



**Scientific Center of Innovative  
Researches  
(Tallinn, Estonia)**



**Kryvyi Rih  
National University  
(Kryvyi Rih, Ukraine)**



**International Innovative  
Educational Technologies  
(Kryvyi Rih, Ukraine)**

**2<sup>nd</sup> International Conference on**

**Relationship between public  
administration and business entities  
management**

**November 12, 2022  
Tallinn**

## CONFERENCE ORGANIZERS AND SPONSORS:

Scientific Center of Innovative Researches OÜ (Estonia)  
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## The Program (November 12, 2022)

11:00 AM - 11:10 AM	<b>Dr. Iryna Mihus:</b> <i>Welcoming speech to the conference participants from the founder of the Scientific Center of Innovative Researches OÜ, Estonia</i>
11:10 AM - 11:15 AM	<b>Ph.D. Viktoriya Adamovska:</b> <i>Welcome speech to the participants of the conference from the Head of the department of Accounting, Taxation, Public Government and Administration of the Kryvyi Rih National University, Ukraine</i>
11:15 AM - 11:20 AM	<b>Dr. Vitalii Kotsur:</b> <i>Welcome speech to the participants of the conference from the Rector of the Hryhorii Skovoroda University in Pereiaslav, Ukraine</i>
11:20 AM - 11:35 AM	<b>Keynote Speaker:</b> <b>Dr. Sandeep Kumar Gupta</b> <i>Ph.D. (B.H.U.), FDP (IIM, Indore), ADP (Wharton School, USA) QIP (IIT BHU), AMET Business School, AMET University, Chennai, India</i>
11:35 AM - 11:50 AM	<b>Keynote Speaker:</b> <b>Dr. Recep Yucel</b> <i>Professor of Management and Organization, Faculty of Economics &amp; Administrative Sciences, Kırıkkale University, Kırıkkale, Turkey</i>
11:50 AM - 12:05 PM	<b>Keynote Speaker:</b> <b>Dr. Şebnem Yücel</b> <i>Professor, Professor of Healthcare Management and Organization, Faculty of Health Sciences, Healthcare Management, Selcuk University, Konya, Turkey</i>
12:05 PM 12:20 PM	<b>Keynote Speaker:</b> <b>Dr. Volodymyr Tokar</b> <i>Professor, Professor of Department of Software Engineering and Cybersecurity, State University of Trade and Economics, Kyiv, Ukraine</i>
12:20 PM 12:35 PM	<b>Keynote Speaker:</b> <b>Dr. Hisham Jadallah Mansour Shakhathreh</b> <i>Assistant Professor, Faculty of Law, Jadara University, Jordan</i>
12:35 PM 12:50 PM	<b>Dr. Rajiv Ratan</b> <i>Associate Professor, RBS Management Technical Campus, Agra, India</i>
12:50 PM 01:05 PM	<b>Oksana Tynkovan</b> <i>PhD in P.A., University of Customs and Finance, Ukraine, Docent of Public Administration and Customs</i>
01:05 PM 01:20 PM	<b>Mr. Prajit A.</b> <i>MBA Student, AMET Business School, AMET, Chennai, India</i>
01:20 PM 01:35 PM	<b>Dmytro Tkach</b> <i>Postgraduate student, KROK University, Kyiv, Ukraine</i>

01:35 PM	<b>Sripal Srivatava</b>
01:50 PM	<i>Research Scholar, Galgotias University, Grater Noida, India</i>
01:50 PM	<b>Hanna Vyshniak</b>
02:05 PM	<i>Master degree student, Kryvyi Rih National University, Kryvyi Rih, Ukraine</i>
02:05 PM	<b>Discussion of the conference results</b>
02:20 PM	
02:20 PM	<b>Coffee Break</b>
02:30 PM	
04:00 PM	<b>Workshop</b>
	<b>«The influence of emotional intelligence on business and government relations»</b>
	<b>Irena Spivak</b>
	<i>Diploma (Mind body psychotherapy), M.A. (Statistics), B.A. (Economics), Business Trainer, Life Coach, POC (proof of concept), Israel</i>

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## INTRADUCTION

*Every country is constantly concerned about both public administration and the interaction between public authorities and various economic entities.*

*The 2nd International Conference aimed to discuss key issues of the relationship between public administration and business entities management.*

*Scientists from different countries took part in our conference and discussed topical issues of General principles and practice of public administration.*

*Particular attention was paid to indicators of activity of public and private enterprises, such as: management, accounting, taxation, audit, economics and finance.*

*No less important for the further development of public administration is the establishment of the main problems and perspectives of reform.*

*I sincerely thank all the scientists for the submitted materials and I hope our International Conference on Relationship between public administration and business entities management (RPABM) will continue be an annual venue for discussing about public administration and business entities management.*

*As Chair of the 2nd International Conference on Relationship between public administration and business entities management (RPABM) it is my great pleasure and honor to welcome you all to the second edition of our conference!*

*Iryna Mihus,  
Doctor of Science (Economics), Professor,  
Scientific Center of Innovative Researches OÜ, Estonia  
RPABM Chair*

**SECTION 1**  
**GENERAL PRINCIPLES AND PRACTICE OF**  
**PUBLIC MANAGEMENT AND**  
**ADMINISTRATION**

## **STATE POLICY OF SOCIAL PROTECTION OF VETERANS OF MILITARY SERVICE AND COMBATANTS IN UKRAINE**

**Ivan Tymochko<sup>1</sup>**

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Basic principles of state policy regarding veterans of military service, internal affairs authorities, the National Police of Ukraine, the tax police, the Bureau of Economic Security of Ukraine, the State Fire Service, the State Penitentiary Service of Ukraine, the Civil Protection Service, the State Service for Special Communications and Information Protection of Ukraine were analyzed.

The state policy regarding veterans of military service, internal affairs bodies, the National Police of Ukraine, the tax police, the Bureau of Economic Security of Ukraine, the State Fire Service, the State Penitentiary Service of Ukraine, the Civil Protection Service, the State Service for Special Communications and Information Protection of Ukraine is carried out within the framework of mandatory targeted state and local social protection programs for military veterans, internal affairs bodies, the National Police of Ukraine, the tax police, the Bureau of Economic Security of Ukraine, the state fire department, the State Penitentiary Service of Ukraine, the civil protection service, the State Service for Special and Information Protection of Ukraine, aimed at ensuring the implementation of guarantees and benefits established by this Law and other regulatory legal acts for veterans of military service, internal affairs bodies, the National Police of Ukraine, tax howling police, the Bureau of Economic Security of the State, the State Fire Service, the State Penitentiary Service of Ukraine, the Civil Protection Service, the State Service for Special Communications and Information Protection of Ukraine and their families.

Implementation of mandatory targeted state and local social protection programs for veterans of military service, internal affairs bodies, the National Police of Ukraine, the tax

police, the Bureau of Economic Security of Ukraine, the state fire department, the State Penitentiary Service of Ukraine, the civil protection service, the State Special Protection Service Information of Ukraine is carried out at the expense of state and local budgets.

The purpose of the regional Program is to implement a set of interrelated tasks and measures aimed at solving the most important problems that arise in the region and combining the efforts of executive authorities, local governments, enterprises, institutions, organizations of various forms of ownership aimed at deepening social protection, adaptation, joint coordination of existing resources to provide state guarantees to participants in hostilities, their families and family members of the dead (deceased) participants in the anti-terrorist operation / joint forces operation.

Public authorities and local self-government authorities, using the media, promote the importance of impeccable military service, service in the internal affairs bodies, the National Police of Ukraine, the Economic Security Bureau of Ukraine, the State Fire Service, the State Penitentiary Service of Ukraine, bodies and divisions of civil protection, the State Service for Special Communications and Information Protection of Ukraine, the importance of state awards for feats of arms and outstanding services in protecting the Fatherland, state sovereignty, strengthening the defense capability and security of Ukraine, protecting the constitutional rights of citizens, for courage and heroism in the fight against crime, in eliminating the consequences of emergency situations for conscientious and devoted service to the Ukrainian people [1].

Responsibility for the implementation of state policy in relation to veterans of

military service, internal affairs authorities, the National Police of Ukraine, the tax police, the Bureau of Economic Security of Ukraine, the State Fire Service, the State Penitentiary Service of Ukraine, the Civil Protection Service, the State Service for Special Communications and Information Protection of Ukraine assigned to state authorities and local self-government authorities.

The mechanism for obtaining the status of combatants is determined by the Decree of the Cabinet of Ministers of Ukraine dated August 20, 2014 No. 413 "On approval of the procedure for granting and depriving the status of combatants of persons who defended the independence, sovereignty and territorial integrity of Ukraine and were directly involved in anti-thermal security, carrying out or implementing measures to ensure national security and defense, repel and deter the armed aggression of the Russian Federation in the Donetsk and Luhansk regions, and ensure their implementation" [2].

In particular, the document provides that such a status can be granted to servicemen (reservists, conscripts) of the State Border Service who defended the independence, sovereignty and territorial integrity of Ukraine and were directly involved in the anti-terrorist operation, ensuring its conduct, being directly in the areas of the anti-terrorist operation its implementation in the implementation of measures to ensure national security and defense, repulse and deter the armed aggression of the Russian Federation in the Donetsk and Lugansk regions, ensure their implementation, being directly in the areas and during the implementation of these measures.

Legislation of Ukraine on the status of military service veterans, veterans of the internal affairs authorities, veterans of the National Police, veterans of the tax police, veterans of the state fire department, veterans of the State Penitentiary Service of Ukraine, veterans of the civil protection service, veterans of the State Service for Special Communications and Information Protection of Ukraine

The legislation of Ukraine on the status of military service veterans, veterans of the internal affairs bodies, veterans of the National Police, veterans of the tax police, veterans of the state fire department, veterans of the State Penitentiary Service of Ukraine, veterans of the civil protection service, veterans of the State Service for Special Communications and Information Protection of Ukraine is based on of the Constitution of Ukraine and consists of this Law and other normative legal acts of Ukraine regulating public relations in the field of social protection of citizens [3].

Guarantees of the rights and social protection of veterans of military service, internal affairs bodies, the National Police of Ukraine, the tax police, the Bureau of Economic Security of Ukraine, the State Fire Service, the State Penitentiary Service of Ukraine, the Civil Protection Service, the State Service for Special Communications and Information Protection of Ukraine and members their families

The state guarantees every veteran of military service, internal affairs authorities, the National Police of Ukraine, the tax police, the Bureau of Economic Security of Ukraine, the state fire brigade, the State Penitentiary Service of Ukraine, the civil protection service, the State Service for Special Communications and Information Protection of Ukraine. other citizens of Ukraine opportunities in the economic, social, political spheres to meet a variety of vital needs, and also provides various types of assistance through:

realization of the right to work in accordance with the level of professional training and target programs of social adaptation;

creating conditions for maintaining and improving health in order to ensure active longevity;

provision of benefits, compensations and social guarantees in the process of work and well-deserved rest;

implementation of targeted programs to improve housing conditions;

organization of social services;



pension provision in accordance with the law.

Veterans of military service, internal affairs authorities, the National Police of Ukraine, tax police, the Bureau of Economic Security of Ukraine, the State Fire Service, the State Penitentiary Service of Ukraine, the Civil Protection Service, the State Service for Special Communications and Information Protection of Ukraine and members of their families on an equal basis with others citizens of Ukraine enjoy all socio-economic rights and freedoms enshrined in the Constitution of Ukraine, laws and other regulatory legal acts of Ukraine.

Veterans of military service, internal affairs authorities, the National Police of Ukraine, the tax police, the Bureau of Economic Security of Ukraine, the State Fire Service, the State Penitentiary Service of Ukraine, the Civil Protection Service, the State Service for Special Communications and Information Protection of Ukraine, if they have certain grounds Ukrainian legislation are

recognized as war veterans and labor veterans.

Ensuring the implementation of legislation on social protection of veterans of military service, internal affairs authorities, the National Police of Ukraine, the tax police, the Bureau of Economic Security of Ukraine, the State Fire Service, the State Penitentiary Service of Ukraine, the Civil Protection Service, the State Service for Special Communications and Information Protection of Ukraine and their family members.

Ensuring the implementation of this Law, other legal acts of social protection of veterans of military service, internal affairs authorities, the National Police of Ukraine, the tax police, the Bureau of Economic Security of Ukraine, the State Fire Service, the State Penitentiary Service of Ukraine, the Civil Protection Service, the State Special Service communication and protection of Ukraine and members of their families is assigned to state authorities and local governments.

**Keywords:** state policy; military service; veterans.

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## ACTIVITIES OF THE STATE AGENCY FOR TOURISM DEVELOPMENT DURING MARTIAL LAW IN UKRAINE: PUBLIC ADMINISTRATION ASPECT

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Ukraine is experiencing an experience that no other European country has experienced since the Second World War. Russian aggression against our state is a point in the history of not only Ukraine, but also humanity. The war continues, but already now it is necessary to form a culture of visiting places of memory of the crimes of the Russian Federation in Ukraine, taking into account public opinion and world experience.

The State Agency for Tourism Development has calculated how much the state budget of Ukraine received less taxes from the tourism industry due to the war.

In the first six months of 2022, representatives of the Ukrainian tourism industry paid 25.7% less taxes than in the same period of 2021. Thus, the total number of taxpayers engaged in tourism activities decreased by an average of 17% during the first half of the war. At the same time, it was recorded that the number of legal entities decreased by 24.5%, and individuals - by 13.5%.

The largest share of revenues to the state budget for the first six months of this year was paid by hotels and sanatoriums - about 461 million hryvnias. But it is still 30% less compared to the first half of 2021.

An increase in tax paid by 39% was recorded from the activities of boarding houses and hostels, which were used as a temporary shelter for people forced to leave their homes due to the war. But the share of tax paid from the activities of tourist centers, campsites, children's holiday camps decreased by 59% - UAH 73 million of tax was paid against UAH 178 million for the same period in 2021.

Income growth was recorded from the activities of travel agencies, which brought 41% more to the state budget than in the same period last year. Analysts attribute this to the fact that the reporting period included the first two pre-war months of the year, which are characterized by early bookings for the New Year and Christmas holidays.

At the same time, a 21% decline was recorded in the activities of tour operators that paid only UAH 83 million in taxes to the state budget in the first half of 2022, while for the same period in 2021 they paid UAH 106 million to the state treasury.

The largest amount of tax paid for the first half of 2022 was demonstrated by the city of Kyiv and Lviv, Ivano-Frankivsk, Kyiv and Odessa regions. Growth was demonstrated by Ivano-Frankivsk (63%), Lviv (51%) and Kyiv (16%) regions. But if we compare the amounts with the same period in 2021, then in Kyiv and the Odessa region there was still a decline. In the Odessa region by 82.3%, and in Kyiv by 34% [1].

Taking into account the interest of international and domestic tour operators, as well as foreign tourists in visiting occupied locations, the State Agency for Tourism Development of Ukraine took the initiative to combine the efforts of the state and the public to develop a strategy for visiting places of memory associated with Russian military aggression in Ukraine.

The State Agency for Tourism Development of Ukraine is convinced that the state should make outstanding efforts to perpetuate the memory of Ukrainian heroes and victims of Russian atrocities, to properly popularize the history of independent

Ukraine, its creation of the state and resistance, and the formation of a holistic historical worldview regarding the events of the war for freedom.

The main task is to create a professional platform for discussion, which should become a field for joint search and proposals. A separate issue that deserves special attention should be the prevention of cases of excessive tourism at such sites and the desacralization of the sacrifice made by Ukrainians for the sake of victory.

The topic of the memo is very important, and in addition to memory experts, local communities should be involved in it. This must be done in order for them to convey their vision of the design of locations related to Russia's military aggression in Ukraine. The State Agency for Tourism Development is ready to create conditions for the development of a dialogue between the professional community and communities.

Determining the presence of a significant recreational and tourist potential in Ukraine and the presence of all signs of an independent branch of the national economy, it is relevant to raise the question of the need to develop a clear state policy in the field and

introduce effective mechanisms for its implementation, especially given the martial law in the state and the armed aggression of the Russian Federation.

Regulation of the development of the tourism industry at the state level is necessary in order to [2-3]:

- increase in gross state income from recreation and tourism activities;
- consumer protection of tourism services;
- organization of recreational and tourist activities within a civilized framework;
- storage and protection of recreational and tourist resources.

The increase in gross national income through tourism is regulated by the tax legislation of Ukraine, which should provide appropriate levers to encourage the development of the tourism industry.

Replenishment of local budgets through recreational and tourist activities is achieved by additional local taxes, fees and payments within the limits of the current legislation (tourist tax, resort and hotel fees).

**Keywords:** public administration; tourism.

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## **DECARBONIZATION AS A COMPONENT OF THE PROGRAM OF SUSTAINABLE DEVELOPMENT OF A METALLURGICAL ENTERPRISE**

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Armed aggression against Ukraine increased the importance of implementing the Decree of the President of Ukraine dated September 30, 2019 No. 722/2019 "On the goals of sustainable development of Ukraine for the period until 2030". Proper development of the basic elements of sustainable development (economic, social and environmental) increases the stability of the state in emergency conditions. Sustainable development must be ensured at the macroeconomic and microeconomic levels.

An important direction of sustainable development is the decarbonization of the economy, because it allows not only to reduce the level of pollution, but also to overcome dependence on the fossil resources of the aggressor country.

The metallurgical industry is a significant consumer of natural gas and air polluter. Therefore, decarbonization of metallurgical enterprises is of great importance. The legal basis for such measures at the microeconomic level is created by the program of sustainable development of the enterprise. But in scientific researches, this issue is not given much attention. This determines the relevance of this research topic.

The problems of sustainable development were considered by R. Jabrailov, D. Zadykhailo, N. Yeremeyeva, O. Podtserkovny, V. Ustymenko, and O. Shapovalova, but the issue of legal support for the decarbonization of the metallurgical enterprise was left out of their attention.

The purpose of the study is to determine the possibilities of such an economic and legal instrument as a plan for the sustainable development of the enterprise for the decarbonization of the metallurgical enterprise.

The research was conducted on the basis of the application of a systemic approach, as well as such scientific methods as analysis and synthesis.

One of the indicators of the effective activity of the enterprise is its sustainable development. This enterprise has a good social reputation, rational distribution of resources, cost reduction, and a high level of management. An important part of the program of sustainable development of a metallurgical enterprise should be the part devoted to decarbonization measures.

The directions of decarbonization for a metallurgical enterprise should be determined from the specifics of metallurgical production. On the one hand, it consumes a large amount of natural gas, and on the other hand, one of the waste products of metallurgical production is gas waste. Thus, directions for the decarbonization of a metallurgical enterprise may consist in abandoning the use of natural gas in production and replacing it with biogas, as well as the use of gas waste for heating.

The adoption of part of the program of sustainable development of the metallurgical enterprise regarding decarbonization must be preceded by an economic, financial, and technological comprehensive analysis. Of course, the starting point of the analysis should be the technical possibility of such a step. Indeed, biogas can become an alternative to natural gas, in particular in the main units of foundries, which will reduce the consumption of natural gas, but this can happen if a number of technological parameters are observed. It should be taken into account that a significant part of natural gas is consumed by industrial metallurgical power equipment. Compared to biogas, natural gas has a higher methane content and

is therefore more suitable for use in metallurgical production. More precisely, low methane content makes it impossible to use biogas in metallurgical production.

Therefore, in order to use biogas in metallurgical production, it is necessary to increase the content of methane in biofuel. For this, technical and ammonia water can be used, as well as metallurgical waste produced as a result of steel etching processes in the form of iron sulfate. The equipment that consumes natural gas must also be clearly outlined and the technical parameters analyzed.

As you know, biogas is produced from biomass. Biomass is the part of biodegradable products, waste and residues of biological origin obtained from agriculture (including substances of plant and animal origin), forestry and related industries, including fisheries and aquaculture, as well as the part of industrial and municipal waste that is biodegradable.

Therefore, the analysis should clearly determine which type of raw material should be used for biogas production. Here it is necessary to take into account the significant volumes of such raw materials and the possibility of their uninterrupted supply to the metallurgical enterprise.

In Ukraine, a developed branch of agriculture is the production of oil from sunflower seeds. The waste of this production is husk, which can be used as a raw material for the production of biogas. But for metallurgical production, uninterrupted supply of a large amount of sunflower husks is necessary, so the program should identify several suppliers of this raw material. It is also necessary to develop rational logistics supply chains that will reduce transport costs and ensure the uninterrupted supply of raw materials.

Part of the analysis should be devoted to establishing rational logistics that will create a delivery and storage system for sunflower seed husks without excessive costs.

A separate direction for ensuring the introduction of the transition to biogas should be innovative activity aimed at the use of

inventions aimed at increasing the level of methane content in biofuel while simultaneously reducing the level of costs for achieving this effect. It is also necessary to determine the necessary equipment that will produce biogas from sunflower seeds.

An important element is the legal provision of all processes of economic activity for the use of biogas instead of natural gas. Such a legal instrument is an economic contract. The following contracts must be used: for the supply of sunflower seeds, for their transportation, license contracts, contracts for the introduction of the biogas production system from sunflower seeds, etc.

Ultimately, such an analysis should provide answers to the questions regarding the profitability and technical feasibility of replacing natural gas with biogas at a specific metallurgical enterprise. If the conclusion is positive, then the results of the analysis should be reflected in the company's sustainable development program in that part of it that will relate to decarbonization.

A by-product of metal production is gaseous waste, which can harm the environment. Their disposal can be carried out by destruction. An ecological way of disposing of these hazardous wastes is to convert them into secondary raw materials and energy resources. Gaseous wastes of metallurgical production are coke, blast furnace and converter gases. Their disposal is now largely carried out by means of continuous 24-hour incineration during the whole year on waste candles of metallurgical plants. An alternative method of disposal of gaseous waste is their use for the production of secondary energy resources in the form of electrical or thermal energy. The implementation of this task can take place with the use of steam and gas plants and gas turbine thermal power plants based on gas turbines. The electrical energy that will be produced on this basis can be used to meet the metallurgical enterprise's own needs, and the thermal energy for heating residents' homes in winter and hot water supply for households throughout the year.

In order to introduce the use of gas waste from metallurgical production, it is also necessary to conduct an analysis similar to the analysis when introducing the replacement of natural gas with biogas. It is important to understand the financial costs of purchasing the appropriate equipment and the profit obtained as a result of its use. An important element of the analysis should be the necessary innovative measures, as well as the legal means that will be used for their registration. Such legal means are relevant license agreements, contracts for the supply and chief installation of equipment, service contracts. The results of this analysis should be reflected in the relevant part of the program of sustainable development of the metallurgical enterprise.

What elements should be in the sustainable development program for decarbonization besides the results of the analysis? It can be seen that specific terms for the introduction of the transfer of metal production to biogas must be determined, as

well as the circle of responsible persons, the sources of resources necessary for this process. The program of sustainable development of the enterprise as a local act must be adopted by the general meeting of the founders (participants) of the corporation, and is carried out by order of the president of the company.

As a result of the study, it was established that the directions of decarbonization of metallurgical production can be the replacement of natural gas with biogas, which can be produced from sunflower seeds, and the utilization of gas waste from metallurgical production in the form of their processing and further production of electrical and thermal energy on this basis. The introduction of these measures should be preceded by a financial, technical and organizational analysis. The legal means of organizing decarbonization measures are business contracts and a local act - the program of sustainable development of a metallurgical enterprise.

**Keywords:** decarbonization; developmen; law.



## EMOTIONAL INTELLIGENCE AS AN IMPORTANT COMPETENCE FOR MANAGERS OF PUBLIC ADMINISTRATIONS AND A FACTOR OF PERFORMANCE AND EFFICIENCY OF PUBLIC ADMINISTRATION

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At the current stage of reforming the public service of Ukraine, state policy sets the goals of stimulating professional improvement and high performance of civil servants, the intensity of their work and the level of responsibility should be based on the principles of democratization and transparency of activity, the application of professional competences in the provision of services.

Scientists consider the professional and personal competence of a civil servant as a system of psychological characteristics of a specialist that determines the effectiveness of his professional activity. In the personal approach, the professional competence of public servants appears as a set of professionally important personality qualities and an integral, defining integral characteristic of a public servant's personality, which is a condition for his effective professional activity and professional self-improvement.

In the conditions of the digital revolution and the increase in communication processes, the list of requirements for the training of heads of public administrations is changing. Thus, at the World Economic Forum in Davos, a list of meta-competencies for 2020 was determined, including:

- the ability to solve complex problems,
- critical thinking,
- creativity,
- people management,
- emotional intelligence,
- expert assessment and decision-making,
- focus on providing services,
- negotiation,
- flexible thinking [1].

Among modern authors, there is a difference of opinion regarding the interpretation of the list of meta-competencies of managers. However, researchers agree that the specifics of a manager's field of activity should determine the composition of his meta-competencies. In this context, it is appropriate to emphasize the need for the manager of the field of public management and administration to develop management and communication skills, as well as the ability to self-organize, mental skills, and emotional competence. Today, only 15% of a manager's effectiveness depends on his intelligence, and 85% on emotional competence. Emotional competence implies a developed emotional intelligence, such a state when emotions become not mood waves, but human capital.

In a broad sense, emotional intelligence is understood as a type of social intelligence that involves the ability to monitor one's own emotions and the emotions of other people in order to distinguish between them and apply this information to manage one's own thinking and actions.

Emotional intelligence as a signal function of activity and the ability to understand and manage one's own emotions and the emotions of other people, which helps the individual to recognize his own emotions, understand, manage them, know how they affect the subject of interaction, and show empathy, acquires special importance in leadership qualities. Five main elements of emotional intelligence are of key importance: self-awareness, self-regulation, motivation, empathy, social skills. The structure of emotional intelligence [2] includes the following mental or cognitive abilities:

- conscious regulation of emotions;
- understanding and understanding of emotions;
- assimilation of emotions in thinking;
- differentiation and expression of emotions.

Emotional competence develops throughout a person's life, the closest word to this term is "wisdom". Emotional competence is formed in the process of human communication in society.

Emotional competence is of great importance for a team leader. A leader can control the energy and mood of his subordinates, motivate them to do large-scale things. A leader must create a positive emotional atmosphere, be emotionally competent, be able to identify important information among emotional signals, and inspire subordinates. It has been proven that employees with high emotional intelligence react more adequately to stress, which is important in conditions of constant change. Public administration, unlike other types of management, involves scale, increased responsibility, and a variety of management decisions. Some authors tried to optimize the composition of meta-competencies of public service managers.

Soft skills (meta-competencies) of managers in the field of public management and administration are classified by groups:

- public speaking skills,
- public speaking skills,
- public negotiations,
- the ability to establish contact with the public, etc.,
- belong to communication skills.

The skills of effective management of subordinates belong to managerial skills.

Skills related to time management, adequate self-evaluation, and personal career growth belong to self-organization skills. Accordingly, critical, tactical, creative, systematic, analytical logical thinking belong to the group of mental skills [3].

A special group is emotional competence. This group includes the skills of balancing employees' emotions and minds, a sense of responsibility for performing tasks important to society, creating a positive emotional atmosphere, and understanding the motives of other people's behavior. Taking into account the specifics of the activity of heads of public administrations, which involves significant responsibility and is associated with professional tension, significant communications, a list of the most important "soft" skills of modern public sector managers has been developed, which will contribute to successful activity in conditions of constant changes and limited time for adaptation. Five groups of "soft" skills are distinguished. Meta-competencies include management skills, communication skills, self-organization skills, emotional competence, and thinking skills. Mental skills, namely critical, creative, tactical, analytical, logical and systems thinking and emotional competence deserve special attention. Taking into account frequent public speeches and high requirements for effective communication, an important role in the training of a manager in public administration is played by emotional competence, which involves understanding and managing one's own emotions and emotions (expectations) of other people in a social environment.

**Keywords:** public service; professional competence; personal competence; emotional intelligence.

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## IMPROVEMENT OF PUBLIC REGULATION OF EXTERNAL ECONOMIC SECURITY OF UKRAINE

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Nowadays, in the conditions of the rapid development of society and technology, the issue of effective protection of the state from threats and obstacles to its development is becoming a question. Bringing Ukraine closer to the European space, expanding the export and import space, ensuring a high level of economic development are priorities in the foreign economic activity of countries, including Ukraine.

Today's system of the state is composed in such a way that ensuring issues related to external threats and sustainable economic development are placed precisely on its shoulders. That is, the state and its structures take part in regulating and ensuring the stable functioning of the economy, and reducing the impact of obstacles on the country's development. Therefore, there is a question of improving the state regulation of foreign economic security of Ukraine.

In general, foreign economic security is a state of state protection from external threats, that is, a state in which economic, social and other components function at a high level.

The components of economic security include economic independence, sustainability and stability, the ability for self-development and progress [1].

Among the threats to economic security, there are external and internal threats. External threats:

- 1) low level of investment income in the state economy;
- 2) a significant share of raw material exports in foreign economic activity and the loss of traditional sales markets;
- 3) dependence of Ukraine on the import of food products, goods of daily demand,

technological products of strategic importance;

- 4) buying up of Ukrainian enterprises by foreign firms with the aim of removing them from both foreign and domestic sales markets [1].

Internal threats:

- 1) imperfection of the concept and system of economic security;
- 2) low level of scientific and technical potential;
- 3) a high level of wear and tear of the material and technical base of many economic sectors;
- 4) too sharp differentiation in the incomes and consumption of the population, the growth of the poverty level, the high level of unemployment;
- 5) negative, anti-social policy in the sphere of privatization, which leads to a significant underestimation of the value of privatization objects [1].

As it was found out, the state plays the main role in the formation and provision of foreign economic security. One of the tools of such provision is the legal framework. Analyzing the legislative provision in this area, it becomes clear that the main basic law is the National Security Strategy of Ukraine [2]. It defines the principles of the interests of the state and the population, and protection against threats.

It should be noted that the strategy is adapted to today's conditions, because when determining directions for ensuring foreign economic security, it takes into account the interests of the state in the international arena, the peculiarities of the economy. Considerable attention is paid to the defense sector of the state, which is quite relevant in

modern conditions. It should be concluded that this approach to the development of strategies is very effective, and other legislation on these issues should be formed with the same principle, that is, the adaptation of legislation to modern realities.

Components of economic security should be based on the principles of consistency with international standards, state interests, availability and openness of information.

In the context of maintaining the level of foreign economic security, the state needs to take into account the compiled development priorities, apply indicators and indicators. Due attention should also be paid to the financial component. After all, it is from the state and local budgets that the measures aimed at sustainable development

are financed, thus supporting the economic security of the country.

It is worth highlighting the following fact that, as is known, Ukraine is highly dependent on the state of the market for metallurgy and crops. After all, it is a leading country in these areas, so when the price market for these areas is destroyed, there is a significant decline in the economy. Therefore, the state should also pay attention to the development of more flexible areas, such as IT, the scientific complex, and establishing the export of other goods to different countries of the world.

So, as it was found out, that economic security is an important component in the life of the state. State policy in this area should be adapted to various options for the course of events and flexible.

**Keywords:** economic security; development; public administration.

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## THE CONCEPT OF GOOD GOVERNANCE AS AN EXAMPLE OF A NEW MODEL OF PUBLIC ADMINISTRATION IN UKRAINE

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In their essential dimension, Western countries have proposed their own methods of reforming the state, claiming to be universal and general application. Two concepts of governance - "New Public Management" and "Good Governance" - are the basis of modern administrative reform in the West and borrowed from other countries. Elements of these concepts can be used to form an "ideal model" of public administration and further study administrative reforms in other countries.

The development of the theory and practice of good governance went in parallel, unlike the New Public Management, where the theory was formulated as a result of administrative reform. Institutional reforms need time to "take root", so it is premature to talk about administrative results close to good governance. However, the documents and programs adopted by the OECD, the World Bank and other international organizations, governments and public authorities show that the key ideas of this model have been implemented in the institutional environment of countries. As a management model, Governance was formed when the United Nations Development Program "Governance" for Sustainable Human Development" (1997)[1] was published. In the UN Program, the basic principles of "Good Governance" were stated: 1) participation in public management decision-making; 2) consensus in decision-making; 3) feedback; 4) effectiveness in the implementation of public policy; 5) responsibility of all participants in the process; 6) transparency; 7) equality; 8) rule of law; 9) strategic vision.

Let us consider in more detail the possibility of implementing the principles of

"good governance" in the Ukrainian reality. So:

1. Participation. Implementation of the principle of participation requires that all citizens have the right to vote and participate directly and indirectly through legitimate intermediaries and representatives. In Ukraine, this principle is enshrined in law, but its implementation requires revision and modernization of the entire system of interaction between the government and society.

2. Rule of law. The principle of the rule of law implies that the legal system of the state is impartial and acts equally for all, especially with regard to human rights. However, the main obstacle to the implementation of this principle in Ukraine is the high level of corruption. Today, corruption covers almost all systems of power in our country, including the legislative, executive and judicial branches, as well as local self-government bodies. Both established state authorities and local self-government bodies are called to ensure the protection of rights, freedoms and legitimate interests of citizens, as well as the security of the state and society. Therefore, the rule of law directly depends on overcoming (or at least reducing) the level of corruption in the country.

3. Transparency. Freedom of information, its integrity and accessibility for all interested parties is the principle of transparency. Ukraine is still at the early stages of implementation and realization of this principle. Legislative support is inadequate, but the following important laws have been adopted: The Law of Ukraine "On Information" of 02.10.1992 № 2657-XII [2]; the Law of Ukraine "On Access to Public

Information" of 13.01.2011 № 2939-VI [3]; the Law of Ukraine "On Social Dialogue in Ukraine" of 23.12.2010 № 2862-17 [4] and many others. However, the administrative system and mechanisms for implementing the principle of transparency in society still face numerous problems.

4. Responsibility. The standards of the European principle of responsibility ensure that institutions and processes serve all members of society. The problem of Ukraine is that not all members of society can benefit from this, due to a large number of factors: insufficient legal awareness, self-awareness, poverty, etc., in contrast to highly developed countries with a strong civil society, where the principle of responsibility has been implemented and has quite successful results.

5. Consensus orientation. The principle of "good governance" as such consensus orientation is to maintain a balance of interests to achieve broad consensus on regional and general issues and procedures. Consensus is understood as decision-making that is in principle free from disagreement and against which there is no objection. Many democratic countries use this approach to decision-making. However, consensus also has disadvantages, for example: it does not take into account the possibility of compromise, reduces the effectiveness of the community, does not take into account the opinion of the minority, reduces the involvement of participants in decision-making, disrupts the cohesion of the community, etc. However, in the practice of "good governance", consensus is considered an acceptable option for decision-making, as it maximizes the benefits.

6. Equity. The welfare of society depends on taking into account the interests of each member of society that is part of it. This characteristic corresponds to the European principle of justice. Governance cannot be effective without taking into account the interests of all citizens. Therefore, it is necessary to provide for this in the reform of public administration and local self-government in the process of forming a new model of public administration in Ukraine.

Participation of every citizen contributes to the process of state-building, increases the welfare of society and forms civil society. [5].

7. Effectiveness and efficiency. European principles of effectiveness and efficiency are characterized by the most efficient use of resources to meet the needs of citizens. For Ukraine, the implementation of this principle is one of the most difficult tasks. Irrational use of resources, such as budget, personnel and information, leads to low efficiency of the management system as a whole. As a result, the needs of citizens are partially or not satisfied at all. As a result, the issues of efficiency and effectiveness should be addressed as a priority.

8. Accountability. Accountability is also one of the key principles of "good governance", which is ensured by the accountability of government, private business and civil society organizations to the public and institutional stakeholders. Ukraine is in the process of establishing a governance model with a number of mechanisms of interaction, through which the government, business and civil society organizations are responsible for their respective areas of activity. Reforms ensure a balance of interests between civil society, the state and business, a new approach to transparent and quality work, and respect for human rights. Business is obliged to support and develop the state, business environment and civil society, pay taxes honestly, invest effectively in the national economy and adhere to the principles of fair work and competition. Civil society organizations are responsible for: the scope of their activities; the leadership of the authorities for strict compliance with the Constitution of Ukraine and Ukrainian legislation.

Thus, the principles of "good governance" are Participation, Rule of law, Transparency, Responsibility, Consensus orientation, Equity, Effectiveness and efficiency, Accountability, Strategic vision, and today these nine principles have been supplemented by ethical behavior, competence and capacity, innovation and openness to change - should be implemented

in the modern management system and become part of the concept of a new model of public administration in Ukraine. Of course, with the simultaneous overcoming of the problematic phenomena that characterize our modern society.

As a conclusion, we can say that the new model of governance in Ukraine (adapted on the basis of the principles of good governance) should maximize the opportunities for citizen participation in governance, ensure that economic, social and political priorities are based on harmony and

that the voices of all citizens, including the poorest and most vulnerable groups, are taken into account in public decision-making. This should be the goal. Such a model should be multi-level, with a number of effective feedback mechanisms between different levels of government, between government and society, and between government and business. The model should also promote the development of civil society, which is necessary for the existence of a democratic, economically strong and politically stable state.

**Keywords:** public administration; development; regulation.

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## **CEE COUNTRIES SELECTION MANAGEMENT IN CLINICAL TRIALS - ISSUES OF INTERACTION WITH THE SPONSOR AND REGULATORY AUTHORITY (RA)/CENTRAL/LOCAL ETHIC COMMITTEES (CEC/LEC).**

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One of the most significant stages of any clinical trial is the correct choice of the country, that would be able to provide with the right clinical centers and patients during the study. The inappropriate country selection at the start-up phase of the project can lead to the non-fulfillment of the clinical trial, and therefore, to both huge cost losses and losing the time.

Each Sponsor has its own research strategy, as well as strategy for further expanding the successfully tested drug into the International Market. Before selecting country for the clinical trial, the Sponsor considers numerous factors such as the desired country population, epidemiological data, experience in similar trials, competitive landscape in the country, scientific societies, regulatory/ ethic committees' approval process, including regulatory timelines, having naïve to the certain treatment patients and so one.

Considering all the above, CEE countries both EU and non-EU once seemed particularly attractive to different Sponsors in the last decade.

In the meantime, according to Guidance for Industry "Before initiating the clinical trial(s), the Sponsor (or the Sponsor and the investigator, if required by the applicable regulatory requirement(s)) should submit any required application(s) to the appropriate authority(ies) for review, acceptance, and/or permission (as required by the applicable regulatory requirement(s)) to begin the trial(s)." [1]

However, each country's RA has their own rules of regulatory process and timelines for review. The same goes for ethics committees. That is why issues of interaction with the Sponsor and RAs/ECs often seems quite challenging for the Sponsor's project

management team. "In conducting multi-country clinical trials, Sponsors and investigators have to ensure that they meet regulatory requirements in all countries in which the clinical trials will be conducted [2].

The project team should plan and then execute submission procedures in a multinational environment to make sure that the time difference between having all documents approved among the first and last country as less as possible.

The submission process always begins with translation of documents and submission dossier preparation. It always takes different time according to each country's requirements. In Hungary, Poland, Czech Republic, the Slovak republic, Slovenia this can last from 1,2 till 1,4 months, in Bulgaria it takes some more till 1,6 months. While for Romania, Estonia, Latvia, Lithuania, Croatia it goes on, on average, 0,9 months.

The next step is review and approval by the RA. The longest period of review and approval among the CEE countries is in Romania – 5,8 months. In Slovenia it takes 3, in Lithuania – 2,8, in Poland, Czech Republic and Bulgaria – 2,5, in the Slovak republic - 2,3, in Hungary – 2,1, in Estonia – 1,8, in Latvia – 1,4, in Croatia – 0,7 months.

RA and CEC review/approval processes can run parallel with RA. In the meantime, 5 countries have not only CEC but also LEC - Poland, Czech Republic, the Slovak republic, Croatia, and Slovenia. However, the review/approval process in the Local committees takes less than or equal time with Central one. That is why CEC review/approval terms only will be provided below.

The longest period of review and approval by the CEC is in Slovenia and Poland – 2,1 months. In Hungary, Czech



Republic, Lithuania it takes – 1,8, in Estonia, Latvia – 1,4, in Croatia – 0,9 months.

Separately, it should be noted that these terms are approximative and will depend on the RA's/CEC's/LEC's remarks. Project team should make sure that there is a professional staff (its own or contracted) in each country that knows all the shortcuts /would be able to properly prepare documents to either avoid or reduce possible remarks in the future/respond in time to any additional request of RA, CEC or LEC. It is important to start RA, CEC or EC submissions in parallel processes where possible to get the positive decision sooner.

Thus, the longest time from submission till study approval by both RA and CEC/EC will last in Romania – 5,8 months. In Slovenia it takes 4,4, in Lithuania – 2,8, in Poland, Czech Republic and Bulgaria – 2,5, in the Slovak republic, Croatia -2,3, in Hungary – 2,1, in Estonia – 1,8, in Latvia – 1,4 months.

Alternatively, there is another option - to use a new EU Drug Legislation, which became available since January 2022 and this method is expected to become mandatory by January 2025. It is possible to submit a single e-submission via an EU portal (accessible to Member States National Competent Authorities and Ethics Committees) average submission/approval period duration is going to take approximately 3,2 - 4,2 months

(translation of documents and submission dossier preparation 1,2 months, review and approval by the RA/CEC/EC/issue of the approval of SUKL (for Slovak Republic only) 2-3 months). One should also be considered – there is not only an initial submission in clinical trials, but many other ones – both notifications and submissions following afterward. And the Sponsor should remember that depending on the chosen strategy – to submit documents either to local RA or via an EU portal it is going to remain constant after that till the end of the study.

That is why it is important for any Sponsor to make the right decision when selecting CEE countries for their trials or planning initial submission to both RA and CEC/LEC of any of CEE countries “A limiting factor to the efficient conduct of multi-country clinical trials is the regulatory environment in each collaborating country, with significant differences determined by various factors including the laws and the procedures used in each country. The long regulatory processes in resource limited countries may hinder the efficient implementation of multi-site clinical trials, delaying research important to the health of populations in these countries and costing millions of dollars a year” [3].

**Keywords:** clinical trials, Regulatory Authority, Ethic Committees, turnaround time.

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## REGULATORY ENSURING THE PROCESS OF PROMOTING REGIONAL DEVELOPMENT IN UKRAINE

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The regulatory framework for stimulating the economic development of regions consists of the following sources: the Constitution of Ukraine, Laws of Ukraine: "On the principles of state regional policy", "On stimulating the development of regions", "On local self-government in Ukraine", "On local state administrations", "On cross-border cooperation", "On regulation of urban planning activities", "On state target programs", "On state forecasting and development of economic and social development programs of Ukraine", etc.

The first purely "regional" law in Ukraine was the Law of Ukraine "On Stimulating the Development of Regions", adopted in 2005. It was in it that for the first time separately, and not in the context of other issues, the regional problems of the state were outlined and the basics of regulating the development of regions were regulated. This law defines the specifics of state regional policy by stimulating regional development.

In particular, it defines the very concept of "stimulation of regional development". It is "a complex of legal, organizational, scientific, financial and other measures aimed at achieving sustainable development of regions based on a combination of economic, social and environmental interests at the national and regional levels, the most effective use of the potential of regions in the interests of their residents and the state as a whole" [1].

This Basic Law defines the purpose of the process of stimulating the development of the region and outlines the principles on which it is based. It also regulates that such stimulation is carried out exclusively within the framework of the current regional policy of the state.

In order to implement the policy of stimulating regional development, the following documents are developed and approved [1]:

- State regional development strategy (approved by the Cabinet of Ministers);
- Regional strategies (approved respectively by the Verkhovna Rada of the Autonomous Republic of Crimea, regional and Kyiv and Sevastopol city councils) [1].

This law determines the list of authorities that are called to ensure the implementation of the policy on stimulating regional development.

As for regional development programming, the list of programs that ensure the implementation of regional development stimulation has undergone significant changes since 2015, when the Law of Ukraine "On the Principles of State Regional Policy" was adopted [2]. This law provides for the following programs:

- State strategy of regional development of Ukraine;
- Plan of measures for the implementation of the State Strategy of Regional Development of Ukraine;
- regional development strategies;
- action plans for the implementation of regional development strategies;
- investment programs (projects) aimed at the development of regions [2].

This Law is also interesting in that it defines the range of objects of state regional policy, that is, it gives an understanding of what exactly can be subject to the stimulation processes:

- territory of regions;
- territory of macro-regions;
- territory of micro-regions;

- groups of regions (or their parts), cities, villages, towns, united according to the criteria and in the order established by the Cabinet of Ministers of Ukraine [2].

At the same time, macro- and micro-regions are defined.

Thus, a macroregion is a part of the territory of Ukraine consisting of several regions or their parts, united by common features, which are characterized by common development problems, within which regional development programs specific to this territory are implemented [2].

A microregion is a part of the territory of a region characterized by territorial integrity and development features, within which regional development projects specific to this territory are implemented [2].

The next document that regulates the peculiarities of the process of stimulating the development of regions is the State Strategy for Regional Development (hereinafter - the Strategy), which is adopted every 5 years. The current document was approved on August 5, 2020 for the period 2021-2027 [3].

Thus, the Strategy outlines the strategic vision and goal of regional development.

In particular, the strategic vision of regional development of the state envisages the creation of sufficient conditions for comfortable living, self-realization and development of citizens, improvement of their quality of life in each region. State regional policy helps each region and territorial community to effectively use their potential, advantages, resources and opportunities and improve the quality of human life and, accordingly, for the benefit of the development of the whole of Ukraine [3].

