI) developed by its specialists. The company notes that the growth of the index indicates an increase in the levels of competitiveness, innovation and productivity in the national economy [2; 5].

While studying of the dynamics of the index of global network interaction over the past two years by three groups of countries, united by GDP per capita and the degree of development of digital technologies (leaders, leaders starting), analysts of Huawei have come to the conclusion that digital differentiation is fast enough to become "digital missing," since, although beginning and implementing the development of digital technologies, the growth rate of this group is two times lower than that of leaders.

The novelization of the most modern processes in leading countries allows us to determine the formation of national models of the digital economy: "Industry 4.0" - in Germany; "industrial Internet" - in the United States; "ubiquitous society" - in Japan. A key setting for the digitalization of national agriculture is the shaping of the domestic demand for digital technology and the use of it by citizens, businesses, economies and, most importantly, the state.

Among the many modern ICTs that define this process, the model of digital public administration occupies a special place, efficiency of the impact of which depends on many factors of political, social, economic, informational, scientific and methodological, organizational, regulatory and legal character, etc. Without these factors, determination of their priority, possible formation of scientifically established public policy and implementation of public administration to implement digital transformation and development of the digital economy in our country as a whole is unreal [1; 2].

The above delineates the relevance of the task of creating a multifunctional model of public administration in Ukraine, which could fully correspond to the digitalization and digital transformation of all public processes in the way of shaping the digital economy.

To the main internal problems regarding the introduction of a similar digital model of public administration in Ukraine, it is necessary to remove:

- 1) the absence of an officially defined category-concept apparatus;
- 2) the non-compliance with legal, informational-analytical, scientific-methodical, financial, organizational-technical, personnel support, etc.

To assess the state of development of a similar model of public administration and to identify trends in the development of the digital transformation of society in the whole country, before its technical and technological composition, an integrated system of indicators should be based on:

- 1) the data of the state statistical university;
- 2) the results of special empirical surveys of the market of information and communication and digital technologies carried out by Ukrainian and foreign companies;
- 3) the rating estimates of such international organizations as the UN, the EU, the World Bank, ITU, the OECD, etc.

In addition to the system of indicators and syndicators, monitoring techniques must be developed and officially approved, analysis and forecasting of the situation in this area in a short, medium and long-term perspective, as well as allocated relevant resources for the implementation of information and analytical support and a certain conscience of sources and users of information, established regulations of their interaction and requirements for information, that is, a system of



information and analytical support of the process of digital transformation of social and economic systems of all levels should be created [4; 6].

At this stage, the model of the digitalization of the structures of the economy of Ukraine is absent, that has an extreme negative impact on the effectiveness of public policy and public administration of the public spheres of the country, which are implemented practically in the context of lack of feedback and are based mainly on inaccurate, unpolished and counterproductive statistical data, intuitive representations and previous experience of individuals making strategic decisions.

The most rational is the approach based on the application of a comparable analysis for the compatibility of existing models of syndicators, the definition according to the selected criteria of the best and its clarification with the aim of maximum learning of the development of the digital economy in Ukraine. As an integrated characteristic of the level of development of a digital society or its structural elements, composite ICT-indexes (e-indexes) built on the basis of sets of ICT-inductors are used, while the set of inductors and the method of construction of the index depend significantly on the chosen priorities.

To improve the accuracy and reliability of data, it is reasonable to carry out their connection from different sources and ensure that users are provided according to their requirements for the quality of relevant information. With this goal, it is necessary to coordinate the efforts of various subjects involved in solving this problem [5; 6].

One important direction in the digital economy is the creation of a single information space for all household and management entities. It is believed that this approach will increase the efficiency of public administration at all levels. The need to overcome a series of negative trends and the need to solve serious problems preventing Ukraine from becoming a digital state require reforms primarily in the field of public administration. In this context, the irrelevant relevance is taken by the questions of researching the models of public administration, developed and implemented in different countries, which will be able to compare the basic digital parameters of the parent and foreign authorities, that will allow asking the question of the advent of public administration in Ukraine to better world models. In the whole, under the model of management, the theoretical integral conscience is represented by how the control system looks (or how it should look), its structure and principles of functioning, how it interacts with various subobjects, how it adapts to changes in appearance, etc.

The model of the structure of public administration should meet the requirements of specific periods of construction of the information society. To build such models, you need:

- 1) to determine the phases (stages) of development of the digital economy;
- 2) to determine what indicators of the development (state) of the digital economy correspond to certain phases and stages;
- 3) to develop changes in important digitalization and digital transformation events in different directions of activity to achieve the necessary indicators;
- 4) introduce an adequate structure of public administration bodies of Ukraine, which is able to ensure the implementation of these events.

In addition to the structures, the models must include:

- 1) forming systems of public administration of the digital economy (bodies of power, structural subdivisions, etc.);
- 2) functions and tasks of authorities defined by the regulatory and legal basis;
- 3) constituting the digital infrastructure of the state;



4) indicators (syndicators) of the development (state) of the digital economy.

To a significant extent, the features of digital models of public administration are related to the nature of economic relations. Today, there are several economic models with different options for the ratio of the state and market relations in the digital economy:

1) competition and market methods prevail in the US model, and state intervention is carried out within the framework of liberal ideology;

2) in the social market model (EU countries), the state plays an active role in ensuring the welfare of citizens, reducing the consequences of economic risks, but the cost of social programs is enough high, that leads to an increase in taxes and emergence of problems in the labor market;

3) in the model of state capitalism (China), the state occupies an active economic position, participates in the management of many private companies, in control over the main branches of the economy, the banking sector, the media. This makes it possible to control the pace of economic development and the existing impact on the redevelopment of public goods [1; 4].

The real representatives of the digital economy can be called such countries with a modernized system of public administration in accordance with the requirements of the digital economy as the UK and Canada. Thus, as a result of effective electronic management in Canada, the provision of services, settlement operations and interaction with citizens and business representatives (for example, registration of new entrepreneurs, obtaining driving rights, fishing and hunting licenses, payment of fines for improper parking, etc.) began to be carried out electronically. This way of providing services is possible by asking 95% of Canadians. At the same time, the Canadian government's position is that the provision of services through electronic means of communication should be supplemented, rather than replaced by other means of communication.

Thanks to the use of e-government in Canada, it has become closer cooperation in providing services between the state level of government and the authorities of guilt. The activities of the Canadian government have become more open and transparent for citizens, because everyone has been able to sign up with reports and plans of any Canadian government body on its official website. The e-governance allowed the Canadians to take a more active part in public affairs and control the actions of the government, and therefore, the development of civil society was very important.

In the first decade of the new millennium, public administration in the UK continued to develop within the framework defined back in the time of M. Thatcher, and based on the model of values and norms that public servants should lead in current activities. The country has developed a government modernization program. One of its components, the program of work on the creation of the electronic public services system in the UK "Electronic citizens, electronic business, electronic government", has acquired a special significance in the modernization of the government. In the context of public administration and the structuring of this system, the strategic concept of providing public services in the information epoch has been developed [2; 3].

The UK Government strategy provides for the development and use of all electronic versions of the service. This means that services can be provided through the Internet, mobile communication, digital television and service centers. In this regard, attention should be paid to the significant achievements of the Electronic Government system in the UK, which allowed it to become one of the leaders among other countries in this direction.

In the UK, the task of getting citizens of all public services online is sufficiently successfully solved. The system of payment of taxes via the Internet is being developed, modern information portals for the population, electronic "universities" are being created.



CONCLUSIONS

Finally, a comparative analysis of public administration models in different countries indicates that the institutions and mechanics of public power of the countries of Europe, the USA, Japan, China and others are caught by various historical, economic, political and cultural experience. In each of the models, the function of public administration bodies supports the necessary level of regulation of social and economic processes and ensures stable public development. Among the main factors influencing the process of digitalization of public administration of the digital transformation of society in foreign countries, we can distinguish the following ones:

- 1) the special features of the market economy, which are expressed in stimulating the freedom of entrepreneurship, the free movement of labor, the competitiveness of the labor market;
- 2) development of civil society and social partnership in the digital environment;
- 3) decentralization of power and implementation of effective structural and regional policies to improve social and economic conditions of life of citizens;
- 4) implementation of socially significant projects that contribute to the implementation of social equality and equity principles in the digital economy.

It is recommended to create the program of modernization and reconstruction of public administration in the future with the use of information technologies. Accordingly, the projects of "electronic government" will not only include the provision of information to citizens, but also contribute to increasing the efficiency of the work of the state apparatus in the whole.