The strategic goal of the state regional policy until 2027 is human-oriented development and unity — a dignified life in a united, decentralized, competitive and democratic Ukraine, ensuring the effective use of the internal potential of territories and their specialization to achieve sustainable development of the country, which creates conditions for increasing level of well-being and income of citizens [3].

That is, the state proposes to focus not on external funds (credits, loans), but rather on stimulating the internal capabilities (potential) of the country's regions, in particular through the development of specialization industries.

The strategy also defines the priorities of regional development

- development of economic, infrastructural, socio-cultural connectivity and integration at the national, regional and local level;

- accelerating the economic growth of regions and territories with a low level of socio-economic development, ensuring the improvement of the natural environment and the inexhaustible use of natural resources;

- improving the quality and ensuring accessibility for the population of services provided by state authorities and self-governing municipalities, regardless of place of residence, in particular on the basis of digitalization;

- protection of cultural heritage, preservation of the traditional character of the environment of settlements [3].

That is, stimulation of the development of regions will take place through the development of infrastructure, provision of quality services in the regions, and stimulation of territories with low development indicators.

This Strategy is built on slightly different principles than the previous ones, namely on the basis of a comprehensive territorial approach, which assumes that the object of regional policy is a territory characterized by a specific set of social, spatial, ecological and economic features.

In particular, the proposed territorial approach assumes that within each oblast there are always such territories that are generally different from the main part of it, but are similar (in terms of branch affiliation, problems, landscape, etc.) to localities in other oblasts. The strategy defines such territories as functional and proposes the development of a common development program for them. This document defines 13

types of such territories that require specific approaches to their development [3].

In general, the Strategy-2027 is a much more "modern" document than the Law of Ukraine "On Stimulating the Development of

Regions", which is morally outdated and does not take into account many aspects of today's development of regions.

**Keywords:** economic; development; region; policy; regional development.

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## STAKEHOLDERS AS CONTRACTORS OF CIVIL SOCIETY IN THE SPACE OF PUBLIC POLICY

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Today, the global trend towards increasing the role of civil society institutions in the management of the public sphere is increasingly noticeable - the functioning of any level of public power depends not only on the efforts of the government, but also on the so-called non-governmental structures (stakeholders, business structures, etc.). The partnership of public and non-governmental structures is a guarantee of the effective functioning of the system in general. Such trends are just beginning to be introduced into Ukrainian business practice, but abroad this kind of relationship in the "government-public" system is quite widespread.

Modern civil society (society) increasingly acquires features of political and financial independence, which is manifested in the active promotion of its interests and inclusion in co-management processes at the local, national, and global levels. The most important criterion for the formation of a civil society is the involvement of every person in all the main activities of political life. The individual becomes part of politics by being included in the institutionalized dialogue between society and the government.

The more civil society is involved in the management process, the wider the field of public policy and the higher the level of legitimation of power [1, p. 61]

The functional aspect of civil society is manifested in civil relations that take place in public space. Civil relations are a joint and voluntary activity of people united by common interests, which excludes market and hierarchical relations between them and is aimed at achieving a common goal [1, p. 61]. Such relations are implemented through the activities of voluntary organizations, stakeholders, social movements, network structures of civil society, etc

One of the key counterparties of civil society in the space of public policy is business. The participation of business in political life is implemented by stakeholders ("owners of interest"), that is, citizens, communities and organizations involved in the activities of corporations to varying degrees. Along with company personnel and shareholders, it is customary to include local communities and authorities with whom the corporation interacts in the process of solving its production, commercial and political tasks as stakeholders. The main role of stakeholders as representatives of socio-political forces and interests is to encourage the corporation to behave socially responsible towards themselves and society as a whole, to transform it from a "corporation of owners" that cares about its own benefit into a "corporation of a citizen" [2, p. 5].

Among Western corporations that focus on corporate citizenship and develop volunteer and philanthropic activities, we can name "IBM", "Microsoft", "Hewlett-Packard", "Wells Fargo" and "Levi Strauss", "British Petroleum", etc. [3, p. 118]. In Ukraine, stakeholders are one of the actively institutionalizing actors of the public process in accordance with global trends and internal demand.

Stakeholdership, as a new entity, includes many participants, which is undergoing the stage of its normative and political formation. In Ukraine, business stakeholdership is presented in the most structured way as a type of corporate citizenship, which should be considered through the actions of business structures focused on social responsibility. Examples are the activities of such companies as: SCM Business Group, Nova Poshta, Microsoft Ukraine, TSN Media Group.

Creating feedback between business, the state and civil society is one of the most necessary tasks for the formation of effective public policy in Ukraine. Interaction on a partnership basis between different levels and various actors regarding the development and implementation of political decisions will contribute to the emergence of new forms of cooperation. However, this will become possible on the condition that the state takes on the role of moderator, and does not act in a command-administrative style [3, p.245].

The strengthening and development of this type of interaction of business structures with other subjects (in particular with communities) clearly leads to the development of public policy and participatory democracy. However, there is a risk of business putting pressure on the public sector (in our case, local government) and subordinating public interests to narrowly corporate ones.

In order to prevent such a variant of relations, it is necessary for the government to create regulatory and political conditions for the formation of a new type of "responsible citizen", strengthening of traditional and new social mediating institutions, stimulation of civil mutual assistance, formation of a new type of social partnership.

In democratic systems, the establishment of a new social partnership and the practice of corporate citizenship is primarily explained by the maturity of civil society, the ability of its organizations not only to participate in interaction with the authorities and corporations, but also to

influence the rules by which this interaction is carried out.

In transitional systems, social partnership cannot be fully implemented due to the lack of independence and insufficient development of civil society institutions, the unwillingness of business structures to manifest themselves in socio-political interactions other than philanthropic, and the inability of the state to act as a moderator in the public policy field [3, p. 131].

In non-democratic systems, civil society institutions are generally not included in the public process and do not have the opportunity to participate on an equal basis in the mechanisms of direct and feedback communication with the state, they are deprived of incentives to increase activity. The imitative character of public policy can be carried out in transitional systems with the help of non-governmental public associations, created on the initiative and with the participation of the authorities and which work for the interests of the state.

However, along with ascertaining the crisis state of civil society and social motivations for political participation in transitional systems, there is also a search for organizational components that can become the basis for the development of the public sphere.

Thus, civil society, as one of the leading actors of public policy, produces new forms of participation and social partnership, thereby adapting to new realities and becoming institutionalized in a new way.

**Keywords:** government; management; stakeholders; relationship.

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## **DIRECTIONS OF UKRAINIAN REGIONS ECONOMIC DEVELOPMENT IN CRISIS**

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Crisis phenomena, which are characteristic in certain time periods for each national economy, have intensified in recent decades under the influence of global threats. Along with this, at the domestic level, regional differences become an important factor of socio-economic stability, and the need to take them into account in the formation of strategic priorities for the development of the national economy is beyond doubt. In the example of Ukraine, in the difficult conditions of the latest crisis period, which began with the COVID-19 pandemic in 2020 and continues to this day in the conditions of a full-scale war, the issues of substantiating strategic priorities for the development of the regional economy have become especially relevant.

Already at the end of the 20th century, scientists and practitioners of state and regional administration began to realize the inevitability of crises and their destructive impact on the concept of socio-economic development formed at the global level [6, 7].

Recent decades have demonstrated the consequences of socio-economic and military-political crisis phenomena in the development of Ukraine's economy. At the same time, such a basic indicator of the development of the national economy, as the volume of GDP, recovered quite quickly in the post-crisis period [8].

Regional factors played an important role in the post-crisis recovery of 2015-2019 in Ukraine [1]. Taking into account the similar nature of the current threats to the functioning of the national economy it is obvious that regional tools for managing socio-economic development will be promising in post-crisis recovery after the end of a full-scale war.

At the same time, anti-crisis measures are already necessary at the regional level to quickly respond to progressive development trends. In modern conditions, anti-crisis management in the region can be interpreted as a management process localized in time, within which goals are set in the format of qualitative transformation of the management entity, formation of plans for achieving the set goal and corresponding forecasts, organizational design of the anti-crisis management system, creation of anti-crisis motivational mechanisms, development of a system of norms and standards for monitoring the crisis development of the socio-economic system from the standpoint of achieving the set goal, formation of control mechanisms and coordination of anti-crisis management processes, development, and implementation of a plan of anti-crisis measures [3].

Methodological foundations of anti-crisis management at the level of the regional economy can become such principles as systematicity, humanism, and sustainability [5]. The principle of systematicity consists of the interpretation of the regional economy as a set of elements (production, non-production spheres, infrastructure, management, education, and culture, etc.) and relationships between them. The principle of humanism involves determining the main priority of the functioning of the regional economy is the satisfaction of various human needs. The principle of sustainability consists in ensuring the balanced development of the region, including through the minimization of threats to its natural and social environment that arise in the process of economic activity.

Based on the mentioned principles, the regional economy in crisis conditions can perform several important functions - organizational and economic (ensuring

entrepreneurial activity and stability of the markets of goods and services), social (providing the population with basic goods and services and functioning of social institutions), cultural and informational (forming safe information environment, preservation of cultural values).

An important factor influencing the functioning of the regional economy, especially in crisis conditions is global threats and challenges. While threats require a response from economic systems, challenges primarily require adaptation [2].

As evidenced by the current trends of socio-economic development, in addition to the actual confrontation with global threats, the following three groups of problems require priority solutions in the context of the formation of regional policy priorities in crisis conditions:

- Problems of guaranteeing public and socio-economic security;
- Problems of social integration of internally displaced persons;
- Problems of attracting financial and organizational support from foreign partners to ensure the implementation of anti-crisis measures at the regional level.

The regional economy can be interpreted as a system functioning in conditions of instability. In this case, the direction of the system's functioning in crisis conditions will be determined by the level and nature of threats, as well as the specifics of the internal structure of such a system and the stability of its individual components. The question of assessing the strength of the regional socio-economic system in the conditions of the crisis is quite complex, as it does not have universal solutions. The fact is that each regional socio-economic system has its own unique internal structure, which depends on its location, administrative-territorial structure, infrastructure networks, and settlement system.

In our opinion, it is the spatial features of the development of the regional economy in crisis conditions that play a very important role, which is often underestimated in the research of scientists in the field of economics

and public management and administration. The importance of the optimal use of the resources of territorial communities follows from the importance of spatial aspects of the stability of regional economic systems. It is the local level of regional management that is the most favorable to the action of spatial factors and the most potentially effective in the context of the implementation of anti-crisis measures.

As shown by the conditions of a full-scale war in Ukraine, regional centers, large cities, and transport hubs are the most dangerous from the point of view of the possible destruction of infrastructure and the destruction of the socio-economic development potential of the region. At the same time, a significant part of the territory of the regions that are not in the zone of active hostilities functions in conditions of relative military and political security. In such territories, even in the conditions of war, there are favorable opportunities for the organization of agricultural production, recreation, and tourism, and a number of types of economic activities aimed at the use of natural resources. With this in mind, one of the priorities for the development of the regional economy in crisis conditions may be the distribution of the socio-economic potential of the region in the direction from the main economic centers to the peripheral territories, which on the one hand are relatively safe, and on the other hand, actually need anti-crisis measures.

In times of crisis, the regional economy always functions under conditions of critical levels of instability. The strategic priorities of the development of regional socio-economic systems in such conditions are aimed at preserving the potential and forming stabilization trends. Therefore, the choice of development priorities in the crisis is determined by the existing development potential of the regional economy and current trends that need to be strengthened and preserved in the post-crisis period. In this context, an important aspect is an emphasis on monospecialization of the region, which forms its competitive advantages both on the



national and international markets. The concept of monodevelopment, despite existing scientific discussions, has a sufficiently effective toolkit for strategic management of regional development in crisis conditions. Adhering to the interpretation of monodevelopment as the predominant development of any one property, specific relationship or one process in a certain territory [4], it can be stated that taking into account the influence of the leading factor that causes the crisis situation, there is a valid possibility to single out the main object of such influence factor, the management of which can give the most optimal results in crisis conditions.

Thus, we note that the first priority, on which Ukraine's post-crisis development of regional socio-economic systems should be based, is the guarantee of security. From this point of view, the western regions of Ukraine, especially the Zakarpattia region, are in a more favorable situation.

The second priority is the quick recovery of entrepreneurial activity. For this purpose, it is necessary to maintain economic activity at the elementary level even during

the crisis period by ensuring the needs of the domestic market.

The third important priority is the preservation of horizontal connections between subjects of economic activity and components of economic systems at different levels.

The fourth priority should be the diversification of economic activity, in particular in the context of the implementation of the provisions of sustainable development and in view of the priority of security.

One of the important directions of the functioning of regional socio-economic systems in the process of responding to crisis phenomena is to increase their internal stability, due to both the preservation of leading specializations and the priority development of peripheral territories. In the conditions of instability, the strategic priorities of the socio-economic development of the regional economy should also be a purposeful marketing policy formed on the basis of sustainable development and effective communications, guaranteeing socio-economic security.

**Keywords:** economy; crisis; development; directions.

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## APPLICATION OF DESIGN-THINKING PRINCIPLES IN PUBLIC ECONOMIC ADMINISTRATION

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Design-thinking in public administration of the economy is a relevant direction of scientific research and management practice. Feasibility of implementation of this approach in the Ukrainian practice of public administration is explained, for example, by the following undeniable fact. The quality of Ukrainian institutions of public administration is not currently at the sufficient level. In particular, according to the Global Competitiveness Index - GCI, the quality of "Institutions" - one of the 12 components of the integral index - was evaluated for the five-year period 2015-2019 for Ukraine, on average, at the level of 45.8. Over the same five-year period, the average value of the GCI itself for Ukraine was significantly higher, namely: 57.7 [1].

The results that described "Institutions" in the structure of the GCI give grounds for an unflattering conclusion. The low quality of the institutional environment has been the main factor limiting the competitiveness of the Ukrainian economy. We assume that the application of design-thinking principles in public administration will contribute to the growth of the quality of public administration in general and the quality of institutions of public economic administration, in particular.

In the study of the principles of design-thinking, it is advisable to highlight:

- general principles applicable to all areas where this approach is implemented,
- special principles that are implemented taking into account the peculiarities of individual fields of application.

The fields of application of design-thinking are engineering, architecture, art, entrepreneurship, politics, etc. We focus on the principles (requirements) of design-thinking in public administration.

Involving five phases—Empathize, Define, Ideate, Prototype and Test - the design-thinking as a process is a way from building empathy and defining the problem, right through to prototyping and testing ideas [2]. Thus, the general principles of design-thinking are related to basic social values.

The principles of practical application of design-thinking in public administration are revealed in articles devoted to the phenomenon of institutional design and policymaking. Usually, these are articles that relate to the functioning of the public sector, public policy, and the activities of public authorities. Different authors come to the same conclusion that the design thinking is an alternative approach to policymaking [3], [4], [5].

In our opinion, the following may be considered special principles (requirements) of the practical application of design-thinking in public administration:

- formation of an appropriate interaction environment by following agreed procedures and rules. Moreover, procedures and rules must be subordinated to the achievement of commonly recognized social goals. This conclusion, in particular, follows from the definition of institutional design, which is presented in the fundamental research of David L. Weimer (1996) [6],
- creating a harmonious interaction between the subjects of the management

process in order to limit uncertainty and unpredictability of consequences. This requirement is contained in a study by Josep M. Colomer (2008) [7],

- efficiency, which is achieved through motivation, stimulation and actual involvement of stakeholders in the implementation of public policy. The decisive role in motivating and ensuring the participation of stakeholders belongs to the current legislation of the country. This aspect of institutional design is highlighted in a study by Lindsay Mayka (2019) [8].

Based on the specified principles of design-thinking, the institutional design of public economic administration may be interpreted as a special form that ensures the management process. It (the form) provides for the creation of an environment of harmonious subjects interaction that are aimed at common goals. Moreover, subjects are interested in achieving these goals, which makes public administration more effective.

Since, in a general philosophical sense, a form is the structure of content, the analysis of institutional design of public administration (as a special form of the management process) assumes identification of certain structural elements. Depending on the chosen separation criterion, these structural elements of institutional design may be identified in different ways.

We offer a pioneering idea of structuring the content of the institutional design of public administration, which presents two criteria and, accordingly, two ways of structuring the content of the institutional design of public administration:

1) "*Procedural*" criterion [9]

- *Institutes* (powers, competences, algorithms of interaction of public authorities);

- *Rules* (norms, standards, assessment methods, incentives, restrictions);

- *Procedures* (time limits, iterations in approaching the goals of strategies and programs)

2) "*Target*" criterion

- *Results* (norms, standards, evaluation methods, strategic and program objectives);

- *Tools* (powers, competences, incentives, restrictions, including temporal ones);

- *Alternatives* (algorithms of interaction of public authorities, iterations in approaching goals).

Each structural element of the institutional design, as illustrated in the analytical table, has its own meaning. It (meaning) comes from the experience (practice) of public administration of the economy. Clarifying the idea about the institutional design of public administration requires constant study of the experience of different countries.

The study of the design-thinking principles in the context of public administration gives grounds for the following conclusions:

- the value of the general principles of design-thinking is revealed when they are appropriately applied in the organization and management of individual areas,

- in public administration, the design-thinking principles application involves creation of the so-called "institutional design"

- a special form of process flow,

- the differentiation and legal regulation of the "institutional design" structural elements of public administration means the transformation of general principles into principles of practical action.

**Keywords:** design-thinking; public administration; economy.

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## **LOCAL SELF-GOVERNMENT IN UKRAINE DURING MARTIAL LAW: NEW CHALLENGES AND WAYS OF DEVELOPMENT**

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The start of a full-scale war in Ukraine and introduction of martial law led to emergence of a significant number of problems and new challenges, particularly in public administration. The main burden of solving these problems and overcoming challenges fell on local self-government bodies, which are responsible for providing the needs of communities. Today, it can be noted that local self-government in Ukraine has demonstrated a significant level of efficiency under martial law. The need to solve a number of complex problems and to avoid sharp crises in providing of communities' live has proven a high efficiency of interaction between public authorities, the leadership of territorial communities and non-governmental and volunteer organizations.

At the same time, active work continues to improve the legal framework that regulates activity of local self-government, draft law № 7283 «On Democracy at the Level of Local Self-Government» [1] has been registered, which will expand the legal possibilities of involving community members and non-governmental organizations in decision-making process at the level of local self-government. Support by local self-government bodies for public initiatives, projects, cooperation with volunteers, international and non-governmental organizations, which help to solve community problems, has become a positive practice. This demonstrates that local self-government is an important element for support of the state functioning. Ukraine during the war got the experience that clearly demonstrates advantages of stimulating of the population's self-organization over the centralization in management.

Thanks to decentralization, we have proven the ability of communities to take responsibility and make difficult decisions, to quickly respond to internal and external challenges. The war further emphasized the role of local self-government in stability of the country, in organization of resistance. Therefore, in the conditions of martial law, it is appropriate to increase authorities of local self-government, to provide them with additional resources.

An important aspect is establishment of properly coordinated interactions between public authorities and local self-government, taking into account the principle of subsidiarity. It is especially important during martial law, when all links of the power hierarchy naturally gravitate towards the centralization of management decisions. Therefore, today's unconditional priority is determination of top-priority tasks that must be entrusted to local self-government bodies of regions and territorial communities, with the goal to provide their maximum efficiency in managing resource potential of territories.

In this context, the problems of internally displaced persons (IDPs) demands special attention. In this sphere, local self-government bodies face the most war-related challenges. The most important is the need to create appropriate conditions for the long-term stay for those who decide to stay in the places of relocation for a long period or even forever.

According to the above point, the primary task of local authorities should be formation of effective monitoring system of internally displaced persons and their needs. First, we are talking about providing proper housing and living conditions, and, second, these people can make significant contribution to economic development of

community, especially if they are highly qualified specialists. During solving IDPs' problems, in addition to obvious issues of providing people with housing and basic necessities, territorial communities are faced with new problems for the solution of which completely new approaches must be applied. Often, cooperation with non-governmental organizations can help in this case; during the war mostly of them reoriented their activity to various types of assistance, in particular to internally displaced persons.

At the same time, political environment and expert circles actively discuss further decentralization and prospect of territorial communities' development during martial law. First of all, this applies to inviolability of principle of subsidiarity and autonomous in adopting management decisions by local self-government bodies.

There are different opinions about this question. On the one hand, there are arguments for building strong centralized

power vertical (by analogy with the military hierarchy). On the other hand, there are arguments for preserving independence of territorial communities in managing their own economic potential and human capital for maximum effectiveness.

Considering the above, it is appropriate to emphasize that Ukraine during the war got experience that demonstrates undeniable advantage of self-organization of population over centralized management. Primarily in economic sphere, in particular in the context of establishing effective mechanisms for volunteer support of territorial communities.

Thus, the principles that formed the basis of administrative and territorial reform in Ukraine should be preserved and developed in the current conditions of martial law. After the end of martial law, using potential of local self-government should become a guarantee of rapid reconstruction of the economy of Ukraine.

**Keywords:** local self-government; territorial community; non-governmental organization.

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## RELATIONSHIP BETWEEN UKRAINIAN PUBLIC ADMINISTRATION AND BUSINESS ENTITIES MANAGEMENT DURING THE RUSSIA- UKRAINE WAR: WHAT SHOULD BE DONE?

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The Russia-Ukraine war shows the results of inadequate, non-professional and corruptive public administrating and building relationship with business causing additional unnecessary victims among civilians, destruction of industrial and civilian critical infrastructure and chaos in handling the situation. Therefore, this paper aims at elaborating the roadmap of Ukraine as a “failed state” to its recovery.

The key method of this research is the critical analysis of the status quo and shaping possible ways to improve the situation.

The public administration should never lie to its citizens and business. According to the President of Ukraine, he lied to the public not warning business entities and population in general about the upcoming war, because he “would have been losing \$7 billion a month” and his “government wouldn’t exist” [1].

The analysis of the Estimate of the Budget of Ukraine for 2023 shows the actual level of efficiency of Ukrainian public administration [2]:

nominal tax revenues even considering 30 percent of inflation will decrease by 6 percent;

fifty percent of expenses (!) will be covered by foreign aid in the form of grants, financial help and credits.

The war cannot justify the lack of professionalism and tolerance towards corruption, plagiarism and ignoring the regular problems of citizens and business.

The public administration in Ukraine was good in two things: creating videos, blaming everyone else and indulging its representatives for whatever law offense they commit simply because “it is not time yet”, “big crimes became small ones” and “it is

good enough, that he did not leave the country during the war”.

There is no hope that the public administration could come up with anything that looks like actions to mitigate the possible scenario of total black-out, energy and social collapse, therefore, the following measures should have been undertaken long time ago to create more stable conditions for business entities.

1. Nationalization of the critical infrastructure. The only way to coordinate the actions of industry, energy sector and other crucial sectors is total governmental control. The first steps in this direction were made only after 8 months (!) of war.

2. It is necessary to correct the mistake regarding the integration of migrants and refugees from Ukraine in EU member-states, Canada, and USA. This is a completely new situation. A new wave could reach up 10-15 million people. Already today, the unemployment rate in Ukraine is 30 percent, 40 percent of the energy sector is destroyed (most likely 70-80 percent will be destroyed), meaning Ukraine will not be able to provide heat and electricity for the existing population. The only way is to negotiate with hosting countries creating special tent camps and territories enabling Ukrainian citizens to continue working for Ukrainian enterprises in relatively comfortable conditions.

3. It is necessary to create equipped free economic zones in EU member-states, Canada and USA with preferential taxation, industrial and residential infrastructure for the evacuated population, businesses, educational and medical institutions from the territory of Ukraine.

4. It is necessary to suspend the provision that the stay of Ukrainians on the

territory of EU member states for more than 183 days is the basis for obtaining tax residency, so that taxes go to finance the budget of Ukraine.

5. Ukraine's educational and medical system should be integrated with those of EU member states. For example, accreditation of educational programs, creation of educational consortia, accelerated recognition of diplomas and qualifications. This is a mutually beneficial process. Hundreds of thousands of students from Africa and Asia are studying in Ukraine. The flow will increase significantly due to the financial accessibility of education in Ukraine, part of the funds will be received by partner universities.

6. Intensifying digitalization, which helped Ukraine during the war, that is, actively implementing electronic document management and electronic signature. For example, expanding the functions and roster of documents in "Diia". The government should oblige business entities, educative and medical institutions to implement the electronic circulation of documents enabling to create, change, save and sign documents digitally.

7. Constant pressure on Ukrainian corrupt officials in all levels and spheres. The specialized anti-corruption court has not yet started working, there have been cases of humanitarian aid being sold in stores (those responsible have not yet been punished), cars that were supposed to be used to evacuate civilians and wounded soldiers from battlefields have been used by officials of the President's Office. The Ukrainian president lied to his own people about starting the war. His excuses do not stand up to any criticism. The education minister is accused of plagiarism. Pro-rector of Kyiv National Economic University named after Vadym Hetman, Chuzhykov is a plagiarist, has stolen two monographs, continues to hold his position and represents his university at the European Commission, responsible for academic integrity. Neither the rector, the Ministry of Education, the State Agency for Quality Assurance in Higher Education, nor the Educative Ombudsman have done anything. A large number of officials continue to break the law and steal, hiding behind the war. Like Japan and Germany after World War II, Ukraine needs help to rebuild its system of governance to become a full member of the European Union.

**Keywords:** Russia-Ukraine war; evacuating business; international cooperation.

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## **BRAND AND GOODWILL AS FACTORS OF MEDIATED CORPORATE LOBBYING IN TODAY'S CONDITIONS**

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Modern globalized society is characterized by an unprecedentedly intensive implementation of information technologies in all spheres of social relations. It is increasingly possible to observe situations when the informational activity of the highest-ranking civil servants in social networks and messengers becomes dominant, compared to classic public activities. Global measures aimed at overcoming the COVID-19 pandemic, which contributed to the spread of the online format of public communications, became an additional catalyst for this process. At the same time, such trends lead to a shift in priorities in the toolkit of influencing politicians and civil servants on the part of representatives of big business, in particular, lobbying as a mechanism of such influence.

The problem of applying lobbying as a tool for realizing the interests of individuals, their groups or organizations as a whole (including corporate lobbying) has already been reflected in the publications of both Ukrainian and foreign scientists. Among other things, such researchers as V. Bezkorovainy, O. Grosfeld, O. Diaghilev, A. Bentley, L. Zetter, W. Paterson, C. Walker and others devoted their attention to it.

The author also devoted a lot of time to the study of various manifestations of lobbying, not forgetting its mediated forms [1]. Indirect lobbying, most often, manifests itself as a tool of pressure on the decisions of politicians and civil servants, on the part of the active public. Famous persons whose pages in social networks have hundreds of thousands and millions of followers, generating an information policy favorable to their own corporate interests, form public

opinion that must be taken into account by the state (especially in a democracy).

In this context, the brand of the corporation or directly the spokesperson (known CEO or investor) plays an important role. Webster's dictionary gives us many interpretations of the definition of "brand". However, the most relevant to our research topic is the understanding of a brand as "a public image, reputation or identity that is perceived as something to be advertised or promoted" [2]. At the same time, as Jennifer Aaker, a researcher of the brand phenomenon, convincingly proves, the consumer perceives the brand by analogy with a person, that is, personifies it. The public treats the brand as a person, attributing personal traits to it, and the roots of this approach lie in the plane of personality psychology [3].

So, the brand, in its modern sense, is an integral part of the modern public policy of both a corporation and a famous person. Positioning of the brand, its popularization, are designed to increase the recognition of the bearer of the brand.

Unlike a brand, goodwill is one of the consequences of a corporation's public policy. Usually, this term is understood as a special type of intangible asset, which represents that part of the entire value of the business that cannot be attributed to other business assets that bring profit, both tangible and intangible [4]. According to the BVS-I standards adopted by the American Society of Appraisers (ASA) [5], "goodwill" is defined as "good name" and includes the company's intangible assets, such as the prestige of enterprises, its business reputation, relationships with customers, location, product range, etc. And according to researchers R. Reilly (Robert F. Reilly) and

R. Schweihs (Robert P. Schweihs), it is possible to single out both the goodwill of the organization and the goodwill of professional practice, the personal goodwill of a specialist, the goodwill of a celebrity, which affect the market value of these sub objects [6].

From the point of view of indirect lobbying, the brand guarantees the recognition of the translator of information, and goodwill determines the audience's attitude to his words.

As the author has already noted in previous studies, the Anglo-American model is characterized by the tendency of CEOs to lobby for processes that affect the share price in order to redistribute them, while the tendency of CEOs of Western European and Japanese models to lobby for processes that influence the position is characteristic companies on the market, in order to strengthen their own career opportunities [7]. At the same time, it is important to consider that the more branded a corporation is, and the more massive goodwill it has, the more tangible are not only the decisions, but also the public statements of both its CEO and major shareholders.

World-famous leaders of the corporate world, such as Mark Zuckerberg (Mark Elliot Zuckerberg), Elon Musk (Elon Reeve Musk), Jeff Bezos (Jeffrey Preston "Jeff" Bezos), with each of their statements, generate reflection not only of millions of ordinary citizens, but also of thousands of politicians, for which all these citizens are voters and taxpayers. Public criticism or support of one or another political force on their part can shake the rating or strengthen it [8]. On the other hand, politicians or civil servants are far from always able to respond to such activity of representatives of the corporate sector, given the need for them to comply with the ethics of civil servant behavior, or political risks. Where a creative CEO, with his scandalous statement, will reduce the value of the company's shares by 2% (which is usually not critical at all, since in a week or a month the value can even out, or even increase), the politician risks losing 2% to his competitor, who on the eve of the election is an absolutely

unacceptable price for "freedom of expression".

Such public figures as Bill Gates and Elon Musk can proclaim extremely eccentric slogans, activating the mechanism of indirect lobbying influence on politicians and civil servants at all levels. Whereas for lesser-known managers and owners of companies, such actions can cost not only their reputation, but also their fortune (in this case, the principle "Quod licet Iovi non licet bovi" comes into play), and civil servants - their positions. And if Bill Gates shows his activity, bordering on adventurism, in the fight against hunger and global warming [9], then Elon Musk, in addition to the introduction of the latest energy technologies in transport and everyday life, increasingly allows himself political and even geopolitical comments [10]. And the words of such persons always find a response in society, as they are associated with "Microsoft" and "Tesla", respectively.

Thus, the recognition of the company's brand allows its management and major shareholders not only to attract the attention of society, but also to focus it on certain debatable issues. In the same context, the goodwill of the company acts as a kind of "limit of strength" of the reputation of the company or its managers, ensuring trust in them, even in adverse circumstances.

And although most researchers agree on the strategic advantage of a more responsible approach to the use of the company's brand and its goodwill, the current public policy of well-known CEOs and investors demonstrates the permissibility of a certain eccentricity. The use of goodwill, the company brand and the personal brand of a manager or investor, as a tool of indirect lobbying, in the conditions of high dynamics of information relations and the dominance of online communication, can bring extra profits already in the short term. And we are talking not only about the tendency of such CEOs or investors to lobby for processes that affect the share price, with the aim of redistributing them (which is generally characteristic of the Anglo-American business model), but also

about using the advantages of technological and informational dominance to form natural monopolies.

An additional influencing factor is the "soft nature" of such mediated lobbying. A powerful system of corporate supervision functions in the same USA. However, it is mainly focused on ensuring compliance by the corporate sector with tax legislation and the policy of information openness. It is extremely difficult to bring to justice a CEO or an investor who "simply declares" the need to consume artificial beef, or certain

geopolitical views. After all, it is not easy for state bodies to calculate the cumulative effect of public opinion, which can grow to a colossal size in the wake of frank hype.

The problem of researching the relationship between the public activity of famous personalities and the formation of political, consumer, worldview trends is, of course, not new, but currently it is only increasing its relevance. The need to research optimal lobbying regulation mechanisms does not lose its relevance.

**Keywords:** corporate governance, investors, brand, goodwill, lobbying, lobbying activity, public figures, public communications, public relations.

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## **DIRECTIONS OF PUBLIC ADMINISTRATION REFORM IN THE CONTEXT OF ECONOMIC DEVELOPMENT OF UKRAINE**

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Optimizing and accelerating the reform of public administration is considered a priority task of European integration and the Euro-Atlantic course of Ukraine. This process covers the construction of a modern, digital and service-oriented state. The formation of an effective public administration system means the ability to plan and implement a unified state policy aimed at meeting the needs of citizens, as well as ensuring sustainable development and adequate response to the challenges of the external and internal environment.

Currently, public administration reform is carried out taking into account the provisions of the Program of Activities of the Cabinet of Ministers of Ukraine, the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their member states, on the other hand, and the National Economic Strategy for the period until 2030 of the year, the Human Development Strategy, the State Administration Reform Strategy of Ukraine for 2022-2025 and approved the plan of measures for its implementation, the National Strategy for the Promotion of Civil Society Development in Ukraine for 2021-2026 and taking into account the action plans for the implementation of the specified strategic documents, a special short-term programs "Digitalization (digitalization). The state in a smartphone" and the general short-term program "Digital Literacy". A special role in the context of reforming public administration in the context of digitalization is played by the Project "Digital Agenda of Ukraine - 2020", the basis of which is the provision of electronic services to citizens and business

representatives through the use of electronic cabinets, e-identification, interfaces, etc.

Despite the active development of the network of centers for the provision of administrative services and the introduction of the provision of electronic services, the availability of services and the quality of service in different territorial communities differ. There are still obstacles to the integration of certain popular services into administrative service centers due to the excessive centralization of powers to provide them. These problems require increasing the efficiency of the level of provision of administrative services.

The strategy for reforming the public administration of Ukraine for 2022-2025 is a continuation of the previous stage of the implementation of the public administration reform and is based on the results of the assessment of the state of public administration of Ukraine conducted by experts of the Support Program for the Improvement of Governance and Management (SIGMA), which is one of the most prestigious analytical centers of the European Union. created on the initiative of the Organization for Economic Cooperation and Development and the European Union. The purpose of launching this program was the need to help the countries of Central and Eastern Europe to modernize their public administration systems.

In recent years, SIGMA has assisted in the development and monitoring of the implementation of the Strategy and Action Plan for State Finance Management in Ukraine (SDF). In 2023, SIGMA will conduct a further assessment of public administration reform. In June 2018, the OECD released the report "Sustaining the Decentralization



Initiative in Ukraine", which highlights mechanisms that help improve multi-level governance and identify obstacles to effective public service delivery at the sub-national level. As a result of this work, in 2019 Ukraine joined the OECD Recommendation on effective public investment at all levels of government. The project "Supporting Decentralization Reform in Ukraine 2021-2022" is being implemented, which will provide further recommendations for improving multi-level governance and implementing decentralization reforms and regional development. Ukraine is also included in the annual report "Monitoring and Evaluation of Agricultural Policy".

Over the past 30 years, Ukraine has inherited and to a greater extent preserved the system of public administration, the foundations of which were laid back in the days of the existence of the Ukrainian SSR/USSR with its defects of centralization of both state and local power. This was accompanied by the recruitment of personnel who were trained and brought up in the paradigm of a planned economy, socialist political and legal system to the state administration. This, in turn, actualizes the importance of reforming the direction of investing in the professional development of personnel.

During the 2022 state administration reform, a number of measures were taken to plan and implement training in the public service, in particular, an analysis of the training needs of civil servants was introduced, competition between state and non-state educational institutions was ensured, and the Ukrainian School of Government was established. An important stage in the reform of public administration is the implementation of the provisions of the Concept of the Development of Digital Competences, according to which civil servants and officials performing official duties in state authorities and local self-government bodies are obliged to raise the level of the quality of training in accordance with the pace of development digital technologies.

The problem of low efficiency in planning the activities of central executive authorities remains relevant, in particular ensuring orientation to the result, not to the process. The main reasons that led to this are outdated legislation on issues of state planning and accountability, as well as insufficient coordination with the reform of public finance management regarding planning and reporting by central executive bodies in the process of forming and implementing the state budget.

The fundamental areas of public administration reform are the establishment of properly organized work of the state apparatus:

1. Elimination of parallelism/duplication of management, control and interaction functions in the triangle of state power institutions: the president-government-parliament. The auxiliary apparatus of these institutes (offices, secretariats, assistants, advisers) should be deprived of public functions to represent the institutions of power, which they only have to help perform their functions. These auxiliary working bodies should be deprived of decisive influence on the adoption by real (not nominal) heads of government institutions of personnel policy issues: training, selection, placement/career of officials of all levels of state administration.

2. Development of a national (all-Ukrainian) personnel policy in the field of public administration, which should include all components of such a policy and its implementation program and be consistently implemented over the next 5-10 years without any drastic changes or additional reforms.

They require a fundamental change in the procedure for the creation of personnel competition commissions, their optimization in terms of number and a complete rejection of the following principles:

- a) political quotas,
- b) participation of representatives of the authorities, for the needs of which such competitions are held, in the composition of such commissions;
- c) political compromises,

d) ignoring the final decisions of such commissions — on the part of those power structures/officials who have the right to legitimize the results of the relevant competitions and to adopt the relevant personnel administrative and administrative acts.

3. Creation of a step-by-step plan-schedule for monitoring and revision of current state legislation with a dual purpose:

a) elimination of duplication of legislative regulation of the same legal relations by various methods and tools;

b) adaptation of national legislation to the legal field of the EU.

4. Increasing the role and coordination of activities of civil society institutions in terms of developing system proposals for state power institutions, advocacy/official lobbying of such proposals and their implementation.

Creation of a national grant system (state + business) for institutions of civil society with the aim of involving them on a competitive basis in the development (participation in the development) of proposals in the field of public administration and its legislative support. Radical changes are needed in the state's approach to attracting and implementing the results of analytical studies, conclusions and recommendations prepared by Ukrainian analytical centers of the state and non-state sectors of public interest. Unfortunately, we have to state that often the results of their science-based activities remain at the level of wishes and are not demanded by the state.

It is advisable to maintain and develop the initiated course to minimize the regulatory influence of power institutions on the operational functioning of the economy. First of all, this concerns the reduction of the number of regulatory bodies and their powers, as well as the liberalization of permitting procedures. In addition, it is necessary to ensure a further reduction of the tax burden on the economy, in particular by means of differentiation of VAT (first of all, the introduction of a zero rate on socially significant groups of goods), a significant

reduction of taxes on labor: EUV and personal income tax (at least for small businesses), as well as the leveling of customs barriers. ers or their complete liquidation (except in cases of protection of the domestic market from subsidized imports or imports from unfriendly countries).

Subsidies provided to Ukraine should be oriented towards the development of the economy. It is also necessary to ensure the functioning of the domestic producer as much as possible, promoting its development through state procurement and freeing up cheap imports. Due to the need to ensure revenues to the budget and create jobs, it is expedient to replace the export logistics system.

It is also appropriate to stimulate the development of small businesses, while encouraging self-employed persons and entrepreneurs to invest in startups and the implementation of innovative projects, that is, instead of the existing practice of state support for budget-forming and export-oriented industries (namely, they determine the raw nature of the Ukrainian economy, in addition, the markets in which they work enterprises of these industries in Ukraine are largely cartelized).

The reverse side of the proposed changes is a significant limitation of social expenditures and minimization of the budget sector of the economy. This should become the second priority of economic modernization of Ukraine. The war showed that social programs are meaningless if a country is unable to defend itself against external aggression. That is why spending from the state budget of Ukraine on housing subsidies and various social payments for defense was directed to the development of the armed forces and the development of new types of weapons (at least during 2015-2021) and is the main means of ensuring social protection of citizens.

The solution of the vast majority of social problems of the residents of Ukraine should be mainly due to the stimulation of their self-employment, including the reduction of the tax burden on labor, and the

introduction of an effective mechanism of public works. This will create prerequisites for the growth of citizens' incomes, a decrease in their unemployment rate and employment in the legal sector of the economy, which makes it possible to obtain a much higher level of social guarantees than in the shadow sector. A greater share of social support for the poor, including the unemployed, should be implemented mainly through the establishment of a mechanism of public works (with the exception of a limited circle of people who are unable to participate in such works due to their health or age). The size of social payments to internally displaced persons must be gradually increased, and on the other hand, these persons must be more and more actively involved in the performance of public works in the rear: both those related to the support of the army (food, logistics, transportation), and those that relating to the needs of the civilian population: reconstruction of infrastructure objects damaged by rocket attacks; services for warehousing, sorting and distribution of humanitarian aid; work in agriculture, etc.

Another way to reduce budget expenditures to minimize the fiscal burden on the economy is to reform the system of financial and budgetary provision of the scientific and educational sphere. First of all, this concerns the transfer of scientific institutions, in particular the institutes of the National Academy of Sciences of Ukraine and branch academies (NAAS, AMS, etc.)

exclusively to project funding, as well as a sharp reduction in budget funding for higher education institutions (appropriate funding should be preserved only for a clearly defined range of budget places on individual specialties that will be recognized as particularly significant for the development of the state, subject to the conclusion of contracts with students (students) that will provide for state-directed work after graduation, for at least 5 years (or returning to the state budget double the cost of education established for students paid form for the relevant specialty).

Based on the identification of the strengths of the national economy and the opportunities of Ukraine, the key idea of the strategy for the balanced development of the country was defined — the construction of new strategic capacities through the strengthening of the existing potential. As a result of public administration reform in the context of economic development, the following is expected:

- ensuring the provision of high-quality services and forming a convenient administrative procedure for citizens and businesses;
- formation of a system of professional and politically neutral public service focused on protecting the interests of citizens;
- building effective and accountable to citizens state institutions that form state policy and successfully implement it for the sustainable development of the state.

**Keywords:** public administration; reforms; economic development; digitalization; digital literacy.

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## GOOD GOVERNANCE PRINCIPLES IN TOURISM SECTOR DURING THE WAR: THE WAYS OF IMPLEMENTATION AND LESSONS LEARNED

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Tourism is the important field of human social activity from economic, social, cultural, geopolitical, and other reasons. From the perspective of economy tourism sector makes GDP contribution, generates employment and business, creates, and supports a wide range of linked economic activities and industries, induces more consumption, and stimulate countries to reach Global Standards. From the social and cultural points of views, tourism makes people more open-minded and aware about diverse cultures, helps to creates social links and has a big significance as the way for recreation. Tourism brings development, intercultural dialogue, secure and comfortable life environment. Tourism is also one of the ways of diplomacy and national branding.

Due to the significance of tourism for socio-economic development, attraction investment and creation positive image, countries, regions, and cities put their effort on the creating tourist attractions, building infrastructure, inventing tourist routes, and promoting themselves as tourist destinations. The Russian military invasion to Ukraine has strongly impacted on all the spheres of Ukrainian people's life and economic activity. To resist, the implementation of good governance principles is crucially important.

*The aim of this paper* is to investigate the ways of the response to the challenges for tourism sector caused with the war from the point of view of their interrelation to the good governance principles (based on the case study of Kyiv city).

The paper is written based on both the analysis of strategic documents concerning tourism development and branding in the city of Kyiv and measures for the development of various areas of tourism, branding and marketing of the city of Kyiv as a tourist destination during full-scale war, which are carried out by the relevant local authority,

Tourism and Promotion Department of the executive body of the Kyiv City Council of the Kyiv City State Administration). The author of the article is directly related to the development and implementation of local branding and marketing of the city of Kyiv as a tourist destination as an official of the Department of Tourism and Promotions of the executive body of the Kyiv City Council of the Kyiv City State Administration.

**Good governance principles.** As the other economic sectors and fields of social activity for its effective development and functioning needs good governance meaning here both its results from common perspective and scientific approach.

The World Bank introduced the normative term "good governance" in a report on sustainable growth in sub-Saharan Africa in 1989 (Doornbos 1995, 2001). The report revealed that the bank's liberal development strategy did not facilitate sustainable development and democracy because of the failure of public institutions (World Bank 1989). The notion of good governance refers to a policy strategy in which aid distributors combine New Public Management with advocacy of liberal democracy in stressing the political, administrative, and economic values of legitimacy and efficiency (Rhodes 1996, 1997, 2000, 57; Kersbergen & Waarden, 2004).

In 2001, the European Commission published a white paper on governance that presented five principles of good governance: openness, participation, accountability, effectiveness, and coherence (European Commission 2001). These principles underlie democracy and the rule of law, and apply to all levels of government (global, European, national, regional, and local).

In 2008, the Council of Europe adopted the Strategy for Innovation and Good



Governance at Local Level, including also the 12 Principles of Good Democratic Governance. The Strategy and the Principles were agreed earlier at the 2007 Ministerial Conference in Valencia, Spain.

The 12 Principles of Good Democratic Governance encapsulate fundamental values defining a common vision of democratic governance in Europe and include: (1) Participation, Representation, Fair Conduct of Elections; (2) Responsiveness; (3) Efficiency and Effectiveness; (4) Openness and Transparency; (5) Rule of Law; (6) Ethical Conduct; (7) Competence and Capacity; (8) Innovation and Openness to Change; (9) Sustainability and Long-term Orientation; (10) Sound Financial Management; (11) Human rights, Cultural Diversity and Social Cohesion; (12) Accountability.

Using the 12 Principles as a reference point can help public authorities at any level measure and improve the quality of their governance and enhance service delivery to citizens. (12 Principles of Good Governance | Municipalities for Europe, n.d.)

According to Ukrainian scholars on public government field, the principles of good governance include: (1) legality; (2) unity of interests; (3) subsidiarity; (4) corporatism; (5) transparency; (6) adequacy; (7) responsibility; (8) innovativeness (V. M. Vakulenko & M. K. Orlatiy, 2008, 84-85).

**Key channels and instruments of communication (based on strategic documents).** According to the strategical document “Marketing strategy of Kyiv strategy” created by the CORE agency due to the initiative of Tourism and Promotion Department of the Kyiv City State Administration (Marketing strategy for the development of tourism in the city of Kyiv, 2020) the focus is made on digital communication via such channels as social media, mobile application, and informational portal (target audience – foreign tourist bloggers).

This marketing strategy proposes these ways of inviting tourists to Kyiv including:

- **announcement** (the defining unique features of the city; organization of own mass events, commercial and public events)

- **promotion** (participation in exhibitions; traditional advertising; digital advertising; social networks; available and modern souvenirs, promotional products)

- **ambassador activity** (the Kyiv residents – ambassadors of the city; blogs, reviews of tourists, reviews, ratings, articles in the media; Kyiv in cinema, photos, videos, advertising location; Leadership representation in the field of tourism: conferences, cases, educational events).

***The challenges for tourism created by the war (case study of the Kyiv city).*** The war, caused by the military aggression of Russian Federation on early morning February 24, 2022, has caused a big number of challenges for tourism including:

1) **insecurity.** Due to the real threat of people’s life all the territory of Ukraine has become dangerous area because of unpredictable military attacks of Russian’s. Companies and agencies belonging to this field had to stop their work concerning tourism not to make risk for the lives of tourists. A lot of them have changed the aims of their activity to help people.

2) **damages of infrastructure.** Due to the bombings during the first days of the war Boryspil airport – the main air gates to Ukraine – was damaged. International and Ukrainian airlines had to stop their activity in Ukraine and to cancel the flights due to insecure Ukrainian sky.

3) **the change of the activity of the enterprises and companies involved to tourism before.** The war has put the issues of people’s lives save as the main priority. State enterprises and private business have put their effort and resources to help people to leave dangerous territories. Ukrainian state company “Ukrzaliznitsya” (“Ukrainian railway”) has organized evacuation of people from Southern, Eastern and Northern regions of Ukraine to the West on regular and additional trains with no charge. A big number of hotels and hostels coordinated by the Department of Tourism and Promotions of

Kyiv City State Administration have provided their facilities for Ukrainian and international militaries, international media, volunteers, and refugees. Association of Incoming Tourist Operators (AITO) has organized evacuation of people from Kyiv to Western regions of Ukraine and abroad. For instance, the network of restaurants “Dima Borisov family” supplied Ukrainian military forces and people in need with their food free of charge. These sudden change of economic activity to the charity and social one is the strongest prove of the unity of Ukrainian nation and Ukrainian peoples’ readiness and willing to help each other even people they don’t know personally.

These activities had strong social impact, but they didn’t bring income to business and enterprises they have experienced the need of restart of their commercial and business activity to make money.

4) **the lack of funding.** The main administrative body which deals with tourism development and tourism promotion of the Ukrainian capital is the Department of Tourism and Promotions of the executive body of Kyiv City Council (Kyiv City State Administration). According to Ukrainian legislative base during the war the finances and municipality budget funds are spent on military and humanitarian needs. The development of tourism and tourism marketing activities are not funded from state, regional and local budgets. Due to this, all the funding for tourism development and marketing activities (including festivals, promo-tours etc.) was reduced.

5) **the crash of the peace image of the city of Kyiv as tourist destination and the need to search for new meanings and messages and to create new branding.** The Russian missiles launched at Kyiv by Russia in the early morning of February 24, 2022, have damaged not only the residential buildings (where people were sleeping) and civil infrastructure but also the image of Kyiv as a tourist destination having been built for lots of years. From the city being promoted as “your next travel destination”, “MICE hub”,

“city with ancient history and entertainment for different tastes” for one moment Kyiv has turned into “the bombed city in the center of Europe” and “the capital of country in war”. This sudden transformation of the image of the city of Kyiv and the big amount of news about the war has several different effects. On the one side the global awareness about the location of Ukraine and the city of Kyiv has grown, thus on the other side due to real reasons the greatest number of potential tourists don’t think about Kyiv as the destination for vacation or business event during there is the war in Ukraine.

These challenges have strongly (almost totally) decreased the number of tourists in Kyiv in the first half-year of 2022 and put a question about the further ways of the development of tourism in Kyiv.

**Key channels and instruments of communication about the city of Kyiv during the war.** Due to the high interest to the Ukraine of all the world the awareness about Ukraine and Kyiv in many countries of the world has increased very quickly. Almost all the countries of the world are supporting Ukraine in the war against Russian aggression. Journalists from famous foreign media came to Ukraine and Kyiv to highlight the war. So, the awareness about Ukraine and Kyiv as geographical locations have increased.

Due to the limited possibilities for the conducting of tourism marketing activity during the war there is a need of the new ways and support of the tourist marketing of Ukrainian cities including the city of Kyiv.

To take these challenges such actions have been made by the Department of Tourism and Promotions of Kyiv City State Administration:

1) Informing of the audience about the situation in Kyiv, activities connected to tourism via official pages in social media

2) Continuing cooperation with tourist associations – Association if Incoming Tour operators of Ukraine, Ukrainian Association of Medical Tourism, Ukrainian Association of Tourist Guides about the



humanitarian issues, international cooperation – for instance the Department of Tourism and Promotions provided informational support for the evacuation organized by the Association of Incoming Tourist Operators

3) Active communication and negotiations with international partners – International Conference and Congresses Association (ICCA), City Destination Alliance, Tourism Borders of foreign countries to inform the world about the war in Ukraine, to organize the evacuation of Ukrainian children to foreign countries

4) Creating of a new tourist route “Kyiv unbreakable” demonstrating the locations in the Ukrainian capital damaged by the war and organization of the series of Free Walking Tours (free of charge excursions)

5) Informing of the international audience about the situation in Kyiv – giving interviews to the foreign, Ukrainian and Kyiv media

6) Presentation of the Kyiv on global platforms – international tourism exhibitions as IMEX (Frankfurt on Maine, Federative Republic of Germany), speaking about the situation in Kyiv and impact of the war on tourism in Kyiv, promoting the message “Kyiv is the capital of great people” and “You should organize your event in Kyiv after the war”.

**Analyses of the measures taken for tourism sector support and development during martial law in Ukraine from the point of view of good governance principles.** Despite the challenged of the war and new circumstances of life the measures taken by the local authority as Tourism and Promotions Department of Kyiv City State Administration respond to the principles of good governance. For instance, due to the lack funding the principle of participation is not implemented fully as there is the shortage

of funding for participatory practices as civil budget. Thus, the role of effective partnership both with local stakeholders and international partners has increased dramatically – international companies organizing international tourism exhibitions provided booths and equipment with no charge and for instance International Congress and Conference Association has provided the membership for 2022 with no charge. This has become possible only due to the previously established partnerships between local authority, business and civil stakeholders and foreign partnerships only due to the relationship and communicated been established during long period of time before and are the result of complex activities. This situation makes evidence that effective partnerships are crucially important for good governance. Due to this the author proposes to include the “effective partnerships” into the list of good governance principles and will develop this idea in next academic and practical investigations.

The war and martial law have created strong challenges for the tourism sphere as insecurity, damages of infrastructure, change of the activity of the enterprises and companies involved to tourism before, lack of funding, crash of the peace image of the city of Kyiv as tourist destination and the need to search for new meanings and messages and to create new branding, crash of the peace image of the city of Kyiv as tourist destination and the need to search for new meanings and messages and to create new branding. The analyses of the measures implemented by local authority to support and develop tourism sector in Kyiv has proved the following of most of the good governance principles and underlined the importance of effective partnership as a new possible good governance principle.

**Keywords:** war; tourism sector; good governance.

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## **DIRECTIONS OF IMPROVING PERSONNEL MANAGEMENT IN THE PUBLIC SERVICE**

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Taking into account the fact that the forecasting and programming of personnel support is the main goal of the state personnel policy, the determination of the strategic vision of the formation, professional development and rational use of personnel, all labor resources of Ukraine, the problem of personnel management in state authorities was analyzed.

The presence of a relationship between the quality of public service staffing and the effectiveness of public administration was detected. So, the strategic goal of the civil service reform in Ukraine became the introduction of European principles of good governance. As a result of attracting highly qualified specialists to the public service on the basis of honest and transparent selection of candidates for positions. At present, ideal criteria for the selection of civil servants have not yet been found, which in turn requires the search for new opportunities for improving the personnel management of executive authorities.

In order to achieve the goal the work used: analytical-monographic method of system analysis, an integrated approach, a comparative method, as well as analysis and generalization of practical activities.

On the basis of the conducted research, it was found that in the personnel management system of public authorities in European countries, the combination of two principles is common: the principle of ensuring access to the public service of any citizen of the country who has the necessary qualification skills, and the principle of giving preference to the best candidates according to clearly written criteria requirements.

For European countries and Ukraine, the methodological problems of forming criteria for selection, selection and selection

of personnel and personnel management of executive authorities are also common.

Proposals for improving the personnel management of state authorities have been provided.

The strengthening of the legal foundations of statehood in Ukraine conditions the growth of requirements for professionalism and responsibility of civil servants, who are entrusted with the duties of implementing management decisions, programs and various policy measures.

The content of the concept of "personnel management" includes issues related to the selection of personnel in state authorities, their training and motivation.

Since the human factor, personal characteristics of employees and officials of executive authorities have a decisive influence on the quality of public administration, the problems of personnel management in the public service, the establishment of personnel management services, strategic issues of modernization of the public service are given attention by both scientists and representatives state authorities [1].

The issue of personnel management in state authorities has become so important that the National Agency for Civil Service issues, with the involvement of analytical materials of international organizations, developed the "Methodology for determining the capacity of personnel management services of state bodies" [2], aimed at improving the work of personnel services.

Taking into account the attempts to introduce civil service standards of the EU countries during the civil service reform, we can single out such a feature in the personnel management system of public bodies in European countries - it is a combination of the

principle of ensuring access to the civil service of any citizen of the country who has the necessary qualification skills, and the principle of providing advantages to the best candidates according to clearly written requirements [1].

Ukraine is characterized by a number of personnel management problems in state authorities, which, in our opinion, can be minimized thanks to comprehensive measures. namely:

1) the problem of formalization of requirements can be minimized by, for example, giving preference to work experience compared to formal requirements or giving authorities greater autonomy in the formation of personnel;

2) the problem of non-equivalent salary distribution in the civil service system can be solved, for example, by revising the bonus system and tying such bonuses to key performance indicators;

3) the problem of a rigid work regime can be solved by introducing flexible work schedules;

4) the formal nature of the use of tests, questionnaires, and cases during competitions to fill vacant positions is also quite often of a formal nature. In our opinion, it would be more indicative and appropriate to consider moral and ethical and leadership qualities, namely: emotional intelligence, empathy, the ability to work in a team, a sense of Ukrainian identity, the ability to keep one's word, etc.

Taking into account the international experience of recruiting personnel for the civil

service, we consider it appropriate to single out some features [3]:

1) applicants for civil service positions are required to possess both administrative and technical skills to the same extent;

2) personnel selection was transferred to non-governmental third-party organizations;

3) the main selection criteria are: high level of intelligence, ability to achieve results, ability to work with people;

4) readiness of the civil servant for continuous training at courses or in special institutions.

So, one of the resources of public administration, which directly affects its effectiveness, is personnel.

Based on the analysis of the international experience of personnel management in state authorities and existing problems in the domestic system, we have provided a number of proposals for its improvement, namely:

1) provision of greater autonomy regarding the formation of states to state authorities;

2) giving preference to work experience, leadership and moral and ethical qualities compared to formal requirements when holding a competition;

3) revision of the bonus system depending on key performance indicators;

4) implementation of flexible work schedules;

5) formation of a personnel reserve for the rapid attraction of candidates for positions.

**Keywords:** state authorities; personnel management; personnel.

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## **DIGITIZATION AS A DIRECTION OF REFORMING THE SERVICE ACTIVITY OF PUBLIC ADMINISTRATION BODIES IN UKRAINE**

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Digitization is important for modern strategic planning of public administration reform in Ukraine. Modern political, socio-economic and information and communication tools of interaction between the state and society in Ukraine are continuously being improved under the influence of new challenges, which cause changes in the processes of development of state policy, which in its evolutionary development requires both a rethinking of traditional management approaches and the application of new service-indicative mechanisms for its formation and implementation. Interaction between public authorities and citizens should be focused on openness, the quality of services provided by the state and is impossible without appropriate technological support, which evolves from informatization to digitalization of state administration and local self-government.

The analysis of the latest publications on this issue indicates the need to apply the modeling of developed strategies and international practice in accordance with the modern problems of Ukrainian management practice and the desire to build a responsible civil society. In domestic scientific works, the topic of digitalization of the activities of state administration bodies and local self-government bodies still remains unexplored, unlike the issues of the concept of «electronic government» already introduced in Ukraine, based on state administration informatization technologies, which are still retrogradely implemented.

Modern civil society is becoming increasingly dependent on digital technologies, as there is a Digital transition from the systems and processes of the

industrial economy and information society to the «digital» economy and «digital» society.

The concept of the «Era of Digital Governance» was first proposed in 1991 by P. Dunlevy, H. Margetts, S. Bastow and J. Tinkler as a transition from the «New Public Administration» to a more modern «digital» administration, which was based on three main directions: reintegration; «customer-oriented» integrity and digitization as using the potential of digital information storage and digital communications for the transformation of management. The authors noted that the mass use of various digital technologies, the powerful development of social networks, which have become another platform for the pressure of the public and non-governmental organizations on the public administration system, led to the development of more thorough digital transformations in the management sphere [1].

Therefore, the new «digital» terminology is increasingly used both in everyday life and in scientific research. However, the correctness of the use of some terms requires scientific justification and legal definition in modern Ukrainian legislation and proper application in modern public administration science and practice of public administration bodies [2].

In the legal field, the implementation of digital governance in Ukraine is determined by the Concept of the Development of the Digital Economy and Society of Ukraine for 2018-2020, which was approved by the Decree of the Cabinet of Ministers of Ukraine dated January 17, 2018 No. 67-r and which can be considered a plan of further actions and a digital agenda of Ukraine [3].

The first steps included the adoption of a legal framework for the basic digital rights of the citizen, including the right to access



broadband Internet and increasing the availability of technology for consumers in order to reduce the cost of software, computer and other equipment.

The prerequisites for advancing Ukraine's digital agenda include the recent developed legislation on the digital economy and telecommunications, digital infrastructure, achievements in the field of ensuring a cashless economy — the development of electronic trade (e-Trade), electronic protection (e-Trust) and cyber security (Cybersecurity). Smart City initiative, recently initiated by the specialized Ministry of Digital Transformation, shows the confidence of the authorities institutions in the existing legislative and institutional base for the implementation of complex initiatives with building an ICT ecosystem at the regional/local level [4].

This Concept is a short-term and initial tool for the development and stimulation of internal markets for the consumption, implementation and production of digital technologies, and contains a vision of the transformation of the economy from a traditional to an effective digital one. It defines the priority steps for the implementation of relevant incentives, the creation of conditions for digitalization in various sectors of the economy and social life,

challenges and tools for the development of digital infrastructures, the acquisition of digital competences by citizens, and also defines critical areas and projects of public administration.

The given research models allow us to conclude that the concept of «digital governance» is not identical to the concept of «electronic governance». If electronic governance is understood as a way of organizing public power with the help of electronic systems of local information networks and segments of the global information network, then digital governance is a new innovative paradigm of organization and development of the management system, one of the trends of which is the implementation of digital transformations and modern digital technologies.

Summarizing the above, taking into account the priority of the service component of public governance, we can give the following definition of the term «digital governance» — it is a service-oriented organization of the functioning of the public administration system based on digital technologies. Formation and implementation of a digital strategy in public governance, its digitalization is an important area of both scientific research and practical activity.

**Key words:** digitization; reforming; service activity; public administration.

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## **WAYS OF EFFECTIVE IMPLEMENTATION OF PUBLIC-PRIVATE PARTNERSHIP IN SOCIO-ECONOMIC DEVELOPMENT OF THE STATE**

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The infrastructure industries of Ukraine need greater state regulation not only because of the economic efficiency of implementing infrastructure projects, but also because of the significant obsolescence of the fixed assets of certain infrastructure industries, which threatens man-made disasters. Such a "unified strategy of infrastructural renovation of Ukraine" aims to renovate infrastructural sectors using the most cost-effective methods. One of its goals is to combine infrastructural needs of two levels: state and regional. It is the combination of all infrastructural needs and problems in one plan, as well as their objective assessment according to uniform criteria, that will allow the government to concentrate its efforts on the most urgent of them. The evaluation of the most important projects should contain indicators of economic efficiency (quantitative) as well as indicators of public necessity (qualitative), which include indicators of the level of man-made threats to infrastructure facilities.

This approach is intended to help local authorities, which are now essentially trying to solve infrastructure problems on their own, which is extremely ineffective due to the lack of modern tools and expertise in local communities. Also, an important element of the plan is the assessment of all infrastructure needs of Ukraine.

Another no less flawed stage in the implementation of the "unified strategy of infrastructural renovation of Ukraine" should be the analysis of the most effective options for the implementation of priority projects. Investments should be involved in projects whose economic efficiency is beyond doubt. For those objects where the projected rate of return is lower than the commercial expectations of investors, or the forecasts have a certain degree of uncertainty, it is

necessary to use the mechanisms of business and government partnership relations or attract funds through state guarantees.

This structure of the organization of reforms will allow, for example, using state guarantees, to attract funds to finance a "pool" of local level projects. After all, under the current situation, small cities and regional centers simply do not have the funds to renovate capital-intensive housing and communal services. Obsolete infrastructure increases the costs associated with its use by not saving resources and maintaining its operational efficiency. By attracting "cheap credit" under state guarantees and spending it on such projects, the government gets a double effect. Firstly, economic - from increased consumption within the country; however, to fully realize this effect, it is necessary to force contracting organizations to use domestic materials and services as much as possible. Secondly, from future savings on energy costs, in the case of housing and communal services, and on the repair of these facilities maintained by the local government.

Stricter legislative regulation of purchases related to infrastructure projects, which will force contractors to purchase domestic materials for the construction of infrastructure facilities, has, in addition to positive aspects related to domestic consumption, also an anti-corruption effect. Its essence is that suppliers of materials or services for infrastructure reconstruction projects, when submitting applications for participation in the tender, must submit documents that would reveal the origin of these goods or services throughout the chain from the first supplier.

Unfortunately, as can be seen from domestic experience, the mechanisms of

partnership between business and government in Ukraine do not reduce corruption during the implementation of infrastructure projects, but are used as a modern mechanism for obtaining control over important infrastructure objects.

The analysis of the experience of the implementation of business and government partnership projects in Ukraine allows us to draw conclusions about two main approaches to the implementation of the infrastructure renovation program and increasing demand within the state, which involve the creation of a "unified strategy for infrastructure renovation of Ukraine" and the optimization of tools for implementing this strategy.

The creation of an infrastructure project management system involves:

- unification of project priority analysis methods; maintaining a unified system of distribution of investment subsidies taking into account regional development priorities;
- centralization of management mechanisms for partnership relations between business and government in the Cabinet of Ministers of Ukraine; establishment of a special Center for Public-Private Partnership with definition of its functions, duties and powers;
- clear demarcation of responsibilities and duties of other central and local authorities;
- establishment of public control over the use of funds directed to the reconstruction of infrastructure at the state and local levels;
- increasing the transparency of reforms due to the introduction of a cumulative project accounting system;
- establishment of rules for the publication of information regarding the implementation of business and government partnership projects in parallel with the development of the audit structure;
- strengthening the manageability of the infrastructure investment market by guaranteeing the inclusion of local-level projects in the "unified strategy of infrastructure renovation of Ukraine";
- implementation of a multi-level system of participants in business-government

partnership projects at the expense of local authorities of various levels and a gradual increase in the participation of the private sector in infrastructure renovation; strengthening of the budget, accounting and financial management component due to the development of a modern infrastructure project management structure.

The creation of a system of infrastructure reform using public-private partnership models will certainly also be affected by the implementation of a number of measures:

- the development by the Ministry of Economy of Ukraine together with other ministries and bodies of central and local authorities of the "unified strategy of infrastructural renovation of Ukraine", where priority projects will be determined each year;
- the development by the center for the development of business and government partnership under the Cabinet of Ministers of Ukraine of the conditions for the implementation of infrastructure projects with the determination of the possible participation of private investors in infrastructure projects with the calculation of the distribution of risks between the state and the private partner;
- carrying out a coordinated policy of the relationship between state investments and attracting private investors;
- the development of partnership relations between business and the government, increasing the number of professional participants in the public-private partnership market (mainly large domestic and foreign companies and commercial banks) with the aim of guaranteeing an increase in the efficiency of the mechanisms of partnership relations between business and the government due to increased competition among both investors and companies from management and contractors;
- conducting open tenders for the supply of basic materials according to a certain schedule (taking into account compliance with the norms of "nationality" of materials and services);

- integration of state and local infrastructure needs when entering international capital markets;
- a change in the structure of the state debt due to an increase in the share of financing infrastructure projects;
- refusal to make one-off decisions that are not subject to the "unified strategy of infrastructural renovation of Ukraine";
- conducting an independent examination of infrastructure projects that are implemented at the expense of loans under state guarantees;
- ban on the use of external state borrowings for loans;
- reducing the volume of foreign loans guaranteed by the government (complete rejection of this practice), or providing state guarantees in the presence of counter-unconditional guarantees from domestic commercial banks, ensuring conditions for attracting investors' funds to infrastructure;
- introduction of external audit on infrastructure projects for loans under state guarantees;
- resolution of issues of reorganization and restructuring of infrastructure enterprises-debtors in accordance with adopted government decisions; application of such an administrative procedure as the termination of the employment contract concluded with them to the managers of debtor enterprises that ignore the fulfillment of debt obligations;
- the introduction of administrative punishment for persons responsible for deficiencies in the use of funds provided for the implementation of projects of the "unified strategy of infrastructural renovation of Ukraine".

Thus, the solution to the problem of foreign credit lines, which Ukraine receives

from the governments and banks of foreign countries, will also affect the provision of economic development in terms of infrastructure investments. Further attraction of so-called commodity (linked) loans can be carried out only under the conditions of defining criteria and carrying out a thorough assessment of the effectiveness of these credit resources, subcontractors that are linked to these loans. It is necessary to ensure clear management of the process of attracting, using and returning such external loans.

High-quality information support for projects, in particular, information systems supporting the processes of project preparation and implementation, designed to increase transparency and control by the public, will also contribute to the creation of an effective system of partnership between business and government. Providing information support is very important, taking into account the involvement of a larger number of interested private entities in the development of Ukraine's infrastructure.

The availability of information on the status of business-government partnership projects should increase the interest of the private sector in infrastructure reforms. Moreover, along with information related to directly active projects, this information system should also contain data on planned objects, the work of which will involve private institutions. Analytical information should also contain savings calculations for already implemented projects. Such a system will increase the efficiency of infrastructure reforms and the reliability of monitoring the implementation of these projects. The main principles of information submission should be promptness and reliability of providing reports and analytical reports.

**Keywords:** effective implementation; public-private partnership; socio-economic development; infrastructure; public administration

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## THE ROLE OF EMOTIONAL INTELLIGENCE IN FORMING THE IMAGE OF PUBLIC SERVANTS

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The problem of forming the emotional intelligence of civil servants in the context of providing public and administrative services is very important. Unfortunately, the concept of "public servant" in Ukraine has acquired a negative connotation due to the patterns of behavior encountered by consumers of services, due to the bureaucratization of procedures and the inconsistency of the results of the work of public servants with the expectations of consumers of services.

According to the results of a sociological survey conducted by the Ilko Kucheriv Foundation "Democratic Initiatives" together with the sociological service of the Razumkov Center from August 5 to 12, 2022 with the grant support of the University of Bremen and the International Renaissance Foundation. In a year, the balance of trust in the President of Ukraine grew the most (+92%). The balance of trust in the key state agencies that are now engaged in the protection of the state has increased by more than 50%: MIA (+65%), the National Guard (+64%), National Security and Defence Council (+56%), National Police (+54%), State Bureau of Investigation (+53%), State Border Guard Service (+53%), volunteer detachments (+52%) and the State Emergency Service (+50%).

As of August 2022, the largest positive trust balance have: AFU (91%), State Emergency Service (82%), the National Guard (81%), volunteer organizations (77%), State Border Guard Service (74%), volunteer detachments (73%) and the President of Ukraine (71%). Ukrainians least trust political parties (-55%), the judicial system (-46%), officials (-46%), commercial banks (-37%) and the Verkhovna Rada (-19%). Thus, over the year (from August 2021 to August 2022) the top three government agencies and social

institutions by balance of trust have changed as follows: The Armed Forces of Ukraine retained their positions; the State Emergency Service and the National Guard ousted the volunteer organizations and the church; the top three outsiders remained unchanged [2].

Thus, forming a positive image of a civil servant is an extremely urgent task for public administration bodies.

The term "image" is borrowed from the English language and translated means reflection, image, artistic image, embodiment, copy, image, etc. With regard to the image of a public servant, we understand it as an image, a vision of a specific representative of a public administration body who is involved in the performance of state functions and enters into communication with individual citizens, representatives of social groups or business representatives, formed consciously or unconsciously in their minds. The image of a public servant, which will be created for the recipient of public services, will become a component of the image of the state institution where he works, and therefore of the entire public administration system. Therefore, we consider a positive image of a civil servant as a guarantee of effective management, increasing the level of trust of citizens and the population in state institutions as a whole, and increasing the authority of state power.

Each employee at his workplace contributes to formatting people's perception of the institution in which he works. Therefore, there are no unimportant positions in the organization, every civil servant must be aware of his responsibility for how he can make a personal contribution to the common cause through his actions and manifestations.

Modernization of the public administration system is based on new



governance approaches. One of these approaches was the paradigm of new public management, the main principles of which were formulated by D. Osborn and T. Gebler. These principles included competition in the provision of services, orientation to the result or quality, rethinking the concept of "client" in the public sector and creating a client-oriented approach in the provision of services and cooperation of the public, private and non-governmental sectors in solving public problems [5]. All this required new skills and abilities from public servants who would meet new challenges and be able to work in a competitive environment.

The principle of quality or orientation to results in management has become a new culture of service. This principle aims, first of all, to reduce the cost of provided public services, to determine the satisfaction of citizens with public services and to increase the interest of civil servants in the final results of their activities [1].

One of the tools borrowed from business and which has become useful for the field of public administration is total quality control (TQC). This method consists in constantly improving the standard processes of performing the functions of the organization at all levels, starting from the design of activities, ending with the production and maintenance of a quality product, in the most economical, useful and satisfactory way for the consumer. [4].

More than 80% of the activity of a civil servant is related to communications. These communications can take place both within the team and with external customers - consumers of services. Therefore, his image will facilitate or hinder such communications, and therefore will be an obstacle, or even a threat, to the effective performance of his official duties. The main task of the image is to encourage other people to take certain actions, therefore, the more the image will meet the consumer's requests, the more effective the activity of the image will be, the higher the authority of the authorities.

Among the main ones, scientists distinguish several structural components of

the image: external (neatness, clothing, facial expressions, gestures, gait, posture, etc.), procedural (professionalism, the ability to show emotions, behavior, ways of expressing one's personality, fulfilling one's duties) and internal (values of a person, imagination of his inner world, spiritual and intellectual development). All these components are interconnected and define each other.

In order for the image to be effective, and therefore to encourage people to take certain actions, it must meet the expectations and moods of the audience for which it is intended. In order to study the attitudes, requests and expectations of citizens from public administration bodies in order to improve the functioning of departments, it is necessary to introduce a systematic survey of citizens and study of complaints in order to identify weaknesses, determine the level of trust and evaluate the performance of executive authorities. The formation of the image can also take place in the course of information events conducted by each body of state power and management, holding joint consultations, etc.

Emotional intelligence, as a person's ability to understand the emotions of other people, to show empathy, can be tentatively attributed to the procedural components of the image, but these qualities are demonstrated by a person not only in the professional sphere, but, therefore, it is something that is determined by the internal characteristics of a person, his ability to listen and hear, right understand and respond correctly to the words and feelings of other people.

Emotional intelligence is extremely important for civil servants to maintain a communicative culture while performing official duties. Understanding one's own emotions and the emotions of the interlocutor will help determine the optimal forms and directions of interaction with the media and the public.

A person with a high level of emotional intelligence will be able to better cope with stress and high workload, which is a common situation for a civil servant. In addition, it will help to be more sensitive to your colleagues,

notice their anxieties, be able to establish relations between employees and show empathy for everyone. As a result, the team will be friendlier and more cohesive.

It is worth noting that emotional intelligence is an innate personal characteristic, but which can be developed and improved throughout life. To increase emotional intelligence, a person must understand that it is necessary to start with a better understanding of oneself. Psychologists or coaches usually recommend the following:

- learn to put yourself in another person's place;
- to develop the ability to correctly recognize the emotions of others and one's own;
- to expand one's worldview as much as possible in order to learn to better understand and realize the difference between people;
- learn to "think two steps ahead", plan and implement time management;
- engage in personal psychotherapy [6].

However, understanding the importance of developing emotional intelligence among civil servants, it is necessary to take purposeful steps in the public administration system in the direction of increasing its level, introducing training systems and courses that would meet today's challenges.

Thus, it can be concluded that the development of emotional intelligence among public servants will be one of the effective tools for building a positive image of public authorities in particular and the public administration system in general. Creating conditions for self-improvement of public servants, building relations between the state and citizens on the basis of partnership, improving organizational forms, methods and means of ensuring human rights and freedoms in public administration, etc. should be a priority task of state policy in the direction of increasing the authority of public service in society.

**Keywords:** emotional intelligence; public servant; image; public administration.

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## WAYS OF PREVENTING CIVIL SERVANTS OCCUPATIONAL DISTORTION

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Modern economic, political, social and cultural transformations, revaluation of values, social tension in Ukraine determine the need for a new approach to understanding of the specifics, place and role of the civil servants professional activity.

Social and psychological changes in the professional activity and their consequences are especially actual.

Prevention of the civil servants occupational distortion is an important element of the civil service efficiency. In general occupational distortion develops under the influence of modern economic, social, psychological, ergonomic conditions of the civil servants professional activity. Except this distortion processes are connected with peculiarities of the professional activity. High requirements for individual, psychological traits and psychical functions of individual are formed within these peculiarities.

Occupational distortion of the civil servants is manifested in the negative changes of the behavioral stereotypes, professional habits, communication style, skills, decrease in efficiency of the professional activity. The consequences of the occupational distortion are incapability to make decisions independently, lack of interest in professional development, formal attitude to performance of the official and functional duties. This is one of the reasons that complicates successful implementation of professional activity. Occupational distortion may be the reason of the disappointment feeling. It gradually spreads to other areas of life, leads to a decrease in general activity, indifference to life in general.

Thus, research of the civil servants occupational distortion has important theoretical and practical meaning. Within this topic scientific developments of the experts in the field of public administration deserve special attention. Issues of theoretical, organizational, psychological, social and legal principles of public administration and civil service are thoroughly investigated in these developments. Also conceptual apparatus has been improved, scientific background for further research in the field of modernization of civil service, HR policy, social and psychological support, analysis of the development of managerial activity have been created. Besides issues about the impact of professional activity on a person and her condition have been researched by scientists.

However social and psychological issues of civil servants occupational distortion were studied fragmentarily. It requires more detailed consideration of occupational distortion, which determines successful professional activity of civil servants. As well ways and methods of civil servants protection from moral and psychological influence of the psychogenic factors of the activity in public administration should be investigated.

The aim of the study is a theoretical justification of ways of preventing civil servants occupational distortion and their implementation in the practice of civil servants.

The object of study is professional activity of civil servants.

The theoretical basis of the study consists of such scientific methods. Analysis and synthesis are used for tracing the cause-and-effect relationship of emergence and development of civil servants occupational

distortion. Abstract and logical methods are used for generalization of social and psychological aspects of the occupational distortion in scientific literature. Comparison method is used for study of occupational distortion and emotional burnout of civil servants. Activity approach considers civil service as a professional activity. Structural and functional approach is used for programming of warning and overcoming of civil servants occupational distortion.

The study results allow to do such conclusions.

Analysis results of scientific developments about social and psychological aspects of civil servants professional activity revealed, that occupational distortion is psychological changes appeared in civil servants under the influence of the peculiarities of professional activity. The occupational distortion is evident in the negative changes in behavior stereotypes, professional habits, communication style, skills. These are the reason of complication of professional activity.

The occurrence of occupational distortion is determined by the specifics of civil servants professional activity. It manifests itself in such problems such as limited time for making management decisions; shortcomings in the organization and management of activities; insufficient development of moral, ethical and strong-willed qualities of civil servants; inability to rationally organize the working time, relieve physical and psychological stress, distract yourself from negative emotions during off-duty time etc. The civil servants occupational distortion is developed on the basis of high responsibility for results of professional activity, unnoticed success and focused attention of society on the mistakes.

The determinants of development of civil servants occupational distortion are defined in the context of the activity approach. These are situational and temporal factors, individual and psychological factors and professional and regulatory factors. Dynamics of manifestations of civil servants occupational distortion is determined. It takes

place on the emotional then cognitive and behavioral levels.

The emotional burnout is a form of the psychological protection of professional activity subject. This is a dynamic process, that occurs step by step according to the mechanism of stress development. The emotional burnout occurs in three phases. These are nervous tension, resistance and exhaustion. Prolonged stress and mental overload are general signs of the emotional burnout. External and internal factors are defined. The emotional burnout occurs under the influence of these factors. The external factors are intense psycho-emotional activity, activity destabilizing the organization, high responsibility for performed functions and operations, unfavorable psychological atmosphere of civil servants professional activity. The internal factors are ability to emotional rigidity, intensive internalization of the professional activity conditions, moral defects and personality disorientation.

The integrated social and psychological program of the prevention of civil servants occupational distortion is proposed. It consists of informational and motivational, component-target, corrective and renewable, reflexive and resourceful stages. Implementation of this program is possible, when psychological support of civil servants will be provided. The main task of the psychological support is providing of the conditions of the civil servants personal development; participation in their professionalization, conducive to their creative development; providing psychological prevention of civil servants occupational distortion.

The recommendations for the prevention of civil servants occupational distortion are proposed. The head in public administration and civil servant have a special meaning in the recommendations. The head in public administration is one of the person, who is responsible for preservation of mental health of the civil servants. Requirements for the civil servant as a subject object of the occupational distortion prevention are provided in the recommendations.

The theoretical substantiation of the concept of civil servants occupational distortion on the basis of the analysis of domestic and foreign scientific researches is carried out in the work. The social and psychological aspects of civil servants professional activity in Ukraine are considered. The factors of occurrence and manifestation of civil servants occupational distortion are identified and analyzed. According to the results of the research, the main ways of preventing civil servants occupational distortion in Ukraine have been identified. An integrated social and psychological program of preventing and overcoming civil servants occupational distortion is proposed.

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**Keywords:** civil servants; development; occupational distortion.



## INTEGRATED DIGITAL MANAGERIAL APPROACH IN PUBLIC ADMINISTRATION: UKRAINE'S EXPERIENCE IN WAR TIME

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The transformation of public administration towards the implementation of management approaches for better efficiency and faster achievement of results has been actively implemented in Ukraine since 2014.

Aspiring to full membership of the European Union [1], the application of integrated risk management according to the standard ISO 31000 [2] in all key areas and ensuring national security of Ukraine has yielded results in combination with digital transformation, ensuring the quality of public services and consistent implementation of change management while simultaneously reforming various spheres of public life.

The main achievement since 2019 became the implementation of the "Digital State" project by the Ministry of Digital Transformation [3], which eventually unites all departments into a single convenient and effective online system "Diia" ("The State and I"). Today, the DIIA portal [4] is presented not only as a website, but also as a mobile application, which greatly simplifies its use. Moreover, it is being filled at a fairly fast pace: it was possible to digitize 30 electronic services for both citizens and businesses, and combining several services into one to avoid unnecessary movements, to confirm the identification of a person in certain situations through an electronic student card, ID card and biometric foreign passport, driver's license. E-passports in Diia are digital analogues of paper documents, which is approved by law.

Work is also underway to fill the "Diia.Business" portal, which will create a single catalog of links to free business opportunities for training, receiving

international grants and support programs from the state, useful document templates, etc.

The full-scale invasion of the Russian Federation into Ukraine on February 24, 2022 practically paralyzed the lives of not only citizens of Ukraine, but also in the first days of almost all state institutions. The challenges faced by the public administration system during the war period are difficult to compare with any crisis or problematic difficulties before that. And one of the first to mobilize its work was the Ministry of Digital Transformation, which not only succeeded in repelling cyber-attacks and countering information warfare, but also developed software solutions for citizen access to new social services for the population in the shortest possible time.

One of the first military digital tools was developed by the eVorog chatbot, which collects information about occupiers, war criminals and collaborators, as well as in cooperation with the IT community of Ukraine - the mobile application "Air Alert".

Assistance to ordinary citizens affected by hostilities was implemented through the development of the following solutions [3]:

- 1) eDocument – a temporary digital document for the period of martial law with passport data and a taxpayer card;
- 2) financial support for citizens in the regions where the most active hostilities took place;
- 3) a certificate of an internally displaced person (hereinafter referred to as an IDP) and the corresponding monthly social assistance;
- 4) unemployment benefits for Ukrainians who lost their jobs during the war

and are registered in temporarily occupied territories or where active hostilities are taking place;

5) "Damaged property" - submission of information about damaged property for fixing losses;

6) "Turbotnyk" chatbot to help displaced persons, military personnel and territorial defense fighters;

7) SVOI chatbot – to improve interaction between local authorities and citizens in 21 communities in 9 regions.

It is clear that such a rapid development without a test period could not go perfectly, so from time to time there were problematic moments that related not only to technical issues (bugs in the software itself), but also to inconsistencies in terms of communication regarding physical and online receipt of the service, presentation its target audience, etc. For example, one of the most requested services for obtaining an IDP certificate and a corresponding social certificate, due to its long development and targeting only persons with biometric passports, created a certain discrimination for affected persons who only have a paper passport and deprived them of the right to receive such assistance due to the delay of the deadline and the restart of the units that were engaged in such offline registration. Despite this, their importance cannot be underestimated, because the landmarks had to be changed on the go.

As the Minister of Digital Transformation Mykhailo Fedorov [5] notes, "Ukraine was rapidly moving towards full digital transformation of the state, but due to a full-scale war, it had to change its priorities. The urgent tasks for Ukraine now are a common safe cyberspace, assistance in the restoration of infrastructure and telecommunications, and investments in the digital economy."

That is why a number of digital opportunities for business have also been developed: a digital interaction platform for business relocation assistance; the Diya.Business virtual center and the Diya.Business offline center in Warsaw [3].

Thus, digitalization of the sphere of public administration is actively developing even in the conditions of martial law, albeit with forcibly changed priorities. This experience of anti-crisis management will provide even greater anti-fragility to Ukrainian information systems and products, which have already received recognition in the world. And after Ukraine joins the Digital Europe program, which provides additional strategic funding to European countries for the digital transformation of society and economy, the digitalization of Ukraine will reach a new innovative level.

Therefore, in order to improve the mechanisms of public management and administration in the field of digital transformations, it is necessary to develop nationwide programs at the state level, which would be aimed at supporting and developing the infrastructure of Ukrainian society as a whole. For this, the state needs to support the stimulation and development of digital technologies, in particular, the system of cultivating digital skills at the level of primary, secondary and higher education. For this, it is important to consider the possibility of getting education for older people, who will be able to get additional knowledge that would meet their needs and interests, use new opportunities of digital technologies [3].

This takes on a special meaning when considering the fact that in the European Union, back in 2006, digital literacy was recognized as one of the eight key competencies that every European citizen should possess. In Ukraine, according to the results of the first study on the digital literacy of the population, which the Ministry of Digital Transformation conducted at the end of 2019, 53% of Ukrainians do not have a basic level of digital skills, and 15.1% of them aged 60-70 do not have digital skills at all.

It was with the aim of overcoming such digital nihilism that the Ministry of Digital Transformation launched the online digital literacy platform "Diia. Digital education". 15 educational series have already been developed, which can be divided into the

following categories: basic skills, professional skills, developed skills, threats in the Internet space, thematic series, devoted life in quarantine period.

The introduction of the program IT Generation, which will make it possible to increase the potential of the IT industry in Ukraine, was also a flawed step.

Besides, implementing of integrated risk-management should be done on the basis proposed innovative model with such technologies as change management, knowledge management and quality management due to the connection with digitization.

It should be noted that the use of these technologies should be periodically benchmarked. Benchmarking plays a significant role in the implementation of quality management and risk management systems, provides an opportunity to determine

their own advantages and weaknesses, find directions for change and ways of innovation development.

By using different types of benchmarking in relation to an object, subject or method of comparison, state authorities receive an instrument that allows formalizing the transfer and adaptation of advanced managerial experience. In addition, benchmarking is at the same time an educational tool for an organization that provides a continuous process of research and education, and also provides continuous and steady performance enhancements.

Besides, the implementing of integrated risk management according to the standard ISO 31000 should be done with the technologies of change, knowledge and quality management based on wider using of the European and national IT platform and international cooperation.

**Keywords:** digitalization, integrated risk management, innovative model, quality management, change management, knowledge management.

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## INDIAN CASTE SYSTEM AND ITS IMPACT ON INDIAN SOCIETY

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The Indian caste system has played a significant role in shaping the occupations and roles as well as values of Indian society. Religion has been the constant push towards this stratification system for centuries, beginning with the Aryans and continuing down a long road of unfortunate discrimination, segregation, violence, and inequality. Hinduism was the backbone of the purity-pollution complex, and it was the religion that influenced the daily lives and beliefs of the Indian people. Even after sixty-three years of independence, Indians continue to be in the grip of caste consciousness. Historically, India has been surviving as a nation for millennia with closed groups divided by caste, creed and language. Work was divided and each had his allotted task since birth, and heredity of occupation was a rule that played a big role in the economics of urban and rural life. Mobility of occupation or caste was restricted, and an individual leaving the occupation of his ancestors to follow his or her path was rarely witnessed. It can be seen that caste continues to play an important role in the dynamic of social and political interactions within India. However, the relationship between caste and hereditary occupations has become less significant now, and there are fewer restrictions on social interaction among castes, especially in urban areas. The present Indian society is moving from its closed systems towards a state of change and progression marked by the assertion of the human spirit irrespective of castes and creeds. Numerous movements challenging the injustices associated with the caste system have encouraged individuals in India to be more civil towards other caste members. Many of the lower castes have gained a lot from the partial elimination of the caste system, and India should be applauded

for its constant effort to eradicate this system of stratification from its culture. It is, however, important to look at the importance of how caste status has affected the quality of life and social mobility in India today.

The Indian Caste System is historically one of the main dimensions where people in India are socially differentiated through class, religion, region, tribe, gender, and language. Although this or other forms of differentiation exist in all human societies, it becomes a problem when one or more of these dimensions overlap each other and become the sole basis of systematic ranking and unequal access to valued resources like wealth, income, power and prestige. The Indian Caste System is considered a closed system of stratification, which means that a person's social status is obligated to which caste they were born. There are limits on interaction and behaviour with people from another social status. This paper will be exploring the various aspects of the Indian caste system and its effects on India today.

Although some caste-based prejudice and ranking still existed, wealth and power were now less associated with caste. Caste became a lot less significant part of the daily lives of people who lived in urban areas compared to rural areas, but its significance still varies by social class and occupation. Among urban middle-class professionals, caste is not openly discussed and is pretty insignificant, except when it comes to marital arrangements. Even then, there are adjustments made with considerations towards education, occupation, and income, as well as religion and language. Although discrimination based on caste has been outlawed in India, it still exists in the community today.

**Keywords:** Closed Systems, Caste Structure, Aryan Varnas.

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**SECTION 2**  
**INDICATORS OF ACTIVITY OF PUBLIC AND**  
**PRIVATE ENTERPRISES: MANAGEMENT,**  
**ACCOUNTING, TAXATION, AUDIT, ECONOMICS**  
**AND FINANCE**

## **POSSIBILITIES FOR COORDINATION BETWEEN BUSINESS AND GOVERNMENT IN THE DEVELOPMENT OF ENVIRONMENTAL SUSTAINABILITY UTILIZING BUSINESS INTELLIGENCE**

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Government authorities in conjunction with businesses, could utilize cloud-based business intelligence platforms and facilitate the development of environmental sustainability. It is of the utmost importance that such cooperation could involve all stakeholders, including business, government, and society, which will open space for non-regulatory cooperation in the area of environmental sustainability development. Program-based utilization of business intelligence for cooperation between government authorities, businesses and society could open the next step in environmental sustainability development.

According to the Resolution adopted by the General Assembly on September 25, 2015, "Transforming our world: the 2030 Agenda for Sustainable Development," there are 17 Sustainable Development Goals set up. Among them are some goals that are directly connected to business, government, and social cooperation:

“Goal 12. Ensure sustainable consumption and production patterns

12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature”[1].

The European Union is harmonizing its legislation system according to United Nations sustainability goals constantly. As said on the European Commission website in the Strategy section: “The EU and the United Nations are natural partners in the efforts to shape a safer and better world for all. To that end, the EU supports effective multilateralism and a rules-based international order with the UN at its core. As a major negotiating success of the EU, the SDGs are a useful vehicle to project globally the EU’s values and objectives, and provide a shared framework, useful for international partnerships. Consequently, it is in the EU’s interest to play a leading role in the implementation of the 2030 Agenda globally through its external action” [2].