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THE AGRARIAN SECTOR OF UKRAINE'S ECONOMY UNDER MARTIAL LAW: PROBLEMS AND PROSPECTS

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ABSTRACT

The economy of Ukraine faced a difficult test of survival in war conditions. One of the industries that ensures the viability of both the economy and the country's population is agriculture. It suffered significant damage and destruction as a result of military aggression by the Russian Federation. Moreover, in addition to supplying the domestic market with food products, the food supply of the population of third countries depends on domestic production and the possibility of exporting and selling many agricultural crops. The structure of agro-industrial producers that developed in Ukraine before the full-scale invasion of our territory showed its weaknesses, which should also be taken into account and tried to be prevented in the future. Therefore, Ukraine needs not only the financial support of our Western partners, but also the restructuring of participants in the production of agricultural products. The directions of adaptability of the agricultural sector and prospects for its preservation and further functioning in the conditions of martial law are determined.

Keywords: agriculture, agro-industrial complex, farming, agricultural holding.

INTRODUCTION

Ukraine is a traditionally agrarian country with strong potential and significant prospects for the development of agriculture. This is facilitated by climatic conditions and the availability of fertile land, which provides conditions for the effective development of agro-industrial production. The agricultural sector is a key strategic branch of the Ukrainian national economy, which ensures food independence and food security of our state and provides jobs to a significant part of the population. The agro-industrial sector is system-forming in the national economy, forms the socio-economic basis for the development of rural areas, forms the basis for preserving the sovereignty of the state - food and, within certain limits, economic, energy and environmental security, ensures the development of technologically related branches of the national economy. In addition to the stable supply of the country's population with high-quality, affordable and safe food products, the agricultural sector of Ukraine undoubtedly has a significant impact on solving the world hunger problem. And this was once again confirmed during the difficult time of the full-scale invasion of our territory by the Russian Federation.



Analysis of recent researches and published papers. Such scientists as O. Borodina, I. Gamalii, O. Gromov, Yu. Kernasyuk, V. Kravchenko, O. Kramar, V. Rusan and others paid attention to the study of this issue. This topic is quite relevant in the difficult conditions of martial law, in which the entire Ukrainian economy found itself. Therefore, it is important to take into account the conditions for the survival and functioning of the fundamental industry of our country and the conditions for ensuring its recovery and further development.

The purpose of the article is to determine the current state and directions of preservation and development of the agricultural sector of the Ukrainian economy.

Results of the research. According to the results of 2021, the share of the agro-industrial complex was 10.6% in the national GDP. Director of the Northern Interregional Scientific Center of the National Academy of Sciences, Deputy Director of the National Scientific Center "Institute of Agrarian Economics", Doctor of Economic Sciences O. Nechyporenko noted that the Ukrainian agricultural infrastructure and its assets suffered potential direct damage of more than 6 billion US dollars as a result of full-scale military aggression on the part of the Russian Federation. According to preliminary data, additional economic losses from the war in agriculture are expected at the level of 22 billion US dollars in 2022 alone. The Ministry of Agrarian Policy and Food, together with the KSE Institute Food and Land Use Research Center, predicts an increase in this indicator to 23.3 billion US dollars, taking into account the blocking of a large part of sea ports, the increase in the cost of production components with reduced production volumes [7].

Already at the beginning of the war, total losses were caused in the agriculture of Ukraine in the amount of 4.3 billion dollars due to the military invasion of Russia. In the structure of damages, the largest losses were incurred as a result of the destruction or partial damage of agricultural lands and unharvested crops - in the amount of 2.135 million dollars. Agricultural lands suffered two significant types of damage – mine contamination and direct physical damage. The cost of surveying lands with a high risk of mine contamination and demining the affected territories is estimated at 436 million dollars. In addition to direct damage to land, hostilities, occupation, and mine contamination limit farmers' access to land and harvest opportunities. Approximately 2.4 million hectares of winter crops with a total value of 1.435 billion dollars will remain unharvested as a result of the aggression of the Russian Federation [6].

The southern regions of Ukraine were under constant military occupation pressure, the feature of which is the most developed irrigation infrastructure, which suffered significant destruction as a result of war events. The estimated cost of replacing and repairing the damaged irrigation infrastructure is USD 225 million.

Agricultural machinery and equipment are also damaged as a result of hostilities, shelling and airstrikes occurring in the immediate vicinity. The estimated cost of replacing and repairing such damaged equipment and agricultural machinery is \$926.1 million.

The troops of the Russian Federation are purposefully destroying elevator facilities in order to destroy the Ukrainian agricultural sector. The total amount of losses due to the destruction or damage of granaries is estimated at 272 million dollars.

At the same time, livestock, the estimated value of which is already more than 136 million dollars, is also dying from the actions of the occupiers. The estimated number of animals is 92,000 cattle, 42,000 goats and sheep, 258,000 pigs and over 5,700 poultry. Experts note that domestic animals die not only directly from active hostilities, but also from limited physical access of the workers



themselves to farms for care and provision of veterinary services, limited opportunity to purchase fodder [6].

At the same time, the existing model of development of the domestic agricultural sector turned out to be extremely vulnerable. It was formed on the basis of the nature of raw materials, scale effects and the deformed structure of agricultural production - large enterprises (mainly agricultural holdings) specialized in crop production, growing quick-paying and highly profitable agricultural crops, while small enterprises, farmers and households were engaged in the cultivation of fruit and berry crops, production labor-intensive livestock products.

Agricultural holdings lobbied their interests on such a large scale that, despite high incomes from entrepreneurial activity, they actually monopolized state support for the entire agricultural sector (before the war, 5–10% of the largest agricultural enterprises took 70–80% of national funds for agricultural support measures). At the same time, according to the current legislation, the income of agricultural holdings is taxed according to a simplified system, their profits on a large scale are mastered through tax havens (including Cyprus and the British Virgin Islands), as a result of which local development and public goods of Ukraine suffer. In addition, such subjects receive significant investment resources from international financial institutions: the World Bank, the International Monetary Fund, the European Bank for Reconstruction and Development. All these aspects of the functioning of agricultural holdings led to unfair competition with other subjects of the agri-food market of Ukraine, caused physical and economic pressure on personal and family farms, limiting their access to factors of production (agricultural land, means of production) and sales, as well as reducing their incomes (by reducing purchase prices, increasing prices for means of production). In such conditions, the development of family farming has become extremely difficult, and in the future (taking into account the control of agricultural holdings over agricultural lands and production chains) may become impossible.

The fragility of the model became apparent during the full-scale military invasion of Russia in February 2022. The war made the functioning of large-scale agricultural production extremely difficult due to the disruption of logistics chains, environmental disasters at corporate livestock complexes, blocking of sales markets, etc.

The following are the main components of vulnerability for the domestic agricultural sector:

- impossibility of conducting field work in the conflict zone. It is impossible to carry out agricultural works on a large part of the land because they are in the zone of occupation or are mined or are under constant shelling. In order to make a greater impression on our economy, the aggressor constantly increased and concentrated attention on the shelling of agricultural machinery and land during the ripening and harvesting of the 2022 harvest;
- destruction of the infrastructure of production, processing and preservation of agricultural products and food products. Food warehouses, granaries, agricultural machinery and even logistics infrastructure were often the objects of enemy destruction. Thus, the aggressor tries to make it impossible to carry out agricultural work in the country; to form and spread negative expectations about the lack of food among the population; worsen the country's food supply; develop a global food crisis;
- blocking the export of agricultural products by sea, which affects the profitability of Ukrainian agricultural producers, reducing income from exports, causes global food inflation and probable famine in third countries, may cause a new wave of population migrations from these countries, etc.;



- deterioration of material and technical support of agricultural enterprises. The lack of financial resources, the difficulty of forecasting activities as a result of possible hostilities lead to the minimization of agricultural production processes, the reduction of the application of fertilizers and plant protection products, which leads to a decrease in the yield of agricultural crops and worsens the quality of the land. Interruptions in the fuel market, the need to restore damaged equipment significantly affected the timeliness of agricultural works;
- problems of food supply to the population in the occupied territories and on the border of hostilities. Active hostilities, constant shelling of settlements, movement of the front-line zone make it difficult to provide food for people who could not leave their places of residence for various reasons and will need help from the state and volunteers in the future.

It is necessary to take into account the peculiarities of the agricultural sector, which depends on the biological processes of growing and reproduction of plants and animals. It is characterized by one of the longest payback periods, which actually makes it impossible to quickly reorient production to other products. Thus, the accelerated correction of crops of agricultural crops of winter groups, which were sown on the eve of 2022, becomes limited. Therefore, the structure of agricultural land crops for the current year's harvest has changed differently, depending on the period of planting crops. So, if in 2021, 192,000 hectares of spring wheat were sown, then this year - almost 200,000 hectares; soybeans - 1,300,000 hectares and about 1,250,000 hectares, respectively. At the same time, the area of export-oriented agricultural crops has undergone changes: the area of sunflower crops decreased by 1 million 809.7 thousand hectares compared to last year (but this indicator is still high - 4 million 700 thousand hectares), corn crops from 5 million 500 thousand hectares last year decreased to 4 million 600 thousand hectares this year, which is primarily due to the fact that corn is more difficult in logistics [10].