The European Union is constantly developing sustainability legislation and implementing new tools like emissions trading systems (ETS), carbon taxes, and eventually a Carbon Border Adjustment Mechanism proposed by the European Commission in July 2021.

As said in the article “Carbon leakage: prevent firms from avoiding emissions rules”: “As European industry struggles to recover from the Covid-19 crisis and the impact of the war in Ukraine, the EU is trying to honour its climate commitments, whilst keeping jobs and production chains at home” [3].

The European Commission proposed a Carbon Border Adjustment Mechanism in July 2021 as a part of the "Fit for 55" package, implementing the 2019 European Green Deal, which states the EU’s ambition to reduce greenhouse gases by 55% compared to the level of 1990 by 2030 [4].

The mechanism would apply a carbon levy on imports of certain goods from outside the EU. If products come from countries with less ambitious rules than the EU, the levy is

applied, ensuring imports are not cheaper than the equivalent EU product. MEPs want the mechanism to be implemented from 1 January 2023, with a transitional period until the end of 2026. It should be fully implemented by 2032. By 2032, the Carbon Border Adjustment Mechanism should cover power and energy-intensive industrial sectors [3].

Businesses from third countries oriented on export to the European Union need to immediately start to harmonize their environmental sustainability strategy according to European Union legislation and practices to stay competitive in the European market. The common trend in the European Union for environmental sustainability development is not just about legal requirements but also about society's demands for more environmental responsibility from businesses.

At the European Council on June 23, 2022, EU leaders granted EU candidate status to Ukraine. This step means the need for Ukrainian legislation and businesses to deep and fast integrate into the EU's sustainability management standards. To be competitive in the European market, it is critical to focus not only on harmonizing legislation but also on promoting a sustainable culture across business and the population, and for Ukrainian businesses, this could be a critical factor in survival.

With time going by, EU sustainability regulations will become more and more strict, and even medium and small businesses will be affected. For Ukrainian businesses, it is necessary to start closing the gap in sustainability management and benchmark best practices from EU companies even before Russian aggression has ended.

What link exists between data and environmental sustainability?

The SAP Insights research center conducted a survey of 7423 (5621 usable) business professionals to determine the difficulties businesses face in halting and reversing environmental deterioration, as well as when they anticipate that environmental issues will have an impact on their operating performance or financial situation. The

authors of the study assert that data influences sustainability choices as follows:

“Companies with more data tend to have a more holistic view of their business, which gives them more granular insights into the trade-offs they can make to deliver better overall outcomes. Data about sustainability is part of this broader picture”.

“The consumer products industry offers an example of how a data-supported approach to sustainability might play out. Many consumer products are packaged the same way, whether they're sold in Stockholm or Shanghai. However, as governments begin to regulate single-use packaging for environmental reasons, a packaging design may generate different costs and benefits depending on where it's used.

With good data, a company can explore the financial effects of creating unique packaging for individual markets to attract more customers, pursue zero waste aspirations, or lower the costs of following local environmental regulations. The company would even be able to predict the most cost-efficient timeframe for developing new packaging rather than letting regulations force the issue.

However, even the most comprehensive data sets aren't perfect. Among all respondents, 79% report being dissatisfied with the quality of the data they collect about environmental sustainability”.

According to the report, all respondents cite data-dependent uncertainty as the most significant obstacles to addressing environmental challenges. In addition, most respondents cited uncertainty on how to integrate sustainability into corporate processes and IT systems as the greatest barrier to sustainability action. [5].

To comprehend the complexity of the data issue in environmental sustainability development, let's examine the packaging solution market presence of a single organization. UPM Raflatac is an example of a company that has integrated its sustainable strategy with the European Green Deal, launched the "The positive climate impact of - 30 by 30" program, and aims to reduce the

CO2 emissions of its supply chain by 30% by 2030.

Complexity of managing CO2 impact and importance of data management is described in article “UPM requests emissions data from its over 20,000 suppliers” published by UPM Raflatac company. According to the article calculating the carbon footprint of a UPM product can take anywhere from a couple of weeks to several months and it is directly connected to complexity of the product. The more complex the product the more data is needed to understand all its environmental impacts which is often are indirect.

According to statistics compiled by UPM Raflatac, up to 70% of a company's carbon footprint is generated during the value chain. This is the case for many of UPM's businesses, so reducing emissions along the value chain in collaboration with our suppliers and partners is essential to achieving UPM's goal of zero net emissions.

Requesting and collecting carbon footprint data from its suppliers will give UPM a solid foundation for monitoring and reducing emissions in its value chain. The means for reducing emissions are many, and the low-hanging fruit include energy and operational efficiency as well as technology-related improvements [6].

Numerous environmentally conscious businesses are beginning to align their strategies with The CarbonNeutral Protocol and certify their products as Carbon Neutral [7].

All of these actions in the development of environmental sustainability necessitate the collection and analysis of vast quantities of data, as well as their intuitive presentation to a broad audience.

IBM, for instance, provides Environmental Intelligence Suite, a business intelligence service that enables businesses to monitor, predict, gain insights, measure, and report their performance in environmental sustainability development [8].

Obstacles preventing Ukrainian businesses from acting on environmental sustainability development:

- Financial barriers. Investing in an environmental sustainability business intelligence system or subscribing to and implementing an existing solution, such as IBM's Environmental Intelligence Suite, could be a significant obstacle for Ukrainian businesses, particularly during times of Russian aggression.

- Data barriers. The accessibility of environmental sustainability data may also pose a problem, as data are frequently dispersed across a value chain, unstructured, represented in different formats, and unavailable in open sources. Absence of structured data not only reduces consumer awareness of environmental impact, but also impedes cooperation in business environments and between business and government in the development of environmental sustainability.

- Absence of environmental impact evaluation and certification methodologies that are complex. The open certification system for goods and services will allow consumers (both individuals and businesses) to make environmentally responsible decisions based on data. Business intelligence could be used to evaluate the environmental impact of a product/service or company in a complex manner.

- Return of investments. Businesses in the middle of the value chain (mostly B2B businesses) have trouble communicating their environmental sustainability achievements to consumers and obtaining a satisfactory return on their investments in environmental sustainability development. Businesses will be motivated to implement environmental sustainability solutions if consumers are able to make decisions based on transparent and unbiased information about the environmental impact of products throughout the entire value chain.

Possibilities for coordination between business and government in the development of environmental sustainability utilizing business intelligence:

- The government could provide businesses with a cloud-based software environment and a prebuilt framework for the

development of a business intelligence system in the area of environmental sustainability, allowing businesses to monitor, predict, gain insights, measure, and report their performance in environmental sustainability development. This cloud-based business intelligence system could be free or partially free for most businesses that will be able to overcome financial obstacles. Government investment and leadership could help businesses take their first steps in environmental sustainability management. Government could apply for grants from international, European Union, and American institutions to cover initial expenditures.

- Creating a digital environmental passport for the company and product. Digital environmental product passports could include information regarding the environmental impact of the product (water consumption, CO<sub>2</sub> emissions, energy consumption, percentage of recycled raw materials used, etc.), demonstrate the environmental impact of the product across the value chain, and include comparisons to similar products. This digital environmental passport could be accessible to the public and even via QR code on packaging. Using business intelligence systems, the consumer (population or business) will be able to compare different products based on important environmental metrics and find the most environmentally sustainable product. Digital environmental company passport could provide the public with a transparent view of a company's environmental impact and legally influence business decisions.

- Companies could publish and make publicly available reports on environmental sustainability development. It could aid environmentally responsible businesses in gaining market share, and such information from numerous businesses will be accessible through a single portal.

- Businesses may have the opportunity to analyze alternative raw materials/services on the market based on environmental metrics and reduce the environmental impact of their own products by employing more environmentally friendly materials/services.

- Country/local governments could publish interactive online maps and reports of air/water/land pollutions, indicating the main contributors to negative environmental impact. This would not only make environmental information accessible to the public, but it would also increase public pressure on businesses to develop environmental sustainability strategies. Using cloud-based business intelligence platforms will make real-time monitoring and reporting accessible to a broad audience.

- Cloud-based business intelligence platforms enable the creation of interactive maps that enable consumers (population and businesses) to obtain real-time information regarding locations/partners where they can recycle their waste. For households it could be specific waste such as old electronics, clothing, and batteries, and for businesses it could be the opportunity to find a recycling partner for production waste.

Possible outcomes and benefits:

- Boost environmental sustainability development within Ukrainian business.

- Society will have relevant information and awareness about environmentally sustainable development at local region, city, region, and country levels.

- Consumers will be able to make decisions based on real environmental impact data and not just marketing data supplied by businesses.

- Businesses will be able to communicate their environmental sustainability development to consumers and other businesses, thereby enhancing their competitive positions in light of such developments.

- Enhance business-society collaboration on environmental sustainability development
- Integrate environmental sustainability development practices into public procurement.

Benefits of BI :

- Business Intelligence provides user-friendly tools and simple access to data models so that all users can contribute their own analyses or participate in projects. There is no need for in-depth programming



knowledge to begin using BI tools quickly. In other words, BI enables the entire organization to make environmentally sustainable data-driven decisions in order to increase competitiveness.

- Business Intelligence facilitates the monitoring of environmental sustainability performance in relation to competitive strategy.

- Data visualization that is user-friendly and accessible to all business users. Data visualization turns complex data into easier for perception material. It facilitates the

identification of trends and correlations between environmental sustainability objectives and competitive strategy.

- Business intelligence provides extensive and simple tools for sharing reports that can be shared internally or externally, including on the Internet. This expands the opportunities for employee communication regarding environmental sustainability projects. In addition, a company can communicate its environmental sustainability performance to its customers and other stakeholders in real time.

**Keywords:** environmental sustainability; business intelligence; coordination between business and government.

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## A COMPREHENSIVE APPROACH TO ASSESSING THE LEVEL OF FOOD SECURITY IN THE REGION

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Solving the food problem at the regional level requires a systematic approach, comprehensive analysis, assessment of possible development options, and the search for optimal ways of providing the population with food. This requires the need to carry out detailed studies of the application of modern approaches to justifying the organizational and economic mechanism of increasing the efficiency of food production and determining the target function of its provision through the identification of the parameters of the influence of the components of the production potential on food security.

The purpose of the work is to research methodical approaches to the comprehensive assessment of the level of food security at the regional level.

The situation that arose in the food system of the state as a result of military aggression is extremely difficult. Ukraine's contribution to the world food market in 2021 was equivalent to providing food for 400 million people. The full-scale invasion of Ukraine by the Russian Federation disrupted the systems of production, processing, and supply of food, in particular, to the international market. Due to the approach of winter and the risk of undermining the sowing season of winter crops, the question of creating food stocks arises. The food security not only of Ukraine but also of other countries depends on this [1].

The level of ensuring food security in the region depends on the development of its own food base, the effective functioning of enterprises of various forms of ownership, and the support of the domestic agricultural producer.

Analysis of scientific works on the problems of regional food security [2; 3] gives grounds for asserting that food security

of individual territories involves the achievement of the following criteria:

- physical availability of food products
- volume and assortment in accordance with the approved standards of consumption in the country with uninterrupted supply. It is provided at the expense of available food stocks and state control over export-import supplies;

- economic availability of food products - the income of an average citizen should allow to buy a minimum food set. It is provided due to the appropriate level of wages and control over the prices of basic food products. In addition, it should be possible to provide additional products at the expense of summer cottages and personal farms;

- food safety – compliance with established requirements for the quality of raw materials and food products. It is provided by obtaining a complex of nutrients necessary for normal life activity, safe for health and the environment.

To analyze food security at the regional level, methodical approaches to its assessment should be clarified.

The indicator of the sustainability of the food supply system is introduced by us into the general system of food security indicators of the region for the purpose of comprehensive and objective assessment of the level of food supply and identification of reserves for own production of products. This indicator can be evaluated using various indicators.

The improved set of coefficients allows for a comprehensive approach to assessing the level of food security in the region, taking into account various factors that affect it.

Thus, the general criteria for ensuring food security at the regional level can be:

1. Correspondence of the quantitative and qualitative level and rational structure of food consumption to the current physiological norms (economic and physical availability).

2. Correspondence of the volume and structure of export-import operations to the safe level of functioning of the region through the establishment of scientifically based and economically feasible criteria for own production.

3. Ensuring the safety and quality of food products, their compliance with global standards of healthy and ecological food.

4. Availability of production potential, including natural resources, sufficient to provide the population with vital food products, that is, the ability of a specific region to maintain an appropriate level of nutrition and guarantee protection from external factors is not limited by the time factor.

**Keywords:** systematic approach, food security, regional level.

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## BLOCKCHAIN TECHNOLOGIES IN INFORMATION SECURITY

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The quick development of technology has had a big impact on social interactions. The advent and quick adoption of blockchain technology has altered public perceptions and necessitated legal regulation. We can see how blockchain technology is now being used in many areas of public life, including banking, finance, taxation, state records, electoral law, land relations, etc.

A significant amount of electronic resources and documents have accumulated as a result of the emphasis on the informatization of society, the quick adoption of information and communication technologies and the corresponding rise in user numbers, the introduction of e-government, the move to electronic document management, and the use of electronic digital signatures. Utilizing cutting-edge electronic information and communication technologies, like blockchain, will be key to finding a solution to this issue.

The idea of distributed, decentralized registry entry storage among multiple network nodes as opposed to centrally in one location is the core of the blockchain concept. Typically, multiple parties are involved in the transactions that are registered in a distributed registry, and each party owns a copy of the records of the transactions in which it takes part.

Decentralized data management is the foundation of the architecture of blockchain technology. Any database can use blockchain technology to securely store information. The benefit of blockchain is its improved capacity to protect user privacy. It's also important to highlight that consumers can independently manage their data.

A new model of trust that, unlike conventional systems, does not depend on the organizer's authority and participants' trust, nor does it depend on the laws of a particular jurisdiction, and in general does not call for the employment of trusted third parties, is a fundamental innovation in the usage of DLT-systems incorporating time-stamp services and certifying institutions. The DLT system itself aims

to develop into a global mediator that arranges face-to-face communication between the parties to transactions.

To secure the legitimacy of electronic data and papers, certain states are already utilizing blockchain technology as an additional tool separate from the state and some commercial enterprises.

The crucial distinction is that a blockchain system based lacks an official owner, a governing body, and an operator to whom claims and assertions may be directed (which, depending on the circumstances and tasks, can be as good, and bad).

Such ambiguity can be helpful, for instance, when it's necessary to get around state sovereignty-related obstacles to cross-border collaboration and to restrict the power of specific nations to meddle in the system's administration, confiscate data, and levy sanctions.

A blockchain system can be purposefully built to act as an impartial, dependable middleman "without citizenship." It is challenging for law enforcement officials in a specific nation to obtain private information belonging to DLT participants because there is no official owner or operator.

Blockchain solutions are resistant to the influence of certain states because of the fundamental spread and/or decentralization of those solutions.

Distributed systems and blockchain technology are emerging as significant new directions in the development of information technology. These technologies can be applied across many fields to address a variety of issues.

New e-government initiatives are being spurred on by the advancement of blockchain technology, particularly in the area of information security against fraud. After being entered into the state blockchain records, data about citizens, real estate, certificates, permits, property rights, etc. is nearly impossible to change. Data from state registries can be used as complete, legally binding documents that are accessible to all parties.

But there are also certain drawbacks to blockchain technology that need to be considered.

Current blockchain solutions are not ideal for keeping documents since the documents themselves do not fit into the blockchain because they are geared to manage "tokens," which are different sorts of assets (otherwise due to the rapid increase in volume it would be extremely difficult to maintain copies of the register on numerous computers). In this instance, the blockchain solution serves as a trustworthy timestamp system without the need for conventional public key infrastructure by storing just hashes of documents.

The register may need to be changed in specific circumstances by the law; for instance, if a court rules that a particular agreement is unlawful. The "Right to erasure" ("Right to be forgotten") and the fact that it is regarded as a fundamental, inalienable, and irrefutable human right make the legislation on personal data protection and privacy a much bigger source of worry for the international community of experts.

The overall considerations lead to the conclusion that blockchain- and distributed registry-based solutions can be very useful as a tool to initially assist decentralized and non-centralized activities and processes.

After summarizing the aforementioned, we conclude that several factors can prevent the use of blockchain technologies, including legal constraints, the novelty of the technology, staff

members' lack of technological knowledge and expertise, insufficient state support, and high cost.

Based on these technologies, new solutions could be developed that have a lot of potentials, particularly in situations where transactions between people or organizations call for trustworthy and immutable papers without the involvement of a reputable third party.

Blockchain technology is a document management system, hence archive science's theoretical and applied expertise could be applied to further blockchain technology's development.

The use of technology for archival storage is still fraught with danger because it cannot yet provide the long-term keeping of legally significant data and documents at intervals of at least ten years. It can be applied to the short- and medium-term management of documents when there is a comprehensive legal and regulatory framework, as well as when judicial practice has developed.

Blockchain technology presents new options in the construction and management of electronic registers allowing us to handle the aforementioned issues as efficiently as possible while lowering participant costs in electronic contact. Implementing blockchain technology can help with information management issues and keeping public registers as well.

**Keywords:** development; blockchain technology; company.

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## STATE REGULATION OF ENTREPRENEURSHIP IN THE CONTEXT OF PROVIDING PUBLIC INTERESTS IN THE ECONOMIC SPHERE OF UKRAINE

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The main levers through which the state manages business is the issuance of legal acts regulating the activities of entrepreneurs. Laws and other normative legal acts create the necessary legal regime for ensuring public interests in the economic sphere. The objects of protection may be the interests of the state economy; state needs; economic interests of territorial entities; requirements for activities, quality of goods and services; interests of associations of groups of owners or owners in general; consumer interests

The legislative right in the field of entrepreneurship development in our state is possessed by organizational structures at the national level, the main task of which is to develop uniform principles for organizing entrepreneurship for the whole of Ukraine, namely: the Verkhovna Rada of Ukraine, which, as a single legislative authorities, is called upon to provide legislative regulation of public relations and control over activities of the executive branch; The President of Ukraine, who forms the basic concept of state regulation of entrepreneurship development [1-3].

Public administration of business is carried out in different ways. Normative legal acts provide for the use of the following tools for this purpose: norms, norms (for example, norms of depreciation deductions); limits (for example, emissions of pollutants into the environment); sizes of tax rates, other obligatory payments; quotas (for example, when exporting goods); coefficients (eg changes in regulated prices or tariffs); reserves (for example, setting the amounts reserved by commercial banks); sizes of

capitals and funds (for example, establishment of a small amount of authorized capital) [4].

The main means used by the state to regulate entrepreneurial activity are: state registration; licensing, patenting, quoting; certification and standardization; regulation of prices and tariffs; tax regulation (providing tax benefits); provision of subsidies, compensations; application of standards and limits; material and technical support for entrepreneurs: information, personnel and scientific and methodological support for entrepreneurs.

Organizational and legal regulation does not remain constant through the development of society, entrepreneurship also develops. The old ways of regulation are ineffective, so there is a need to develop mechanisms for solving problems. One of the important prerequisites for the effective and rapid development of entrepreneurship in a market economy is the development of an appropriate legal framework, the continuous improvement of the existing legal framework for regulating entrepreneurial activity through the use of modern methods and tools of public administration. Prospects for further research should include the development of procedures, forms, methods and methods for implementing the mechanism of measures to solve legal problems in the regulation of entrepreneurial activity.

There is a certain dialogue between entrepreneurs and parliament due to periodic parliamentary hearings held on the development of entrepreneurship, deputy requests, the activities of the relevant

Committee of the Verkhovna Rada of Ukraine, the parliament's relations with entrepreneurs' organizations, involvement of entrepreneurs in the legislative process, etc.

The level of business development in Ukraine largely depends on the functioning of executive authorities and officials, both in the center and in the field. According to the Constitution of Ukraine, the executive power in Ukraine is exercised by the Cabinet of Ministers of Ukraine, ministries and other departments of central subordination, as well as local executive authorities, primarily state administrations [5]. The Government of Ukraine is called upon to form and implement the state policy in the field of entrepreneurship, take care of financial support for small and medium-sized businesses, create appropriate conditions for citizens to exercise their right to entrepreneurial activity.

The study of the theoretical foundations of the organizational and legal management of business development led to the conclusion that the formation of a market management system is a process of transition to an entrepreneurial-type economy. Creating favorable conditions for the development of entrepreneurship is one of the most significant components of the transition economy. Therefore, the improvement of organizational and legal influence, that is, the need to ensure an optimal balance between the regulation of economic processes and market self-regulation through the introduction of appropriate organizational and legal instruments, seems to be the most urgent problem of today's Ukrainian economic reform and its legal support.

The need for organizational and legal influence on the market economy is indisputable. In addition to the traditional justification for the need to regulate entrepreneurship (observance of public interests), its main dual task should be:

- creation of favorable conditions for the development of private initiative through the institutional development of market mechanisms;

- compensation of possible negative impact in the process of formation of a new management system.

The criteria for the expediency and effectiveness of state regulation of entrepreneurship should be considered:

- economic growth, increase in economic efficiency;
- the emergence of new jobs;
- increase in self-employment of the population;
- improving people's well-being.

The organizational and legal influence of the state on business should be understood as the whole range of actions of state authorities, specialized institutions and organizations, non-profit self-governing organizations, local governments, officials of these authorities, endowed with certain competence in relation to business entities (including the application of certain sanctions), which are based on the current legislation.

According to the criterion of hierarchy of normative legal acts in the legislation regulating entrepreneurial activity, six blocks can be distinguished:

- 1) the Constitution of Ukraine, primarily those of its norms relating to the economic system of the country in general and entrepreneurship in particular;

- 2) Economic and Civil Codes of Ukraine;

- 3) a block of about 400 laws of Ukraine aimed at the legal regulation of business relations proper, as well as administrative relations between regulatory authorities or other public authorities and business entities;

- 4) subordinate normative legal acts issued by the President of Ukraine, the Cabinet of Ministers of Ukraine, central executive authorities;

- 5) other regulatory acts of ministries and departments, including those not registered by the Ministry of Justice of Ukraine, but are mandatory for all business entities;

- 6) normative legal acts of local state administrations and local governments.

The main direction of improving the legislation on entrepreneurship is its consistent bringing into line with the Constitution of Ukraine and the real provision of the rule of law. The systematization of legislation on entrepreneurship should be carried out in the form of codification and incorporation with the definition of priority and prospective laws and other regulatory legal acts. The most important task is to systematize legislation on taxation, as well as legislation regulating the entire range of

licensing and registration actions in relation to business entities [6-7].

Through the systematic introduction of all possible means, it is possible to achieve an optimal and balanced organizational and legal impact on entrepreneurial activity, adapted to the requirements of the present. The leading role in this is played by high-quality legislative regulation of entrepreneurial activity, which is an effective means of state regulation of entrepreneurship and, accordingly, allows to reduce the amount of direct influence of administrative means.

**Keywords:** public administration; entrepreneurship; development; regulation.

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## THE STATUS OF THE BANK ACCOUNT AGREEMENT IN THE CIVIL LAW CONTRACTUAL SYSTEM

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Civil law contracts are one of the most studied problems, which still causes discussions and disputes. Today, both the Civil Code of Ukraine and the Economic Code of Ukraine regulate the terms of individual contracts, which do not always form a clear and consistent regulatory system. This is caused by the absence of a normative definition of the civil contract itself, as well as the fundamental difference between certain general provisions of the Civil Code on contracts and the Economic Code of Ukraine.

Contracts or agreements are the most common source of obligations in Roman law. By contracts (*contractus*) we understand only those agreements (*conventiones* (*pacta*)) that are based on the agreement of a legal and capable subject who expressed will, provided that the agreement is concluded in the form established by law and the activity of the subject can be within the scope of mandatory law [1].

According to M.I. Braginsky, the existing view of contracts (*contractus*) in Roman law allows us to consider them from three positions: as a basis on which legal relations arise, as legal relations arising from this basis, and, finally, as a form of the corresponding legal relationship that is obtained [2].

A contract is a legal fact called a deed. It follows that a contract is an act of a person, the purpose of which is to acquire, change or terminate the rights and obligations of a citizen (Part 1, Article 202 of the Civil Code).

The contract is the main mediator in civil relations. However, the opinions of scientists regarding the concept of "agreement" are divided. In civil law, a contract is characterized as a legal fact, that is, as a basis for the emergence of a civil legal

relationship, as a legal relationship itself, as a document.

O. S. Ioffe, who consistently defended the ambiguity of the term "agreement", draws attention to the fact that in order to fully understand its nature, "the agreement should be studied as a legal act and a legal relationship" [3, p. 75].

Summarizing the conceptual definitions that exist in the theory of contract law, we can say that contracts are considered from three aspects.

In the first case, quite a number of scientists study the concept of "civil-law contract" and study the legal nature of the contract as a legal fact determined by the content of Art. Article 626 of the Civil Code of Ukraine [4]. In summary, a civil law contract is defined as a legal fact that gives rise to a civil obligation. According to Art. 626 of the Civil Code of Ukraine, a contract is a so-called agreement between two or more parties aimed at establishing, changing or terminating the rights and obligations of citizens.

In Art. 11 of the Civil Code of Ukraine, civil rights and obligations arise from transactions and other legal facts. This leads to the fact that the traditional understanding of the contract is the basis for the emergence, change and termination of civil rights and obligations. As a legal fact, the contract implements the possibility of the emergence of rights and obligations provided for by law. From this point of view, it is a legal fact and the main basis of binding legal relations.

The difference between a contract and other legal facts is that it not only creates grounds for the application of certain legal norms, the emergence, change and termination of legal relations in a specific case, but also directly regulates the behavior

of the parties and determines the rights and obligations of the parties

In the convincing opinion of V.V. Vasilyeva's contract as a legal fact is characterized by:

1) like any other legal fact, the contract triggers the regulatory enforcement mechanism;

2) determination of the beginning, content and scope of contractual obligations, acting as a kind of "lens" through which the instructions given by the legislator in the law regarding the resolution of certain relations are "refracted" from an acceptable angle through which both parties pass;

3) as a source of personal rules of behavior of the parties. [5, C. 30].

In the second case, when the contract itself is understood as a legal relationship, the role of the contract is not limited to its influence on the dynamics (creation, change or termination) of the civil law requirements of the contract, justice determines the validity of the contract. Content of specific rights and obligations of parties to contractual obligations. In this sense, the contract is a means of regulating the behavior of the parties in civil legal relations.

Current civil legislation of Ukraine singles out some special transactions. They have a certain feature and are intended to regulate banking relations. It is characteristic of the economic activity of banking institutions that not only bilateral transactions - contracts, but also unilateral transactions (for example, providing guarantees, using certain payment instruments for personal settlement transactions) can be used as tools for regulating relations.

To study the bank account agreement from a functional point of view, it is necessary to define what a "bank account" and "bank account agreement" are as objects of study. In the scientific literature, these categories cause lively debate.

The Central Committee of Ukraine [4] does not define the concept of "bank account", but this term is contained in a separate article of the Central Committee of Ukraine. Also, Chapter 72 of the Civil Code

of Ukraine is entitled "Bank Accounts". However, in Art. Article 1066 of the Civil Code of Ukraine defines the concept "Bank account agreement". The content of the term "bank account" is not disclosed.

For a complete definition of the concept of "Bank account", it is necessary to refer to the conceptual category "Account". It is used not only to indicate a bank account, but also to indicate the results of things presented in numbers, documents (requests), which are used to pay for goods, works, services, etc. If we look at the account from the point of view of accounting, it is the only document that reflects the state and movement of funds of a particular person.

In most cases, legislators identify the concepts of "account" and "bank account". So, for example, in Art. 14.1.258 of the Code of Ukraine on financial accounts - Accounts opened by financial agents or contracts concluded by financial agents. For the purposes of this Code, financial accounts include bank accounts, securities accounts and other types of accounts [6].

Scientist I. A. Bezklubii considers the bank account as a record of the availability of funds and the amount of the client's claim to the bank and the absence of funds and the corresponding amount of the bank's claim to the client [7, c.77].

According to O. M. Zakharchenko, any accounting can be considered an accounting and legal category. As a legal category, a bank account is an account opened under a bank account agreement. Customers have direct access to such accounts. Transactions for them entail the fulfillment of the client's monetary obligations to third parties and can be considered as legal actions of the bank to ensure the transfer of monetary rights to its clients. A bank account is a substitute for cash, property, and its physical medium is a legal fiction [8, c.122].

It is important to define a bank account from an accounting point of view. According to this position, the account is the only document that reflects the state and movement of funds of a specific person. It can be considered as a tool that allows you to



record the movement of funds and reflect changes in the bank's obligations to customers. From the point of view of the credit organization, the bank account is a passive account (reflecting the source of financing the activity of the credit organization).

In modern conditions, a large number of structures called accounts have appeared, which look like bank accounts, but are not. They may have similar purposes, but do not have the full functionality of a bank account agreement, while having different legal provisions. These include online accounts, online wallets, e-wallets, etc.

In our opinion, it is not entirely correct to equate the conceptual categories of a bank account agreement and a bank account (in the form of relevant contracts). From the point of view of the legislator, the bank account agreement is the basis for opening a bank account for the client. In the theory of civil law, the form of a contract (agreement) is understood as a way of the subject's external expression of will and fixation of his expression of will. As you know, there are oral and written (simple written and notarial) forms of this contract. The bank account agreement involves a simple written form that is not identified with the category "Bank account".

In summary, "bank account" can be defined as an economic and legal structure created by a bank (credit organization) for non-cash payments based on a bank account agreement with a client (account owner), a banking transaction that is a way of recording (recording) information about the movement of funds (precious metals) belonging to the client or other persons specified in the bank account agreement carried out on business (settlement and cash) accounts, as well as as a certain volume of obligations and fulfillment of the client's obligations to the bank using accounting registers. As noted earlier, Chapter 72 of the Civil Code of Ukraine is entitled "Bank Account" and begins with an article devoted to the concept of a bank account agreement. According to Art. 1066 of the Civil Code of Ukraine under the bank account

agreement, the bank undertakes to accept and credit the funds received into the account opened by the client (account owner) for the execution of the client's instructions on transfer, and issue the appropriate amount for withdrawal from the account, as well as perform other operations on the account. According to this definition, a bank account agreement is concluded for the opening of a bank account, with the help of which settlement and cash operations will be carried out on behalf of the client (account owner).

Some characteristics characterizing the contract can be allocated to the appropriate legal category. A bank account contract is a type of civil law contract that has the following characteristics from other types of contracts. One of them is the special composition of the bank account agreement. A bank (financial institution) - a special person - is a binding party to a specified contract. The account holder can be any person who uses banking services to open and maintain an account and perform other banking activities. They can be individuals, organizations or countries.

Undoubtedly, one of the main signs is the contract the bank account has its subject. Based on this feature, the specified contracts can be divided into separate types of civil law contracts. As with any contract, the subject matter clause is important. Bank account contracts are no exception. However, the question of its subject is controversial. There are many different points of view. The question of the relationship between the concepts of "subject" and "object" is ambiguously resolved.

There is an opinion that the object of the bank account agreement should be considered as a related service. These include: receipt and crediting of funds received on the client's account, execution of his orders to transfer and issue the corresponding amount from the account, execution of other operations on the account.

The subject of the bank account agreement is banking services (banking services), expressed in the acceptance and crediting of funds (precious metals) to the

client's (account owner's) account, execution by the client of a transfer order and withdrawal of the corresponding amount from the account, as well as other active operations on the account, as well as actions of the client (account holder), which include legal or contractual obligations.

Thus, the category "bank account" can be defined as an economic and legal structure created by a bank (credit organization) on the basis of a bank account agreement with a

client (account owner) for non-cash settlements, banking transactions, which is a fixed (fixed) way of informing about the movement of funds (precious metals) belonging to the client or other persons specified in the bank account agreement, on operational (settlement and cash) accounts, and with the help of accounting registers - the amount of the bank's obligation to the client and the fulfillment of the client's obligations on the accounts to bank.

**Keywords:** agreement; bank; mediator; civil relations.

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## **CUSTOMS AND TARIFF REGULATION AND POST-AUDIT AS TOOLS FOR OPTIMIZING STATE FINANCIAL CONTROL AND TAXATION IN FOREIGN ECONOMIC ACTIVITIES IN UKRAINE**

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The priority direction of Ukraine's development is accession to the EU. Movement in this direction should ensure a gradual transition to international norms and standards, including in relation to customs control. In the EU countries, the principles of customs post-audit have become widespread.

The content of the customs post-audit is to promote the development of international trade by achieving a balance between trade facilitation, effective customs control and national security.

In this case, the goods are allowed to pass on the basis of the declarant's self-assessment without their preliminary examination. Control is carried out periodically in the premises of importers, taking into account the data of their documentation.

At the same time, all parties have the following advantages:

- 1) the procedure for moving imported goods across the border is simplified;
- 2) costs for storage, insurance, etc. are reduced;
- 3) public interests are protected through the application of customs post-audit procedures.

In international practice, the following types of customs post-audit are distinguished:

1. "Urgent check for light" (random audit).
2. Scheduled audit.
3. Comprehensive audit.

It should be noted that on September 15, 2011, Ukraine signed the Kyoto Convention [1], which provides for the application of customs audit stages, namely:

1. Preliminary audit - verification of goods crossing the customs territory and their declaration.

2. Current audit - check when crossing the customs border and when declaring.

3. Control based on audit methods - a form of customs control carried out by the customs authorities to verify the correctness and reliability of the data specified in customs declarations through the study of accounting documents, accounts, business management systems after the completion of customs clearance.

At the same time, in world practice, it is believed that post-audit is one of the most effective forms of customs control.

Documentary verification is used as a tool for implementing the form of post-audit customs control in Ukraine. According to Art. 345 of the Customs Code of Ukraine [2], it is understood as «a set of measures by which the customs authorities are convinced of the correctness of filling out customs declarations, declarations of customs value and the reliability of the data indicated in them, the legality of importation (transfer) of goods to the customs territory of Ukraine or to the territory of free customs zone, export (shipment) of goods outside the customs territory of Ukraine or outside the territory of the free customs zone, as well as the timeliness, reliability, completeness of the calculation and payment of customs and other payments, as well as fines, the collection of which is entrusted to the customs authorities».

At present, the customs policy may well be attributed to the most significant manifestations of state sovereignty. This causes increased attention to it from the

legislative and executive authorities both in the establishment of international relations and in solving internal problems at the state level.

Currently, the existing customs policy in the state is not perfect, as evidenced by the following facts:

1) in the general trade turnover, a large number of goods are moved with the concealment of information from the customs authorities or by smuggling;

2) a large number of offenses in the field of intellectual property;

3) non-compliance of the existing customs control system with modern throughput standards;

4) corruption in the customs authorities;  
5) a large amount of shadowing foreign economic activity of domestic producers.

Thus, the improvement of the customs policy in Ukraine should be aimed at optimizing the customs tariff by reducing the tax pressure on groups of imported goods while protecting the competitiveness of domestic producers from too high rates. In addition, the development of the principles of customs post-audit with the expansion of the powers of customs authorities is of current importance in the state.

**Keywords:** custom; audit; development.

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## METHODOLOGY FOR STUDYING THE INFLUENCE OF ECONOMIC RESISTANCE AND VULNERABILITY ON SECURITY OF DIFFERENT LEVELS (NATIONAL SECURITY OF THE COUNTRY, ECONOMIC SECURITY OF ENTERPRISES)

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Destructive factors (or as they are also called: threats, challenges, risks) are always present to a greater or lesser extent. They can be repeated with different frequency. Their influence can change: become more or less. It is quite obvious that all these changes affect the level of safety indicators and its condition.

In our previous studies, a methodology for assessing the state of security has been proposed. Its meaning is that the period of time required for the security indicators chosen as its indicators to reach the established liminal values is determined. The longer this period of time, the worse the state of security [1].

For further explanations, we will make clarifications. Let there be a certain period of time, which is determined from the moment of assessment (T1) to the moment when the established liminal value is reached by the indicator of economic (national) security (T2). We denote this time as  $\Delta T$ :

$$\Delta T = T2 - T1 \quad (1)$$

However, the presence of such security characteristics as economic resistance and economic vulnerability affect the time period required for the indicators to reach their liminal values:

- economic resistance to destructive factors reduces the time to reach liminal values:  $\Delta T^-$ ;

- economic vulnerability to destructive factors lengthens the time to reach liminal values:  $\Delta T^+$ .

If there was no economic resistance, the impact of destructive factors would be even greater (deeper, sharper, etc.). As a result, the time to reach liminal values without economic resistance would be even longer. And vice versa. We have described in more detail the

essence and content of economic resistance and vulnerability in the work [2] and other works of an approbation nature.

Time indicators due to economic resistance and vulnerability can be differentiated as follows:

- the time during which the enterprise (if we are talking about its economic security) or the country (if we are talking about national security) can resist ( $\Delta T^{(op)}$ );

- the time during which the period of safety indicators reaching liminal values is reduced due to the economic resistance of the enterprise (country) ( $\Delta T^{(op)}$ );

- the time during which the enterprise (if we are talking about its economic security) or the country (if we are talking about national security) may be economically vulnerable to a change in the situation for the worse (before the introduction of the bankruptcy procedure and / or until liquidation) ( $\Delta T^{(vr_1)}$ );

- the time during which the enterprise (if we are talking about its economic security) or the country (if we are talking about national security) may be economically vulnerable to a change in the situation for the better (exit from a dangerous situation, weakening of the influence of destructive factors, etc.) ( $\Delta T^{(vr_2)}$ );

- the time for which the period of safety indicators reaching liminal values is extended due to the economic vulnerability of the enterprise (country) ( $\Delta T^{(v)}$ ).

Worst option for national security and the economic security of the enterprise is a complete lack of economic resilience. In this case, the duration of economic resistance is zero:

$$\Delta T^{(op)} = 0 \quad (2)$$



We introduce the concept of "absolute vulnerability" for the situation when the enterprise (in the country) is completely devoid of economic resilience. We denote the corresponding time of absolute vulnerability as  $\Delta T(vr)_{abs}$ .

In this case, only economic vulnerability should be taken into account when determining the adjusted period of time during which security indicators will be able to reach liminal values:

$$\Delta T^{vr} = \Delta T + \Delta T(vr)_{abs} \quad (3)$$

The reverse of the previous situation: the level of economic vulnerability is absent or too low to be taken into account. We call this situation "absolute resistance". Then the adjusted time required for indicators to reach liminal values, taking into account absolute resistance, will be determined as follows:

$$\Delta T^{op} = \Delta T - \Delta T(op)_{abs} \quad (4)$$

Therefore, if the enterprise does not take certain measures, that is, it functions according to the formed trend, then the period of achieving the necessary (planned) level (state) of economic security corresponds to the characteristics of such a trend. Economic resistance shortens this period and the desired level (state) of security is achieved faster. However, economic vulnerability affects this period in the opposite way.

It should also be taken into account that the influence of destructive factors is accompanied in a number of cases by the implementation of appropriate measures to ensure national security and economic security of enterprises. In some cases, influential destructive factors and security measures may not coincide. Such a discrepancy can be:

1) by time - when security measures were taken before or after the impact of destructive factors;

2) by types – when security measures are aimed at some components, and the greatest impact of destructive factors was on other security components. For example, the company implemented a large-scale digitization project, and destructive factors seriously disrupted logistics connections and sales of the main products.

Therefore, for such cases, it is necessary to simultaneously take into account economic resistance and economic vulnerability. The time period during which security indicators will be able to reach liminal values should be determined by the expression:

$$\Delta T^{op, vr} = \Delta T - \Delta T(op)_{abs} + \Delta T(vr) \quad (5)$$

However, formula (5) is purely theoretical, since the presence of economic vulnerability weakens economic resistance. And vice versa: economic vulnerability becomes less when the enterprise (in the country) has economic resilience.

Thus, there is another indicator of time - this is the time of final vulnerability, taking into account the existing economic resistance. We denote it as  $\Delta T(vr)_k$ .

Taking into account the clarification made, we propose to determine the relative indicator of the period of reaching a certain level (state) of security, taking into account economic vulnerability, using the formula:

$$\Delta T_a^{vr} = \frac{\Delta T(vr)_{abs} - \Delta T(vr)_k}{\Delta T(vr)_{abs}} \quad (6)$$

Along with this, there is another indicator of time - this is the time of ultimate resistance, taking into account the existing economic vulnerability. Let us denote it as  $\Delta T(op)_k$ . We suggest that the relative indicator of the period of reaching a certain level (state) of security, taking into account economic resistance, can be determined by the formula:

$$\Delta T_a^{op} = \frac{\Delta T(op)_{abs} - \Delta T(op)_k}{\Delta T(op)_{abs}} \quad (7)$$

Thus, the time required to achieve a certain level (state) of security is embodied in the duration of economic resistance and economic vulnerability, which are characteristics of security. Their consideration will make it possible to form a holistic paradigm of the methodology for assessing the state of security at different hierarchical levels: the national security of the country and the economic security of enterprises. The proposed methodology is a continuation of the conceptual approach to security. The direction of further research is the development of a methodology for assessing the level of economic resistance and the level of economic vulnerability in units of time.

**Keywords:** economic security; development; public administration.

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## ANTI-CRISIS MANAGEMENT OF ENTERPRISE PERSONNEL: A CONCEPTUAL APPROACH

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The main labor resource of a commercial enterprise is the personnel, whose successful work depends on the profitability of economic activity. However, in the conditions of competitive struggle in the market, the activity of the enterprise in the conditions of crisis is connected with the search for measures to save resources, the search for more rational forms and methods of personnel management. The success of commercial activities depends mainly on the labor force, which can adapt to new challenges, changes, and make decisions in crisis conditions. That is why managers need to develop a concept of anti-crisis personnel management.

The main scientific principles of anti-crisis personnel management were studied by such scientists as I. O. Abramova, M. I. Bondar, D. A. Dovgan, O. A. Larionova, V. M. Makhovka, N. A. Fainova and others.

Personnel security is a key component of the organization's economic security. In order to form the most complete information about the personnel security of the enterprise, it is necessary to adhere to complex solutions, especially during extraordinary, crisis periods, which can be considered as an indicator of the level of realization of labor potential [4].

According to S. I. Puchkova, anti-crisis management is a system of financial-economic, production-technical, organizational-legal and social measures aimed at achieving or restoring the solvency, liquidity, profitability and competitiveness of the enterprise in the long-term period or a combination of all possible measures, which can lead the company to financial recovery [5, p. 232-233].

I. O. Abramova points out that the purpose of anti-crisis personnel management is to prevent, eliminate or minimize the negative impact of the personnel crisis on the company's activities. The effectiveness of achieving the above-mentioned goal depends on the clear identification of the object, subject, principles and functions of anti-crisis management. The object of anti-crisis personnel management is personnel (labor resources) [1, p. 7].

It should be clarified that the subject of the anti-crisis management of the company's personnel is the labor process - directing people's labor efforts in the right direction to objects, actions, procedures, goods, works, services, etc.

In this case, the subject of anti-crisis personnel management will be managers of higher, middle and lower levels, who directly coordinate the work of the company's personnel, make and implement management decisions.

L. S. Gromko distinguishes the following anti-crisis principles of personnel management: 1) Basic principles of personnel management in crisis conditions (systematicity in work regarding personnel development, hierarchy and feedback, collegiality in management, horizontal cooperation, control of tasks based on trust, compliance of intellectual and professional skills with requirements, legal and social security, optimal combination of centralization and decentralization); 2) Special principles of personnel management in crisis conditions (interaction with other people in joint work, socio-psychological unity of the team, availability of information

about the activity and state of the enterprise, effective organizational structure, satisfaction with work and the team, providing personnel with greater dynamism, coincidence of value orientations of employees and the entire team, loyalty, reliance on the development of a person's creative abilities and self-organization) [2, p. 111].

Based on the general functions of management, it is possible to distinguish the functions of anti-crisis management of the company's personnel:

1. Making a management decision - regarding the application of anti-crisis measures and finding ways to solve a specific problem to eliminate risks. At the same time, the manager collects information, identifies and studies the problem (crisis), after which alternative solutions are developed;

2. Planning – involves the process of developing an anti-crisis program and plans, implementation of a management decision (preparation of orders, instructions, orders);

3. Organization of work and anti-crisis measures - involves the selection of executors and those responsible, distribution of duties and powers, implementation of anti-crisis actions and work to eliminate the problem;

4. Motivating personnel - involves the manager's application of economic incentives to the work of subordinates: awards, bonuses, allowances, monetary bonuses, interest, additional payments for successfully completed work that led to positive results in terms of eliminating problems and risks. An important role is played by non-material incentives of influence on personnel, which

are used by the manager in anti-crisis management - persuasion, coercion, consultations, praise, certificates.

5. Control – involves comparing the results obtained from the implementation of anti-crisis measures and their comparison with the planned indicators of the anti-crisis program. Controlled financial, in-kind, conditional, labor indicators are calculated based on the results of the labor activity of the personnel.

6. Regulation and coordination - is used in the case of an objective need to eliminate deficiencies identified in the control process. It provides for the application of corrections and finalization of labor tasks by personnel, with the aim of bringing the indicators of the anti-crisis program into compliance with the norm.

Thus, anti-crisis management is based on an in-depth analysis of the financial and economic condition of the enterprise and the development of anti-crisis measures, which allows the enterprise to predict and avoid bankruptcy, as well as to increase the efficiency of its activities [3, p. 197].

Anti-crisis management is a system of financial-economic, production-technical, organizational-legal and social measures aimed at solving the risks and threats of the enterprise. The functions of anti-crisis management of the company's personnel are highlighted and characterized: management decision-making; planning; organization of work; motivation; CONTROL; regulation and coordination.

**Keywords:** economic security; management; personal security.

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## FORENSICS AS A DEFENSE FOR FRAUD PREVENTION IN THE CORPORATION

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Corporate fraud is a real and serious threat to modern business. Against the background of the military conflict with the Russian state, there are problems of theft of company resources, such as: property, equipment, corporate rights, as well as information about the company's activities, its commercial secrets; abuse of official duties, fraud, raider attacks, computer crimes, intellectual property crimes, etc. Therefore, the fight against corporate fraud becomes an important condition of economic stability not only for business entities, but also for the state.

Fraud is divided into three categories: misappropriation of assets, corruption and manipulation of financial statements.

Misappropriation of assets accounts for more than 80% of fraud cases.

Classification of corporate fraud in terms of the illegal appropriation of assets, the following are considered from the point of view of accounting:

- 1) waste or embezzlement by an employee;
- 2) fraud by leaders and managers;
- 3) scams with investment;
- 4) fraud on the part of the suppliers;
- 5) fraud on the part of the customer or client.

Corruption - "kickbacks" and other opportunities to obtain illegal benefits from buyers or suppliers.

Fraud with financial statements accounts for less than 10% of fraud cases. Fraud schemes involve the omission or intentional misrepresentation of information in a corporation's financial statements. This can be in the form of fictitious income, hidden liabilities or overstated assets.

The human factor is the main source of intra-corporate fraud. The most common

types of fraud by company employees are: forgery or falsification of documents; carrying out operations with controlled companies; collusion with customers or suppliers; artificial inflation of prices; use of the rollback system; using bogus suppliers or intermediaries; invoicing for unfinished work or undelivered goods; illegal write-off of property; using employees, equipment, materials or resources of the company for personal purposes; application of computer crime technologies; improper use of cash; violation of salary payment; transfer of clients to other companies. The reason for employee fraud at the enterprise is their lack of financial motivation.

The fight against corporate fraud must be permanent and systematic. To combat fraud, it is necessary to constantly monitor. There are five types of control methods and procedures to prevent internal fraud: a system of independent checks, documentary control, physical methods of protection and control, a system of confirmations and authorizations, division of duties or dual control.

In order to effectively combat fraud in the corporation, it is necessary to create an effective internal control system, which consists of two main blocks: the first - the organizational part: policies and procedures, the second - the accounting function and the accounting environment.

To prevent fraudulent actions in corporations, managers can be recommended:

- create an internal audit service or a security service independent of the manager;
- conduct periodic forensics of the enterprise (an independent financial investigation conducted both inside and outside the company to identify financial risks or evidence of fraudulent activity by company employees);



- conduct periodic "checks" of employees' activities;
- to implement tender procurement procedures;
- to rotate staff;
- create an effective system of employee responsibility through labor and collective agreements; internal labor regulations and labor protection rules; agreement on full individual (collective) material responsibility..

Forensic (financial investigations) is an activity to detect fraud within the enterprise, which is aimed at analyzing the situation when there are disagreements regarding financial, commercial, legal and other issues that contain significant economic risks, when the actions of employees or organizations do not comply with legislative or other regulations acts and its regulation. Therefore, forensics is a procedure for conducting an internal investigation of cases of corporate fraud and other abuses by employees, top managers at various levels of management, and the company's counterparties.

In Ukrainian companies, such units as the security service, internal audit, internal control, financial directorate, legal department, and HR service are usually responsible for combating corporate fraud.

Forensics is forward-looking and is used to prevent fraud in corporations by establishing compliance of events with financial strategy and modeling deviations of predicted results from the underlying financial strategy.

Differences between forensics and external and internal audit, as well as other types of control, are the lack of a clear verification algorithm, and secondly, the verification is conducted of the reliability of information aimed at protecting the corporation from the inside. Specialists build several scenarios of potential fraud with property and non-property resources of the corporation, as well as monitor the reporting process based on the consequences of conducting

Forensic services can be used to check the legal discipline of counterparties in transactions, to collect information about

counterparty companies necessary for making business decisions. Such an investigation can be conducted in relation to top managers, rank-and-file employees of the company, counterparty companies, companies with respect to which merger and acquisition agreements are planned, suppliers, etc.

Forensics is a more effective tool for ensuring the economic security of a corporation than inspections by controlling or law enforcement agencies. Because it makes it impossible for third parties to influence the course of inspections and their results, unlike controlling bodies.

Modern forensics consists of a complex of services that include elements of accounting, internal control, auditing, information technology, jurisprudence, as well as the use of psychological techniques.

In Ukraine, forensics services are a relatively new concept, so the heads of corporations do not have enough understanding of the importance of this service to prevent fraud.

In European countries, forensics allows effective resolution of corporate disputes between shareholders, collects evidence base for litigation. In addition, forensics - investigations are used not only to find ways to solve existing problems, but also to identify risks and weak points, a kind of prevention of corporate fraud, etc. American and European corporations allocate part of their budget for conducting forensics, because it is better to allocate funds for conducting forensic investigations than to suffer multi-million losses from fraud.

In EU countries, the practice of conducting forensics operates on a regular basis. This practice has a preventive function. Ukrainian corporations are not ready to regularly conduct forensics. But it is important to understand whether it is necessary to conduct forensics if there is a dynamic of constant growth of costs while maintaining revenue at the previous level; there is an increase in the wage fund with a reduction in the number of employees; an opaque procedure for selecting suppliers; 100% advance payment is provided for

purchases; the company's management is doubtful about making an important decision; there was a leak of confidential information; mechanisms for working with suppliers are not established; an important agreement is expected to be concluded

Summarizing the above, we can conclude that there are many methods and procedures for combating corporate fraud. But none of them is comprehensive in nature and does not provide the expected results from their implementation. The results of studying

the global experience of combating corporate fraud prove that forensics has become one of the most effective tools in foreign practice. The introduction of forensics in Ukraine makes it possible to prevent companies from corporate fraud and risks, to identify facts of violation by employees, managers and management of the corporation of current legislation, falsification of accounting and tax reporting, cases of theft or improper use of assets, corruption and abuse of authority by individuals.

**Keywords:** corporate; fraud; threat; risk; economic security.

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## CONCEPTUAL PRINCIPLES OF THE DEVELOPMENT OF THE MANAGEMENT SYSTEM OF MINING AND PROCESSING ENTERPRISES OF UKRAINE

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When managing the activities of large production and economic systems, which are mining and beneficiation plants of iron ore basins and regions of Ukraine, it is necessary to take into account the effects of uncertainty and conflict of both internal and external factors. Labor productivity, the efficiency of the use of consumed resources, the level of informatization of production and economic processes, the motivation of personnel and many other aspects of management depend on the rational economic justification of management decisions, the process of their adoption, methods and methods of implementation.

Undoubtedly, the majority of external influences on the production and economic system are expressed only statistically, which creates certain difficulties when trying to predict with sufficient accuracy the change in the load. At the same time, as a rule, several types of external influences are distinguished, which in the system are subjected to various processing operations, which are carried out both sequentially and in parallel.

Therefore, one of the effective modern directions of ensuring the rationality of production and economic activity of mining and beneficiation enterprises is the risk management of production and economic programs based on the modeling of multi-objective decision-making problems.

By changing the management conditions while managing the organization of production and economic processes, the managers of the mining and beneficiation enterprise exert innovative influences on the change of their quality characteristics, taking into account the available own and engaged resources, adapting their activities for the implementation of business strategies to the

defined goals of the enterprise under conditions of uncertainty and conflict.

An integral effective indicator of the level of efficiency in the use of the resource potential of mining and beneficiation enterprises when justifying management decisions in the context of innovation and investment development from the standpoint of economic security and competitiveness.

The competitiveness of mining and beneficiation enterprises is based on the implementation of its innovative and investment capacity, taking into account the behavioral properties (adaptive capacity) and cause-and-effect relationships of the possibility of its development while preserving the state of economic security.

The innovative-investment capacity of mining and beneficiation enterprises acts as a basic component that ensures their competitiveness, behavioral properties determine the peculiarities of their functioning and adaptive capacity, and evolutionary capacity - development opportunities that are jointly formed by supporting components.

Thus, the basic provision that determines the features of the formation and effective functioning of the innovation-investment mechanism for ensuring the competitiveness of mining and beneficiation enterprises is the interconnection and interaction of all its structural elements.

Specific principles of the formation and functioning of the innovation-investment mechanism for ensuring the competitiveness of mining and beneficiation enterprises:

- 1) relevance;
- 2) complementarity;
- 3) maintaining competitive advantages;
- 4) ensuring economic security;
- 5) divergence;

6) alternatives.

Determining the competitiveness of mining and beneficiation enterprises is an integral element of their activity. In particular, the evaluation of the competitiveness of mining and beneficiation enterprises is necessary for the purposes:

- 1) development of measures to increase competitiveness;
- 2) selection of counterparties for joint activities;
- 3) drawing up a program for the enterprise to enter new sales markets;
- 4) implementation of investment activities;
- 5) implementation of state regulation of the economy.

The basis of an effective competitive strategy of mining and beneficiation enterprises is the availability of knowledge and reliable information about the structure of the market, the nature of competition on it, the assessment of the company's internal potential and the determination of directions for achieving competitive advantages. A key component of the competitiveness of mining and beneficiation enterprises is their operational efficiency, since, based on the rational use of available resources.

The methodical approach to the justification of management innovation and investment decisions regarding the development of the resource potential of mining and beneficiation enterprises from the standpoint of economic security and competitiveness consists in the use of an economic-mathematical model of the game-theoretic problem of making a multi-objective decision. The set of alternative variants of the task is formed based on the results of the first stage of the multi-purpose modeling of the integrated performance indicator in relation to the tasks of target management of innovation-

investment development of the resource potential of mining and beneficiation enterprises by components.

The mechanism of achieving a certain level of economic potential is a factor of optimization and effective use of strategic resources in the interest of satisfying consumers, owners or ultimate beneficiaries. In this case, the potential of mining and beneficiation enterprises is considered as an opportunity to produce competitive products, to carry out their promotion and placement both in the basic market and beyond it.

In order to make effective management decisions regarding the implementation of the development strategy, one should have objective information on the possibilities of achieving certain goals, namely means, reserves and sources of their mobilization, which can be used to achieve certain indicators, fulfill plans and defined development tasks.

Elements of potential are all resources that have separated in the production process and are in any way related to the functioning of mining and beneficiation enterprises. The basis for building the economic potential of mining and beneficiation enterprises is a product range that meets market requirements in terms of quality criteria and consumer properties, as well as standardized standards, which is directly correlated with the degree of technological equipment. One of the main internal factors that determine the development strategy of mining and beneficiation enterprises is the available financial resources, including for assessing the market potential and gathering information about consumer requirements and the features of the competitive environment in this segment, including regarding issues of determining methods and methods of promotion products.

**Keywords:** management; organization; enterprise; mining.

## PROVISION OF CREDIT RISKS BY BANKS DURING MARTIAL LAW

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Now, credit risk is one of the most important for banks. The impact of hostilities and the economic downturn on credit quality will stretch over time. Therefore, the final amount of losses from loan service deterioration can only be determined over time. The current situation requires banks to carefully assess the financial condition of debtors, to use credit holiday instruments in a balanced manner and to restructure loans in a timely manner for clients who need it.

At the same time, financial institutions should maintain conservative approaches to risk assessment and reflect the true state of the loan portfolio in reporting. Even if the losses lead to a violation of capital requirements, the National Bank of Ukraine will not apply measures of influence on financial institutions during the period of martial law and several months after its end. Procrastination with the reflection of losses may lead to the need for one-time recognition of them in the future and a sharp deterioration in the financial condition of banks [1].

The National Bank of Ukraine states in its report that in the 1st quarter, the Russian attack significantly changed the conditions of the banking sector. Timely steps taken by banks and the National Bank of Ukraine to ensure the uninterrupted operation of financial institutions and the electronic payment system made it possible to pass the first months of the war with moderate losses for the financial sector [1].

After the start of a full-scale war, the population reduced the demand for loans, but the legislator changed the legal regulation of the lending sphere by adopting the Law of Ukraine "On Amendments to the Tax Code of Ukraine and other legislative acts of Ukraine regarding the effect of norms during the

period of martial law" dated 03.15.2022 No. 2120-IX, in particular:

- during the period of martial law and in the 30-day period after the day of its termination or cancellation, the consumer shall not be liable to the creditor in case of delay in fulfilling obligations under the consumer loan;

- in the event of such a delay, the consumer is released, in particular, from the obligation to pay the creditor a penalty (fine, penalty) and other payments;

- penalties (fines, interest) and other payments, the payment of which is stipulated by the consumer credit agreement, accrued from February 24, 2022 inclusive, for late execution under such an agreement, are subject to write-off;

- in case of non-fulfillment of obligations under the consumer credit agreement, it is prohibited to increase the interest rate for the use of the credit, except for cases when the setting of a variable interest rate is provided for by the credit agreement or the consumer credit agreement;

- cancellation of interest for the use of credit funds is not provided for - such accrual is legitimate from the creditor's side [2].

However, these provisions do not apply if the loan agreement specifies a variable interest rate. In this case, the bank independently has the right to increase and is obliged to decrease the interest rate according to the conditions and in the order established by the credit agreement, with the periodicity specified in the credit agreement.

The terms and conditions are valid during the period of martial law and state of emergency in Ukraine and for a period of 30 days after the day of its termination or cancellation.



In addition, fines and other payments, the payment of which is stipulated in the contract, accrued for late performance (non-performance, partial performance) of the contract from 24.02.2022 inclusive, are subject to write-off by the creditor (lender) [3].

The new rules are not debt forgiveness. A credit holiday is a postponement of payments on the body of the loan and interest during its martial law in the country.

That is, during the holidays, the borrower does not pay for the loan, but after they are over, you fully return to fulfilling your obligations [2].

In view of this, the debiting of funds from borrowers' accounts to repay loans does not indicate that financial institutions have violated the provisions of the law — such actions are completely legal.

Banks introduced additional support measures individually. For example, the repayment of the loan was postponed if the deadline for its repayment fell on martial law.

Or they offered to write off part of the debt in case of repayment of 80% or more of

the loan. However, these are all individual initiatives of individual banks.

Credit holidays in the current version freeze the problem of non-performing loans, but carry a significant risk in the future [4].

So, after 30 days martial law is lifted, the next problem will arise. For borrowers, at one point it will be necessary to repay all overdue amounts on loans and interest that have accumulated during the period of martial law. In case of non-payment, fines will be charged.

It is obvious, that most borrowers will not be able to repay the payments at one time.

That is why it is necessary to think about the mechanisms of delaying or restructuring debts. Otherwise, there are potential lawsuits [4].

The National Bank encourages banks to assess credit losses in a timely manner, to fully reflect the impact of negative events on the quality of assets and, if possible, to carry out balanced restructurings that will contribute to the normalization of borrowers' debt burden and increase the stability of the banking sector.

**Keywords:** credit; bank; risk; law; war.

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## EMOTIONAL INTELLIGENCE AS A NECESSARY COMPONENT OF THE PROFESSIONAL COMPETENCE OF DIGITAL LEADERS

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The development of the digital economy of Ukraine is to create market incentives, motivations, demand and the formation of needs for the use of digital technologies, products and services among Ukrainian sectors of industry, spheres of life, business and society for their efficiency, competitiveness and national development, growth in production of high-tech products and well-being of the population. The main goal of digitalization is to achieve the digital transformation of existing and the creation of new sectors of the economy, as well as the transformation of life spheres into more efficient and modern ones. Such an increase is possible only when ideas, actions, initiatives and programs related to digitalization are integrated, in particular, into national, regional, sectoral development strategies and programs [1].

To ensure the implementation of such processes, the Cabinet of Ministers of Ukraine adopted Decree No. 56 dated January 30, 2019, which approved the basis for the implementation by executive authorities of the principles of the state policy of digital development [2].

This document also states:

- Central executive authorities (except ministries) to provide for the position of deputy head of the central executive authority for digital development, digital transformations and digitalization (CDTO);

- establish that the deputy heads of central executive authorities, regional, Kyiv and Sevastopol city state administrations for digital development, digital transformations and digitalization (CDTO) receive the necessary methodological assistance and carry out appropriate interaction with the Ministry of Digital Transformation;

- to recommend to state authorities and local governments to consider the possibility of creating and ensuring the functioning of structural units (specialists) on digital development, digital transformations and digitalization and appointing, in accordance with the procedure established by law, deputy heads of the relevant authorities for digital development, digital transformations and digitalization (CDTO) [2].

The position of Deputy for Public Service for Digital Development, Digital Transformation and Digitalization is carried out on a competitive basis, taking into account the Model Requirements for persons applying for public service positions of category “A” [3]. Among the special requirements for applicants for vacancies in the civil service, there are such competent requirements as: the ability to develop the professional competencies of employees; the ability to inspire the team and motivate people to selfless work, achieving individual and team results; ability to effectively delegate tasks and manage team performance; creating a culture of openness and responsibility; the ability to communicate effectively - to listen, perceive and convey a thought; the ability to influence the opinions of others, using persuasive arguments and consistent communication; the ability to apply the principle of virtue and the rules of ethical behavior of civil servants; non-admission of behavior, according to which the appointment of a candidate will negatively affect public confidence in the public service [3].

These competency requirements can be implemented by digital leaders with developed emotional intelligence.

Emotional intelligence is an integrative personal property, which is determined by the dynamic unity of affect and intellect through the interaction of emotional, cognitive,

conative and motivational features and is aimed at understanding one's own emotions and the emotional experiences of others, provides management of the emotional state, the subordination of the emotions of the mind, promotes self-knowledge and self-realization through the enrichment of emotional and social experience [4].

Only civil servants with the appropriate level of emotional intelligence can perform their functions, realize their own personal and professional competencies.

Such personality characteristics as self-control, persistence, perseverance can be developed, and, thus, it provides the opportunity to make the best use of the mental potential received from birth. Fundamental ethical attitudes are based on the underlying emotional abilities [5].

To determine the level of development of emotional intelligence, there are scientifically based tests.

Podolchak, N.Y., Karkovska, V.Ya., Bilyk, O.I., Tsygyluk, N.V. in their work described the results of determining the emotional intelligence of 300 civil servants. It was found that 64% of civil servants have an average level of emotional awareness, and 67% have an average level of managing their emotions. At the same time, 57% have an average level of managing the emotions of other people, 56% have an average level of empathy, and 66% have an average level of self-motivation. These civil servants fall into categories B (50%), C (40%) and A (10%). Ninety percent of civil servants of category A and 40% of category B and 20% of category C have a high level of: 21% - emotional awareness, 17% - managing their emotions; 20% - managing the emotions of other people, 23% - empathy; 17% - self-motivation. It should be noted that 40% of civil servants of category C, 10% of civil servants of category B have a low level of these indicators. Civil servants of category A do not have low indicators of the components of emotional intelligence. Out of 300 civil servants, 67% have an average level of emotional intelligence, 19% have a high level of emotional intelligence and 14% have a low

level of emotional intelligence. If talk about the general level of emotional intelligence, the higher the category of a civil servant, the higher the level of emotional intelligence he has. Thus, it can be seen that the level of emotional intelligence has a direct impact on the efficiency of completing tasks and moving up the career ladder [6].

Considering the foregoing, it can be argued that when holding a competition for the vacant position of Deputy for the Civil Service for Digital Development, Digital Transformation and Digitalization, candidates must be tested for the level of development of emotional intelligence.

According to the results of the inductive analysis of the MSCEIT, Hall and EQ-i tests, it was found that the Hall test is the optimal method for assessing the level of emotional intelligence of civil servants [6]. However, depending on civil service positions and categories, other tests, such as the MSCEIT methods, are appropriate. It is long (takes up to 40 minutes), but accurate and determines abilities and skills on 8 scales. The assessment is carried out by experts [6].

Testing to determine the level of emotional intelligence would be a comprehensive test of the applicant's readiness to perform the functional duties of a civil servant, would allow determining not only the level of professional knowledge, but also compliance with such requirements as: change management, effective decision making, leadership, communication and interaction, achievement results, resilience, performance management and human resource development.

Currently most civil servants are endowed with such individual psychological characteristics that allow them to successfully implement the ideas and tasks set by the state. Due to the correlation analysis, it is possible to emphasize the need to develop emotional awareness, as its presence has a positive effect on choosing an effective type of leadership. The obtained results lead us to further study of the selected issues in order to identify additional factors that may contribute to the

development of emotional intelligence and leadership qualities [5].

In the course of fulfilling their duties, digital leaders should undergo such testing annually to assess the level of development of emotional intelligence, determine a plan for strengthening and developing their professional competencies. It is appropriate to carry out such an assessment in the process of assessing the performance of civil servants in accordance with the current Procedure [7]. It

is extremely important to improve the skills of civil servants in leadership training programs with the inclusion of a module on managing emotional intelligence. The development of emotional intelligence, as well as the process of self-development and self-improvement, is indefinite. A digital leader must constantly improve their soft-skills. Therefore, such training programs should be carried out on an ongoing basis.

**Keywords:** emotional intelligence; digital economy; leadership.

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## THE ROLE OF BANKS IN PERFORMING TAX CONTROL

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In the modern conditions of the development of the national economy, the quality of the inflow of funds to the budget of our country and the study of the state of the banking system of Ukraine are quite relevant, this is due to the current difficult conditions of its formation and development.

The purpose of the work is to study the current level of tax control by banks and identify obstacles in the implementation of this function. The object of the work is the tax control functions assigned to banks.

The banking system is a holistic mechanism that interacts with other system structures of the financial market, as well as its subsystem forms a more general association - the economic system as a whole. By comparing the banking system with others, it is possible to identify features common to all systems, which confirms its systemic nature, as well as purely specific features that emphasize banking specificity.

Banks perform a triple role in the tax system. On the one hand, they are independent taxpayers and make deductions to the budgets of all levels based on general rules. On the other hand, they are intermediaries between the state and taxpayers, through whom other taxpayers carry out financial and economic transactions and who, by virtue of this, can provide tax authorities with specific services, including the necessary information to check the correctness of the calculation and timeliness of tax payments to the budget. Third, they are tax agents. The replenishment of the revenue parts of the budget depends on the timeliness and completeness of the execution of payment orders of the bank as a tax intermediary for tax payments.

Banks are entrusted with additional functions of currency and tax control, among other things, banks are obliged to comply with the established procedure for opening

accounts, to provide information on open accounts and financial and economic transactions of their clients, to timely execute instructions on remittance of taxes and fees, instructions to stop transactions with client account.

Speaking about the role of commercial banks in the tax system of Ukraine, it is worth noting that commercial banks are one of the largest investors in the real sector of the country's economy, which implies an increase in the revenue part of our country's budget due to an increase in the number of taxpayers and the creation of additional material benefits.

Currently, the role of banks for the economy of our country is very large. Banking services are in demand by the population and legal entities: by the population - due to the credit boom of the 2000s, and by organizations - due to the current legislation, because cashless payments have become the main form of payment for goods, works and services. The state was not left behind either, because the state budget is replenished through the banks. The Tax Code of Ukraine obliges commercial banks to transfer taxes to the budgets of various levels of subordination in a timely manner and in full.

We also pay attention to other elements of tax control entrusted to banks. One of these obligations is the suspension of the taxpayer's bank account transactions at the request of the tax authorities. By itself, the measure to ensure that organizations fulfill their tax obligations does not cause complaints, but when it is implemented, many different questions arise for banks.

The most important of them is the status of the bank in relations with tax authorities, because, on the one hand, it is a commercial organization, and on the other hand, it is equated with tax control authorities (tax



agent), but the responsibility for late execution or non-execution of orders is again borne by as a commercial organization. It should be noted here that commercial banks do not have much of their own money. They are either distributed as dividends, or issued as loans to bank clients, or used for the development of the bank.

Accordingly, small banks can suffer very seriously in case of misunderstandings with the tax control authorities of Ukraine. Of course, the case will not reach bankruptcy, however, legally forcing banks and tax authorities to work on one side of the "barricade", the legislators again did not interest the banks in at least participating in the development of the cooperation mechanism, simply prescribing their duties in the Tax Code of Ukraine (these items are missing in the legislation).

It turns out that undisputed help is demanded from the banks, that is, tax officials are pursuing a policy of "whip" without "gingerbread". This is wrong, because, for example, in matters of import, banks as agents of currency control stand on a par with the same tax and especially customs authorities, firstly, monitoring the payment of duties and VAT, and secondly, and this is especially important, they monitor the correctness of import payments under transaction passports, although in this matter the interests of earning profits and the interests of the state budget do not coincide.

Thus, it can be said that the bank can only contribute to tax control, being a kind of "tax intermediary" only technically ensuring the receipt of taxes to the budget. However, even in this good cause, tax officials are trying to squeeze their "close" commercial structure.

**Keywords:** tax; control; development; bank.

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## **PECULIARITIES OF ACCOUNTING AND DIRECTIONS FOR ITS IMPROVEMENT AT ENTERPRISES OF THE CONSTRUCTION INDUSTRY OF UKRAINE**

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A building complex is "a large number of independent economic entities, which have their own specific features and separate system goals, which are quite branched without the possibility of management from one or more centers. Thus, according to the volume of products produced and the number of employed workers, the construction industry currently occupies almost a tenth of the economy of Ukraine" [8].

The products of the construction industry are completed and put into operation plants and factories, railways and highways, power plants, irrigation and shipping canals, ports, residential buildings and other objects that form the main funds of the country's economic complex.

In modern conditions, the management process in construction enterprises requires mobile and effective management of them, especially its labor-intensive sectors, as a result, a clear formation of appropriate information and analytical support is required.

During the pandemic, almost the entire construction industry became unprofitable, and during wartime, the entire construction complex is destroyed and destroyed. Therefore, effective management decisions based on accounting information are needed to rebuild the construction industry. Ways to improve the accounting and taxation system in order to improve the results of the construction industry enterprises are very relevant.

Determining the peculiarities of accounting and taxation in the construction industry, managing them in order to improve the organization and management of production, determining profitability reserves will ensure further growth in the efficiency of the construction process, and will also allow

reducing the influence of the external and internal environment on the functioning process. But, unfortunately, not all their aspects are sufficiently worked out and meet the requirements of modern management.

Analytical accounting, features of its management in construction companies, is focused on mobile and reliable assessment of economic processes in construction sites. Based on the results of accounting and analysis of its indicators, decisions are made aimed at minimizing costs both for the enterprise as a whole and for its divisions.

One of the important functions of management of the construction process is the maintenance of operational, reliable accounting and the taxation system, the effectiveness of activities and the effectiveness of management decision-making by enterprises in the construction industry depend on their correct organization.

Construction is "a special branch of the national economy, which is formed, on the one hand, as a process of reproduction of fixed assets, which requires the necessary capital investments for its implementation, and on the other hand, as a process of own development of this branch of material production" [8]. Analytical accounting is conducted at construction enterprises to provide reliable information to managers who make operational decisions regarding the regulation of the production process.

Accounting in construction is one of the most difficult types of accounting in the fields of economy. The cost system of construction is "the funds spent on the purchase of material assets, wages and others, which form the cost of construction and installation works" [5].

Features of accounting in construction enterprises are the use of specific accounts:

- 113 "Temporary (untitled) structures";
- 238 "Unfinished construction contracts";
- 239 "Interim accounts",
- 703 "Income from the implementation of works and services";
- 903 "Cost of implemented works and services";
- 912 "General production costs" [5].

As well as specific primary documents in the construction industry, there is a logbook of completed works (form No. KB-6), an Act of Acceptance of Completed Subcontracted Works in Form No. KB-2b, a Certificate of the Cost of Subcontracted Works and Expenses, Form No. KB-3 [5].

There are certain peculiarities in the accounting of construction costs.

The grouping of expenses by elements and articles in construction is carried out, as in other industries, in accordance with P(S)BO 16 "Expenses".

"Expense accounting is carried out in terms of construction contracts. P(S)BO 18 "Construction Contracts" defines that costs under a construction contract include:

- expenses directly related to the execution of this contract (direct);
- Total expenditures.

The following are not included in the cost of the construction contract, but are reflected in the cost of the reporting period in which they were incurred:

- Administrative expenses;
- Selling expenses;
- Other operating expenses;

- maintenance costs (depreciation, security, etc.) of idle construction machines, mechanisms and other non-current assets that are not used in the performance of the construction contract" [8].

In order to improve the accounting of construction costs and the formation of the production cost of construction works, as well as prompt management decisions, we offer a more detailed classification of construction costs in the following areas:

- to make effective management decisions,
- to calculate the financial result,
- to carry out control measures.

We also suggest changing the composition of the costing articles and introducing more analytical articles, that is, bringing the name of the costing articles closer to the essence of the business transaction, namely:

- transport costs for the delivery of materials;
- expenses for wages of construction workers;
- costs for maintenance and operation of construction machines and mechanisms;
- overhead costs of construction production divisions;
- expenses for the organization of work on construction sites.

Such an improvement will strengthen the analytical and information function of accounting, establish a direct connection between costs and the volume of construction works, and provide analytical information for the analysis and control of construction production costs.

**Keywords:** construction industry; management; accounting; taxation.

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## INDICATORS OF ACTIVITY OF RELIGIOUS ORGANIZATIONS IN THE CONTEXT OF GLOBAL AND NATIONAL CHALLENGES

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In Ukraine, at various levels (from local to national), there are more than 37 thousand religious organizations that perform important functions of the formation of civil society and are active participants in the educational, social, financial, economic and humanitarian spheres of society [1].

The global and national challenges faced by Ukraine in the conditions of martial law indirectly affect to the changing of priorities of project activities of religious organizations to the strengthening their charitable volunteer mission; assistance to the Ukrainian Armed Forces, refugees from affected areas, financially needy persons. Due to the current critical financial situation in the country the number of potential donors and financial resources has significantly decreased and religious organizations have responsibility to manage those resources more effectively. On the other hand, the number of volunteers involved in the charity projects has significantly increased. This situation requires a special managerial approach, searching effective management solutions and using proper project management tools.

Indicators of activity are one of the main ways to ensure the effectiveness of the projects and allow religious organizations to evaluate their progress toward achieving their missions. Metrics focused on how organizational activities are fulfilling the non-profit's mission combined with financial performance indicators allow entities to understand how effectively they are serving their communities [2].

Among the large number of indicators of activity used in the management of non-profit organizations, for religious organizations for ensuring their project activities effectiveness, the most preferable are three sets: financial, donor and people metrics.

### *Financial indicators:*

- annual revenue: is used to assess the income from their programs. Total annual revenue is usually the sum of donations, collected fees, corporate sponsorships, and government grants;

- number of donations: is used to gauge public engagement in the cause;

- average amount of donation is used to provide valuable information in regards to effectivity of a campaign and donor lifestyle;

- fundraising return on investment (ROI) which is calculated as divide annual funds raised by annual investment (dividing monetary results to current efforts, costs of running a variety of programs or marketing campaigns of the business.

This indicator will help the organization identify its most productive campaign. This knowledge will allow the business to optimize its efforts and model other campaigns after its most successful program:

- overhead costs. This metric is used to signal accountability to stakeholders and donors.

- overhead expenses are considered the administrative and logistics costs that the non-profit incurs to keep the organization running. Non-profit organizations often utilize donations to pay for these overhead expenses. However, many donors do not feel comfortable donating if most of their funds pay for such expenses rather than the campaign's cause. Overhead % is critical for non-profit organizations to be transparent and share this value with their donors.

Overhead % = overhead costs / annual revenue

*Donor indicators.* Donors are a non-profit's greatest resource. Without them, the organization won't be able to accomplish its mission. The most important donor



performance metrics for non-profit organizations:

- donor retention rate. This metric is used by non-profit organizations to measure their

longevity and connection with their supporters. This indicator shows the number of donors that donated more than once. Reaching and attracting new donors requires much upfront effort and it doesn't always produce the desired results. That is why recurring donors are a great asset to a non-profit. They are a reliable source of revenue and their relationship with the organization must be prioritized. To calculate donor retention rate, divide the number of people who donated last year and this year by the total number of people who donated last year, and multiply that result by 100. High donor retention rate indicates that the organization is fulfilling its promises and is able to keep its donors happy.

- donor and donation growth. These two metrics show the monetary power of a non-profit

organization. Donor growth highlights the change in number of donors through a period, and donation growth shows the change in amount of donations through time.

A high donor and donation growth value is a good indicator that the organization is fulfilling its mission.

*People indicators.* Like for-profit businesses, non-profit organizations require people to run their affairs, too. Non-profits' personnel are normally a mix of paid employees and volunteers.

- volunteer turnover ratio. This metric shows the ability of the non-profit organization in

attracting and retaining dedicated volunteers. By monitoring this indicator, the organization can understand what practices to improve or abolish. A high volunteer turnover should be avoided. Volunteer turnover ratio is calculated in percentage as divide number of new volunteers to number of departing volunteers employee satisfaction: This metric is used by organizations to gauge employees' happiness. The most popular ways of evaluating this especially important non-profit metric:

- *self-reported surveys.* This is a quantitative method that relies on individual answers to a questionnaire about work environment.

- *informal chats.* This is a qualitative method that aims to complement the quantitative measures deployed to gauge employee satisfaction.

For maximum productivity, religious organizations should aim to keep their employee satisfaction at a high value [3], [4].

According to predefined indicators the monitoring and evaluation of measured indicators is carried out. The obtained information can be used to facilitate timely development and decision-making regarding the proper execution of projects and adjustment of future activities, as well as taken it into account during the development of the strategy for the next period.

Given the diversity of the religious organizations projects no single measure of success and no generic set of indicators will work for all of them. Nevertheless, experience and research indicate that these organizations should measure their performance and track their progress toward achieving their mission.

**Keywords:** indicators of activity, project management, religious organizations.

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## MODERN MANAGEMENT CONCEPTS AND THEIR APPLICATION IN ENTERPRISES

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In the modern conditions of the formation of market relations, prospective development and effective functioning of enterprises is impossible without the application of modern management concepts. At the same time, the practice of enterprise activity proves that the implementation of modern management concepts in the management of enterprises takes place primarily on the basis of improving approaches to management, which are influenced by the environment and operating conditions.

Research into the main aspects of the formation and development of management concepts is currently being actively conducted by many scientists, among whom V.O. Vaisman, K.V. Zhuravel Kolesnikova, I.O. Kuznetsova, S.Yu. Kulakova, T.V. Lazorenko deserve special attention., Markova S.V., Myroshnik M.V., Polyanska A.S. and many others [1].

At the same time, according to the research of scientists, modern management concepts are actively being developed and applied at enterprises: 1) the concept of process management, aimed at determining the business processes of the enterprise and ensuring their effective management); 2) the concept of management by objectives, aimed at fulfilling the goals and tasks of enterprises set in the management process, which affects the motivation of managers and other employees; 3) the concept of controlling, focused on achieving the goals of the enterprises, particularly in the direction of economic growth, and is implemented by comparing actual and planned indicators; 4) implementation of the concept of quality management ensures the appropriate level of the company's products. We note that the results obtained during the application of this concept allow not only to improve the quality

of manufactured products, but also to conduct general monitoring of the activities of enterprises with the determination of compliance of such activities with international ISO standards.

Polyanska A.S. based on the results of the research, identifies modern management concepts that are currently used by both domestic and foreign enterprises: concepts of business process reengineering, controlling, logistics, knowledge, resources, financial management. The scientist proposes to combine the above-mentioned concepts of management into a single integration concept of management, which will allow not only to determine promising ways of increasing the efficiency of enterprises, but also to adapt them to the impact of changes and conditions of uncertainty in the operating environment.

Studies prove that the application of modern management concepts at enterprises contributes to the growth of economic results and increases their competitiveness.

It should also be noted that today the following management concepts are used by enterprises: kaizen management, the main focus of which is the continuity of the implementation of the process of planning, control and regulation of activities and business processes; the concept of total control over the quality of products and services; the concept of benchmarking, which is based on the establishment, analysis and implementation of technological, technical and organizational tools for optimizing business processes at enterprises, based on the experience of competing enterprises; the concept of LEAN technologies, which is aimed at: a) reduction and gradual elimination of costs associated with imperfectly organized production activities; b) improvement of the structure of production stocks of enterprises; c) strengthening of interaction between

enterprises and their partners; d) response in the context of detecting changes in demand for products or services of enterprises; e) study of the chain of formation of added value.

As for the experience of applying management concepts by foreign enterprises, according to Yankovets T.M. and Lazareva M.O. [2], the following concepts are quite effective: lean production or the concept of Lean Manufacturing, aimed at improving the processes of production of products and provision of services by enterprises); business process reengineering or the concept of Business Process Reengineering, which characterizes the departure of enterprises from sequential to parallel specifics of product design processes; benchmarking or the concept of Bench marking, which helps to better master the process of manufacturing competitive products, while studying and analyzing the products of competitors' enterprises); the concept of business performance management or the concept of Business Performance Management is one of the newest concepts aimed at increasing the ability of enterprises to function in uncertain market conditions due to the correct assessment of financial capacity and the unification of managers of different levels of management to ensure effective management of enterprises; the concept of a balanced system of indicators or the concept of a Balanced Scorecard - acts as an important tool of strategic management of enterprises and consists in evaluating the effectiveness and efficiency of enterprises' activities according to special indicators.

Domestic enterprises today effectively apply the concepts of business efficiency management and a balanced system of indicators (indicators) [2].

When revealing the specifics of the application of modern management concepts at enterprises, it should be noted that they are now quite actively using the model of activity management, built on the principles of time management, the implementation of which allows not only to improve the processes of planning, organization, control and

coordination of activities, but also contributes to solving a number of problems: determining the priority and priority of tasks that must be achieved, correctly distributing working time and the powers of managers.

According to the conclusions of Rudenko M.V., the basis of risk management is the components of: 1) strategic management, the elements of which are the purpose, goals, tasks, processes, resources, technologies, communications, information, relationships and knowledge base, etc.; 2) implementation of management decisions with elements: term, qualification of management personnel, process of making management decisions in accordance with legal principles; 3) monitoring and analysis, the elements of which are the ability to respond to risks in a timely manner, the nature and impact of risks on activities, etc.; 4) improvement of business processes, the elements of which are immediate response to changes and inconsistencies, introduction of corrective actions, reorganization, introduction of innovations.

Research also proves the frequent implementation of the concept of flexible management by enterprises, since today their operation takes place in the conditions of digitalization and rapid development of equipment and technologies. Thus, the concept of flexible management is aimed primarily at the personnel of enterprises, the result of their management actions, and the quality of manufactured products.

The practice of using brand management is widely used, which allows to significantly increase the sales of products, which positively affects the results of the enterprises. This practice contributes to the successful implementation of the price, sales, product and communication policy of enterprises, as a result of which tactical and strategic goals are achieved [3, p.110-115].

Application of the concept of reengineering business processes of the enterprise will contribute to moving away from ineffective and outdated business rules and procedures to newer ones. Practice shows that today innovative management systems

are increasingly being used to manage enterprises, which are based on the use of modern information and interactive technologies and project management methods in the management of enterprises.

Therefore, in order to solve this problem and increase the level of effectiveness of the application of modern management concepts by enterprises, it is suggested to first of all train managers as future managers in a qualified, professional and professional manner. With this in mind, today there is a rather powerful relationship, which is reflected through mutual cooperation between enterprises and institutions of higher education that train future managers. The results of such interaction contribute to the involvement of qualified and professionally knowledgeable managers, who possess modern tools and business methods, in the management of enterprises.

Today, the main obstacle to the effective application of modern management concepts by enterprises is the uncertainty and vagueness of the development strategy, which provides for the long-term planning of the enterprises' activities. As for the practical

experience of applying modern management concepts, the national company "International Airlines of Ukraine" is actively implementing the concept of business process reengineering, as it is trying to temporarily stop using the hub model of activity, simplify the tariff policy, reduce the long-haul fleet and reduce specific costs [4].

The use of the concept of brand management is implemented in Ukraine by many companies: LLC "Nova Poshta", PJSC "Myronivskiyi Hliboproduct" and others.

Therefore, the modern concepts of management described above are actively applied by enterprises and allow: to determine the business processes of enterprises with the provision of effective management of them; achieve activity goals set in the management process; to ensure the appropriate level of quality of products manufactured by enterprises; evaluate the effectiveness and efficiency of enterprises according to special indicators; improve management processes; effectively manage the risks of enterprise activity and increase product sales, which positively affects the results of enterprise activity.

**Keywords:** modern management concepts; business process reengineering.

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## MODERN APPROACHES TO RECEIVABLES MANAGEMENT OF A COMPANY

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In the process of operating activities, the enterprise constantly has a need for settlements with its counterparties. When shipping manufactured products or providing services, the company usually does not receive money in payment immediately. That is, in fact, it provides buyers with an interest-free loan. Therefore, during the period from the moment of shipment of products to the moment of receipt of payment, the company's funds are frozen in the form of receivables. Its size is determined by many factors: type of product, market capacity, degree of saturation of the market with this product, terms of the contract, settlement system, payment discipline of counterparties. A high level of receivables has a negative impact on the financial performance of the enterprise and may even lead to the inability to fulfill the obligations. That is why receivables management is one of the most important components of financial management.

The goal of the study is to highlight modern approaches to receivables management of a company.

In the business-to-business market customers expect to purchase on credit; inevitably, this will delay the receipt of cash from one to three or more months from the point of sale. In the consumer market cash sales are more common. Credit-card settlement, although similar to cash in speed of payment, carries a cost as credit-card companies charge a fee for handling the transaction which is equivalent to an interest payment for credit plus administration.

All settlement involves the risk of bad debt from non-payment through companies becoming insolvent, credit-card fraud or even forged bank notes. Care taken in validating the counterparty and the means of settlement can reduce such losses but will never eliminate them entirely.

Before advancing credit to customers it is important to check that they are bona fide and able to pay. Typically, this would be through a credit check and perhaps a bank reference. These procedures do not guarantee payment, but they will usually prevent dealings with high-risk customers. A credit check completed by one of the credit agencies includes such areas of focus as: evidence of a sustainable and profitable business; leverage of under 50%; track record of payment history; tangible net worth – the surplus uncharged assets available to creditors; the relative performance of the business compared to others in its industry sector etc. From this information the agency will form its view on financial strength, risk and maximum credit limit. Using a credit reference a business can create its own credit limit. The amount will typically start low and increase with good payment experience.

Once a credit limit is in place it is important to have procedures to prevent a customer from exceeding the limit. This is achieved by careful monitoring of the account and either suspending additional sales until the account has been reduced with a cash payment or by increasing the limit in line with good credit history.

Account management is an important component of reducing receivables. When a large organisation receives an invoice there is usually a well-defined procedure for validation and payment. Smaller organisations will have similar systems, but they may not be as sophisticated. Failure to comply with these systems will trigger a rejection of the invoice and a delay in payment while the invoice is returned and corrected. Understanding a customer's invoice processing system is a simple way to ensure that there are as few barriers as possible to prompt payment. For example:



- Purchase order numbers. Many systems require a purchase order to be raised before any goods or services are accepted. The invoice needs to state the purchase order number to be approved for payment. The basis of the purchase order will be either a contract or a specific quote that has been provided.

- Correct information. Although this may be obvious, it is a common cause of invoice rejection. Errors include incorrect quantity (particularly if there was a short delivery), price (not matching what was agreed), discount (terms not agreeing to contract).

- Incorrect address. Centralisation of organisations has meant that transactional accounting may be based at a different site or even in a different country from where the product or service was delivered.

An important response to having an invoice rejected is to make sure that the relevant staff avoid making the same mistake again. Their role should be as much about correcting the error as about putting processes in place to avoid it being repeated.

Most accounting systems will be able to produce an aged debt report which lists all the unpaid invoices by the date they should have been paid. Payment of overdue invoices should be rigorously chased and some rules should be set, perhaps as follows: once an invoice is over 60 days old (overdue for payment), further sales should be suspended until the arrears are cleared; enforcement notices should commence after 90 days and legal proceedings to recover the cash after 120 days. A disciplined approach that is understood by customers helps to focus attention on the issue and encourage payment ahead of others that are less forceful. Getting cash in on time is one of the most important controls for any business.

This process may not please customers, but it should be balanced against the risk of a bad debt. There are of course good and bad customers. The bad customers are those that demand considerable attention and do not pay their invoices. A business may be more successful by choosing not to deal with them

and focusing on the good customers that are easy to serve and pay their invoices on time.

It may be possible to avoid having, or to reduce the volume of, receivables by changing the business model, as mobile phone companies have done with “pay-as-you-go” services. Their original model was to have account customers who paid invoices once a month in arrears. For low-use customers the cost of issuing, collecting and even chasing small amounts was more expensive than the amounts involved. They therefore introduced the prepay service where the mobile phone company receives the cash in advance of the usage and the low-use customers spend their advance as they use the service. There is no bad debt risk and there is the benefit of receiving cash in advance. Some prepaid cards also have a time limit so that a proportion of cards will have a value that expires without any service being provided. Changing the model can be a way to achieve an accelerated profile of cash receipts and a reduction in risk to the business.

A way to accelerate the receipt of cash is to provide an incentive, usually a discount that is well worth the customer accepting: 1–2% discounts on the invoice amount are quite common for payment within 30 days. However, this process has to be carefully managed as some customers will not only take the discount but also continue to pay late. Businesses that offer the discount may be reluctant to chase the missing part, particularly from important customers.