The First Deputy Minister of Agrarian Policy and Food of Ukraine T. Vysotskyi noted the factors influencing the restructuring of crops in the conditions of martial law: the possibility of selling products for domestic needs, the cost of expenses per hectare, indicators of the yield of products per hectare and its cost per ton. The last point is important in view of the complicated export logistics: farmers preferred those crops that showed a higher cost per ton, primarily oilseeds.

In the conditions of martial law, the primary task of the Ukrainian agrarian sector of the economy became the reliable supply of agricultural products and food to the population - and here individual peasant farms and farmers demonstrated their key role in the preservation and development of local markets and food supply logistics. So, the dogma of the classical agro-economic theory was proven in practice: the main basis for the sustainability of small-scale agriculture is not its economic advantages over large farms, but the important fact that large farms behave in the market as a capitalist enterprise, the purpose of which is to obtain profit and rent. and small - to ensure the existence of the producer himself.

The recovery plans of Ukraine for 2022-2032 contain a number of projects in the field of agro-industrial complex, the implementation of which will require at least \$37 billion in investments. In particular, the project for the development of processing in the agricultural sector, according to the principles of the Green Deal, needs to attract \$10.2 billion.

The main directions of development of processing in the agro-industrial complex are proposed to increase the production of syrups, starch, gluten, protein, lecithin, premixes, meat and milk.

It is also planned to involve:

- 4 billion US dollars of investments for the construction of an irrigation system on a total area of 1 million hectares;



- 7.7 billion US dollars – for increasing the production of agricultural products with high added value;
- 1.6 billion US dollars for reclamation of war-damaged lands;
- 5.5 billion US dollars – for increasing the production of animal husbandry products;
- 1 billion US dollars to promote the transition of the Ukrainian agricultural sector to "green" development.

According to the document, it is planned to attract \$6.5 billion by 2032 for the reconstruction of 10,500 Ukrainian agricultural enterprises after the war [4].

Currently, the Ukrainian agro-industrial sector of the economy faces a choice between two possible scenarios for further development. Under the first of them, within the framework of post-war reconstruction, Ukraine is restoring the pre-war structure of agriculture and continuing the policy regarding the agrarian sector with further emphasis on the support of agricultural holdings. However, the question arises of the rationality of such a scenario for the further development of agriculture for the state and society.

The second scenario envisages the reorganization of agrarian policy on a sustainable basis and built on ensuring equal development rights for all groups of subjects of the agro-industrial complex of Ukraine, including transparent and fair access to agricultural and other lands, production resources, free access to sales and competition on a fair basis. The consequence of the application of such measures will be a change in the agrarian structure, which will allow small farmers and farms to use their production potential for the creation of public goods and local development, and will also contribute to ensuring the adaptation of the agrarian structure of Ukraine to the EU. Such a scenario of the revival of agriculture and rural areas in Ukraine requires the construction of a new institutional system to support domestic food security, the implementation of a European-oriented agrarian policy, responsible strategic planning and monitoring of the situation in the industry, and the collection of relevant data. In Ukraine, it is necessary to introduce solutions, in particular, regarding the management of the development of agro-industrial economy and the development of rural areas according to the Polish (as in the EU) model, including the creation of state institutions that provide small and medium-sized business entities with access to production resources and sales, and creation of agricultural chambers that unite farmers and small farms. This would make it possible to strengthen social control over the distribution of state funds to support agriculture and ensure fair competition for land resources and in the markets of agro-food products. In addition, in accordance with European values, it is necessary to change legislation in the field of, in particular, land relations (land market), taxation of agriculture and social security. It is important for Ukraine that Poland, as a neighboring state with an agro-oriented economy, supports us in reorganizing the registration and reporting systems of agricultural producers and monitoring the development of rural areas, as well as in forming cooperation models between agricultural organizations and farmers, etc.

CONCLUSIONS

Summarizing the specified features of the development of the agrarian sector of the economy, as well as the problems of its functioning in the conditions of war, in addition to the prompt solution of the current problems of the industry, it is necessary to gradually form a strategy for the development of agriculture in Ukraine. The main directions of adaptability of the agrarian sector and prospects for its preservation and further functioning in the conditions of martial law should be as follows:



1. The maximum attraction of direct and indirect financial investments, aimed at supporting the economic activity of agrarians, keeping their hired workers, preventing bankruptcy of economic entities. As a result of hostilities, part of workers of agricultural enterprises and farmers were forced not only to stop economic activity in the agricultural sector, but also to leave their own homes. The prospects of resuming their economic activities on their own lands are uncertain, which may lead to their withdrawal from agrarian business or a change in specialization. This is most likely for small farms that produced seasonal products.
2. Achieving the sustainability of community food systems by stimulating the creation of a closed chain of material and technical resources (agricultural machinery, fertilizers, plant protection products) for agricultural production within the community, as well as the creation of its own market infrastructure for the production, procurement, storage and sale of agricultural products and products food.
3. Ensuring the maximum harvest of agricultural crops by forming reserves of fuel and lubricants. It is necessary to provide agro-industrial producers with the optimal amount of fuel resources for carrying out field work related to the care and collection of the future harvest of agricultural crops. In the territories of the communities, it is necessary to accumulate small consignments of fuel and lubricants (tankers of various tonnages) for use for purely agricultural purposes.
4. Revision of the formation of the structure of cultivated areas of agricultural crops in the direction of balancing it in accordance with the priorities of meeting the needs of the domestic market with important social food products, the needs of animal husbandry and advanced processing. The goal is to load the food industry with raw materials, as well as to reorient the structure of export supplies to highly profitable and less tonnage raw products and finished processing products.
5. Gradual restoration of the technical capabilities of exporting agricultural products and food products. Facilitating the establishment of business contacts of domestic agro-industrial producers with foreign partners for the establishment of long-term cooperation in the conditions of export quotas for the supply of Ukrainian agricultural products and food products that have already been canceled by some countries, as well as the search for new opportunities for the supply of Ukrainian products to European and world markets and establishing a presence on them.
6. Development of a strategy for the development of the agricultural sector, which should fully take into account the balance of its production structure, competitive advantages, as well as the need to develop versatility, increase the profitability of capital investments and the return on land, the wide implementation of innovations, the development and in-depth processing of agricultural raw materials, a significant increase in the share of ready-made food products and products with an increase in specific weight in the structure of export supplies, adaptation of agriculture to climate change, introduction of modern digital technologies.

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FINANCIAL DEVELOPMENT OF TERRITORIAL COMMUNITIES UNDER MARTIAL LAW

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ABSTRACT

The financial support of territorial communities is proposed to be considered as a process of formation, distribution and use of financial resources in order to satisfy the needs and interests of citizens in the sphere of all life activities in the relevant territory. At the same time, the main form of financial support of territorial communities remains budget financing, the quality of which depends on the level of their economic and social development. The state of financial support for the development of territorial communities under conditions of decentralization in Ukraine was analyzed. It was found that during the studied period the number of UTC grew quite quickly and by the beginning of 2022 was 1469 units. It was well founded that the main source of formation of own and fixed incomes of local budgets is precisely tax revenues. However, in the conditions of the war, the budgets of the communities underwent significant transformations, became more dependent on transfers from the central budget. Communities had to cut capital spending and direct it to defense and the reserve fund. The financial decentralization of local self-government helped the communities to withstand the conditions of large-scale Russian aggression.

Keywords: decentralization, financial support, territorial communities, development.

INTRODUCTION

In recent years, the development of Ukraine has been characterized by certain changes in emphasis in the field of state regulation of territorial development in the direction of financial decentralization. In particular, the transfer of powers and resources to the local level, by uniting local territorial communities as the main subjects of local self-government, as well as creating prerequisites for their self-sufficient and economically efficient development.

After February 24, 2022, the economy of Ukraine almost stopped, the war started by Russia made adjustments to the state administration system and became a great test of its stability. The introduction of martial law in Ukraine changed the functioning and development of social relations in all spheres of life. During the hostilities, some territorial communities were under temporary occupation, which led to significant blows to their budgets. The greatest responsibility under such conditions fell on the shoulders of state authorities and local governments. In accordance with part 2 of art. 9 of the Law of Ukraine "On the Legal Regime of Martial Law", local self-government bodies continue to exercise the powers granted to them by the Constitution of Ukraine, this and other laws of Ukraine. The military command, together with local self-

government bodies, provides measures that are necessary for the defense of Ukraine, the protection of the safety of the population and the interests of the state and territorial communities [1].

The instability of the economic situation in Ukraine and the lack of effective mechanisms for financial stimulation of local territorial communities require the state authorities to develop and implement measures that will be aimed at reorganizing the existing financial mechanisms and tools for their effective functioning.

Analysis of recent studies and published works. The main problems of financial regulation of regional development and the mechanisms of its improvement are highlighted in the works of domestic and foreign scientists, among whom we should highlight: T. Bondaruk, I. Vakhovich, V. Galushchak, Z. Gerasymchuk, V. Zaychikova, I. Kaminskaia, M. Kozoriz, O. Lyubich, O. Matveeva, V. Oparina, L. Panasyuk, O. Romanenko, V. Rusin, S. Yuriy, and others.