The percentage may seem high in relation to the cost of capital, but a business will save the cost of both administration time and despatching reminders if the profile of receivables is made more efficient by the incentive. In some countries utility companies offer a discount for payment by direct debit within ten days of invoice. The objective is to collect the huge number of small amounts as quickly and as efficiently as possible. The chasing process for the small amounts could well cost more than the invoice value, especially if reminders have to be sent out.

For a new or small business, where cash flow may be tight and administrative

resources scarce, it is possible to convert receivables into cash immediately. This is achieved by letting another business take responsibility for collection. Two common methods are factoring and securitisation.

Factoring is when book receivables are sold to a bank or other financial institution. The bank, often using client stationery to disguise its role, manages the collection process. It takes responsibility for issuing statements and chasing slow payers. There is a cost for this as the bank will charge an administration fee and interest on money advanced ahead of collection from customers. There is also the question of bad debts and who should bear the cost. Factoring is therefore structured either with or without recourse. With recourse means the bad debts are passed back to the business and the bank has a low risk (that is, the ability of the business to refund the money advanced). Without recourse means the bank has to absorb any bad debts and therefore it will want to check the credit history of the customers and charge a fee to cover itself for potential default.

Securitisation is when the book receivables are sold to a shell (or new) company and investors, seeking a short-term investment, can make an appropriate return for the risk in collection. This type of transaction is appropriate only for large value amounts and was used by mobile phone companies in their early years as a way to accelerate cash receipts while they built their networks. It is also a way for small mortgage companies to operate – their size prevents them taking on too much debt so they build a mortgage book and periodically sell it off to fund the next book. This contributed to the collapse of some small mortgage companies in the 2007–08 financial crisis, mainly because the debt was sold without recourse. As mortgage payers defaulted the losses mounted, revealing huge exposures that were not apparent from the mortgage companies' financial statements.

In both types of transaction the counterparties are seeking to make a profit, so the decision on whether to use this approach

is a result of careful cash flow planning, knowing the expected leverage position and anticipated WACC percentage to determine the most cost-effective way of operating.

The good trick is to make invoices and statements fun. Consumers usually expect a plain, buff-coloured window envelope to contain an invoice or statement. This does not entice them to open it or, indeed, pay the invoice. Organisations have an opportunity to motivate consumers to open the envelope and pay promptly by offering incentives, such as competition tickets or discount coupons. One mobile phone company included footballer collector cards, encouraging children to make their parents open the invoice.

When businesses trade across country borders the ability to collect cash becomes more difficult. There are potentially two legal systems operating and pursuing the customer can be expensive. Therefore a letter of credit (LOC) is used to provide a payment contract for goods or services. The LOC is an irrevocable payment undertaking drawn up by the customer's bank that binds the bank to pay a fixed sum of money to another party on fulfilment of certain criteria (the delivery of goods). The credit risk is therefore with the customer's bank and not the customer itself.

With international trade there is also the potential for government support, as governments are always keen to promote exports. Some will operate credit guarantee schemes which act much like insurance. For a small payment the debt can be guaranteed and on various conditions the government agency will pay the debt and assume responsibility for its collection.

For consumers making frequent payments, typically for services or utilities, a way to take control of their settlement is to ask them to pay by direct debit. This is the process where the supplier is authorised to initiate withdrawals from consumers' bank accounts. Although consumers need to have cash in their bank account for this to work, it is a highly efficient way to automate settlement and reduce administration costs.

In this study, we looked at some modern methods of managing accounts receivable. It

is important that the company has a comprehensive and systematic approach to this issue. Company management should develop a policy for managing receivables and strictly adhere to it. This will allow the

company to avoid too much receivables, an increase in bad debts, and a deterioration in financial performance. After all, the financial stability and reputation of the company depends on it.

**Keywords:** receivables management; bad debt; settlement.

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## **METHODS OF MANAGEMENT OF THE ECONOMIC SECURITY SYSTEM OF THE SUBJECT OF LOGISTICS ACTIVITIES**

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The methods of managing the economic security system have been studied. It was determined that this is a set of rules and procedures for the implementation of various tasks of managing the subject of logistics activity, aimed at achieving a certain structure, state and properties of this system. It is characterized that these methods bring a certain regularity, regularity, soundness and effective management of the formation, organization and development of the economic security system. To solve the tasks of developing the system of economic security of the subject of logistics activity, both general management methods and special ones reflecting the specifics of economic security activities are used. The purpose of the study is the analysis and generalization of the main methods of managing the system of economic security of the subject of logistics activity.

Modern management practice has developed four groups of general methods of managing the economic system, which should be used to manage the system of economic security of the subject of logistics activity: organizational, administrative, economic, and socio-psychological.

Organizational methods are a set of means and techniques of direct managerial influence on the organization of relations between personnel in the process of functioning of the system of economic security of the subject of logistics activity to achieve the goal of its purposeful development. The peculiarity of these methods is the procedure for their implementation. The development and implementation of the specified methods precedes the implementation of the economic activity itself, because it must be optimally organized, methodically provided with rules

and maps and instructions for carrying out individual works. Organizational methods can be conditionally divided into three groups [3].

The first group includes methods of organizational regulation. They are presented in the main regulatory documents of the subjects of logistics activity in the form of provisions, methods and means of implementing organizational procedures for economic security. The vast majority of business entities take a rather formal approach to the creation of a statute and, in the best case, use the services of a lawyer during its formation. Therefore, the procedures related to the formation and development of the system of economic security of the subject of economic activity are provided for only in individual cases.

In the case of creating a logistics entity, the above procedures should be carefully analyzed and provided for in the statute. This especially applies to the partnership mechanism and issues of outsourcing part of the business processes. The implementation of management mechanisms and ensuring economic security must be reflected at the level of the structural unit in the regulation of the unit and at the level of the executors in the personnel job descriptions.

The orientation of the staff to achieve the necessary level of economic security of the subject of logistics activity should be provided by the rules of the internal procedure. Management of the development of the economic security system can be effective only if a system of normalization of process parameters and resources for their implementation is developed and implemented within the limits of a separate entity of logistics activity. Taking into account the peculiarities of the system of economic security of the subject of logistics

activity, the methods of organizational regulation concern both the processes and resources of the economic system, and the mechanism of provision.

Administrative methods are methods that are implemented in the form of specific, non-alternative tasks that allow minimal independence of the executor, as a result of which all responsibility rests with the manager who issues the order [1].

Administrative methods are reduced primarily to open coercion of personnel to one or another activity or create opportunities for it. These methods were widely used at enterprises of autonomous logistics and in the field of transport services under the administrative-command system of economic management.

Important methods include economic methods, which are a set of techniques and means that ensure the use of objective economic laws and interests in the organization's activities based on commodity-monetary relations in order to achieve its goals. As a result of the transition to market relations, administrative methods ceased to meet the real needs of management.

Economic methods involve indirect influence on performers. They only set goals and a general line of behavior, within which they independently search for the most acceptable ways to achieve results. The employee's initiative is beneficial not only to him, but also to the subject of logistics activity, timely and high-quality performance (in some cases, overperformance) of tasks is rewarded in every way, primarily in the form of monetary payments. Thus, these methods are based on the employee's economic interest in the results of his work.

Social and psychological methods are also distinguished in the system of economic security. These are ways of influencing labor teams, which are based on the use of scientific achievements of social and general psychology in production management. As practice shows, economic methods also quickly revealed their limitations, especially when managing the activities of people in intellectual professions, for whom money is,

of course, a significant, but not the most important incentive in work. In the 1920's and 1930's of the XX century social-psychological methods appeared. Conceptually, they are reduced to two main directions: the formation of a favorable moral and psychological climate in the team, which contributes to a greater return when performing work due to the improvement of the staff's mood; identification and development of individual abilities of everyone, which allow to ensure the maximum self-realization of the individual in the operational process.

All the above methods of operational management are implemented in accordance with certain principles and rules. In particular, it is worth paying attention to special methods, which include methods of system orientation, simulation of experiment and approval, and others. A set of methods and techniques is used to solve the tasks of managing the system of economic security of the subject of logistics activity.

*Special methods of the management mechanism of the economic security system of the subject of logistics activity [2]:*

1) Definition of thoughts (Interview, questionnaire, method of selected questions, examination);

2) Analysis of the situation (System analysis, script writing, network planning method, functional cost analysis, economic analysis method);

3) Assessment of decisions and situations (Product evaluation, evaluation of the scientific and technical level of production);

4) Methods of generating ideas (Brainstorming, synectics, morphological analysis, business game);

5) Decision-making (Economic and mathematical models, decision tables, decision tree structure, comparison of alternatives);

6) Forecasting the situation (Expert forecasting models, extrapolation of analogies, Delphi method, regression analysis, econometric methods, model simulation);



7) Visualization (Graphic models, physical models, positions, descriptions and instructions);

8) Methods of scientific presentation (Presentation, negotiations).

**Keywords:** economic security; logistics; methods; management.

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## ECONOMIC DEVELOPMENT OF UKRAINE: MODERN TRENDS IN ENSURING THE STATE ECONOMIC SECURITY

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Ensuring the economic development of Ukraine in the conditions of the Russian-Ukrainian war largely depends on the effective functioning of all elements of the socio-economical system and is directly dependent on the level of economic security of the state. Russia's full-scale invasion of Ukraine resulted in high human casualties, massive displacement of the population and significant damage to infrastructure. The impact on economic activity was also enormous: GDP fell sharply, inflation soared, trade was severely disrupted and the budget deficit rose to unprecedented levels. The IMF, as before, predicts that the GDP of Ukraine will decrease by approximately 35% in a year, inflation will reach 30% by the end of 2022 (Analytical portal. Word and deed, 2022).

Such negative tendencies and disparities in the development of the domestic economy caused by the full-scale invasion of Russia into Ukraine have a negative impact on the economic security of the state, the provision of which must be carried out as a component of the national security of the state, which requires orientation to the strategic directions of its development (Denysenko & Breus, 2020) and provision its appropriate level, which is achieved by the implementation of a unified state policy, supported by a system of coordinated measures, adequate to internal and external threats (Breus, 2019; Denysenko & Breus, 2021).

The situation that has developed in the economy of Ukraine is typical for all spheres of the economy, especially the investment sphere. This was largely a consequence of the destructive actions of the aggressor in the Russian-Ukrainian war, as well as the

continuation of trends and disparities that have developed in the investment sphere (the result of the state's investment policy). In general, the above indicates the expediency and urgency of improving the investment climate of the state, increasing the level of its economic security, and, as a result, ensuring the upward trend of economic growth of Ukraine, which, not least, can contribute to the use of the experience of developed countries in the field of managing their investment activity (Denysenko & Breus, 2021).

In this context, the use of measures on the territory of Ukraine that provide, among other things, the implementation of investment policy, is relevant and of practical value. The developed countries of the world use various strategies of investment development, which have proven themselves as contributing to the improvement of the effectiveness of investment policy implementation. Among such strategies, the most common are (Kravchun, 2012):

1. Active intervention (common in Japan). The state directly participates in the implementation of investment programs through the state sector of the economy, and indirectly through institutions and promotes active financial support, provides significant benefits to both entrepreneurial structures and higher education institutions that independently perform R&D.

2. Decentralized regulation (received the greatest distribution in the USA and Great Britain). The state participates more indirectly in the investment development of organizations and business entities, uses tax and other incentives and creates favorable

legal, investment and technical and economic conditions for this activity.

3. Mixed strategy (spread in France, Sweden), in those countries with a powerful public sector, in relation to which the state conducts an active investment policy, direct and indirect regulation. For the private sector, the strategy of decentralized regulation is mainly used.

Separate features of each strategy are observed in Ukraine, but they were not used in their pure form. The state manages investment activities through the implementation of investment policy, which, in turn, is based on legislative, regulatory acts and measures that contribute to the improvement of the investment climate in the country, which is formed under the influence of a number of factors, the main of which are: the expected rate of inflation; interest rate on the market; risks associated with legislative, regulatory and tax regulations (Kravchun, 2012). The specified external factors indirectly, and partly directly, contribute to the destabilization of the economic situation in the country (the negative impact of which only increases in modern conditions of war), strengthen the destructive effect of internal factors, which is manifested both in a decrease in the level of innovative activity of business entities (volumes of production, sales of products, deterioration of their financial and economic results, etc.), and is transferred to the level of the state and contributes to a decrease in the level of its economic security. The difficult situation in the field of financing scientific and research activities at the national level negatively affects the economic security of the state as a whole and contributes to the generation of threats to it and national security. The main such threats include (Revak, 2010):

- inefficiency of the state investment and innovation policy and mechanisms for stimulating innovative activity;
- imperfection of intellectual property rights protection mechanisms;
- low competitiveness of products;
- weak domestic demand for the training of scientific and technical personnel to meet

the needs of the modern economy.

High rates of economic growth in the world today are ensured due to the introduction of new technologies and innovations, development and production of modern types of products and services.

The specified factors in the conditions of the Russian-Ukrainian war act as threats to the economic security of the state, leveling or at least reducing the negative impact of which is possible due to the development and implementation of a set of measures that would contribute to the activation of investment and innovation activities at all levels of management (Denysenko & Breus, 2022) in particular by:

1) stimulating the implementation of scientific and technical developments using the experience of the developed countries of the world as a result of the consolidation of the preserved elements of the innovative infrastructure and the activation of the state's participation in this area in order to implement an effective public-private partnership, unification of all regional resources (state and regional budgets, banks and enterprises) to increase the level of economic security of the state based on innovation (Prantenko, H. (2008)., Denysenko, M. P. & Breus, S. V. (2022), Denysenko, M. P., & Breus S. V. (2022);

2) activation of state participation with practical use of individual elements of strategies:

a) active intervention (active participation of the state in the implementation of investment programs through the state sector of the economy, and the provision of tax benefits to business entities and higher education institutions when performing research and development works);

b) mixed strategy (participation of the state should be manifested in direct regulation and control over the effectiveness of investment policy implementation, in particular, regarding its use at the level of regions and sectors of the economy).

All this will contribute to the victory over the aggressor and further prosperity of Ukraine's economy in the post-war period.

**Keywords:** economic security; state economic security; investments; innovations; strategies; investment and innovation processes.

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## ANALYSIS OF CHANGES IN THE REGULATION OF BANKS' ACTIVITIES ACCORDING TO CAPITAL AND LIQUIDITY STANDARDS

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The banking system is a guarantee of the reliability of the entire monetary system of the country. The stability of the national economy and currency depends on the stability of the functioning of banks.

The activities of Ukrainian commercial banks are under the close supervision of the National Bank of Ukraine, in particular, indicators of capital adequacy and liquidity of banks are subject to control.

According to the provisions of the Law of Ukraine "On Banks and Banking Activity" and the Instruction "On the Procedure for Regulating the Activities of Banks in Ukraine" [1; 2], the National Bank of Ukraine (NBU) establishes the procedure for determining the bank's regulatory capital and such economic standards of liquidity, which are mandatory for all banks (table 1).

Table 1. Economic norms of the bank's activity

Date of changes	Before July 1, 2020	After July 1, 2020
Capital regulations		
Norm of the minimum size of regulatory capital (H1)	UAH 500 million	UAH 200 million
Norm of sufficiency (adequacy) of regulatory capital (H2)	≥10%	
Norm of adequacy of fixed capital (H3)	≥7%	
Liquidity regulations		
Date of changes	Before December 31, 2018	After December 31, 2018
Standard of instant liquidity (H4)	≥20%	-
Standard of current liquidity (H5)	≥40%	-
Short-term liquidity standard (H6)	≥60%	
Liquidity coverage ratio for all currencies (LCRBB)	-	≥80% (as of December 31, 2018 ) ≥100% (from December 1, 2019 )
liquidity coverage ratio in foreign currency (LCRIB)	-	≥50% (as of December 31, 2018 ) ≥100% (from December 1, 2019 )
Net Stable Funding Ratio (NSFR)	-	≥80% (from April 1, 2021) ≥90% (from October 1, 2021) ≥100% (from April 1, 2022)

In 2019, with the adoption of NBU Resolution No. 102 dated August 1, 2019 "On Approval of Amendments to Certain Regulatory Acts of the National Bank of Ukraine", the economic standards of current liquidity (H5) and short-term liquidity (H6)

were excluded and new liquidity standards were introduced:

- liquidity coverage ratio (LCR) for all in Aleutians (LCRBB) and in foreign currency (LCRIB);
- net stable funding ratio (NSFR).



The liquidity coverage ratio (LCR) is a liquidity standard that establishes the minimum required level of liquidity to cover the net expected outflow of funds within 30 calendar days, taking into account the stress scenario [2].

The bank calculates the liquidity coverage ratio (LCR) daily as the ratio of high-quality liquid assets to the net expected cash outflow [2].

The bank determines the expected outflows and expected inflows of funds using the coefficients of expected outflows and expected inflows established by the National Bank on the basis of the stress scenario.

The Bank calculates the liquidity coverage ratio (LCR) in accordance with the Methodology for calculating the liquidity coverage ratio (LCR) established by the National Bank [2].

Normative values of the liquidity coverage ratio (LCR) for all currencies (LCR<sub>BB</sub>) and in foreign currency (LCR<sub>IB</sub>) must not be less than:

- 80 percent for the liquidity coverage ratio (LCR) for all currencies (LCR<sub>BB</sub>) and 50 percent for the liquidity coverage ratio (LCR) in foreign currency (LCR<sub>IB</sub>) - starting from December 31, 2018;

- 90 percent - starting from June 1, 2019;

- 100 percent - starting from December 1, 2019.

To the bank, the arithmetic mean value of the ratio of liabilities in foreign currency to all liabilities of the bank, calculated over the last 30 calendar days, which is less than 5%,

the normative value established for the liquidity coverage ratio (LCR) in foreign currency (LCR<sub>IB</sub>), is not applicable [2].

The net stable funding ratio (NSFR) is a liquidity standard that establishes the minimum required level of stable funding sufficient to ensure financing of the bank's activities over a one-year horizon [2].

The bank calculates the net stable funding ratio (NSFR) as the ratio of the amount of available stable funding (ASF) to the amount of required stable funding (RSF) [2].

The bank calculates the volume:

- 1) available stable financing (ASF) as the sum of ASF components (regulatory capital and liabilities), weighted by the ASF coefficients established by the National Bank, which reflect their level of stability over a one-year horizon;

- 2) required stable financing (RSF) as the sum of RSF components (assets and off-balance sheet liabilities), weighted by the RSF coefficients established by the National Bank, which characterize their liquidity over a one-year horizon.

The Bank calculates the net stable funding ratio (NSFR) in accordance with the Methodology for calculating the net stable funding ratio (NSFR) established by the National Bank.

Normative values of the Net Stable Funding Ratio (NSFR) should not be less than:

- 80 percent - starting from April 1, 2021;

- 90 percent - starting from October 1, 2021;

- 100 percent - starting from April 1, 2022.

**Keywords:** Bank, banks, Liquidity regulations, Capital regulations.

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## STATISTICAL MONITORING MODELS OF DEBT SUSTAINABILITY

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The implementation of international standards of public debt statistics is an important element in ensuring the transparency of public finances, which allows for optimizing cooperation with the IMF and other financial organizations in the context of access to credit support programs under the conditions of an acceptable debt burden for the public budget. There is a demand for objective information about public debt from the authorities of the public finance management system, financial market participants, international organizations, scientists, analysts and other users of statistics.

The experience of the IMF, the EU, the OECD, the World Bank, international statistical organizations, and state statistical bodies of developed countries in summarizing and systematizing data on public debt, and identifying differences in national approaches to reporting on public debt is studied.

This made it possible to propose an approach to step-by-step convergence of the current system of statistical observations on the level of public debt with the metrics used by recognized statistical and analytical organizations.

Reliable and comprehensive debt statistics that comply with PSDS principles help decision-makers take into account potential fiscal risks [3; 5; 7] and areas of vulnerability, as well as apply the necessary countermeasures or risk minimization. If the standards of public debt accounting tested in national practice are not consistent with the PSDS and do not provide full coverage of debt transactions or debt instruments, then in most cases this leads to an underestimation of the existing risks and threats related to the public debt. This, in turn, can lead to a

liquidity crisis, a solvency crisis, and other debt complications.

Primary information for compiling statistics on all aspects of public sector debt should come from the accounting data of all institutions of the general public administration sector and state corporations.

In international practice, the following data sources are used to compile debt statistics [1; 2; 4; 6]:

- 1) accounting in budget institutions and state enterprises;
- 2) financial management systems at the level of institutions and enterprises;
- 3) systems of public debt management, transaction registration and reporting.

Data collected from different sources and institutions should be cross-checked for consistency to avoid possible discrepancies.

Liberalization of financial transactions may affect the content of information published in statistical reports. If such liberalization is carried out in stages, then in this case it is necessary that the agencies responsible for foreign economic statistics, including foreign debt statistics, develop a strategy of measures to ensure consistent compilation and dissemination of high-quality statistics. An integral part of such a strategy is consideration of the need to strengthen the statistical infrastructure, the need to create a legislative framework and improve interaction and a clearer division of responsibilities for the compilation of statistics between the various agencies involved in its preparation.

However, at the same time, it is necessary to analyze the methods of data collection. Under tight control, the data comes mostly from administrative sources, such as foreign investment committees, as well as

from commercial banks on their own operations and those of their clients domestically. As financial transactions become more and more liberalized, the amount of information that must be provided directly by enterprises is increasing - both the number of such enterprises and the amount of necessary information are increasing. The information provided by the public sector and commercial banks about their own debt obligations remain largely unchanged throughout this phase.

In conditions of partial liberalization, when some enterprises acquire more freedom of action in attracting loans from abroad, the level of completeness of information from traditional administrative and banking sources decreases. Commercial banks can remain a valuable source of information about the activities of their clients, but there may well be a need to supplement this source of data with the reporting of enterprises that have been granted the right to receive loans directly from abroad, i.e. a declaration on conducting foreign economic operations without the participation of domestic commercial banks.

With the deepening of the liberalization process, the statistical agency begins to feel less and less dependence on administrative and banking sources of information and more and more dependence on obtaining the necessary information from private enterprises, as a result of which its work becomes more difficult. The statistical agency will need to take steps to develop and/or deepen the statistical compilation skills required in this more liberal environment in its staff, including the main staff. In particular, it will be necessary to strengthen skills in conducting surveys, compiling and maintaining a register of companies and quality control, as well to deep the understanding of conceptual foundations. The stage of partial liberalization can provide an opportunity to develop these qualities under conditions when traditional sources of information retain their relevance, albeit to a lesser extent.

The concept of a phased approach allows the statistical agency to gradually build

up the potential needed in these conditions. Since the implementation of the necessary institutional transformations is inevitably associated with complexities and costs, the use of a phased approach will help minimize these costs for all stakeholders.

A country's willingness or unwillingness to follow a phased approach in introducing detailed reporting of external activities by private enterprises may depend on a number of factors, including the availability of resources and the legislative base for surveys. However, it is important that at the time of the full liberalization of the movement of capital in the country, its statistical agency has the ability to monitor the external activities of the private sector. Otherwise, both the economic authorities responsible for decision-making and investors from the private sector may be misled about the amount of accumulated foreign debt of private enterprises, which will have negative consequences for the economy at a later stage.

If a decision is made about the need to create a new data collection system for both the balance of payments and external debt, it is important to define the tasks of the new system at the very beginning. For example, it is necessary to determine the timeliness and periodicity of the submission of summary information, as the choice of types of research and the need for resources may depend on this. The value of the data to decision-making sides should also be assessed, as the collection of any data must be seen in the context of overall statistical priorities, as the resources of the responsible agency and respondents are inevitably limited.

The final goal of compiling external debt statistics is to provide the necessary data to decision-makers and other users. Data should be shared with the public on a regular and timely basis, preferably according to a well-defined and pre-announced schedule. Data may be distributed in print and/or electronic form. In the process of sharing, the used concepts, definitions, classifications and methodology should be noted in the documentation and made public. This metadata may also indicate any significant

deviations from internationally recognized standards, cases of systematic data errors, and information on the proportion of respondents who responded to the main surveys conducted to collect external debt statistics.

In response to user needs, data will be published, which may well be refined later. In such cases, users should be warned that the initially published data is preliminary and may be revised. In the case of further publication of revised data, it is necessary to inform users about the revisions and provide appropriate explanations. In addition, if major changes to the statistical methodology are planned, it is strongly recommended to notify users in advance of the planned changes, and after publishing the updated data, to indicate the retrospective statistical series of the relevant data for a long period.

The data of debt statistics according to the PSDS standard must be consistent with the data:

- 1) public finance - GFS;
- 2) external debt statistics - External Debt Statistics;
- 3) international investment position (IIP);
- 4) monetary and financial statistics (IFS);
- 5) national accounts in the part of data on state corporations and the general public administration sector.

The comparability of data from different statistical systems ensures compliance with the basic identity for debt statistics:

Values (amounts) of stocks on the date of opening the balance sheet + transactions + revaluations + other changes in value = Values (amounts) of stocks on the date of closing the balance sheet.

Timely and comprehensive national debt statistics that meet PSDS standards enable the following important functions:

- 1) monitor the evolution of public sector debt obligations over time and its payments for debt repayment and servicing;
- 2) provide early warning signals regarding possible problems with debt service;
- 3) identify the stability or instability of the financial positions of state corporations

and the government and indicate (if necessary) the need to adjust their policies;

4) provide important input data for the preparation of the budget by the Government, for forecasting financial flows at various levels and for compiling macroeconomic statistics.

According to the GFS-PSDS standard, public debt is considered sustainable if the borrower, according to forecasts, will be able to service existing debts without unrealistically significant adjustments to the balance of its income and expenses.

Professional public sector debt management requires reliable and comprehensive debt statistics, as well as the preparation of a high-quality public sector debt management strategy. Such a strategy makes it possible to achieve the desired structure of the public sector debt portfolio, which reflects the results of the cost-risk analysis and takes into account the government's preferences in the context of the available benefits and risks.

A full-scale public sector debt management strategy usually includes the following important components:

- analysis of the sustainability of the state debt;
- consideration of broad economic prospects;
- cost-risk analysis for each financing strategy;
- annual borrowing plans to specify the debt strategy within the budget period;
- plans for the development of the domestic state borrowing market.

A useful statistical and analytical tool that can complement PSDS debt statistics is the public sector balance sheet. Compiling the balance sheet of the public sector makes it possible to solve the following tasks:

- 1) the balance sheet shows not only the amounts of debt of the public sector but also the assets that are at the disposal of the government and state corporations;
- 2) the accounting balance improves the system of risk identification and management;

3) balance, as a rule, improves the quality of decisions in the field of fiscal policy.

In general, the implementation of a correct fiscal policy, professional analysis of debt positions and management of public sector debt require the accounting of transactions, the creation of databases and the

preparation of reports in accordance with PSDS requirements. At the same time, it is important to ensure the timely performance of the necessary works and full coverage of the relevant components. After all, the quality of policies, decisions made, and analysis conducted is always as good or perfect as the quality of the data on which they are based.

**Keywords:** debt; accounting; financial management system; fiscal policy.

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## REGULATION AND IMPROVEMENT OF THE SYSTEM OF FINANCIAL SUPPORT OF VOLUNTARY FORMATIONS OF TERRITORIAL COMMUNITIES

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With the beginning of the war in Ukraine, voluntary formations of territorial communities (hereinafter - VFTC) began to form en masse in accordance with the Law of Ukraine "On the Foundations of National Resistance" dated 07/16/2021 No. 1702-IX [6]. As of today, the number of their members reaches more than 100,000 people [5], who on a permanent basis perform the tasks of territorial defense, in particular, take part in combat operations, protect public order and infrastructure objects, are on duty at checkpoints and train personnel. During the time that has passed since the beginning of the open full-scale military aggression of the Russian Federation, territorial defense volunteers have proven themselves as an effective and efficient addition to the units of the Armed Forces of Ukraine and other military formations, remaining a powerful self-governing mechanism for the protection of Ukraine and a reserve for replenishing the ranks of various military units.

At the same time, negative trends, which are mainly formed by regulatory gaps, threaten not only to nullify this potential, but also to create significant problems in the country's defense capability. In the financial context, the indicated gaps are determined by [1–4; 7]:

firstly, the current legislation provides that the provision of material and technical means and financing of the activities of voluntary formations is carried out at the expense and within the limits of the State Budget of Ukraine, local budgets, as well as other sources not prohibited by the legislation. In fact, in order to ensure a sustainable financing process (current, operational, technical and transport costs, food for personnel, purchase of equipment, materials,

uniforms of volunteers, etc.), it is necessary to have funds placed in bank accounts. Making such expenses outside of bank accounts is excluded. Instead, current law does not provide for the right of the VFTC to have its own accounts. Under these conditions, the application of a different order of payments, in particular through the accounts of the military unit of the territorial defense forces, the accounts of military administrations or local councils, is quite problematic, time-consuming and quite often simply impossible, which makes it much more difficult for volunteer formations to fulfill their tasks;

secondly, the status of the commander of the VFTC is unclear, which according to clause 8 of article 9 of the Law of Ukraine "On the Basics of National Resistance" is appointed by the Commander of the Territorial Defense Forces of the Armed Forces in agreement with the Commander of the Special Operations Forces of the Armed Forces. In practice, it turns out that he is neither a territorial defense volunteer, nor a military serviceman with corresponding consequences for monetary support;

thirdly, until now the vast majority of VFTCs supported themselves through their own resources, volunteers, patrons and, to a lesser extent, local governments. As of today, this resource base is exhausted, and if sources of support for the VFTC are not secured in the near future, the volunteer movement will soon be in crisis;

fourthly, despite the fact that according to the current legislation, voluntary formations of territorial communities are formed taking into account the resource and human capabilities of the respective territorial communities, local councils do not have the authority to directly provide financial support

to voluntary formations of territorial communities formed within their territorial communities;

fifthly, according to the current legislation (laws of Ukraine "On the foundations of national resistance", "On social and legal protection of military personnel and members of their families"), citizens of Ukraine enrolled in the VFTC, while participating in the preparation and performance of the tasks of the territorial defense personnel have the same guarantees of social and legal protection as military personnel, including financial maintenance, treatment, security, etc. But the mechanism of implementation of these guarantees is not clearly defined in the legislation. Even those volunteers who directly participated in hostilities in Kyiv, Chernihiv, Sumy regions, etc., cannot obtain the status of a participant in hostilities, not to mention treatment after injuries or payment of compensation to the families of the dead.

The issues of modernization of public finances, sociologization of budget policy, development of financing mechanisms for vulnerable segments of the population, improvement of pension provision and social protection of the population in the conditions of structural reforms and European integration processes were studied by scientists of the Academy of Financial Management of the SESE within the framework of the budget topic, headed by an active member of the National Academy of Sciences of Ukraine T. I. Yefimenko - S. S. Hasanov, K. V. Pavlyuk, Y. Ya. Dyachenko, V. P. Kudryashov, V. V. Kulik, O. O. Lyubich, G. O. Pyatachenko, S. O. Rybak, O. V. Stepanova, M. G. Olievskaya, R. L. Balakin, B. B. Dunayev, and other recognized researchers, whose works were published in particular in the columns of the magazines "Finance of Ukraine" and "RFI Scientific Papers" - E. M. Libanova, S. M. Marchenko, M. I. Dyba, V. M. Oparin, A. I. Danylenko, G. V. Vozniak, T. B. Tokarsky, M. Yu. Bilinets, A. E. Buryachenko, T. V. Payentko, Yu. D.

Radionov, B. M. Danylyshyn, etc. The accounting and analytical context of the financial support for the transparency of budget expenditures, the model of the transition of budget financing from the maintenance of institutions to the financing of services, including for vulnerable sections of the population, was studied by L. G. Lovinska, Y. V. Oliynyk, M. V. Kucheryava and L. P. Korytnyk, in particular during the preparation of her doctoral dissertation on the topic "Accounting support for the management of budgetary funds of higher education institutions in the conditions of the creation of a service state."

The results of scientific research of SESE "Academy of Financial Management" were used by the Ministry of Finance of Ukraine during the implementation of the measures provided for in the Strategy for Public Finance Management System Reform Strategy for 2017-2020, approved by the Cabinet of Ministers of Ukraine Order No. 42 dated February 8, 2017. and the Strategy for Reforming the Public Finance Management System for 2022 - 2025, which was approved by the Decree of the Cabinet of Ministers of Ukraine No. 1805 dated 12.29.2021, are the basis for reforming the system of financing the provision of social services.

However, despite the importance of the scientific results obtained above, in order to develop a complete structure of financial support for voluntary formations of territorial communities, to implement the relevant best European practices in the system of public finance management of Ukraine, further theoretical justification and comprehensive consideration of the peculiarities of the current state of public finances of Ukraine during the implementation of the provisions are necessary of the Law of Ukraine "On the Foundations of National Resistance" to increase their resource and defense capacity, which will ensure deterrence, stability and repulsion of the armed aggression of the Russian Federation against Ukraine.

**Keywords:** public finances; budget policy; development; war.

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## FOREIGN-ECONOMIC AND INSTRUMENTAND ENSURING THE ENERGY STABILITY OF UKRAINE

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In the context of the unprecedented destruction of energy infrastructure by the enemy, which intensified during October 2022, threats of a critical decrease in the level of energy stability have intensified in Ukraine. Under these conditions, the need to form a portfolio of tools for organizational, financial and economic support of opportunities for rapid recovery, uninterrupted operation of the energy infrastructure, as well as increasing energy efficiency and energy saving as factors for increasing energy stability is actualized.

*The priority application of state support can be implemented in the following forms attraction of external assistance:*

- to restore the energy infrastructure, the Government of Ukraine is working to find and attract external assistance - both on a bilateral basis and through MFI loan programs.

As of 24.10.2022, the United States has allocated \$ 55 million. for repair and maintenance of gas pipes, as well as the provision of electric generators, alternative sources of fuel for social infrastructure; 70 million euros - provide for the allocation of the Netherlands, Denmark helps with the heating season in the Nikolaev region. In addition, Ukraine has preliminary agreements with Norway and the United Kingdom on gas supplies, especially in case of critical need in winter. The EU and Canada are also connected to assistance: distribution system operators from Belgium, Poland, Germany, Italy and other countries transfer generators, transformer equipment, wires, insulators for power lines and many other equipment to

Ukrenergo, so that Ukraine can quickly resume electricity supplies.

The EU, together with the EIB, will also assist Ukraine in restoring its energy infrastructure and creating conditions for improving its energy efficiency. On 12.10.2022, the European Investment Bank transferred an additional EUR 550 million to our country. The funds will help, in particular, to cover the cost of repairing damaged energy infrastructure and maintain the stability of the Ukrainian power grid. The assistance will also be aimed at restoring the provision of municipal and basic services to the population in communities.

In addition, during the meeting on 21.10.2022, the Row approved a resolution that reduces the loan rate for thermal modernization projects of administrative buildings, schools and hospitals to 0.25% per annum. Due to this, communities will be able to receive almost interest-free loans for thermal modernization projects due to the revision of the terms of the European Investment Bank's program (this EIB program in the amount of EUR 300 million was signed in July 2021).

Currently, the amount of payment for granting sub-loans to the Project participants is 0.5% per annum of the selected and outstanding loan amount, which is a total of EUR 1.5 million. After the reduction, the fee will be 0.25%, which in total will amount to 750 thousand euros. In the context of the war, reducing the subsidy fee will significantly reduce the financial burden on local budgets and will lead to an increase in the attractiveness of the Project and the interest in the participation of cities and communities in

it. This decision will help reduce energy consumption in the future;

- against the background of a full-scale Russian invasion of Ukraine from 24.02.2022, Ukraine received the prospect of EU membership, which brought it closer to the possibility of using pan-European instruments of "green" financing, namely;

- the **LIFE programme** is an EU funding instrument for environmental protection and climate action. Integrated projects allow EU Member States to pool additional sources of funding, including EU's agricultural, structural, regional and research funds, as well as national funding and private sector investments. In total, these 11 projects are expected to raise more than EUR 10 billion in additional funds, which will significantly increase the allocated EU resources;

- Solas **Sustainable Energy Fund ICAV (SSEF)** is a fund founded by Solas Capital AG, which achieved funding of EUR 140 million, including EUR 30 million from the European Investment Bank. EIB investments are supported by the European Strategic Investment Fund (EFSD). The target size of the fund is EUR 200 million, its purpose is debt financing of energy service companies for the implementation of small energy efficiency and renewable energy projects, mainly in EU countries.

Once the target level of capital is reached, SSEF will offer funding for energy-saving business models focused on upgrading existing infrastructure, in particular buildings, using well-established and reliable energy-

efficient technologies such as modern heating and cooling systems, high-efficiency cogeneration, solar roofs, building fabrics, LED lighting, etc. Projects in both the public and private sectors, including small and medium-sized businesses facing greater challenges in securing funding.

In order to increase energy efficiency and energy saving as factors for ensuring the country's energy stability in conditions of destruction, it is advisable to use the following financial and economic instruments:

Continuation of work on obtaining MFI advocacy to attract funding to environmental projects, including the introduction and development of the green bond market in Ukraine, in particular:

- application in the context of broader post-war reconstruction programs the possibility of using debt swaps in exchange for financing targeted protection programs environment and climate measures to release resources;

- establishing preliminary interaction with creditors and potential partners in the implementation of debt swaps, in particular with the involvement of reputable advisers among international financial institutions, on such issues as joint development of a mechanism for implementing the experience of the Caribbean, Belize and Seychelles countries in converting debts to the development of the "blue economy" and issuing "blue" bonds to the development of the "green" bond market in Ukraine.

**Keywords:** energy; infrastructure; energy stability; blue economy; development.

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## RESEARCHES OF DEFICIENCY OF THE HUMAN CAPITAL

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Human capital is the main factor influencing the economic performance of personnel. It is well known that training employees and improving their qualifications increases the human capital of an enterprise and improves the economic results of labor. Most domestic enterprises have set up their own training centers and spend significant funds on training, retraining and advanced training of workers. These measures reduce the shortage of human capital, which contributes to improving labor productivity.

Studies on the development of the theory of human capital are reflected in the works of well-known foreign scientists - economists, such as: E. Denison [1], J. Kendrick [2], L. Thurow [3], J. Fitz-entz [4] and etc. In the world economic science of the twentieth century. approach to human capital, as a result of investment and the leading factor in economic growth, is set out in the works of T. Schulz [5] and G. Becker [6].

Among the scientific developments of Ukrainian and Russian scientists, which became the basis for the formation of the ideology of the need for significant investment in human capital, it should be noted the works of A.A. Grishnova [7], I.V. Zhuravleva [8], O.V. Zakharova [9] and others.

It should be borne in mind that in certain cases, the shortage of staff may be temporary, associated with illness or vacation of employees, in some cases, the shortage can be guaranteed to occur in the future (due to the retirement of employees), in other cases, it occurs unexpectedly (dismissal of one's own free will). In all these cases, the HR department of the enterprise must develop an adequate human resource management (HR) system.

Traditionally, the shortage of human resources is determined on the basis of the

planned number of employees, that is, individual differences in work experience, level of knowledge, and qualifications are not taken into account at all. In addition, even the planned number of employees is determined with significant inaccuracies. This is especially true for workers who do not directly affect the volume of production. When planning the number of this category of personnel, the norms of time for each operation are traditionally used. In addition, each enterprise has individual characteristics that can only be taken into account by timing each operation performed by an individual employee. This is a very time consuming method, so it is rarely used in practice.

In our opinion, it is more adequate to determine not the shortage of the number of employees, but the shortage of human capital, since it is the value of human capital that allows us to take into account the differences of workers in work experience, level of knowledge, etc.

The shortage of human capital should be determined individually for each structural unit and for each position separately, comparing the amount of actual and planned human capital.

For workers who directly affect production volumes (for example, drivers of dump trucks and excavators), the planned value of human capital is determined by the traditional method based on the planned number of employees. This is due to the fact that such workers cannot simultaneously service several machines, regardless of experience and qualifications, therefore their number directly depends on the number of machines, and this number depends on the productivity of the machines and the planned output.

The planned value of human capital is calculated as the product of the average

human capital per employee and the planned number of employees.

The value of the average human capital of workers who directly affect the volume of production is calculated taking into account costs (for example, the cost of fuel and lubricants), while taking into account the value of the human capital of only those workers who in the past had small unit costs of fuel and lubricants. materials. If there is a shortage of human capital in this category of workers, it is necessary to separately consider cases where the shortage is associated with insufficient numbers or insufficient qualifications. With insufficient qualifications, it is not advisable to hire new employees of appropriate qualifications, it is enough to conduct training. At the same time, the training of these workers cannot compensate for their insufficient numbers, for example, one driver cannot service several cars at the same time.

For employees who do not directly affect the volume of production, we propose to determine the planned value of human capital, at which it is possible to achieve an increase in the economic results of labor.

In order to take into account the impact of production volumes on the planned value of human capital and determine the deficit of human capital at the level of the enterprise as

a whole, we propose to apply a non-linear production function:

The physical capital of an enterprise was defined as the book value of total assets. Therefore, the volume of production in value terms, the amount of physical and human capital were brought into a comparable form (indexed). The resulting regression equation is used to plan the amount of human capital required to produce the planned output.

It has been proved that for workers who manage machines and equipment directly involved in the production of products, the planned value of human capital can be determined by the traditional method based on the planned number of employees. This is due to the fact that such workers cannot simultaneously service several machines, regardless of experience and qualifications, so their number directly depends on the number of machines, and this number depends on the productivity of the machines and the planned production volume. For employees who do not directly affect the volume of production, the planned value of human capital should be determined taking into account the planned value of the economic results of labor, while it is necessary to take into account only the qualitative component of the increase in economic results of labor.

**Keywords:** deficiency; human capital; planned human capital; actual human capital; production function; investments; physical capital; production volume; results of labour; quantity of personnel.

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## **SPECIFICS OF FINANCIAL SUPPORT OF RESTAURANT ESTABLISHMENTS IN UKRAINE**

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The restaurant industry in Ukraine is currently developing in difficult economic conditions. Modern features of the functioning of restaurants in Ukraine are the high intensity of competition, the gradual decrease in clientele (not only due to the evacuation of local residents under the influence of the military threat, but also due to the decrease in the level of income of the population, the increase in prices for products and services used in the process of their production commercial activity of the enterprise, etc.); complicating access to investment and credit resources, the need to implement innovations and their high cost, staff turnover, etc. Some of the listed problems can be solved by permanent monitoring of the finances of restaurant enterprises, which will allow timely identification of negative trends in the work of establishments and minimize their possible negative consequences.

Finances play an important role among the factors of restaurant business development. Being the objective basis of effective production and trade activities, financial resources are transformed into other factors of the production and service process, representing one of the important systemic components of the resource potential of restaurant business enterprises. The enterprises of the restaurant industry perform important social tasks related to meeting the important needs of the population in the provision of food, recreation and leisure services. Therefore, in order to characterize the financial aspects of the work of modern establishments of the restaurant industry, it is necessary to take into account various directions of its activity, in particular, such as production, preparation and sale of products; organization of consumption of products of

own production and purchased goods, organization of visitors' leisure, which determine the specifics of finances and financial relations in the restaurant business. Effective use of financial resources of a restaurant establishment can be achieved on the basis of studying certain features. Let's consider them in more detail.

The peculiarities of the composition of financial resources of restaurant establishments are as follows.

1. The assets of restaurant establishments are dominated by current assets, which occupy a much larger share compared to fixed assets and are mainly represented by raw materials. Raw materials take the largest share in the price of culinary products (60-85% depending on the type of establishment) and are intended for the main type of activity - production of products.

2. Restaurant enterprises are most often not the owners of buildings and structures, but only invest in such types of fixed assets as refrigeration and heating equipment, cash registers, computer equipment, inventory, furniture, etc. If restaurants have their own buildings and structures, fixed assets occupy the largest share of their assets.

3. Intangible assets of restaurant enterprises are primarily represented by the so-called goodwill (business reputation). The quantitative assessment of goodwill is carried out during the privatization of a restaurant or during its purchase and sale as the difference between the actual price of the object of sale (privatization) and the accounting estimate of its value, which arises as a result of better management decisions and abilities, a dominant position in the service market, new technologies that are used.

4. In the composition of current assets of restaurant enterprises, material current

assets, represented by raw materials, production stocks, stocks of other commodity-material values, and used as objects of work, occupy a predominant place; low-value perishable items (MSHP), circulation costs for the balance of unused goods; expenses of future periods. Items of daily use (table linen with a shelf life of less than a year, disposable products, detergents and disinfectants, etc.) are included in the MSHP. Inventories include basic and auxiliary materials, materials for the current repair of fixed assets, spare parts for equipment and restaurant equipment, as well as stocks related to cleaning work at the enterprise.

5. Peculiarities of the composition of cash resources of enterprises of the restaurant business are manifested in the article of assets "cash register". In contrast to industry, in the restaurant business, cash funds serve not only economic needs, but are also intended for uninterrupted payments with consumers of culinary products in the process of service. The need for funds for these purposes depends on the number of settlement nodes and the daily flow of visitors.

6. Debts to the budget (in connection with the seasonality of product sales and fluctuations in financial results during the year) and for issued advances (settlements with employees of enterprises) occupy a predominant place in the composition of receivables of enterprises.

7. The application of specific models of the organization of financial support in enterprises of different sizes in the restaurant industry. In large institutions, financial support is organized by a separate unit (financial department). For medium-sized restaurants, a separate staff unit - a financial manager - is provided in the organizational structure. In small enterprises of the restaurant industry, the organization of financial support is handled by the accounting department, the rights and responsibilities of the financial manager are entrusted to the chief accountant.

In practice, each enterprise independently solves the task of organizing financial support for its activities and

choosing financial instruments. Today, domestic establishments of the restaurant industry are not sufficiently active in the field of their financial activities, as there is no search for profitable sources of financing for operational activities, financial support does not fully meet modern needs, and there is no effective mechanism for financial support of entrepreneurship from state bodies. Irrational use of the production capacity of restaurants (slow renewal of the material and technical base and a high degree of depreciation of fixed assets - more than 50%), inefficient management of financial resources (a significant share in the structure of current assets of receivables; an increase in production and trading costs in the structure of operating costs, a decrease in profitability production and trade activity) and the lack of a mechanism of adaptation to constant changes in the environment lead to a low level of profitability of restaurant enterprises and the unprofitability of a large number of restaurant business subjects.

In the conditions of an economic crisis, when due to a decline in consumer demand, financing at the expense of profit is reduced, the subjects of the restaurant business fully feel the burden of the economic and political instability of the business environment, which is exacerbated by the decrease of consumers due to low incomes and the demographic crisis of the population. In order to maintain the stable activity of enterprises of the industry in these conditions, there is an objective need to develop their financial strategy, which has a mechanism for adapting to constant changes in the external and internal environments and will contribute to the solution of existing problems. It is becoming increasingly important and necessary to assess the financial condition of restaurant business entities, determine sufficient financial support and, on this basis, develop a list of measures to achieve and maintain high results of the financial and economic activity of enterprises.

The degree to which enterprises achieve their goals and achieve high financial results depends on the ability to implement effective

financing mechanisms for providing food and beverages.

**Keywords:** restaurant; financial support; business; development.

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## CONCERNING THE CRISIS SITUATION IN THE METALLURGICAL INDUSTRY IN UKRAINE

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Due to military operations on the territory of Ukraine, about a third of the potential of Ukrainian metallurgy was lost. The production of cast iron decreased by 66.2%, steel – by 66.1%, rolled products – by 67.3% [1]. According to the results of January-September 2022, metallurgical enterprises of Ukraine reduced the export of ferrous metals by 65.5% compared to the same period in 2021 - to 5.18 million tons. Foreign exchange earnings from exports decreased by 61.6% during this period.

Industrial capacities of the metallurgical industry are physically destroyed, in particular, metallurgical enterprises in the Mariupol - PJSC "Metallurgical Combine "Azovstal'" and PJSC "Mariupol Metallurgical Plant named after Illich", which accounted for more than 40 % of metal production in Ukraine. Also risks of their strafing are constantly existent, because the majority of metallurgical enterprises are located in areas close to the places of warfare.

Furthermore, crisis trends in the metallurgical industry are caused by the following factors.

**Problems with the export of metallurgical products (both iron ore and finished products).** Due to the blockade of Ukrainian sea ports, metallurgists export products, up to 80 % of which were previously sold exclusively on foreign markets, by rail across the western border (by western border crossings to consumers in EU countries, or further - by transit through European ports), which increases their transport logistics costs. In the past, exporters paid 6 USD/t for delivery of their products to Ukrainian ports, but now they have to pay three times more to bring the goods to the western border - 18 USD/t [2]. In order to improve the export of metallurgical products,

the issue of including metal products in the list of export products subject to the international agreement on the "grain corridor" (Black Sea Grain Initiative), which is being considered by the UN for another year, is being worked out.

**A reduction in the supply of scrap metal to Ukrainian metallurgical enterprises** (for 9 months of 2022 – by 70.1% compared to the same period last year, to 755.5 thousand tons). The collection of scrap metal in January-September 2022 decreased by 73.5%, to 830 thousand tons, export from Ukraine – in 13 times, to 35.2 thousand tons, import – almost in 11 times, to 1.6 thousand tons [3].

**High tariffs for freight transportation of JSC "Ukrzaliznytsia".** From 1st of July 2022, by order of the Ministry of Infrastructure of Ukraine, tariffs for freight transportation by "Ukrzaliznytsia" increased by 70%. Since August last year, Ukrzaliznytsia has changed the procedure for calculating the fee for the use of freight cars - from the planned calculation to the actual one. Considering the fact that freight cars stand at border crossings for weeks, this causes an even more significant increase in costs for shippers.

**A decrease prices for steel and iron ore in world, primarily due to further weakening of business activity in most regions of the world.** As a result, some enterprises operate at minimum capacities. The average capacity loading at metallurgical enterprises is about 15% of the pre-war level, mining enterprises - 25%; ore extraction has been stopped at the Ingulets and Southern mining and processing plants, work has been stopped since August in PJSC "ArcelorMittal Kryvyi Rih" [4]. However, another part of the enterprises is establishing new logistics routes

and develops new types of products (in particular, pipe enterprises work for the growing demand from the oil and gas sector).

The meeting of the First Deputy Prime Minister - Minister of Economy of Ukraine Yu. Svyridenko together with the Chairman of the Verkhovna Rada Committee on Finance, Tax and Customs Policy D. Hetmantsev with entrepreneurs of the metallurgical industry was devoted to the handling the situation in the metallurgical industry.

The main topics at the meeting were, in particular, following:

- elaboration logistics for the products of the mining and metallurgical complex, including increasing the export of metallurgical products by rail;
- improving of customs and phytosanitary arrangement of Ukrainian exports;
- extending the terms of access of Ukrainian entrepreneurs on preferential terms to the markets of the EU, the USA and Canada for a longer period than is provided for now;
- sanctions against Russian companies and a ban on importing products from Transnistria into Ukraine.

An important issue that was discussed during the meeting was the necessity of increasing the processing of metallurgical products, which will allow reducing the physical volumes of finished products, increasing their value. In this context, the issue of adding metallurgical enterprises to the list of those that will be able to take advantage of the benefits provided for in the "Law on Industrial Parks" is being worked out at the state level. This Law provides following positions:

- exemption from customs duties and value-added tax on the import of new equipment imported by IP participants for their own use in order to carry out activities in

the spheres of processing industry or scientific research activities on the territory (within) the industrial park;

- exemption from income tax for 10 years of IP participants, subject to implementation of a certain conditions established by law;
- granting the right to local self-government bodies to establish preferential rates of real estate tax and land fees.

In addition, on sixth of October 2022, the Council of the European Union adopted the eighth package of sanctions against the Russian Federation, which, in particular, introduces new bans. These bans apply on the export of coal to the Russian Federation, including coking coal used in Russian industrial enterprises, as well as a ban on the import from the Russian Federation of finished steel products and semi-finished products (for some semi-finished products, a transition period and only a partial restriction is provided).

In the future, it is necessary to intensify negotiations with Western partners concerning the introduction of a total ban on the import of metallurgical products from the Russian Federation, as well as granting Ukrainian metallurgists new preferences on Western markets. It is necessary to initiate negotiations between representatives of associations of the ferroalloy industry, as well as cement, lime, agricultural, and chemical industries (industries that send about 90% of cargo by Ukrzaliznytsia) with the Ministry of Infrastructure of Ukraine and JSC Ukrzaliznytsia concerning the downward revision of freight transportation tariffs.

It is also important to develop a *strategy* (which would include an action plan, or "road map") for the anti-crisis policy in metallurgical industry, taking into account the proposals on this issue from industry associations.

**Keywords:** metallurgical industry; crisis; war; anti-crisis policy.

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## INDICATORS OF EFFECTIVENESS OF PRIVATE ENTERPRISES IN NON-FORMAL ADULT EDUCATION IN CONDITIONS OF UNCERTAINTY

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This study is devoted to the determination of indicators that characterize the effectiveness of private enterprises in the field of non-formal education of adults and their characteristics in the conditions of BANI World (Brittle, Anxious, Nonlinear, Incomprehensible). The relevance of the topic is due to the integration of Ukraine into the world educational space, which requires the improvement of the effectiveness management system in institutions of non-formal adult education, in particular, private forms of ownership in conditions of uncertainty.

The purpose of the article is to research approaches to assessing the effectiveness of private entrepreneurship institutions in non-formal adult education and to provide recommendations for its practical use in conditions of uncertainty.

The object of the study is the process of managing the effectiveness of a private institution of non-formal adult education in modern Ukraine.

The methodological basis of the research consists of methods of observation, comparison and system analysis, methods for data processing and logical generalization.

The successful development of the enterprise consists in the effectiveness of economic activity, which is influenced by both internal and external factors. By 2020, when the COVID-19 pandemic began, the company's strategic development could be predicted. The state of the world order was defined as SPOD, i.e.: steady – stable, permanent, uniform, stable; predictable – predictable, expected; ordinary – simple, constant; definite – determined, regulated, fixed. The war of Russia against Ukraine, the introduction of sanctions against the aggressor country and its international isolation, the rapid change of geopolitical centers of

influence led to the instability of the world order and contributed to the emergence of a new concept of the world order named BANI. (Chaliuk Yuliia, 2022) This term was first proposed by Jamais Cascio, a professor of the University of California in his article Facing the Age of Chaos in 2020. (Jamais Cascio, 2020). The new reality forced Ukrainian private enterprises to adapt to conditions of uncertainty according to the BANI concept, which means: B – Brittle, A – Anxious, N – Nonlinear, I – Incomprehensible. (Think Insights, 2022)

A private enterprise is an institution of non-formal adult education is a subject of entrepreneurial activity, which is carried out under the influence of macro- and micro environmental factors, and has its own life cycle. To manage the effectiveness of such an enterprise, indicators should be applied that take into account the goals of the institution in a specific period. Indicators of effectiveness of a private enterprise can have quantitative as well as qualitative characteristics, standardized in accordance with the profile and goals of the activity. Quantitative characteristics indicate how pronounced this or that feature is and, as a rule, have a numerical indicator. Qualitative characteristics demonstrate the presence of certain traits and can be provided as a textual description.

**Indicators of the effectiveness of work with clients** demonstrate how a private non-formal adult education institution and the quality of its services are evaluated by clients, as well as whether they are ready to get training here in conditions of uncertainty.

- Net Promoter Score (NPS) is a metric that reflects the level of satisfaction of students of a private institution of non-formal adult education with the quality of educational services, the fullness of

educational programs, teaching methods, pricing policy and the opportunity to apply the knowledge gained in practice (Nakonechna Olga, Liashenko Oleksandra , 2022).

- Client Index (CI) is a metric of level of invoices issued and paid. It indicates the effectiveness of communication of sales staff with the clients. The main goal of management is to train staff to increase the value of this indicator.

- Test Index (TI) means changes in the knowledge of the target audience (test result,%). This metric demonstrates the level of learning by students and the quality of educational services.

**Indicators of the effectiveness of internal economic processes** reflect how the processes can provide the institution with significant advantages over competitors in conditions of uncertainty

- The level of technological support of the educational process.
- Security provision of the educational process.
- Mobility of provision of educational services.
- Quality of management.
- Indicators of business activity.
- Correlation between the rate of growth of sales of educational services in the institution and the rate of growth of sales of such services in the entire industry.

**Indicators of the effectiveness of investments in innovation and personnel training** demonstrate how the status of the enterprise can be improved in conditions of war, pandemic, etc. Enterprises that do not innovate and rely only on "proven" methods of work often find themselves behind the competition and cannot adapt quickly enough to changes in their environment. (Think Insights, 2022) A level of investments in innovation and staff training is indicator of a

company's "anti-anxiety", "anti-brittle" and "anti-nonlinearity" in the BANI world.

- Index of effectiveness of personnel training (ROI ed.). Jack Phillips' methodology allows determining implicit benefits. Implicit benefits can be considered an increase in team spirit, job satisfaction, reduction of conflicts, losses from downtime, etc. (Butusevich A., 2015)

ROI ed.= Savings of losses / Education costs .

- The level of cooperation culture (% of classes canceled due to misunderstanding between staff) is a metric that helps to understand the level of effectiveness of communication between staff and the cause of reputational risks.

- Return on investment (ROI inv.) is an indicator of investment effectiveness. In terms of BANI, it is a demonstration of the company's investment flexibility and readiness to quickly respond to new challenges in the world around us.

- The non-parametric assessment of Mac Gi is an indicator of the effectiveness and efficiency of training to reduce the cost of business processes (Butusevich A., 2015)

**Indicators of economic effectiveness** of a private enterprise of non-formal adult education are income, expenses and other generally accepted financial indicators. In addition, it is important to use risk assessment and operating profit (EBIT) to make management decisions.

The using indicators of effectiveness to evaluate the company's performance, it is important to maintain a balance between all indicators. This balanced system of indicators provides the owner of the enterprise (private entrepreneur) with the opportunity to make quickly decisions, use fast-moving external factors during risk assessment, and ultimately allows the institution to remain competitive even in conditions of uncertainty.

**Keywords:** effectiveness, indicator of effectiveness, BANI, private entrepreneurship, non-formal education, adult education, BSC.



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## INDUSTRIAL REVOLUTION: THE MANAGEMENT PROCESSES OF PUBLIC AND COMMERCIAL ORGANIZATIONS

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To my words, from the past to the present; industrial revolution, globalization, global competition, besides the effects of the information revolution; I would like to start by talking about the radical changes it has created in the relations between public administration and the management of commercial enterprises.

In our age, the relationship between public administration and the management of commercial organizations is among the important issues that are frequently brought up and discussed.

In fact, the forms of practice in both administrations began to resemble each other professionally and methodically.

Giant companies (Walmart, BP, Apple, IBM) in developed countries can be given as an example to this issue.

In particularly, giant companies in countries are the cornerstones of their economies as well as politically guiding their management.

Recently, cooperation has started to be made in terms of activities and works carried out between each other in both management processes.

In that case, it would be useful to take a brief look at the past process of this issue.

Thanks to the Industrial Revolution, the management processes of public and commercial organizations were highly affected and forced to change, as a result of technology job interviews for the first time.

This Revolution; it has caused changes and to innovations in many fields related to industry, economy, agriculture, trade, tourism, service and maritime.

Also, The Revolution in the management of public and commercial organizations in the national and international it has caused radical changes in every aspect

of planning, policy, programming and decision-making activities.

In our century, the invention of the internet and the mobile phone created the Information Revolution with a similar effect and led to the formation of globalization.

Today, after globalization; developments on issues such as political, social, economic, technology, informatics, transportation and media have caused the same radical changes.

Undoubtedly, globalization has also had an impact on many areas in the administration of public, as well as in the management of commercial organizations, and has led to severe transformations.

Thus, the traditional management approach in the management of public and commercial institutions remained insufficient in the face of these changes and transformations.

All these changes and developments have ruthlessly triggered competition in the administration of public and commercial institutions.

Moreover, such changes have greatly increased global competition.

In the face of such developments, the management of public and commercial institutions; they had to make changes in their management styles, management and organizational policies, workforce planning and staffing.

In this sense, in both administrations; they had to turn to innovation, outsourcing, benchmarking and reengineering processes and new methods in their financial, sales programs and plans.

On the other hand, the agenda of the world; population growth, migrations, military, political, unemployment and economic, energy and sustainability problems

are busy and cause crises every day.

As a matter of fact; these current developments in the world play a different and negative role in the management of public and commercial institutions.

In addition, it is clearly seen that the COVID-19 Pandemic, which we are facing today, affects business and social life in the most painful way all over the World.

Unfortunately, the same impact has had a negative impact on the management of public and commercial organizations.

Such developments; it has led to the

redefinition of the management of public and commercial enterprises, and the redefinition of its principles and scope.

In addition, ethics, respect for human rights, social responsibility formed the basis for the formation of new perspectives and new approaches in both management styles.

In summary, I would like to state that today, after all these changes, almost every subject does not remain in the old way, and both management approaches are similar and influenced by each other.

**Keywords:** development; management; public institutions; commercial institutions.

## HOW THE UKRAINIAN AUTHORITIES MINIMIZE THE CONSEQUENCES OF MASSIVE RUSSIAN ATTACKS ON THE ENERGY SYSTEM OF UKRAINE

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For Ukraine, which is in a state of hybrid war with the Russian Federation, the issue of effective counteraction to the consequences of massive Russian attacks on the Ukrainian energy system is vital. Therefore, studying the state of the electric power industry after the terrorist attacks of Russian aggressors and the actions of the authorities to neutralize the damage caused by the enemy is an extremely urgent task.

The Ukrainian-Russian war, which has lasted for eight years, has caused great damage to the Ukrainian electricity industry. Firstly, there was a sharp drop in the use of electricity by at least 40%. Secondly, the enemy captured part of the power generating capacities, several dozens of power plants of various types were destroyed due to shelling with missiles, shells, bombs. Thirdly, the majority of CHPs and TPPs that work on coal were left without this energy raw material, because the mines are in the occupied territory. All this negatively affects the Ukrainian economy, leads to a drop in GDP, impoverishes the Ukrainian people.

Thus, our state faces a challenge not only in ensuring national security in confronting the military aggression of Russia, but also in the ability to guarantee the stable functioning of the electric power industry in the conditions of war.

Russia, having suffered painful defeats on the battlefield, cowardly and treacherously, violating all possible and impossible rules of warfare, carries out terrorist attacks on Ukrainian cities and villages, civilian critical infrastructure, energy facilities, destroys centralized drinking water supply. The purpose of the attacks is to exterminate Ukrainians by creating uninhabitable

conditions. Energy facilities have been under fire of Russian terrorists since the first months of the war. At first, the occupants seized generating capacities and disconnected them from the United Energy System of Ukraine, hit thermal power plants that produce heat and hot water, and thermal power plants in the area of active hostilities.

The enemy launched a missile attack against the power system in September, hitting high-voltage facilities in the Kharkiv region. In October 2022, Russia significantly increased its attacks on Ukraine's energy facilities, damaging about 40% of the country's energy infrastructure.

On October 10-11, 2022, the Russian aggressor began to use new tactics: they identified critical energy infrastructure facilities as the main target. As you know, the energy system consists of two parts: power plants that generate electricity and infrastructure for its supply. In October, the aggressor set a goal to destroy both components. First, they launched rocket and bomb attacks on switchgear, transformers and switches to disconnect the power plants from the IPS of Ukraine.

Thus, on October 10-11, the racists carried out a powerful attack on high-voltage substations of "Ukrenergo", they hit these objects in the western regions, central region, south and east of Ukraine. Russian terrorists did not stop there and bombed energy facilities every day.

On October 17 and 22, the next two large-scale attacks took place. Rashists sought to destroy power plants and again high-voltage substations of "Ukrenergo". Russian barbarians used not only cruise missiles but also Iranian drones for this purpose.

On October 31, 2022, due to massive shelling of critical infrastructure, Ukrenergо was forced to initiate emergency power outages. In the second wave on the same day, Russian terrorists hit 10 regions with missiles and drones, where 18 facilities, most of them energy facilities, were damaged, as a result hundreds of settlements in seven regions of Ukraine were cut off. The consequences could have been much worse, but thanks to the professional work of air defense 44 out of more than 50 Russian missiles were shot down [1].

Since February 24, Russians have hit energy facilities 85 times. Two out of three strikes occurred in the last two weeks of the war. The enemy uses air, sea and land-based cruise missiles, ballistic missiles, anti-aircraft guided missiles and Iranian Shahed-136 drones. In the conditions of Russian terror in the electric power system of Ukraine, it is extremely important that in March the power system of Ukraine was synchronized with the ENTSO-E network of continental Europe. This made it possible to start commercial electricity exports to EU countries on June 30. However, since October 11, Ukraine was forced to suspend electricity exports to the EU to stabilize its own energy system. It should be noted that the technical capabilities of grid synchronization also work in the opposite direction, if it happens that Ukraine needs to import electricity from the EU[2].

Ukraine's membership in ENTSO-E has created conditions for assistance from the transmission system operators of Germany, Belgium, Denmark, Poland, Slovakia, and Lithuania. Ukrainian power engineers receive equipment and materials from these countries.

European Commissioner for Energy Kadri Simson arrived in Kyiv on Tuesday,

November 1. On the same day, she met with President of Ukraine Volodymyr Zelenskyy and discussed the recovery from Russian strikes, Ukrainian energy infrastructure and stabilization of the Ukrainian energy grid. During the talks, the EU Commissioner said that Brussels would provide Ukraine with 25.5 million euros to meet urgent needs and appropriate equipment supplies.

At the same time, Zelenskyy drew attention to the expediency of creating a platform to support the Ukrainian economy, in particular the energy sector, such as the Contact Group in the Ramstein format[3]. On November 4, 2022, US Secretary of State Anthony Blinken announced that the G7 countries had agreed on a new format for assistance to Ukraine. The new coordination mechanism will be similar to the "Ramstein format", which provides military support to Ukraine.

At the same time, Ukraine has opportunities to increase electricity production. It is primarily about renewable energy sources. To do this, the Verkhovna Rada should adopt a law to support investors willing to build wind power plants, as well as small hydropower facilities in the western regions.

Russia will continue its energy terror against Ukraine and energy pressure on the European Union. Ukrainian people will continue to suffer from interruptions in the supply of electricity, water and heat. In the conditions of winter, which will soon come to the country, these difficulties will only increase. Therefore, it depends on the balanced actions of the Verkhovna Rada, the Cabinet of Ministers, resilience and preparedness of the Ukrainian people how we will survive the winter this year.

**Keywords:** energy; terror; war; Ukraine.

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## INFLUENCE OF EMOTIONAL INTELLIGENCE ON INNOVATIVE BUSINESS DEVELOPMENT

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In the conditions of acceleration of the processes of scientific and technical progress and the introduction of modern technologies into production, the requirements for the intellectual component of human capital are increasing, which is definitely an important factor in the growth of competitive advantages in the conditions of innovative activity of business structures.

In modern business models, special attention is paid to knowledge about human feelings and emotions, because it is emotions that motivate a person to take an active part in economic relations. Major changes taking place in the business environment in the era of digitalization and automation require entrepreneurs to develop emotional capital. After all, fundamental innovative breakthroughs are born precisely from creative, interested and satisfied employees. Creative solutions of motivated employees lead to innovative breakthroughs.

Every entrepreneur dreams of creating a successful business. However, more than 60% of entrepreneurs do not make efforts for the further development of the enterprise and the implementation of innovative solutions, as they do not feel the emotional state of their team.

The activity of any business is aimed at obtaining maximum profit. The level of profitability of a business depends on a large number of factors. One of which is innovative management, that is, the ability to organize an effective work process in modern realities.

The first step to creating effective management systems is to create strong social relationships between the unit manager and subordinates. Each manager must understand and control the mood of the average work

group to improve work efficiency, which will ultimately lead to an increase in the company's profits. To carry out such a difficult mission, the manager must have an appropriate set of competencies, which includes emotional intelligence, which is known as EQ.

Summarizing the opinions of sociologists, philosophers, psychologists, top managers of global companies allows us to determine the essence of the category "emotional intelligence". From our point of view, emotional intelligence is a set of innate and developed skills and feelings that allow us to distinguish, understand, to some extent control, relay, and create personal emotions and emotions of the people around us.

There are 4 stages of EQ development:

1. Self-awareness is the ability to perceive emotions and express them.
2. Self-control is the ability to control one's emotions.
3. Awareness of others — the ability to identify emotions in others.
4. Social skills — influencing people, the ability to transform the emotions of others [1].

According to D. Goleman's concept, EQ is calculated as the sum of indicators of seven abilities: self-awareness, self-motivation, resistance to frustration, impulse control, mood regulation, empathy, optimism. If IQ is a predictor of academic success, then the level of EQ allows us to talk about the probability of success in life. In today's world, top managers of the most profitable companies often come across the expression: "IQ gets you hired, but EQ gets you promoted ».

According to the theory of great opportunities, almost anyone can become a leader if they develop emotional intelligence.

According to French scientists, approximately 10% are natural leaders, 80% can become leaders, and the remaining 10% will never become leaders

Most people make decisions based primarily on emotions, and only then on logic. Most often, the influence of emotions on the performance of certain work is called the human factor. This indicator cannot be measured, but it is possible to assess its impact on the final result of the activity of each specialist and the unit as a whole. The results of the "human factor" can be both positive, in the form of increased work efficiency, and negative, in the form of not wanting to work and making critical mistakes during the performance of one's duties, which in turn can lead to the loss of clients. loss of the company's image, direct financial costs.

The emotional climate in the team affects the effectiveness of the communication of specialists with each other, that is why creating the necessary emotional atmosphere can solve the problems of interaction of units with each other. The manager is always in a human-human working model, so with a hierarchical system of managing human resources, mood and emotions are transmitted from the manager to subordinates, which affects the work of subordinates.

However, an emotional atmosphere alone is not enough to increase the profitability of companies. Every representative of a small, medium or large business must constantly improve. There are countless ways to improve your business. Among them are expansion of the client base, changes in the usual management schemes, improvement of production and level of services. Most often, such changes do not take place without innovation.

Increasing the innovative activity of business creates conditions for the intellectual development of human capital [2]. Business is the main engine of development and implementation of innovations. A significant number of implemented modern technologies within companies is the result of optimization of business structures. Innovation is the

embodiment of something new, new ideas, new technical developments, new management models, new working conditions, digitalization.

Innovation, as well as effective management, have the goal of increasing profitability and are interconnected.

All innovations can be conditionally divided into two groups. The first group is innovations introduced by the management in order to increase the efficiency of the work process. As a rule, such innovations are introduced at the global level and force business reforms. Thus, part of the employees can be replaced by robotics, which in the long term will provide an opportunity to reduce staff maintenance costs. Another type of innovative change comes from employees and aims to improve their working conditions and increase personal effectiveness.

In both cases, for the successful implementation of innovations, the manager must have a developed emotional intelligence. Thus, in the case of the need to reduce the number of workers and transfer part of the work functionality to robotics, more modern equipment, digitalization, the manager should choose the most qualified and experienced subordinates. And in the case of proposals to improve the work process from the side of the employees, the manager must assess the socio-economic effect of the implementation of a potential innovation, without understanding human and powerful emotions it is impossible to implement any of the listed scenarios.

Due to the developed emotional intelligence, the head of the department is able to implement innovations more easily and quickly. Since it is possible to convey to the top management the need for the implementation of innovations, to identify the need for the introduction of innovations. It is development, analysis, implementation, economic justification, patenting - all these processes are combined in one term - innovative activity.

Modern economic practice shows that high the result can be achieved and only under the conditions and conduct of

innovation activity - systematic and purposeful innovation aimed at ensuring a new level of interaction on the basis use of new scientific - economic, scientific - technical knowledge – For management innovative activity, it is important for the manager to know the orientation of the staff and, with the help of motivation, to orientate this activity in the interests of the company.

Summarizing the above, we can conclude that in the modern economic space, no business representative can develop effectively without the implementation of innovations and the implementation of innovative management, which in turn depend on the level of comfort, efficiency, social interaction between employees and colleagues, and the socio-psychological atmosphere in the team. A significant role in the innovative development of the company belongs to the manager, who must become a leader, effectively apply modern management technologies, because it is he who creates the working atmosphere and conditions for the

development of the team as a single organism, which in turn over time leads to increased work efficiency and profit maximization through innovative changes at all levels of the enterprise

Thus, under the conditions of development of the innovation-investment model of the economy, the enterprise can create favorable conditions for the constant growth of innovative ideas by conducting trainings on the development of emotional intelligence for top managers. During the formation of the personnel reserve, pay attention not only to professional skills and abilities, but also to the level of development of emotional intelligence, because in the future it is precisely such a manager who will most effectively implement and generate new ideas, management schemes, and relentlessly increase the efficiency and productivity of the team's work, pay great attention to the development and study of the emotional capital of business structures in order to use it effectively.

**Keywords:** business; human; emotions; management.

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## SOCIAL CAPITAL DEVELOPMENT IN A DYNAMIC ENVIRONMENT CONDITIONS

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The stages of the post-industrial world countries transformation in globalization fundamentally changed the idea of the driving forces and the ratio of priority factors of socio-economic development, the role and place of a man in the civilization process. The latest patterns of development of competitive market economies in the 21st century became their socialization and use of social capital as a dominant productive force.

This statement is conditioned by the essence of social capital as a product of social interactions that create social networks, stimulate the trust and make society consolidated. In this sense, it is an important as individualistic component of the social capital, as well as its specificity as a group resource, which allows you to "glue" social ties and interactions through norms, rules and beliefs.

The formation and development of social capital is significantly influenced by the external environment. Therefore, choosing the social capital and modern dynamic environment as the research object is relevant.

The research used methods of scientific generalization, comparative analysis, and structural-functional analysis.

Analysis of the global dynamics of world economies and entire societies made it possible to distinguish three periods described by correspondent models of SPOD, VUCA and BANI world.

The SPOD stage (includes Steady, Predictable, Ordinary, Definite) lasted until the early 80s of the XX century and was characterized, despite economic cyclicity, by stationary, consistency, offensiveness, predictability of threats and challenges, and certain ordinance. The development of social

capital under SPOD was focused on the micro level. The individual success of a person, in business, education and integration in society was determined by the economic wealth of the family, origin (aristocratic origin), family reputation, strong family ties and support.

The SPOD stage was replaced by an era whose essence is defined by the acronym VUCA Volatility, Uncertainty, Complexity, Ambiguity (Grabmeier, 2020, Horney, Pasmore&O'Shea, 2010: p. 33). The VUCA concept was developed in the US military to describe the social transformations of that time, the state of countries after the "Cold War", and the necessary actions of the US Army in conditions of possible conflicts (Whiteman, 1998). In the 2000s, significant technological and product innovations, the invention and spread of the Internet, and the informatization of the economy and society became key factors in the spread and popularity of the term VUCA in the business world.

Features of VUCA components mean the next (Grabmeier, 2020, Horney, Pasmore&O'Shea, 2010: p. 33, Whiteman, 1998):

### *Volatility:*

- despite the availability of management information about the state of the economy and development trends it is difficult to predict the nature, directions and dynamics of changes in the economy and society;
- changes have not only positive, but mostly negative consequences;
- managing the economic activity and timely making of correct decisions are difficult.

### *Uncertainty:*

- determined nature of causal relationships;

- lack of information about the state and development trends of the industry, market, society;
- impossibility of taking into account a large number of factors of business and social development;
- impossibility of making accurate predictions about possible events and their consequences, so even a minor event can lead to global consequences.

*Complexity:*

- the presence of a huge and excessive amount of interdependent confusing information;
- significant danger of misunderstanding and defining the company's problems.
- overload and lack of understanding of directions for using information resources in a complex environment;
- the complexity of taking into account many different interrelated factors, which creates new problems;
- difficulties of effective management of accumulated information, technologies, human and other resources.

*Ambiguity:*

- the unknown nature of causal relationships, regardless of the amount of available information or the number of business development factors;
- untimely receipt, unreliability or ambiguous interpretation of information;
- lack of historical precedents for the development of forecasts, scenarios and mechanisms of economic development;
- high risk of making incorrect management decisions.

The VUCA era actualized the meso-level of social capital development. The unstable and high-risk environment led to the transition to a new type of competition, when not only individual enterprises compete, but systems of business interaction as a whole. Therefore, social capital became the basis of the company's unique asset - mutually beneficial business relations between the enterprise and stakeholders (consumers, staff, suppliers, distributors, retailers, etc.).

Currently, the concept of the VUCA world has been replaced by the concept of

BANI created by the anthropologist and futurist Jamais Casio (Casio, 2020), which more accurately describes the new characteristics of world dynamics and the environment for the development of social capital. Social capital in BANI- world reaches the macro- and even mega – level.

The acronym BANI stands for (Casio, 2020, Grabmeier, 2020):

B -Brittle - the reliability of social and economic systems is illusory, fragile; enterprises, the market and society are vulnerable to disaster at any time and can easily collapse;

A -Anxious - excitement and anxiety caused by constant changes, today is a more common descriptor not only of personal life, but also of the functioning of business and society. A continuous flow of changes can lead to passivity and makes it difficult to make the right decisions and effective management in general;

N - Nonlinear – means the existence of asymmetries, gaps and disproportions between causes and consequences; the absence of a clear and understandable structure of the environment for the functioning of the economy and society.

I - Incomprehensible arises from information overload and the often contradictory nature of information; the market situation offers management answers to the challenges of competition, but the answers do not make sense. Consequently, management efficiency decreases, and social and economic uncontrollability increases at all levels.

Now the development of social capital can become an effective means of overcoming threats and risks of the BANI world, adaptation of social and economic subjects and their active adaptation to the consequences of global dynamics. In particular, the influence of social capital directly contributes to:

- mutual recognition and support, material or symbolic exchange of resources in the network of relations between social groups and society as a whole;



- strengthening group interaction and relationships;
- formation of a harmonious and cooperative culture;
- transparency and balance of communications and information;
- creation of shared values with partners, including the consumer, based on the integration of targeted resources;
- organization of a flexible business ecosystem and coordination of interactions in the process of creating common values;
- openness and transparency in making important economic decisions as a prerequisite for improving business efficiency, preventing and countering fraud;
- saving resources that can be invested in the latest technologies, innovations, etc. in the future.

**Keywords:** social capital; development; environment; volatility; uncertainty; complexity; ambiguity.

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## COGNITIVE FLEXIBILITY OF THINKING AS A NECESSARY CONDITION FOR HUMAN ADAPTATION TO COMPLEX LIFE SITUATIONS

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Flexibility of thinking (cognitive flexibility) is the ability of the human brain to "switch" between thoughts and tasks, to find non-standard options for solving problems and ways of implementing ideas. This property allows you to successfully solve problems and adapt effectively.

Cognitive flexibility of thinking allows a person to avoid "dead" situations, and if he still falls, this skill will allow him to look at the problem from different angles and find the most effective number of solutions.

A person who has cognitive flexibility quickly adapts to changes in the environment, sees alternatives, quickly switches from one activity to another, perceives the situation from different points of view, and also easily tolerates mistakes (1).

Flexible thinking makes it possible to solve complex problems, that is, problems that are characterized by the presence of a number of unrelated facts and information, the work of which requires, on the one hand, tools of logical and critical analysis, and on the other hand, intuitive and emotional tools, which allow you to effectively manage complexity in relationships and life situations (3).

Cognitive flexibility means a person's ability to learn faster, solve problems more creatively, adapt and respond to new situations more effectively, which is why it is so important both in educational institutions and in the workplace.

And the following positive factors follow from this:

1) willingness to adjust initial plans;

2) casually and easily relate to the changes taking place;

3) pick up the interlocutor's thoughts;

4) present arguments and use examples;

5) explain complex topics or terms in simple and accessible words (4).

Historian and futurist Yuval Noah Harari in his book "21 Lessons for the XXI Century" came to the conclusion that "in order to keep pace with the world of the model of 2050, it is necessary not only to offer new ideas and products, but first of all it is necessary to constantly update ourselves."

As we emerge from the pandemic, the war, we will need to ensure that while learning and practicing new skills, people also learn to be cognitively flexible in their thinking. This will provide them with greater stability and well-being in the future.

Previous research has shown the benefits of cognitive flexibility training. Indicators improved not only regarding the performance of cognitive tasks, but also improved social interaction and communication, stress resistance (3)/

We developed the educational project «Be mentally healthy», which includes 5 modules for the formation of social and psychological competencies of personnel during and after the war. Training format: online, individual counseling.

The tasks of implementing the educational project are:

1. To form positive and productive thinking.

2. To expand the personal stress resistance of each participant.

3. Learn to manage stress.
4. Practice the skills of quick recovery of physical and mental strength after stress.
5. Learn to use management techniques and stress relief in everyday professional and life situations.

6. To learn effective techniques of self-control of the personal psycho-emotional sphere.
7. Development of one's own program of professional self-preservation.

**Table 1. Study program «Be mentally healthy»**

CONTENT	PRACTICAL EXERCISE
<b>Module 1</b> The 21st century is the century of psychology. How to live in the BANI world. Stress as an integral manifestation of life Concept of stress and its features	Neurobics - exercises for the brain Change formula Fitness exercise
<b>Module 2</b> Behavioral, intellectual, physiological and emotional signs of stress. Methods of assessing the state of the cardiovascular system and the autonomic nervous system under stress.	Carrying out individual stress diagnostics Fitness exercise
<b>Module 3</b> Classification of stress neutralization methods. Basic methods of self-regulation. Neutralization of stress with the help of psychotherapy methods. Non-traditional forms of self-regulation of mental states.	Adaptability formula Tools of self-regulation Techniques of cognitive-behavioral therapy Fitness exercise
<b>Module 4</b> The syndrome of "professional burnout" and its relationship with professional stress and conflicts. Psychology of influence, models of behavior with a toxic environment. Occupational health as a component of one's own professional brand	Exercise «Golden Shadow» Effective methods and techniques for preventing and overcoming "professional burnout" Health diary Fitness exercise
<b>Module 5</b> Characteristics of human crisis states How to provide psychological first aid Self-help Hormones of well-being Anti-stress products	Method «Self-assessment of emotional states» The «Personal scale of anxiety» method Exercise «Become the master of your thoughts» Fitness exercise
<b>Reflection</b>	Participants prescribe a personal plan to reduce stress in their lives. Questions and answers.

A person with effective cognitive flexibility of thinking has the following features:

- quickly adapts to environmental changes;
- withstand changes that may occur in the process of solving problems or performing tasks, be able to see alternatives;
- easily move from one type of activity to another, behave correctly in any situation;
- assess the situation from different points of view and establish hidden

connections, which makes it possible to find several solutions to the same problem.

- will better skew mistakes and changes in plans.

Adjusting the "metabolism" of the brain, that is, the formation of the cognitive flexibility of a person's thinking, will allow one to feel that everything in life is under control; to receive new impressions and experiences that refresh perception, to appreciate the positive opportunities of each day and to avoid the negative.

**Keywords:** flexibility of thinking; cognitive flexibility; environment; self-preservation; Be mentally healthy.

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## THE ADULT EDUCATION AS A REINFORCE OF ECONOMIC SECURITY

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One of the problems of the XXI century is the changing requirements for adult education. All components of the process of continuing education are focused on the formation and enrichment of knowledge, skills, competencies for further employment, ensuring its competitiveness in the labor market, productive employment, reducing unemployment and overcoming poverty. At the same time, adult learning is an integral but well-known part of the lifelong learning process. The main task of adult education is to constantly improve the skills (retraining) of adult citizens to fully meet their educational needs and ensure their competitiveness in the labor market. The country's competitiveness depends significantly on human capital, on education and training.

Continuing education in the modern cultural and educational context is an idea, a principle of learning, the quality of the educational process, a condition of human development. Today, the period of "half-life" of competence, i.e. its reduction by 50% due to new information, shows that in many professions this period is less than 5 years, i.e. about our system of higher education before graduation. The solution is to move to lifelong learning, where basic education should be periodically supplemented by additional education programs and organized not as a final, completed, but only as a basis, a basis that is supplemented by other programs. This requires that the graduate, in addition to knowledge acquired in a narrow profession, must develop his ability to learn throughout his professional life, develop communication skills, adaptability, self-improvement, organizational and group effectiveness and a number of other qualities. At the same time,

adult learning can improve employment and income, which is a keyway to realize several other benefits. For example, it allows people to some extent to choose and shape the context in which they live and work, as well as to increase their social status.

Existing research focuses on the economic return to training and education of employers, suggesting that this may have a significant impact on earnings and employment, for example, reducing the risk of unemployment. However, the COVID-19 pandemic has significantly increased the impact of adult education on the economic development of many countries. For example, in the United States, the unemployment rate reached record lows (In September 2020, government employment declined by 216,000. Employment in local government education and state government education fell by 231,000 and 49,000, respectively. A decrease of 34,000 in the federal government was driven by a decline in the number of temporary Census 2020 workers. Partially offsetting these declines, employment in local government, excluding education, rose by 96,000 [1]). BLS does not make predictions about labor market data that we produce and distribute. The situation in Ukraine is even worse. So now we have to talk about "repulsion" from economically safe development indicators, i.e. to study how, on the one hand, adult education should affect the economic security of the country, and on the other hand - what is the demand of a new reality for fundamentally new species, forms and specialties for adults (taking into account both formal and non-formal and informal education). This studies are critical important for Ukraine.

**Keywords:** adult; education; adult education; informal education; economic security.



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## THE QUALITY OF LIFE IN THE CONTEXT OF THE MODERN THREATS

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The modern world is full of threats. Ukraine's war against the Russian invasion has given rise to many new threats that have emerged during the unprecedented challenges of the 2020 pandemic. Among the new threats, the most powerful are those that affect food security, because it is precisely such threats that can cause a global world crisis.

Currently, threats to food security reach a global scale. To a large extent, this is caused by the full-scale invasion of Russia on the territory of Ukraine and the losses that occurred as a result of the war. In general, before the war, Ukraine supplied 10% of world exports of wheat, more than 15–20% of barley, and more than 50% of sunflower oil. After the Russian invasion, Ukraine restricted the export of some grains. First of all, the term food security refers to the availability of food for people without any scarcity, and it is considered that food security is effectively achieved when a person is not afraid of or susceptible to hunger, and is used as a criterion to prevent food shortages or disruptions in the future in a few factors. Such factors are considered dangerous, including drought and wars and other problems, if they threaten food security. Absolute food security is defined as the production of food in one country at a level equal to or even exceeding domestic demand and can sometimes be considered to achieve the concept of complete self-sufficiency. Indicators of relative food security relate to the state's ability to produce

and supply what the population needs in the form of food in whole or in part. From this we conclude that the concept of food security refers to the need to provide the population with the necessary food products, which may depend on cooperation with other countries or only on self-sufficiency.

The Covid-19 pandemic and the war have broken many chains of the global food security system, and as a result, there have been significant disruptions in the uninterrupted supply of food to consumers at reasonable prices. The methodology is based on the analysis of scientific problems according to the nature of the research object, based on such methods of scientific knowledge as direct (empirical) analysis and synthesis, induction and deduction, historical method.

The results of the study relate to the presentation of the concept of food security and the degree of influence on it by natural disasters and geopolitical conflicts, in particular the war between Russia and Ukraine, the study of individual indicators of Ukrainian exports that affect the food security of some Arab and African countries, as well as the volumes of production and exports in different periods. Such indicators show a brief overview of the importance of Ukraine as a "food-nurse" for some countries and the consequences that will occur if the supply of agricultural products from Ukraine is stopped from both large and small businesses.

**Keywords:** threats; security; quality of life; person; food security

## IMPACT OF CORPORATE GOVERNANCE ON BUSINESS REPUTATION OF COMPANIES

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The role of the corporation as the most complex and promising organizational form of entrepreneurship is growing in the era of the post-industrial, information society, as it is the most competitive element of the highly concentrated and integrated world economy.

A number of problems related to the specifics of corporate governance are due to legal factors (dispersion of property rights; ignoring the rights and interests of the individual owner), economic factors (predominance of qualified knowledge and skills of managers, the effect of negative synergy, complexity of corporate control mechanisms, asymmetry of information), social factors (misalignment of economic interests of different groups of economic agents; determinism of the individual behavior of the owner depending on the statutory contribution) and institutional factors (change in the role of the corporation as an institution of the global economy; change in the place and role of the owner-shareholder; contradiction between the private and collective basis of the corporation).

Solving these problems requires the creation of effective mechanisms for the interaction of the various interests of the corporation as a business entity and owners, requires the harmonization of property relations and finding ways to resolve contradictions between them.

Such a variety of approaches to understanding the essence of corporate management determines the multi-format assessment of its effectiveness. It should be noted that the effectiveness of corporate governance should be considered in three areas:

1) legal protection of the rights of company owners, their interests and powers regarding the formation and management of property;

2) economic-legal and mental component formation of the corporate governance mechanism;

3) ensuring the effectiveness of the developed corporate management system and increasing its efficiency.

The objects of corporate management are:

- protection of the rights of shareholders to receive information about the activities of the joint-stock company, to receive dividends, to manage its activities, to make decisions on additional issues of shares and their acquisition, etc.;
- acquiring and maintaining the status of a public company.

Subjects of corporate management are:

- shareholders;
- JSC executive body (Board);
- supervisory body of JSC (Supervisory Board);
- corporate secretary.

Information support of corporate management is:

- 1) regular information (issuer's annual report and quarterly reports submitted to state bodies);
- 2) special information (change of the issuer's officials, issuance of shares, bankruptcy proceedings, etc.);
- 3) information from the corporate website, which discloses additional information about the state of corporate governance (minutes of general meetings of shareholders, prospectuses of securities issues, issuer's securities rates on stock exchanges, etc.).

The main threats to the economic security of a joint-stock company arising from inefficient corporate management are:

- 1) presence of corporate conflicts between shareholders, between shareholders and company management, between majority (large) and minority (small) shareholders;

- 2) unsettled internal provisions;
- 3) hostile (unfriendly) takeover and raider takeover;
- 4) change in the share of the authorized capital of minority shareholders due to small additional issues of shares;
- 5) untimely publication of information about JSC activities, etc.

The author believes that the methodology for assessing the state of corporate governance as an indicator of non-financial threats to the economic security of a joint-stock company currently includes:

- 1) assessment of corporate governance based on individual indicators such as:
  - assessment of the organization and holding of general meetings of shareholders;
  - evaluation of the work of the supervisory board of JSC;
  - distribution of functions between JSC management bodies;
  - availability of internal documents regulating corporate governance;

- conducting internal and external audits of JSC activities, etc.

2) monitoring of the disclosure of information about the activities of joint-stock companies and determining the level of their information transparency is carried out by the world rating agency Standard&Poor's, but it is carried out separately for banking and non-banking institutions.

Currently, unfortunately, there is no comprehensive assessment of the state of corporate governance of joint-stock companies, which would reflect the impact of non-financial threats on the economic security of a joint-stock company in the process of issuing and placing its securities using an integral indicator (rating of corporate governance).

The above confirms the place and importance of corporate governance in the system of economic security of a joint-stock company and requires its inclusion as a separate subsystem.