This research topic has a fairly broad theoretical and methodological basis for the effective implementation of the financial development of territorial communities, however, the relevant approaches need to be improved in view of the processes of decentralization and in the conditions of large-scale Russian aggression, which is currently ongoing in Ukraine.

The purpose of the article there is a study of the peculiarities of functioning and financial development of territorial communities under martial law.

Research results. Changes in local self-government, which took place in connection with the administrative-territorial reform, gave an impetus to territorial communities to significantly increase their own economic potential and ensure the sustainable social development of the community. Along with the increase of resources on the ground, the autonomy in decision-making regarding their management has also increased. The main task of the state reform is consists in the formation of organizational and economic aspects of the development of territorial communities in Ukraine due to the effective use of their endogenous potential of the community.

In European practice, the content of financial decentralization is revealed through such key aspects as income decentralization, expenditure decentralization, and procedural and organizational independence. The main areas of implementation of decentralization processes in Ukraine should include: regardless of the terms of adoption of the state budget, forming local budgets; implement the withdrawal of indicative planning and bringing indicators to local budgets by the Ministry of Finance of Ukraine; the independence of choice by managers of funds of local budgets of institutions for the maintenance of their own revenues of budgetary institutions; introduce simplified procedures for providing local guarantees and making loans from international financial organizations by introducing the principle of "tacit consent" when such operations are approved by the Ministry of Finance of Ukraine; grant the right to conduct local internal borrowing to all local councils, external local borrowing only to cities of regional significance; replacement of the system of balancing income and expenses of local budgets with a system of equalizing the tax capacity of territories [2, 3].

Namely, the reform of local self-government, which began in Ukraine in 2014, helped communities to withstand the conditions of large-scale Russian aggression. Thanks to decentralization, local authorities have received greater financial resources and greater autonomy in making decisions about their use, and this gave rise to greater responsibility. Territorial communities were able to quickly adapt to the situation and decentralization demonstrated the strength of their financial base. In stressful conditions, the communities managed to implement their new functions of providing supplies for the Armed Forces of Ukraine and the Territorial



Defense Forces, organizing humanitarian aid and accommodating internally displaced persons, as well as continuing to provide public services at an appropriate level.

Nevertheless, an important problem remains the existing system of financial development of territorial communities, which does not satisfy the needs of territorial communities, in particular due to improper organization of the specified process. The level of development of an administrative-territorial unit depends on the effectiveness of the mechanism of financial development of local self-government, because it is financial opportunities that the source of economic development, strengthening of social security, and a tool for restructuring the economy. Ultimately, the effectiveness of the system of financial development of territorial communities must constantly ensure the satisfaction of the needs and legitimate interests of both an individual and the entire population living in a certain territory.

Despite the state of war, the majority of reforms in Ukraine continued their development in the direction of European integration. The issue of the capacity of territorial communities is becoming especially relevant now. Financial resources are the guarantor of their effective capacity, which are now significantly reduced due to a large-scale war.

The process of decentralization in Ukraine began in 2014, during the years of the reform, 1469 territorial communities were formed, which were formed by unifying villages, towns and cities. The growth of the number of UTC during the studied period occurred at a rapid pace. The most accelerated rates of formation of UTC was recorded in 2017 and 2019. At the beginning of 2022, their number was 1,469 units, which is 409 more communities than in 2021 [4, 5].

It should be noted that in 2021, it was not possible to finally overcome the negative trends of the decentralization process and almost 3% of the territory remained without project communities.

Analyzing indicators of the formation of capable communities in recent years, it is clear that the same regions remain the leaders. At the beginning of 2021, this ranking of regions was headed by Zhytomyrska, Dnipropetrovska, Chernihivska, Khmelnytska and Zaporizhzhia regions. By the end of this year Kyivska, Lvivska, Zakarpatska, Vinnytska and Kirovohradska regions completed the rating list of regions regarding the formation of capable communities. Prospective development plans were approved in all regions, with corrections made taking into account the current situation.

Their financial support for development is an important for the rapid pace of formation of capable territorial communities. State and local budgets are the basis of such support. Their analysis of the structure showed that in the context of decentralization, one of the main theses is an increase in the amount of revenues specifically for local budgets.

However, the year 2022 made its adjustments to the fullness of the state and local budgets. A large part of the population was forced to leave their homes, according to the latest estimates, it is approximately 13 million people, of which almost 8 million left the country. More than 1500 companies have applied for the government relocation program, and nearly 510 organizations have already moved their activities west from war-torn regions, the data show. The outflow of business and the population of working age has worsened the situation in communities, they have become even more dependent on social support and with a reduced income part of local budgets [6].

A number of problems appeared in the economy of communities, among which were difficulties with logistics, a reduction in demand for goods, an increase of unemployment and an outflow of personnel, restrictions on the country's currency market and a shortage of goods. Cities and villages are engaged in eliminating the consequences of the Russian invasion and strengthening



the defense capabilities of the territories, spending funds from their budgets, the volumes of which have significantly decreased. This led to a change in the structure of local budgets, which became more dependent on transfers from the central budget. In Ukraine and communities, capital expenditures were reduced, directing them to defense and the reserve fund.

During the war, receipts to local budgets in communities that were not affected by Russia's military aggression allowed filling a single treasury account. Taking into account significant tax benefits, territorial communities managed to fill their budgets at the level of last year and resume growth. Thus, despite the decrease in revenues in March-April, May shows that local self-government has adapted to the current conditions and is starting a growth phase, while supporting the country's economy in general.

For November 2022, the general fund of the state budget received 94.4 billion hryvnias, according to the State Treasury Service. This year, we are observing a significant increase in the expenditure part of the state budget, which is directed to the country's security and defense sector. In March-June of this year, the deficit of the state budget was the highest in the entire history of the country and reached almost 150 billion UAH per month. During the 11 months of the war the state budget remained with a deficit in the amount of 810.5 billion UAH.

It is worth noting that all budgets of our country suffered losses, but only regional budgets did not have such a negative impact. They are the only ones with an increase in general fund revenues during the analyzed period until the corresponding month last year. The budgets of territorial communities were more shaken, but they were able to adapt more quickly to the current conditions and restore stability. Thus, in April there was still a drop in the level of revenues of the general fund of territorial communities, in relation to the corresponding period of last year, but in May we can already see the recovery of revenues at the level of 16.4%, compared to the corresponding period of 2021. In general, the situation has improved since May [7].

Therefore, we can state that the proper functioning of the financial system is ensured with the help of local self-government budgets. In 5 months of 2022, the budgets of territorial communities received 68.3% of all local budget revenues.

The State Tax Service has also intensified its work, the collection of taxes and fees, the receipt of rent payments, and personal income tax have resumed. The largest in terms of revenues to the state and local budgets are: international grants, personal income tax, value added tax and income tax. Analyzing the specific weight in the revenues of local budgets, it can be seen that the largest share is still occupied by the income from the payment of tax on the income of individuals. In 2022, local budgets received 12.7% (6.25 billion UAH) more income from the personal income tax than in the spring months of last year. Personal income tax is composed 67.6% in the structure of general fund income without transfers. This effect was mainly due to the relocation of enterprises, which after relocation pay this tax at their new place of registration, especially since employers continued to pay wages and relevant taxes for mobilized employees [8].

Revenues to local budgets in the first 10 months of 2022 fell by an average of 16% compared to January-October 2021. However, the situation is not the same in different regions, in 9 regions there was a decline in revenues. Among them were Khersonska (-52%), Zaporizhzhska (-33.3%), Dnipropetrovska (-23.3%), Chernihivska (-21.7%) and Zakarpatska (-20.8%) regions. And the remaining 14 have growth. The local budgets of the Lvivska region increased by 29.2% and received 1.41 billion UAH more than in the same period of 2021. The budget of the Mykolaivska region was replenished due to deductions from military salaries and contributions to the budget. The reason for the increase in tax revenues in certain regions is the increase of income from the



personal income tax, mainly due to a significant increase in payments to military personnel. The analysis showed that the sharpest drop in almost all incomes was in April of the current year. Now the business has already adapted and the situation has positive trends [9].

It can be said that in general, the country maintains a positive situation regarding all taxes and fees, except land fees. As a result of the cancellation of the statewide excise tax on fuel, local budgets experienced significant losses of this type of revenue, as they accounted for a certain share (13.44%) of the statewide excise tax revenue. This type of income to local budgets remains in a significant negative increase. At the same time, in terms of revenues, the budgets of territorial communities is significantly outweigh revenues to other local budgets. Subventions from the state budget, which make up 21.3%, are also an important source of local budget revenues [8].

Currently, public administration has many challenges related to Russian aggression. First, it is necessary to regulate imbalances between the levels of development of different communities and ensure their stable development. The problems of restoring damaged infrastructure and logistics between communities are also urgent.

During martial law, expenditures of all budgets are strictly regulated by the Government. The largest amount of funds from the state and local budgets is spent on the needs of the Armed Forces, pensions and debt service. The analysis of expenditures by sector showed that the largest amount of them falls on defense, public order and security (+1.5 billion UAH), followed by social security of the population (+120 million UAH), a significant share falls on housing and communal services (+1.8 billion UAH). Housing and communal services are financed from the own funds of local budgets, mainly expenses for the restoration of damaged infrastructure. Communities were faced with the need to continue to fund education and health care, which markedly contributed significantly imbalanced their finances. Therefore, the situation with the war in 2022 left its mark on the costs of local budgets.

The above analysis of the functioning of territorial communities allows us to state that over the last year, a rather dynamic process of development of UTC in Ukraine and the Chernihivska region has been observed. At the same time, there are a number of unsolved problems, both strategic and operational in nature that create risks for the successful financial development of territorial communities. Every day they are faced with a large number of environmental factors that affect their activities. The problem of creating self-sufficient financially capable territorial communities remains particularly acute.

Two main factors that must be taken into account will affect the activities of the UTC, even at the stage of creation:

- the community's financial ability to develop independently and cover its own social expenses;
- change in the population of communities (actually, the rate of population decline, especially for rural communities).

That is, there are options when the community has a sufficient amount of financial resources, but there is a rapid decrease in the population. The financial resources of the territorial community are created at the expense of sources that fill it. However, this is not enough to determine the financial capabilities of the territorial community in ensuring its socio-economic development.

Analyzing the problems of the development of UTC, it is necessary to note such an important tool as the cooperation of territorial communities. With the beginning of the decentralization process, it receded into the background, although the potential for cooperation is great. Cooperation can become one of the mechanisms for the integration of communities among themselves. However, today a small number of regions show a steady interest of communities in this direction.



As practice shows, the development of territorial community cooperation is one of the steps on the way to reforming local self-government. The goal of such cooperation is to improve the quality of services to the population, develop territories and improve the well-being of citizens. In addition, with the help of cooperation, territorial communities envisage pooling their resources and efforts on a contractual basis.

Therefore, the implementation of the decentralization reform in Ukraine shows a positive socio-economic effect, although there are also problems. In the future, the development of the UTC will depend on the measures of the state aimed at forming an effective mechanism for supporting reforms at the local level with a gradual transition to increasing the independence and self-sufficiency of the united territorial communities as an administrative center for solving issues of local importance and approving the budget and programs of socio-economic and cultural development of the administrative-territorial unit.

Completing the planned tasks will provide an opportunity to complete the formation of financially capable communities in Ukraine, to increase the level of socio-economic development of the regions and the country as a whole.

CONCLUSIONS

Territorial communities in Ukraine had to go through a lot of trials over the last year, taking into it the most tangible blows of this war. It was necessary to quickly adapt to the conditions of the martial law and restore its economy, destroyed by its own infrastructure, the loss of a significant part of human capital, taking into account the changes in the priorities of socio-economic development. For some communities, it became necessary to create appropriate conditions for the comfortable stay of a large number of internally displaced persons and relocated enterprises on their territory. All this actualized the need for the development of new approaches to regional and local economic policy in Ukraine, create a new strategies for the development of territorial communities.

The dynamics of incomes of territorial communities in terms of types of income showed that there is a sharp drop in special fund income, a significant decrease in excise tax income, but constant income tax on the income of individuals. The country's economy continues to develop in such difficult times and, in general, the same trend applies to territorial communities, there is a further recovery of income growth, compared to last year.

Effectively implemented decentralization reform enabled local self-government bodies to obtain autonomous, independent, adequate financial resources, which played a key role in confronting today's challenges. As a result, local self-government has shown how stable it is, able to face any challenges with dignity, in particular in the financial part.

It should be noted that territorial communities and their local self-government bodies activated a new direction in their activities under martial law. There is enhanced cooperation with donor organizations of European states, which help in the development and modernization of the infrastructure of the respective communities, as well as preparations for the implementation of post-war socio-economic development projects. This created a certain foundation in the context of the integration of our country into the EU.

Efforts to implement economic policy should be placed at the level of individual communities and regions. It is the territorial communities and their local self-government bodies that are capable of strengthening cooperation with European partners regarding the deployment of a number of new programs and projects aimed at preparing for the post-war stage of socio-economic development



and being among the primary initiators. Also of great importance for successful post-war modernization is the formation of effective mechanisms of management interactions between authorities of different levels, this also applies to inter-budgetary relations.

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TO THE PROBLEM OF INSTITUTIONAL AUDIT OF PUBLIC AUTHORITIES IN UKRAINE

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ABSTRACT

The purpose of the article is to justify the need to introduce an institutional audit of public authorities in Ukraine as one of the responses to modern challenges in the system of public management and administration.

In the research there were used methods of a systematic approach to studying the concept of institutional audit, as well as methods of analysis, generalization, systematization, and forecasting to describe the components of the institutional audit's ecosystem.

Institutional audit is singled out from among other types of audits; the need to increase the institutional capacity of public authorities in Ukraine is justified; the components of institutional audit are considered; communication ability is researched as an important component of the object of institutional audit in the modern realities of Ukraine; the advantages of involving the public in the procedure of institutional audit in Ukraine are considered.

It has been established that in the modern realities of Ukraine, institutional audit doesn't have sufficient methodological and legal support, and what is available is scattered among various laws, regulations and even types of audits. The need to systematize the legal foundations of institutional audit and to strengthen the theoretical and methodological basis of its conduct is proven.

Keywords: institutional audit, institutional capacity, organization, effectiveness, efficiency, communication, public authorities.

INTRODUCTION

The reform of public administration in Ukraine can be called a continuous process since the restoration of independence in 1991. For the most part, each of its stages is associated with a change in the political elite in the state and, despite different goals, usually boils down to changes in the number, names, and powers of executive institutions.

The modern stage of public administration reform began with the entry into force of the Law of Ukraine "On Public Service" in May 2015, the approval in June 2016 of the Strategy for Reforming the Public Administration of Ukraine for the period until 2021 and the signing in December 2016 of the Financing Agreement between the Government of Ukraine and the European Commission regarding the support of the comprehensive reform of public administration in Ukraine [1]. This stage in time coincided with the beginning of the Russian-Ukrainian war and partially reflects those changes in the system of public management and



administration, which are particularly caused by the events in Crimea, in the East of Ukraine and in the modern conditions of full-scale military invasion.

One of the cross-cutting lines of the specified stage of public administration reform is the creation of a professional, effective, transparent, and flexible system of executive authorities, which will become a prerequisite for the development of good governance in Ukraine. For this, it is important to strengthen the institutional capacity of such institutions, i.e., their ability to effectively achieve their goals, maintain sustainable functioning in the long term, and adopt high-quality public administration decisions with the broad involvement of beneficiaries and stakeholders.

Certain aspects of the institutional capacity of public institutions have been the subject of scientific research in Ukraine. Thus, the theoretical substantiation of directions for strengthening the institutional capacity of national antimonopoly agencies was carried out in the works of L. Kulish. O. Naumov, S. Brekhov and L. Naumova researched the problem of forming effective approaches and mechanisms for increasing the institutional capacity of fiscal bodies. The institutionalization of the government's ability to interact with the public during the development and implementation of public policy was researched in the works of O. Chemerys. M. Voynovskyi, N. Kolisnychenko, O. Ros, G. Shchedrova. Features of the institutional capacity of public associations as a result of their interaction with the state are revealed by K. Petrenko. The mentioned works and other scientific publications testify to the importance of the issue of developing the institutional capacity of public authorities in Ukraine.

Despite a significant number of publications, the issue of the institutional capacity of executive authorities remains understudied in the science of public administration of Ukraine. Institutional capacity building tools, one of which is institutional audit, require more thorough research. As a component of the public administration's function of monitoring and control, it complements the system of audits in the public sector, which consists of a financial audit, an efficiency audit, and an audit of compliance with legality. Thanks to the use of institutional audit, not only the organizational capacity of executive authorities is strengthened, but also the principles of implementing good governance approaches in the public administration system are formed. That is why the isolated direction of scientific research is extremely relevant in the modern conditions of reforming public administration in Ukraine.

Main material of the research. The concept of audit at the present stage is no longer limited exclusively to financial control. The general audit methodology, which includes external evaluation or self-evaluation according to established standards, establishment of a certain current situation, identification of development opportunities and formation of recommendations, allows it to be adapted to all procedures, processes, operations, and systems of any organization. At the same time, the purpose of the audit remains unchanged – to make sure that the functioning of the institution is carried out within the framework of a certain budget, objectives, requirements, or rules.

In this regard performance audit, or public audit, and institutional audit have gained significant popularity in the public sector. Public audit is a system of open external audit of the activities of public authorities, which is carried out by independent institutes at the request and/or with the participation of civil society subjects to ensure their legal, effective, and transparent activities and to develop recommendations for improving public administration [2, p. 28]. The main goals of such audit in a democratic society are to increase the transparency, efficiency, and effectiveness



of management decisions in the public sphere, responsibility, and accountability of public authorities to society [3, p. 53]. Public audit focuses attention on problems related to the public authority, management, and activity, has a more diverse structure and content of audit results reports, and more subjective evaluation criteria and differentiated research methods than financial audit.

In many countries, all types of audits, including public and financial, are combined into one audit in the public sector. By providing unbiased objective assessments of how responsible and effective the management of public resources is to achieve planned results, such auditors help public organizations to achieve accountability and integrity, to improve operations, and to increase the level of trust in institutions by citizens and stakeholders [4, p. 5].

The need to distinguish institutional audit from audit in the public sector is due to the modern needs of strengthening the institutional capacity of public institutions. As the authors of the scientific-analytical report “Institutionalization of Public Administration in Ukraine” note, the priority direction for the development of public administration in Ukraine in the conditions of globalization, European integration and modern geopolitical challenges and threats is the further modernization and comprehensive improvement of the institutional capacity of public authorities, deepening of their effective cooperation with civil society and subjects of the market economy [5, p. 9]. Institutionalization, according to scientists, is the main component of the economic and socio-political modernization of Ukraine. At the same time, it covers the process of formation of stable patterns of social interaction based on formalized rules, laws, customs, and rituals; legal and organizational consolidation of forms of behavior and relations formed in society; the formation of new institutions (stable complexes of formal and informal norms, principles, attitudes that regulate the economic, political, and social spheres of human activity) [5, p. 7].

The development of institutional capacity, in particular the capacity of organization’s management and staff, is one of the principles of good governance in the public sector and contributes to its development. As part of the implementation of the main function of good governance, executive authorities need appropriate structures and leadership, as well as professionals with appropriate skills, qualifications and thinking, to act effectively and efficiently and to achieve planned results, solve current problems and face future challenges, acting in any time in the interests of society [6].

To help public authorities in strengthening their institutional capacity, the mechanism of institutional audit is used, by which we understand the instrument of public monitoring and control of the organizational capacity of public institutions as their ability to achieve effectively their mission and maintain sustainable functioning in the long term and the quality of the provision of public services as the result of the performance of public management functions by public institutions [7, p. 181]. And although the institutional audit is essentially a component of the public management function of monitoring and control, it is not focused on the detection of violations and the subsequent application of sanctions to responsible persons, but on the search for potential for the organizational development of a public institution, effective and efficient performance of the organization’s functions.

The strengthening of institutional capacity, which is a consequence of the implementation of the institutional audit recommendations, covers three main areas of activity, namely: improving the professional and personal skills of the staff, improving the procedures of the organization, and strengthening the public institution as a system. Defined in this way the strengthening of institutional capacity takes place by attracting resources (human resources, finance, networks,



knowledge, and culture) and combining them in a way that leads to changes in the individual behavior of the organization's employees and, as a result, to more efficient and effective work of executive authorities [8].

Strengthening the institutional capacity of public authorities involves increasing their ability to achieve stable, consistent, and reliable goals and objectives. In practice, this means improving the organization's management system, including decision-making, financial management, human resource management processes, establishing effective internal and external communication, etc. Institutional audit is a kind of investment in strengthening the institutional capacity of a public authority, that is the ability to effectively perform its functions. For this, the main emphasis is placed on individuals and institutions. In the context of our research, we will consider only the institutional aspect, although we consider the development of personal and professional skills of staff at all levels of the hierarchy in public authorities to be very important as well.

According to the approach used in the countries of the European Union, the strengthening of the institutional capacity of public authorities takes place in terms of processes, structure, and resources with the support of:

- modernization and optimization of internal processes, including the introduction of new work methods, development of a quality management system, implementation of information technologies, etc.;
- improving interaction between authorities and stakeholders, in particular by improving coordination, tools and methods for evidence-based policy making, mechanisms for public participation, measures for better implementation and application of legislation, tools for increasing transparency and accountability;
- improving the service provision quality, in particular by reducing the administrative burden, integrating services, introducing electronic governance, etc.;
- development of appropriate administrative structures, in particular through redistribution of functions, decentralization, improvement of management structures, etc.;
- improvement of information and technical support for the public authorities' activities;
- development and implementation of strategies and policies in the field of human resources, which fill the main gaps in this field, in particular regarding the requirements for personnel and career development [9].

An important component of the institutional audit is the actual assessment of the institutional capacity, which aims to outline the organizational aspects of the system that contribute to its effectiveness. With such assessment supporting, the public authority receives a diagnosis of the internal environment, processes, and goals, as well as a better understanding of the role of all stakeholders. The results of the assessment are an answer to the question of what the shortcomings are in the planning, implementation, and effectiveness of the functioning of a specific executive body. Moreover, every identified shortcoming today is a potential opportunity for development tomorrow.

Potential benefits of institutional capacity assessing may include:

- expansion, diversification and strengthening of the inclusiveness of citizens' involvement in the functioning of the public authority;
- expansion of the personnel reserve for management positions;
- improvement of professional and personal competences of personnel;
- increased attention to the processes of strategic development of the organization;
- consistent, tangible progress towards achieving the institution's goals;



- more efficient use of resources [10, pp. 15-16].

In world practice, there are a variety of approaches to the object of assessing institutional capacity. Thus, the object of evaluation can be the areas that ensure the institutional sustainability of the organization, in particular, the practice of strategic management, organizational learning, the using and managing of technical knowledge and skills, the financial resources management, the human resources management, administrative infrastructure and procedures. The object of evaluation also may be certain signs of a capable public institution, namely:

- the institution is clearly aware of what professional skills its employees need, and there is a strategy for their acquisition within the available resource capabilities;
- the internal organization and management of the institution allow obtaining high-quality results regardless of the professional level of employees;
- daily work and medium-term development are balanced in the institution [11, p. 302].

According to another approach, the object of an institutional audit is the key aspects of achieving the sustainability of the functioning of a public authority, namely: a clear mission, a written strategy for the organization's development, personal and professional skills of the staff, resource provision of the institution, organizational structure, internal rules and procedures, developed infrastructure, established cooperation and effective involvement of interested parties, high-quality public services as a result of the performance of public management functions by public institutions, developed processes of internal monitoring and self-evaluation.

Systematizing the mentioned approaches, we consider the object of institutional audit to be intra-organizational processes, rules, values, and procedures on which the activity of a public authority and all types of subject-subject relations within such institution are built.

An important component of the object of an institutional audit in the modern realities of Ukraine is the communicative capacity of public authorities, which is manifested in the presence of an effective communication strategy, a communication plan, a strategy for working with mass media, a strategy for using social media for professional purposes, and other communication documents, policies, and procedures. The communication strategy is a fundamental document of the communication capacity of public institutions, which helps determine how the organization will position itself during the strategic period, what means it will use in working with its target audience, and who will actually make up this audience. Global practice proves that the basic elements of a quality communication strategy are:

- analysis of the situation. What are the features of the environment in which the public institution operates, what is the level of social trust/features of public opinion about this institution?
- the purpose of strategic communications. Its focus can be either an organization or a certain issue. Communication goals are formulated based on the goal;
- unification of the target audience by groups. The target audience is described by age, social status, profession, place of residence, etc.;
- key messages;
- channels for transmitting key messages to the target audience: in person, through social networks, website, web video, press, blogs, television, marketing reports, etc.;
- partnerships, in particular media partnerships, the intention to become a member of the wider community and use it to spread information. Mutually beneficial agreements that don't violate anti-corruption legislation, for example, within the framework of corporate social responsibility;
- general estimate for the communication strategy implementation;



- the issue of monitoring and evaluation, which covers the system of tracking cases of mention, modality (positive, neutral, negative) and connotation (context) of such mention, as well as media monitoring;

- principles of crisis communication and general brand management.

The effectiveness of the process of institutional capacity assessing and institutional audit in general depends on many factors, which can be conventionally divided into internal and external. Internal factors, as a rule, relate to the openness and transparency of the public authority, in particular, the interest and readiness of its management to communicate with auditors, the presence of a request from the institution itself to undergo an institutional audit. On the other hand, external factors of effective evaluation are more related to the involvement of stakeholders in this process. Moreover, scientists and experts consider the involvement of stakeholders as a driving force for the implementation of measures to increase the institutional capacity of public authorities.

In this context, we consider it appropriate to involve the public in the form of public organizations or public unions as independent institutional auditors. In particular, these can be organizations or coalitions of organizations that carry out activities in a sphere or industry similar to a public institution. For example, public organizations working with persons with disabilities could conduct institutional audits for social policy units of local public administrations. Involvement of the public, on the one hand, would increase the objectivity and publicity of such an audit, and on the other hand, it would allow for the development of those practically oriented recommendations for increasing institutional capacity, which will help to really ensure the improvement of the quality of public services for persons with disabilities.

The positive side of public associations involving in institutional audit is the reverse effect of such cooperation. Capable institutions of executive power, which are focused on the purpose and goals of activity, have a positive effect on the development of civil society. As K. Petrenko notes, the effective interaction of public associations and executive authorities depends on the creation of institutional and procedural opportunities for their full-fledged activity, which, in particular, is achieved by reducing the level of corruption, effective and efficient use of funds, public financial support of public associations, enshrining in national legislation European principles and standards of interaction between government institutions and civil society, as well as ensuring unification and standardization of the rules and procedures of such relations [12, p. 385].

Considering the trend of active involvement of foreign specialists in public administration in Ukraine, it is also possible to involve international experts or representatives of international auditing companies in institutional audit. However, such a proposal has a significant drawback in the form of an increase in the cost of the audit itself. Therefore, the involvement of international entities as consultants and trainers is expedient at the stage of professional training of institutional auditors, and as guarantors of compliance by auditors with professional ethics – at the stage of creation and functioning of the public institute of institutional auditors.

The process of institutional capacity increasing of public authorities doesn't give immediate results, because it is accompanied by changes within the organization, which always, regardless of positive or negative, cause resistance from employees. Adding to this excessively bureaucratized structures and processes of public management decision-making, the prevailing of political expediency over economy, efficiency and effectiveness, the absence of not only strategies, but also a clearly formulated mission in most public authorities, we will get an incredibly difficult task for institutional audit. However, without overcoming these obstacles and ensuring the



sustainable organizational development of public institutions, neither the formation of an effective system of public administration nor the construction of a democratic, social, and legal state is possible.

CONCLUSION

Increasing the institutional capacity of public authorities is an important step towards the implementation of the concept of good governance in Ukraine and bringing power institutions to a qualitatively new level of functioning. Harmonization of the main components of a public institution, such as missions and visions, management systems, organizational structure, communication within the organization and with the external environment, the system of personnel training and motivating, work practices and procedures, will allow public authorities to implement the tasks assigned to them and achieve the goals of their activities. And the continuous communication with the beneficiaries and stakeholders present in the institutional audit will increase the transparency and parity of the interaction between the government and the public, which is the key to the democratization of social relations in the country.

However, in realities of Ukraine, institutional audit doesn't have sufficient methodological and legal support, and what is available is scattered among various laws, regulations and even types of audits. Systematization of the legal basis of institutional audit and strengthening of the theoretical and methodological basis of its conduct is a key direction of further scientific research.

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MODERN OPPORTUNITIES FOR THE DEVELOPMENT OF TERRITORIAL COMMUNITIES IN UKRAINE

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ABSTRACT

The problems of the development of territorial communities in the conditions of constant changes and the occurrence of unpredictable crises are studied. The dependence of the development of the entire country on the ability and interest of communities to engage in the local development of their territory is revealed. The importance of the need to adapt the development strategy of territorial communities to modern changes is emphasized. The need to constantly search for additional opportunities for the implementation of appropriate actions regarding the transformation of territorial communities in the direction of their improvement was emphasized. The importance of confronting negative influences that constantly arise at the local level is noted, and certain steps to overcome them (during and after the end of hostilities) are also proposed. An important role is assigned to effective strategic planning, which will take into account modern changes by the various characteristics of territorial communities. The essence of strategic planning and obstacles to its implementation are characterized. Some areas of activity of the Ministry of Development of Communities and Territories are outlined. The interrelationship of the local development planning process is presented and the tools of direct and indirect support for the development of territorial communities are provided. The importance of creating appropriate conditions for the organization of cooperation between territorial communities and its stimulation is emphasized. A list of important factors of change that will have a significant impact on local development and the development of new approaches to community development planning is given, and it is proposed to add to it public management factors of change, which include modern capabilities of the management system and an increase in the level of participation, cooperation and the growing importance of civil society in territorial development processes.

Keywords: strategy, planning, territorial communities, changes, cooperation.

INTRODUCTION

The modern stage of the development of the public administration system requires all its subjects to improve the efficiency of their activities based on the introduction of modern management approaches. The problems of the development of territorial communities in the conditions of constant changes and the occurrence of unforeseen crises require the search for additional opportunities for the cooperation of territorial communities and the establishment of partnership relations between key institutions. Also, the development of a strategy for the development of territorial communities is an integral condition for functioning in the modern world. At the same time, the issue of whether a development strategy should be a document, plan, or process remains unclear for territorial communities.



Analysis of recent research and publications. In recent years, considerable attention has been paid to the study of directions for the development of territorial communities and strategic planning of such development. This problem was studied by such scientists as V. Andriiash, O. Yevtushenko, and V. Yemelianov (they highlight the role of strategic planning in municipal management); I. Hryshchenko, M. Kulaiets (problems hindering the development of the capacity of territorial communities); M. Latynin, O. Lukashov (researching the foreign experience of strategic planning); V. Mamonova (characterizes the strategic planning of territorial development and its key principles), and others. In the scientific literature, the problems of local self-government in the field of development are also widely studied, which are devoted to the works of V. Babaieva, V. Bordeniuka, M. Hirniak, V. Dreshpaka, I. Koziury, V. Kravchenko, V. Novak, and others. Methodological principles of managing the development of territorial communities were carried out by O. Panukhnyk (village communities); R. Brusak, V. Kuybida, and O. Neveleva (city development management mechanisms). Methodological principles of managing the development of territorial communities were carried out by O. Panukhnyk (village communities); R. Brusak, V. Kuybida, and O. Neveleva (city development management mechanisms). At the same time, the issues of development possibilities of territorial communities, taking into account the turbulence of modern changes, remain insufficiently researched and mostly unresolved.

The purpose of the article. To investigate the modern possibilities for the development of territorial communities.

Presenting main material. Society is already beginning to understand that the state of development in various areas of the entire country directly depends on the ability and interest of communities to engage in the local development of their territory. Territorial communities will gradually transform from an object of management into a subject and independently form their capacity, and local self-government bodies will receive additional opportunities and motivators for the proper performance of their powers. Since: "development is a process of permanent transformations and changes in the existing state of the subject into a more perfect state with higher parameters of qualitative characteristics, which arise as an accumulated result of the growth of relevant quantitative indicators" [1], we can assert the need for a constant search for additional opportunities for the implementation of appropriate actions regarding transformations of territorial communities in the direction of their improvement.

The development of territorial communities in the conditions of changes taking place in modern society is closely related to the increase of public activity in public management processes. At the same time, the acceptable conditions of a person's life directly depend on the conditions of his safe stay in the environment. As you know, the reform of local self-government and decentralization of power envisages the transfer of greater powers and resources to the level of territorial communities [2]. That is, powers are transferred to the level of government closest to the people, which contributes to the construction of a simple and logical system of local self-government, which can ensure a comfortable and safe life for citizens. Therefore, one of the most important strategic tasks for the further rise of the entire state is the formation of opportunities for the development of territorial communities.

Taking into account the above, the issue of finding all available opportunities to resist negative influences that constantly arise at the local level and cause great material damage and lead to human casualties is extremely relevant. To avoid the negative consequences of these events and to effectively and quickly respond to dangers, territorial communities must organize the



implementation of some important tasks (from technogenic and ecological issues to the evacuation of the population to safe areas and their further placement). Further, to optimally use resources and ensure the sustainable development of the territorial community (after the end of hostilities), local self-government bodies must create conditions for the maximum satisfaction of the interests of all members of the territorial community. This should be implemented through the implementation of effective strategic planning, which will take into account modern changes in the various characteristics of territorial communities.

It should be noted that the essence of strategic planning is the substantiation of goals and ways to achieve them based on the formulation of a set of tasks and works; determination of effective methods, methods, and resources of all kinds necessary for the performance of these tasks and establishment of their relationship. As practical experience proves, most scholars and practitioners agree that planning is an important process for effective work and management (non-governmental organizations, governmental organizations, business structures), and strategic planning is necessary for all institutions. Broadly speaking, strategic planning is an organizational and managerial activity that sets priorities, focuses energy and resources, enhances functionality, ensures that stakeholders work toward common goals, establishes agreement on planned goals/results, and evaluates and adjusts the course of action according to the change of endogenous and exogenous environments. Usually, the concept of strategy is narrowed down to a simple document in the form of a plan, which describes what needs to be achieved in the coming years and how to do it (for example development strategy (developed by local self-government bodies and which defines the goals from the point of view of socio-economic development and the way they achievements; sectoral strategies (strategies of the education or health sector), etc.). However, sometimes the plan documents overlap, and different strategies emerge within the same community. Based on the case studies conducted by the U-LEAD with Europe Program in collaboration with experts in 2021 [3] found that some communities have up to four different documents, called strategies. These documents are not always interconnected or prioritized as to what needs to be done first. In addition, there is an ever-increasing new challenges and changes (impact of COVID-19, military operations on the territory of Ukraine), which makes documents obsolete. Sustainable changes require adaptation of the strategy, its readiness for the VUCA world (volatility, uncertainty, complexity, and ambiguity), and not just a static document that requires a lot of resources for its development. Strategic fixed documents and plans can only exist for legitimacy.

Therefore, planning (strategic planning) is a powerful method of systemic activity to combine the efforts of an active community, business community, and authorities to create a partnership that works primarily on the formation of a favorable business climate and the growth of competitiveness for successful business growth and investment attraction to solve issues related to the standard of living of all community residents. In this sense, the authorities and an active community are the engines of creating favorable conditions for development, and a well-prepared strategic plan helps the territory to achieve competitive advantages [1].

Today, a comprehensive territorial approach continues to spread in Ukraine, which is based on the need to implement the state regional policy, and which provides that the territory should be characterized by certain features (spatial, socio-economic, and ecological), which is also reflected in the State Strategy for Regional Development for 2021 - 2027 years [4]. The Ministry of Development of Communities and Territories has submitted relevant methodological support on its official website, which contains methodological recommendations regarding the procedure for

developing, approving, implementing, monitoring, and evaluating the implementation of strategies for the development of territorial communities (from general provisions to monitoring the implementation of the Strategy and Action Plan) [5]. Regional development strategies for the period up to 2027 are also presented on the website of the Ministry. We note that all of them need changes by modern realities. The goals and relationship of the local development planning process can be represented with the help of Figure 1.

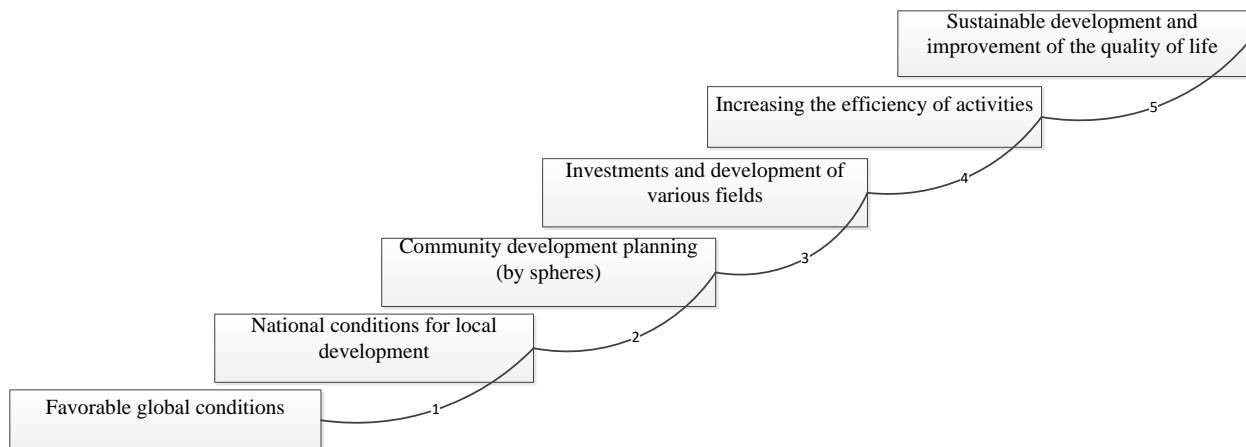


Fig. 1. The chain of links of the community development planning process

Source: built by the authors on the [6]

At the same time, a distinction is made between the tools of direct and indirect support for the development of territorial communities (Table 1).

However, it is worth paying attention to the fact that in the planning process it is additionally necessary to: 1) work strategically; 2) avoid unification, but use creative and creative approaches; 3) adhere to management principles and work pragmatically; 4) work in partnership; 5) develop professional skills, think systematically, etc.

Note that a separate component of the Ministry of Community and Territorial Development of Ukraine is the development of local self-government. In this direction, a significant role is assigned to the cooperation of territorial communities [6]. Here it is important to emphasize that this kind of cooperation is extremely relevant in post-war conditions, as we can already observe a significant imbalance of development opportunities in different territories of Ukraine. We should not forget about the creation of conditions necessary for the organization of cooperation between territorial communities and the constant expansion of forms and continuous stimulation of such cooperation.

We will also emphasize the importance of continuing international technical assistance to the Government of Ukraine in the direction of promoting the implementation of reforms (for example, SURGe is an aid project financed by the Government of Canada and promotes better planning and implementation of citizen-oriented reforms in Ukraine. With its support, some regulatory and legal acts have been developed in the field of state regional policy, in particular: Plan of measures for the implementation of the State Regional Development Strategy for 2021-2027, draft Laws of Ukraine "On the Basics of State Regional Policy" and "On Peculiarities of Stimulating Regional Development) [7].



Table 1

List of tools for supporting the development of territorial communities

Tools (programs, activities, projects) of direct support:	Tools (programs, activities, projects) of indirect support:
<ul style="list-style-type: none"> • maintenance of existing enterprises, promotion of their consolidation and expansion • preparation of land plots for the investor • implementation of the "industrial park" project • investor support • accessible and transparent algorithm for starting a business, building an enterprise, and putting it into operation • attraction of new business and investments • a system of local incentives and financial support • development of industrial and economic clusters • export support • supporting the development of small and medium-sized enterprises • training, consultations, information • access to business-oriented information • efficient operation of the business center, business incubator, business information service, etc. 	<ul style="list-style-type: none"> • territory marketing • development of the communication system • creation of corporate culture in the community • formation of interpersonal trust and establishment of cooperation • science and technology parks, industrial zones, industrial parks • development of road infrastructure • improvement of communal infrastructure • development of recreation infrastructure • improving the landscaping of the territory, etc. • improvement of transport connections • development of human resources • creation of a successful public-private partnership • development of tourism • re-planning and reconstruction of old industrial sites and real estate objects • revival of the historic city center

The list of important factors of change that will have a significant impact on local development and on the development of new approaches to community development planning was formed by scientists into three groups: 1) economic factors of change (reduction in the importance of raw materials in the cost of production; synchronization of the economies of different countries; reduction in the share of employees, employed in the raw material and production spheres due to an increase in the share of employees employed in the service sphere, etc.); 2) technological factors of change (technological improvements and increased efficiency of production processes; absence of national borders in communication systems via the Internet; growing importance of information services and information technologies; technological improvements require the establishment of higher requirements for the qualifications of employees, etc.); 3) regulatory and political factors of change (increasing the scale of democratization, which increases pressure and increases expectations on the part of individual citizens and groups; implementation of global standards of labor and environmental protection; decentralization of government services, etc.). We fully agree with the above list, but we want to add public management factors of change, which should include modern capabilities of the management system and increasing the level of participation, cooperation, and the growing importance of civil society in the processes of territorial development.



CONCLUSIONS

The problem of certain sealing of society is not unique to Ukraine. The feeling of such a state should give the community a signal of discomfort and rejection. Dissatisfaction with the existing state is the beginning of the path to change. As is well known, making proposals regarding directions of development (from cultural to economic) that are included in the general strategy of territorial development should be done from the bottom up. At the same time, this process is significantly influenced by various factors: military actions, global epidemics, the economic situation, etc. So here it is important to pay special attention to crises affecting all levels of public administration. Undoubtedly, the unity of key institutions can play a more or less important role in expanding the development opportunities of territorial communities. For such unity, it is necessary to go through a crisis of trust, which, unfortunately, acts as a significant obstacle in the process of cooperation. Hence, it is possible to summarize the actual importance of building partnerships at different levels of public administration in the process of finding the best directions for the development of territorial communities.

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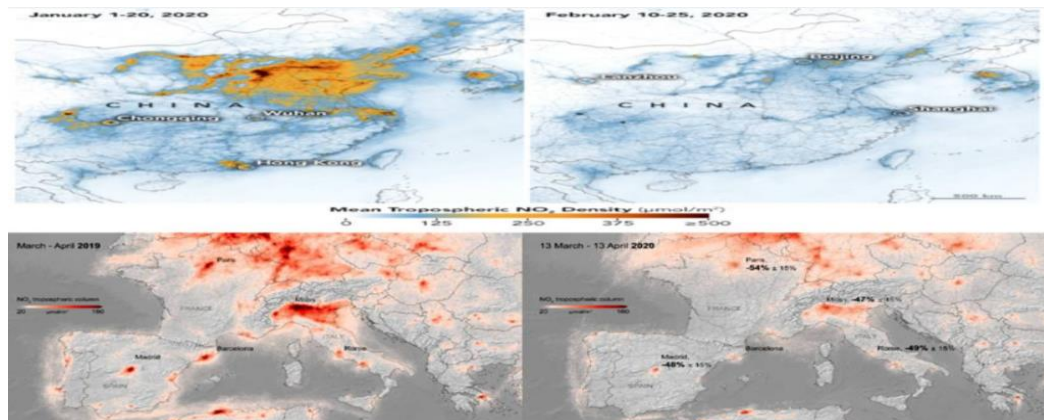


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