**Keywords:** corporate governance; business reputation; economic security.

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## THE ROLE OF INTERNAL TEAMS IN THE INVESTIGATION OF COMMERCIAL FRAUD

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Fraud in commercial transactions is an urgent problem not only for the corporate sector, but also for governments, financial institutions and ordinary consumers. Every year, corporations lose millions of dollars as a result of various types of fraud. Modern methods of detecting and combating fraud are designed to minimize its negative impact. Traditional detection methods include the extensive use of auditing, where a trained person manually observes statements or transactions in an attempt to detect fraud.

The most complete classification of types of fraud is presented in the materials of the Association of Certified Fraud Examiners. Based on the results of the research, we systematized the main sources of information used to detect fraud.

After comparing types of fraud and types of data used for fraud detection, a matrix was developed. A study of the activities of internal control departments, which conduct fraud investigations in corporations, was conducted.

The most common type of case investigated by the in-house investigation teams is employee embezzlement; 72% of teams frequently or occasionally investigate this type of fraud, and only 7% never do. Other types of cases that are commonly investigated include frauds committed by the organizations' customers, vendors, and contractors. Interestingly, 62% of the teams in our study also frequently or occasionally investigate HR issues, in addition to fraud-related cases. While cybersecurity issues are an increasing concern for many organizations, 27% of the teams in our study never investigate these cases, and 30% investigate them only rarely.

Recognizing that many teams in our study investigate non-fraud-related issues and likely perform some other functions, such as

internal audit or fraud prevention activities, we asked respondents to indicate how much of their overall work time is devoted solely to investigating fraud.

From the responses, 46% of the teams are primarily focused on fraud investigations, with 32% spending more than three-quarters of their time on these engagements, and another 14% spending between half and three-quarters of their time investigating fraud. On the other end of the spectrum, 29% of the teams focus much more on other areas, spending one-quarter or less of their time devoted to fraud investigations.

Many organizations handle more than one fraud allegation at a time. Depending on the size and industry of the entity, there might be numerous fraud cases under investigation each day. We asked survey respondents about the average number of fraud cases each investigator on their team handles at any given time. More than half (53%) noted that each investigator has an average caseload of fewer than five cases. Only 28% of investigators typically handle ten or more cases at a time.

Many factors can affect how long it takes to complete a fraud investigation, including, but not limited to, the complexity of the case, how difficult it is to obtain evidence, the resources available, whether travel is involved, and how many other cases that investigator is handling at the same time.

However, benchmarking the typical time to close a case can be helpful in assessing the efficiency of a fraud investigation team's activities. Figure 6 shows that most teams (59%) typically close their fraud investigations within one month, with another 21% closing cases in one to two months on average.

Even in organizations with an in-house fraud investigation team, it might be beneficial



to outsource a portion of the company's fraud investigations to outside parties. This might be due to internal resource limitations, a need for specialized knowledge or skill sets, or geographical or language barriers. Of the internal fraud investigation teams in our study, 63% do not outsource any of their cases, while 29% outsource one-quarter or less. Only 2% of the teams outsourced more than half of their investigations to outside parties.

Management and those charged with governance often monitor the results of the organization's fraud investigations as one metric when assessing the company's overall fraud risks and the effectiveness of its anti-fraud initiatives. In evaluating these results, it can be helpful to know the case outcomes that other organizations typically experience as a benchmark.

The most of the in-house teams in our study (55%) are able to substantiate more than half of their fraud investigations, with almost one-third substantiating 76% or more. Disciplinary action is slightly less likely, indicating that not all substantiated cases end with the perpetrator being disciplined. In the findings, 43% of investigation teams see disciplinary action as a result in more than half of their cases, while 7% indicated that their cases never result in disciplinary action.

Similarly, criminal prosecutions do not necessarily follow substantiated cases or internal discipline; the percentage of cases that result in referrals for prosecution is notably smaller than the other two categories. Most organizations (71%) see one-quarter or fewer of their cases referred to law enforcement, and 13% do not have any of their cases result in a criminal referral.

Based on the results of the research, the following conclusions can be drawn. The article summarizes the main types of fraud that can be investigated in corporations. The main sources of information used to detect fraud are systematized, namely: Structured, Unstructured, Semi-structured. After comparing the types of fraud and the types of data used to detect fraud, a matrix "Relationship between types of fraud and types of data used to detect fraud" was developed to help choose the right sources of information for detecting criminal activity. A study of the role of internal teams in the investigation of fraud was carried out according to such impact criteria as: The frequency of investigation of various types of fraud; The amount of time teams spend investigating fraud; Average amount of time required to conduct a fraud investigation; Average number of days it takes to close a fraud case.

**Keywords:** fraud; internal control; investigating fraud; management.

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## MANAGEMENT OF INFORMATION SUPPORT OF MEDICAL INSTITUTIONS IN MODERN CONDITIONS

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Information is the basis of the management process, since it is the information that contains the information necessary to assess the situation and make a management decision [1]. Information is the source material for theoretical and practical human activity, so its absence does not allow the manager to act meaningfully and reasonably.

Modern conditions of functioning of domestic enterprises and especially medical institutions are characterized by a protracted financial and economic crisis. It has developed under the conditions of a market situation where the general principles of enterprise management and the problems that encourage enterprises to survive are rapidly changing. First, a pandemic, then a full-scale Russian invasion of the Ukraine of February 24, 2022. The Russian military is carrying out aggression against Ukraine not only by destroying cities, villages, schools and medical institutions, but by the main goal of Russian hackers is civilian infrastructure. They try to inflict as much damage as possible on ordinary people through both rocket and other attacks, as well as cyberattacks in cyberspace. Number of cyberattacks on state information systems and objects of critical information infrastructure has tripled. 90% of attacks are carried out by military hackers of the Russian Federation and Belarus, whose activities are funded by the authorities [2]. Due to the hostilities, many institutions moved their data - someone to other, calmer regions of the country, someone - to the cloud on the territory of Ukraine, someone - to the cloud abroad. Appropriate changes were also made to the legislation, which allowed even state institutions to do this. Therefore, the problem of managing the process of information

support of medical institutions has become relevant in modern conditions.

Modern information support today has become one of the most important factors in improving the efficiency of management processes, the value of which is not yet fully understood by many medical institutions. Enterprises that realized the potential of information support and computer technologies, and later introduced them into their activities, were able not only to optimize the work of the medical institution, but also to gain a competitive advantage, which allowed them to survive in a crisis.

The works of many domestic scientists cover the theoretical and methodological foundations of the functioning and development of the management system. Today it is worth noting the scientific works of Gavlovskaya N.I., Mydyuk O.N., Moroz V.M., Rudnichenko E.M., Stadnik V.V., Teleshuna S.O.. In addition, it is worth noting that a significant contribution to the study of management in the field of health care was made by the works of such scientists as: Bayeva O.V., Bilynska M.M., Voronenko Y.V., Lishtaba L.V., Furtak I.I. Among foreign scientists who have studied management issues, in particular in the field of health care, we consider it necessary to note the works of such authors: Bradley B. J., Gailins A. S., Duffy J., Drucker P., Kochers G., Sower V.E. However, the question concerning the management of information support of medical institutions in modern conditions is logical to recognize as fragmentary and requires some research.

Therefore, the purpose of the study is to analyze the management of information support of medical institutions in modern conditions. And the creation of a single information space, which must be solved

through the intensive implementation of information technologies.

To achieve a specific goal is the solution of the following tasks:

- consider the theoretical concepts of management information and its general characteristics;
- to characterize the basic conditions for ensuring the functioning of the information support system in health care institutions;
- describe the conditions for informatization of health care in medical institutions;
- analyze the advantages and disadvantages of the management system with information support in medical institutions;
- analyze information support systems in health care institutions of Ukraine;
- develop proposals for ways to improve the system of development of the corporate strategic information system in health care institutions.

The object of the study is the information system of medical institutions. The subject of the study is - theoretical and methodological foundations of information support for the management of medical institutions.

Analyzing theoretical sources, it can be noted that the management of information support of a modern medical institution is possible only in the presence of software solutions that allow collecting and storing information about both patients and business processes taking place in a health care institution. "Informatization is a set of interrelated organizational, legal, political, socio-economic, scientific, technical, production processes aimed at creating conditions for meeting information needs, realizing the rights of citizens and society on the basis of creation, development, creation of information systems, networks, resources and information technologies built on the basis of the use of modern computing and communication technology." [3]. After analyzing popular software solutions for medical institutions, we can distinguish the following trends [4]:

- adding a wide variety of reference books containing information on almost all activities of health care institutions;
- implementation of technologies that would provide interactive access of system users to information resources;
- inclusion in the information systems of medical institutions of expert systems, machine translation systems and other technological means;
- increasing the complexity of information products, services and technologies for their use;
- creation of various solutions using cloud technologies.

Even before the start of the war, Ukrainian information systems were subjected to powerful attacks by Russian hackers. Since the beginning of full-scale open aggression of the Russian Federation, the intensity of cyberattacks has not decreased. Russian military hackers are trying to gain access to the personal data of Ukrainians, as well as to harm Ukrainian information systems. These attacks are coordinated with attacks on critical infrastructure and are part of Russian military aggression.

The leakage of personal data of Ukrainians threatens with the fact that the military and special services of the enemy use them against our population, including in the temporarily occupied territories, where Ukrainians are most vulnerable to enemy aggression. In addition, the leakage of sensitive data threatens the work of authorities and critical infrastructure if it is used by the enemy for further attacks. Therefore, during the war and confronting Russian aggression, the issue of data protection in information systems becomes more acute.

Modern information and computer technologies in the medical field should contribute to the optimization of all processes, including management, to solve the issues of planning activities to improve the skills of personnel and improve the quality of medical care provided [5]. Therefore, it is necessary to resolve the issue facing the head of the

medical institution is the improvement of the mechanisms for obtaining, using, and rational processing of medical information. However, as before, all information systems that will be used in a medical institution must meet the protection requirements enshrined in the legislation of Ukraine, and must be protected according to current standards. In particular, the CSIS, and in some cases the use of European standards ISO / IEC 27 series is permissible. It is information security systems that are the first border that deters the enemy from destroying our country in cyberspace.

Analyzing the experience of developed countries of the world, we noted that in a medical institution it is important to use modern information management, which is based on the comprehensive use of information technology. So one of these practices is the use of various medical information systems (hereinafter MIS). Medical information system "MedInfoService" is a software product that covers the automation of treatment processes of outpatient and inpatient medical institutions, accredited by the Ministry of Health and connected to the electronic health care system "E-Health". By choosing MIS "MedInfoService", the patient receives full functionality for transferring electronic medical records to the EHR with the function of importing data from the "Medical Card of an Outpatient Patient" and "Medical Card of an Inpatient Patient" to electronic medical records, which means that doctors do not need to do triple work, but only need to enter data into electronic documentation with the subsequent possibility of importing and printing documents.

MIS "MedInfoService" has already been implemented and successfully operates in more than 200 medical institutions of Ukraine of various levels of medical care, levels of subordination and forms of ownership. This enables more than 10,000 doctors to submit electronic medical records to the EHR and receive funding.

Institutions that use MIS "MedInfoService" in their activities were among the first to receive full functionality

for work and have a successful experience in transferring information to the EHR and receive payment under contracts on time and in full, and the MIS team "MedInfoService" used this time to set up controls and restrictions to prevent incorrect data and avoid errors in reporting [2].

So, today in the medical industry of Ukraine the head faces many tasks, namely:

- preservation of confidential information about the patient's state of health;
- creation and implementation of a medical electronic passport that will help the bodies of administrative and legal regulation of the relevant provisions: ensuring: the legislative basis for the electronic signature of the doctor; approval by state authorities of the right of selective access of various specialists to patient information; unification of medical records; principles of cryptographic protection of information; legal basis for identification of the patient's medical electronic passport; legal basis for the use of a medical electronic passport to monitor the activities of medical workers and the regulation of health care in general.

Such informatization of the medical institution will help the head to control the quality of medical services, patients purchase medicines, sanatorium treatment, provide legal protection, help to quickly provide social and medical support, etc. Thanks to MIS, patients get access to their data, can quickly receive the results of laboratory tests and track them together with the doctor, make an appointment with him, maintain feedback, etc. reduces the likelihood of forgery and loss of medical data, because the patient monitors them independently. The pre-online appointment system avoids the queue at the hospital.

Based on the foregoing, recommendations for improving the corporate strategic information system were formulated: to develop software that will automate the processes of accumulating, processing and storing information about patients, about appointments, about resources and about the organization, to form printed forms (contracts, receipts) and create reports.

In order for the information system to correspond to the business processes of the enterprise, it is necessary to plan, develop, develop and modify it in advance, based on the organizational structure of the existing or developing medical institution and its functional features. Using the new

information system, according to the requirements, it is possible to build an improved system for managing the business processes of a medical institution. Finalizing and improving these processes is the main task for improving the organization's activities.

**Keywords:** information; management; information support; medical institution.

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## MICRO FINANCE CRISIS IN INDIAN PROSPECTIVE

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**Financial Inclusion in India.** India has a population of 1.2 billion, with less than one-quarter of adults having access to basic formal financial services. Financial inclusion initiatives are not new to India. Over the past century, a range of innovative approaches to expanding access to finance for poor people has been pursued. Early in the 20th Century laws were passed to create cooperative financial institutions to serve people living in rural areas. Following independence in 1947, much of India's financial sector was nationalized. Part of the rationale was to ensure access to finance to a much larger number of Indians, especially those living in rural areas. As a further effort to reach rural areas, India established a specialized class of regional rural banks in the 1970s. And in the 1980s social entrepreneurs created the self-help group (SHG)–bank linkage program, whereby commercial banks were encouraged to lend funds to groups of 10 to 20 women. Indian SHGs were initially formed as a means to extend training and other nonfinancial services to rural areas; some also mobilized savings and made loans to members. But through the bank linkages program, the SHG model began to incorporate credit from the banks thus allowing for much larger lending volumes. Today there are 4.5 million SHGs receiving credit nationwide, with 58 million members.

The SHG movement received considerable national policy support led by the National Bank for Agricultural and Rural Development (NABARD). The role of NABARD combined with priority sector lending policies stimulated the banking system to lend to SHGs. This approach became widely embraced and grew much larger in the 1990s. The Indian SHG model remains unique for its sheer size and reach to poor people, though with varying levels of sustainability. Some SHG–bank linkage programs are low-

cost and financially sustainable while other SHG programs do not cover all costs, have low repayment rates, or rely on ongoing subsidies. SHGs continue to offer a range of livelihoods and empowerment services that go well beyond financial services.

**The Rise of MFIs.** By the 1990s economic reforms in India opened up space for the private sector to play a larger role in the banking system. Amid these reforms, a new breed of private microfinance providers emerged: microfinance institutions (MFIs), which originally operated as non-profits (societies and other ownerless legal forms), but soon transferred their operations into for-profit non-bank finance companies (NBFCs). The transformation from non-profit to for-profit NBFCs was complicated, often leaving the non-profits and other often newly formed entities (such as mutual benefit trusts for the benefit of clients) with unclear voting rights or influence over the newly formed NBFCs. Most often influence was concentrated in the hands of the original founders (Sriram 2016). In more recent years the dominant practice has been to form start-up MFIs as NBFCs from the outset, obviating the need for transformations.

By 2016 there were at least 30 MFIs operating as NBFCs, many with substantial growth trajectories. This new breed of NBFC MFI has been supported by government policies and direct investment. The state-owned Small Industries Development Bank of India (SIDBI) has steadily increased its lending to MFIs as a part of its mission to support small enterprises. Loans by commercial banks to MFIs also count toward priority sector lending quotas. In the last few years, MFIs were also capitalized by equity investments from specialized microfinance investment vehicles (MIVs) and, more recently, mainstream private equity funds. By 2016 these new MFIs were expanding at an

annual rate of 80 percent; and had reached 27 million borrowers across India (Srinivasan 2016), nearly all of this outreach was achieved through a standard group-based loan product common to South Asia. Importantly, these MFIs are effectively barred by regulation from taking any deposits and instead rely heavily on debt with commercial banks to fuel their growth.

**The Capital of Microfinance: Andhra Pradesh.** Andhra Pradesh in southeast India is the fifth most populous of India's 28 states, with 75 million inhabitants. Recent state governments in Andhra Pradesh have invested in progressive policies and programs focused on growth and building a sizeable information technology industry around the city of Hyderabad. Andhra Pradesh has also undertaken a series of large-scale projects to fight poverty, the most prominent being the Society to Eliminate Rural Poverty (SERP).

SERP is a service delivery program under the Rural Development arm of the state government that offers far-reaching livelihood promotion programs, including employment generation, vocational training, and access to savings and credit through SHGs. SHGs have a long and important history in Andhra Pradesh and have deeper penetration there than in any other state, with a total of 1.47 million SHGs reaching 17.1 million Clients state-wide (Srinivasan 2016). Within the broader SHG approach in Andhra Pradesh, SERP (and other Andhra Pradesh government programs) has a significant presence, directly working with 9.5 million of these SHG clients.

The federal government is looking to expand this approach to other states, most notably to Bihar, a state with a less developed microfinance market than the one in Andhra Pradesh and significantly less outreach. One reason is households have large amounts of credit from the SHG-bank linkage program

Supported by SERP is the "total financial inclusion program" the Andhra Pradesh Government began three years ago. Traditionally SHGs were based on member savings, and rules generally capped bank loans to the SHGs at three to four times this savings base,

Effectively limiting borrowings to Rs. 100,000 or less. But under the new program, banks began to lend up to Rs. 500,000 to targeted SHGs. Additionally, some loans to SHGs had a five-year repayment period, up from one year, and any amount of interest paid by SHGs above 3 percent would be reimbursed to the SHG by the Andhra Pradesh Government if the group did not default on its bank loan. SERP encouraged SHG members to repay moneylender and MFI loans, but evidence suggests that instead members kept multiple loans from multiple sources.

In the late 1990s some of India's first MFIs got their start in Andhra Pradesh. Today, five of India's largest NBFC MFIs are headquartered in Andhra Pradesh making it the epicentre of the microfinance industry in India. Over the last five years, MFIs in Andhra Pradesh were among the first to attract significant investment from specialized MIVs as well as mainstream private equity players. These capital injections have provided the equity capital for growth but they have also created strong incentives for continued levels of high growth and profitability to drive higher valuations. All of this has fostered a perception of MFIs as being primarily profit-oriented organizations. While most MFIs have acted responsibly, a few have generated unusually high returns on assets, compensated executives lavishly, and remained no transparent in ways that only furthered a negative stereotype of MFIs.

In recent years MFIs across India have diversified geographic coverage, and Andhra Pradesh's share of the total national MFI outreach has dropped to less than one-third. Nevertheless, a few of the largest MFIs remain heavily focused in Andhra Pradesh where growth has been rapid. The combined presence of the large and well-funded state-backed SHG program and five of India's largest and fastest-growing MFIs has resulted in a rapid proliferation of credit across Andhra Pradesh and the wide use of multiple loans by borrowers. And levels of household debt are high. In Andhra Pradesh, the average debt outstanding per household is Rs. 65,000 as compared to a national average of Rs. 7,700 of

outstanding microfinance debt per poor household.

The parallel growth of two approaches to delivering credit has expanded the reach of credit substantially over the past several years, as has competition between the state-supported SHGs and private MFIs. SHG lending reaches 17.1 million SHG members with Rs. 117 billion outstanding (Srinivasan 2016). By November 2016, MFIs were reaching 9.7 million borrowers with Rs. 72 billion outstanding, according to the government. But MFIs, while still somewhat smaller in total outreach than SHGs, had been growing more rapidly over the past 18 to 24 months as SHG disbursements were slowing. Also, the repayment tenor of many SHG loans is considerably longer and often more flexible than those of MFIs, reducing the size of repayment instalments and thereby the debt servicing burdens on borrowers. Nonetheless, the combined outreach and continued growth has meant that the borrower accounts of SHGs and MFIs together on a per capita basis is over four times the median of Indian states. Srinivasan (2016) compares five Indian states with high levels of microfinance penetration and finds that the average loan amounts per poor household in Andhra Pradesh is triple the size for the next largest state. By any of these measures the provision of credit in Andhra Pradesh has reached much greater proportions than in any other state in India. Reports also suggest that many households have multiple loans significantly increasing their overall debt.

This current-supply side penetration data are partly corroborated by a demand-side survey conducted nearly a year and a half ago by IFMR's Center for Microfinance. Johnson and Meka (2016) show that 83 percent of households had loans from more than one source, including from moneylenders, with many households managing as many as four loans at a time.

The study found high levels of penetration of SHGs into rural households, with just 11 percent of households borrowing from MFIs. However, sampling covered all rural 81.

Households (rather than just poor households) in Andhra Pradesh. With the growth since the time of the survey and some sampling distortion, it is likely that the 11 percent figure significantly understates the level of penetration of MFI loans, though no current demand-side survey data exist to offer an exact figure.

In sum, there is much higher penetration of microfinance in Andhra Pradesh than in any other state in India. Household debt comes from several sources, not just MFIs. The picture that emerges from the data suggests that households in Andhra Pradesh have too many loans and too much debt than seem to be supportable considering their income levels and ability to repay.

**October 2016—A Crisis Emerges.** In 2012–2013 one of Andhra Pradesh's 23 administrative districts experienced a crisis when the district government closed 50 branches of four MFIs following allegations of unethical collections, illegal operational practices (such as taking savings), poor governance, high-interest rates, and profiteering. On that occasion, the dispute was calmed by the MFIs agreeing to abide by a Code of Conduct alongside support from the national government and the Reserve Bank of India (RBI), which recognized the useful role MFIs played in providing credit for low-income households.

But a rivalry between competing MFI and SHG models for serving the poor, often reaching into the same villages, has been simmering ever since. The SKS initial public offering (IPO) earlier highlighted both the enormous scale potential of the MFI model and the considerable opportunity it provides to improve financial inclusion, while at the same time highlighting potential high profits and lavish executive compensation.

The press picked up on the SKS IPO, with different media outlets taking different angles on the story. Further reports over the summer cited links between MFI practices and some suicides in Andhra Pradesh. The situation came to a head in early October when Andhra Pradesh's chief minister passed "An Ordinance to protect the women Self

Help Groups from exploitation by the Micro Finance Institutions in the State of Andhra Pradesh,” which sought to place a range of new conditions on MFIs, including district-by-district registration, requirements to make collections near local government premises, a shift to monthly repayment schedules, and other measures that affect how MFIs operate. This ordinance has contributed to a general environment where MFI ground-level operations are impeded, and loan collections for MFIs in Andhra Pradesh dropped dramatically.

In the face of low loan collections, MFIs with proportionally larger exposures in Andhra Pradesh could find it difficult to refinance their loans with commercial banks or to raise new equity. MFIs unable to effectively negotiate their financing could become illiquid and insolvent. Even MFIs that are well capitalized and have a geographically diversified portfolio beyond Andhra Pradesh might have to absorb large losses in Andhra Pradesh, impacting their growth elsewhere. It is possible that a few MFIs might have to close or dramatically downscale their operations in Andhra Pradesh. And the result could be the removal of a credit service that poor people have come to view as reliable in their otherwise uncertain lives. The non-repayment of loans by clients has gained momentum as politicians at the state level have seized upon the opportunity to make populist pronouncements, while MFI staff are still intimidated and are not resuming normal operations in many parts of Andhra Pradesh. This environment is encouraging clients to question their obligations to repay, with potentially far-reaching consequences for both MFI and SHG repayment rates. Stakeholders outside Andhra Pradesh have also reacted to the conflict between the state government and MFIs, and the intense media coverage. Though it has not made any public statements to date, RBI, the regulator of NBFC MFIs, has formed a sub-committee tasked with looking into a wide range of microfinance issues nationally, including a re-examination of MFI loans’ classification as priority sector lending. The Ministry of Finance has supported the

continued presence and value of MFIs while at the same time it has pushed for improved MFI practices, lower interest rates, and stricter regulation. The financial markets have taken notice, SKS’s share price dropped steeply, and it is unlikely there will be follow-on MFI IPOs very soon in the current environment.

In recent years, the levels of profitability and private gain have caused political concerns and have exposed issues of reputation management for an industry whose very existence is based on doing well by serving poor people. The potential for large returns made by the promoters of MFIs and their investors—vividly illustrated by the headlines about the SKS IPO from late July onwards—has served to exacerbate the issue of interest rate levels, which are a chronic political and public relations flashpoint.

As we write this, the microfinance industry and various stakeholders are negotiating first ways to ensure the viability of the microfinance industry in Andhra Pradesh and then ways for a constructive path forward. As part of the ongoing dialogue with the state government, MFIs have offered to lower interest rates and restructure debt. Negotiations have enabled MFIs to resume some disbursement and collection operations, but staffs are still largely unable to carry out usual loan collection activities. Finding a speedy resolution is of paramount importance so that the important work of ensuring that poor people have access to responsible financial services can continue. It is critical for poor people that the financial services infrastructure survive, which entails the resumption of collecting and disbursing loans throughout Andhra Pradesh as well as banks continuing to provide liquidity to microfinance providers of all kinds. Going forward, the microfinance industry as a whole needs to be serious about implementing a responsible finance agenda, including transparency about interest rates charged to clients. Before the crisis, the MFIs had already begun a process that will lead them to report their interest rates publicly early next year through a third party, Microfinance Transparency. In 2009 the MFIs had decided



to invest in a credit bureau. Though it might take some time to be fully functional, the credit bureau will be important to help MFIs lend more responsibly. Serious discussion is underway about new regulations for the microfinance industry, both to help ensure that acceptable standards are met but also to create regulatory certainty for MFIs, and about deepening MFI relationships with clients by providing a range of financial products instead of relying heavily on small-group loans.

**The Way Forward.** A decade ago, the central preoccupation of the microfinance industry was the search for scalable and financially sustainable models for delivering financial services to low-income people. Today, we see huge progress on that front. Across the globe, including in India, the microcredit movement has proved that it is possible to deliver financial services to poor people living in rural areas at a large scale, free from any reliance on subsidies. As a result, millions of poor households today have access to credit, and also increasingly to savings, insurance, and money transfer services that they use to manage household finances more effectively. And yet there are still 2.7 billion people in the world without access to formal financial services that are less expensive and safer than informal alternatives. It remains a priority to ensure that previously unreached low-income population segments gain access to these services, including in large swathes of India.

Even within this wider context, though, we see important limitations of the microcredit-only delivery model and the ramifications of the strains caused by very rapid growth. Developments in Andhra Pradesh shine the spotlight on some of the same issues that have emerged in other high-growth microfinance markets in recent years.

In India, investors' emphasis on growth and the higher valuations generated from high growth rates have created strong incentives for fast expansion. These incentives are transmitted from the top managers of MFIs down through middle management to the frontline loan officers. These cascading incentives can drive behaviour that distorts

basic good banking principles and can lead to vulnerabilities that need to be addressed: Rapid expansion of credit in highly concentrated markets and loss of credit discipline can lead to much greater risk of stress from higher levels of indebtedness. Growth can undermine credit discipline, driving unhealthy rises in loan amounts, cutting corners in the underwriting process, and resulting in an excessive supply of credit. Incentives at the field level are often based solely on disbursements and collection volumes, with insufficient incentives for sound underwriting or customer care.

Growth that outpaces the internal controls of financial service providers makes them more vulnerable to inadequate technology and systems and unhealthy rates of staff attrition and turnover.

Relying on credit-only services makes Indian MFIs particularly vulnerable on asset quality since borrowers have no deposit relationship to the MFI. And the MFIs' heavy reliance on basic bank debt (plus a mix of capital markets instruments) leaves Indian MFIs vulnerable to refinance risks in times of market stress.

All of this raises key issues for the microfinance community to address. First, at the institutional level:

How do we assess financial service providers' shareholders, management, and staff incentives to ensure long-term viability, understanding that viability comes not just from shareholder value, but from a strong value proposition to clients?

How sustainable is the specialized microcredit institution model?

What can investors and institutions do to ensure sustainable growth and avoid market saturation or clients' over-indebtedness? How can socially motivated investors be encouraged to redirect investments from the few, but high-profile saturated markets, to the many financial services "deserts" worldwide?

Then at the market level:

1. Can self-regulation work when it comes to sharing credit information and establishing codes of conduct on issues around



culturally acceptable collection systems, dispute settlement systems, etc.?

2. What kind of formal market infrastructure is needed to support growing providers and protect clients? What are reasonable levels of productive debt for poor people to carry?

3. How can the focus be shifted to credit crisis prevention? What will it take to increase focus on understanding clients' financial service needs? What is the role of regulators and policy makers to ensure client protection and consumer financial capability that leads to better household decision making? How should policy makers balance ensuring broad-based access to finance and safeguarding client interests?

These questions speak to the bigger issue of how to deliver high-quality services to more people while ensuring appropriate safeguards for clients. A vision of financial inclusion that truly addresses the needs of poor clients dictates that responsibility lies not just with the providers, but also with policy makers, donors and investors, and the global microfinance community to ensure appropriate governance, operational policies, and incentive structures at all levels, with appropriate client safeguards, to offer high-quality services. As local markets mature, the delivery model for financial services for the poor must evolve to support healthy outreach and the growth of a broad range of products that poor people need.

**Keywords:** MicroFinance; Financial Inclusions; mobilized savings.

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## **A STUDY OF MICRO-FINANCE BY SELFHELP GROUP WITH BANK LINKAGE PROGRAMME IN PENURY ENHANCEMENT IN RURAL AREAS IN INDIA**

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Poverty is all-present in the realm accompanying allure different ranges. However it is more specifically in the undeveloped nation of Asia, Africa and Latin America. It has concerned the socio economic and governmental reside these nations. Poverty is extensive in India even though it has enhance any of the worldwide saving and is increasing at a faster rate later the financial corrects in 1991.

A big section of the public are unprotected to want on account of their lack of approach to the money, enrollment hope and lack of able instruction. With due works from two together the administration and non-management instrumentalities the rate of want has lowered incompletely, even though it is not favorable to destroy it fully but to a abundant range it results expected advantageous for the Indian crowd. According to the National Sample Survey results, family living beneath poverty level (BPL) worsen from 36% in 1993-94 (50thRound, NSSO)1 to 26% in 1999-2000 (55th Round, NSSO).

India's saving is flourishing at a faster rate but the benefits of it are not evenly delivered in the country. Some family have increase their proceeds and living a standard growth on account of India's combine accompanying the all-encompassing display in the way that the Information Technology (IT)Professionals. But skilled are some remainder of something the one are not crazy by this financial tumor to a degree the labors as they are immediately discharged accompanying machines and finishes. The ending from 1999-2000 to2004-2005 proverb

accelerated progress in the country's saving but it has not favorable to destroy the question of inaction. During this ending the inaction rate remnants the unchanging for country males and cut down by just individual allotment for city male. On the other hand, in action with women raised by individual portion for city and country women (61stRound, NSSO).

Therefore, to meet the demands of those state the one are impotent to enhance any offinancial corrects in the country and to form bureaucracy capable to participate in the process of business-related growth a excellent step towards the want relief was naive 1992 accompanying the addition of the organization of calculating-finance through the Self-Help Groups (SHG)-Bank relation programme made acquainted by National Bank for Agriculture and Rural Development (NABARD) . The growth arranging and the tactics creators fulfilled that the question display or take public the forbiddance of the weak, particularly the mothers from the prevailing market as a important beginning of want in the country. The weak population are frequently disagreed credit so the question was not the unaffordable agreements of the loan but their lack of approach to it. It is against this tradition the idea of microfinance was understood as an implement to achieve the twin aims of commercial addition and want relief (World Bank, 2007).

Raghuram Rajan Committee(2009), named apiece Planning Commission of India, in all ure report "A Hundred Small Steps on Financial Sector Reforms" views that "Micro finance(monetary inclusion) is not only about

credit, but includes providing a roomy range of economic aids, containing harvests, reports, protection, and fee production. Credit supplying, outside enough measures to found occupation hope will not yield requested profits".<sup>5</sup>On the other hand, a Self-Help Group (SHG) is a recorded or not listed group of data processing machine managers bearing complementary friendly and economic education freely, meet to sustain narrow amounts commonly and together consent to help a prevailing fund for fear that to meet their danger needs on shared help (Shamim & Khan, 2010).

The idea of microfinance in India maybe tracked back to „bill cash reserves“ all along fourteenth centennial.

The authorization of the Cooperative Credit Societies Act, 1904 maybe deliberate as the origin of modern microfinance in India. The first instance of microfinance in India may be tracked to the push begun for providing investment duties to the weak daughters working in the disorderly area of Ahmedabad city in Gujarat through the Self-Employed Women's Association (SEWA) Bank, arrangement as an city helpful bank in early seventies. The microfinance push of NABARD, that is SHG-Bank relation programme has give through differing developments, it begun in 1992 as a ship project till 1995, mainstreaming all along 1996 to 1998 and expansion because 1998 ahead (Mali, 2010).<sup>7</sup> The microfinance programme by NABARD has originally begun in 13 labeled arrangement states that reports 70% of country weak community; namely. Uttar Pradesh, Maharashtra, Orissa, West- Bengal, Madhya Pradesh, Gujarat, Rajasthan, Chhattisgarh, Jharkhand, Bihar, Uttarakhand, Assam and Himachal Pradesh.

**Data regarding the success of shg-bank linkage programme in eradication of poverty.** The progress of the microfinance programme of Government of India through the rhetoric using psychological terms group-bank relation programme may be resolved from the dossier's accessible through miscellaneous research items, field study reports and differing administration

magazines. NABARD in its report named „Status of Microfinance in India ( 2016-17)“ has told that skilled was a net adding of 6.73 lakh SHGs all along the period 2016-17 accompanying growing the number of SHGs bearing stockpiles relation to 85.76 lakh till 31 March 2017. During the old age 2016-17, banks have disbursed loan of Rs. 38781.16 crore and it was 4% in addition the last period. Also the funds superior of SHGs accompanying banks was 16114.22 crore till 31 March 2017.<sup>10</sup> Barman and Bhattacharjya (2015) in their study of few SHGs of Kamrup District of Assam had raise that following in position or time touching the SHGs 88% of ruling class bought some fruitful advantage from what or which place they can produce salary. It is too told apiece appendages of the SHGs place most of ruling class were daughters that they can help the proceeds of the kin and has aided ruling class to overcome want extremely.<sup>11</sup> Ramesh and Rao (2014) in their field survey of two neighborhoods of on the east side of Uttar Pradesh that is to say Mau and Gorakhpur had erect that skilled was a significant increase in the profit of the appendages of SHGs. The weekly wage of the sampled appendages before touching SHGs was Rs.1885.71 that raised to Rs.3242.85 subsequently touching. It was too erect that those daughters the one were earlier sidelined to set their trade abilities in essence on account of lack of credit and support were intelligent commotion so following in position or time joining the SHGs. Another certain effect was that the appendages earlier 23% of the appendages had funds inferior Rs.50 per period but after wards touching the SHGs it raised to Rs.452.26 or even more.<sup>12</sup> Another field study by Upadhye and B.S. Rupnawar (2016) in the Raigad section of Maharashtra shows that lacking 280 sample appendages 90 accused had profit beneath Rs.2000 and 102 accused had proceeds middle from two points Rs.2000-4000 before touching the SHGs but following in position or time touching the SHGs 69 accused shows profit level of Rs.6000-8000 which is larger than before touching the SHGs.<sup>13</sup> Das (2012) in welcome research

study of 3 happening block of Nagaon commune of Assam establish that on account of the partnership in the SHGs the offspring proceeds of the partners has raised almost three occasions. It was noticed that the average kin wage before touching SHGs was Rs. 3849.5 and it was raised to 9276.50 following in position or time touching the SHGs. Moreover, 84.88% of the appendages of the SHG have signified a good bettering in their income, property, level of material comfort of the appendages and increase knowledge level on well-being, public and enlightening principles later touching SHGs. 14A field study by Gupta and Agarwal (2017) in the Ghaziabad parish of Uttar Pradesh top 150 accused from the SHGs of two happening block told that before aid SHGs, 52% of accused received inferior Rs.4000 understood by 28% accused took betwixt Rs.4001 to 8000, 12% took between Rs.8001 to 12000 and 8% took above Rs.12000.

After touching the SHGs, 42% accused caught weekly gains middle from two points Rs.4001 to 8000 attended by 21% of ruling class securing betwixt Rs.8001 to 12000 and 13% of ruling class accepting above 12000. Thus an raised in the level of gains. 15A field study in the Bokakhat West Development Block of Golaghat District of Assam administered by Bhumika Bhoi in 2017 had displayed overwhelming increase in the level of proceeds. Before touching the SHGs skilled were no income above Rs.2000 between the 60 sample appendages but subsequently touching the SHGs, 17 sampled appendages revealed increase in proceed smiddle from two points Rs.2000-3000. 16NABARD in allure report labeled „Status of Microfinance in India (2017-18)“ told that all the while the period 2017-18 the number of SHGs raised by 1.67 lakh accompanying a matching increase in funds by Rs.3477.89 crore. During the period the banks have disbursed loans of Rs.47,185.87 crore. The harvests superior of SHGs accompanying Banks till 31 March 2018 is Rs.19592.12 that was an all-time extreme. 17Therefore, the same dossier shows

the beneficial development of SHGs and their affect the increase salary of the benefits that approximately has provided to the relief of want from the country extents.

**Economic empowerment of rural women from micro-finance through self-help group-bank linkage programme.** The girls are depicted as the weakest of the weak. The Human Development Report (1995) stated that 70% of the 1.3 billion nation living on inferior US\$ 1 per epoch are mothers. 18 “The Ninth Plan Development covering the ending 2007-2013 has acknowledged that still growth measures and constitutional permissible guarantees – mothers have delayed behind in principal part subdivisions. In India, the rise of liberalization and proliferation in early 1990s many mothers employees the one were busy in disorganized subdivisions had extinct their occupation. Despite in huge offering of daughters to the farming subdivision, their work is considered just an continuation of household rule and debris non-monetized” (Islam, 2012, p.122). 19India being a usual humankind, the girls in the country districts forever wait under the four divider of delegation of representatives and achievement business-related actions outside their family was close absurd for many of ruling class. The rise of the SHGs in the 1990s nevertheless has transformed the synopsis and mothers have got an time to play and used the benefits of the microfinance being likely apiece Government of India through SHG-Bank relation programme. Their partnership in the microfinance programme has promoted not only their financial tumor but again has aided ruling class to increase their friendly rank in the humankind and at the classification loose. In the 1970s and 1980s wives were chiefly enclosed to the resourcefulness’s to a degree pickle, spices, papad etc. as they needed credit to do entity further it and likewise skilled were pressure from the offspring and the offspring still didn’t supply bureaucracy some possessions for the happening of their activities. “Women are frequently condensed in feminized professions to a degree sucking and education, commission work, care of the



old and incapacitated- dubbed level pertaining to works segregation-place they likely to wait in lower task classifications than husbands” (Feroze & Chauhan, 2011, p. 48).<sup>20</sup> But the calculating-credit programme in 1990s has assisted bureaucracy to take a good amount of services for fear that they can install it in added trades in the way that taper-making, water container Styrofoam parts etc. and enhance liberated. Another helpful facet of the SHG-Bank linkage programme was that the country girls the one earlier had no approach to the correct fiscal organizations in the way that banks are immediately have approach to it through the SHGs.

Approach to it through the SHGs. They further have implanted the practice of savings and likewise influence the classification gains that has influence becoming empty the endless loop of want. It has still donated to the good condition among their classifications and most basically they were immediately capable to transmit their infants to educational organizations that is a beneficial result of the SHG-Bank relation programme apart from eliminating want from the country. Moreover, it has resulted camp active with the mothers appendages that empower bureaucracy to be in a dispute or fight against public immoralities in the society in the way that female infanticide, dowry question, household intensity etc. The knowing gain in the group convergences aided them to raise their voice in best self-governing bulks (Jha, 2012).<sup>214</sup>

**Conclusion.** In the end, it may be declared that even though the microfinance institution through SHGs-Bank relation programme have happened favorable in extermination of want from the country areas and that is appropriate from the data’s determined for one miscellaneous management documents, field study reports and research work done in this regard but it may be analyzed on the ground of allure difference in allure exercise across the country and mainly the extreme rates of interest by way of the undertaking costs to a degree human capital cost of the arm, cost on the rent, electricity and added abilities to assert the buildings. The depressed level of

administration abilities is also a determinant that hinders ruling class to receive the decent benefits cause there is reduced level of information about new science and more as most of people as political whole are illiterate in the detached country extents they are skill to efficiently secondhand their credit which can produce more profit to ruling class accordingly on account of depressed-level of science many a time person engaged in private ownership of business is devoted in aforementioned activities that gives no profit. Another escape is there is no uniform exercise in the whole country. The northward-on the east side of states lags behind distinguished to the different states of the country. Only the state of Assam and Tripura are availing allure benefit while the added states still didn’t have correct abilities for these programmes and it is ascribed on account of lack of experienced NGOs for establishment and maintenance of SHGs and more lack of uniformity in the groups in the specific states( Saha, 2015).<sup>22</sup> Other reason in the way that lack of condensed effects by banks, the failure of banks to recognize NGOs accompanying funds and credit groups, lack of ambition between bankers, social configurations dominant in the domain maybe accredit allure depressed performance distinguished to all India average(Roy, 2013).<sup>23</sup> Another impediment in the relief of want through this programme is stratum. Most of the country areas in India trusted in the social class arrangement and on account of that the superior social class people didn’t be going to associate with the lower social class. It has obstruct the want extermination in those areas bearing forceful idea in this place social class scheme as the people from two together the superior and lower stratum cannot made together the SHGs and even though they made one skilled is continually a disconnection in their functioning that harshly belongings the working of the group and have weak results. Therefore, it may be submitted that skilled is a need of a uniform standard that will manage the functioning of the microfinance institutions and will specify a foundation for uniform rules concerning



harvests, interest rates and improvement of  
the loans for fear that everyone can catch the

benefit concerning this programme and can  
make public of the shackles of want.

**Keywords:** Penury, Microfinance & Bank Linkage Programme, Self Help Group.

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## AN ANALYSIS OF CURRENT FREIGHT FORWARDING AND CONTRACT LOGISTICS ISSUES

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While Connect Freight Logistics was developing their new operations, they assigned me to research current difficulties in freight forwarding and contract logistics, and my project was based on the following TERMS: Transporting Goods: Logistics is the management of the movement of resources between the point of origin and the site of consumption in order to suit the needs of consumers or organisations, for example.

Logistics resources can include both tangible goods such as food, materials, equipment, liquids, and personnel as well as abstract items such as time, information, particles, and energy. Physical item logistics often entails the integration of information flow, material handling, production, packaging, inventory, shipping, warehousing, and, in certain cases, security.

**Keywords:** logistic; development; operation.

## STARTUPS IN POST-WAR ECONOMIC RECOVERY: A PUBLIC MANAGEMENT ASPECT

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The war of the Russian Federation against Ukraine caused a lot of damage to the economy, social sphere and state's infrastructure in general. In addition, logistical supply chains were disrupted, which led to an aggravation of several problems and exacerbated the economic and food crisis. Therefore, the period of post-war economic reconstruction will be extremely important and decisive for the further development of Ukraine. Based on the last decade's trends and the experience of world leaders, the "catalyst" of economic development is the development of business models, which have received the name - startup.

The paper aims to establish the main directions of public management in the field of the development of start-up projects for the recovery of the post-war economy. Study used some general scientific research methods were used, namely: statistical and theoretical analysis, synthesis, deduction and induction, abstraction and theoretical generalization.

It is worth noting that small and medium-sized businesses are the basis of Ukraine's economy, creating 60% of GDP and providing 79% of jobs. Therefore, the active development of startups will become the basis for the economic recovery of the economy in

the post-war period. Moreover, for the post-war economy of Ukraine, one should focus on the strategy of solving problems in the example of civil tech. There are 4 directions of the direction of startup projects in the field of civil technologies. Among them, 31% provide government digitization services and develop effective governance tools. The next 22% collect, analyze and visualize data, helping the population to make informed choices. 27% - focus on the autonomy of citizens and the development of efficient and secure voting and decision-making systems and 20% support and spread initiatives aimed at supporting the most vulnerable groups of people.

In addition, it is worth separating the most common types of startups by field: Software (SaaS) and technology, Marketing and advertising, Healthcare, Block chain and crypto currencies. While a significant proportion of these is indeed technology-related, there are opportunities and ideas for startups in "non-traditional" industries.

As a research result, the study concluded the need to develop a program to attract venture capital to the economy of Ukraine in the post-war period.

**Keywords:** startups; post-war; economic recovery; public management.

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## PROBLEMS OF INTERBUDGETARY RELATIONS IN ENSURING SOCIO-ECONOMIC DEVELOPMENT OF THE REGIONS OF UKRAINE

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In the context of strengthening globalization processes and state transformations, the role of tools and stimulating methods of socio-economic development of regions is increasing. Demonstration of socio-economic potential becomes an impetus to confidence in the ability of regions to solve problems on their own. The growth of differentiation of socio-economic development of the regions of Ukraine is one of the most important problems of the formation of a market economy in the context of integration into the European civilization space. In this context, the possibilities of solving the problem of ensuring the autonomy of budgets of different levels, the spread of socio-economic processes and the improvement of economic and legal relations in the regions are gaining importance. This, in turn, provokes the intensification of the search for new ways to ensure the stability of the budgetary and financial system, the sustainability of interbudgetary relations, the growth of the effectiveness of budget regulation for further socio-economic development of the regions as a whole and individual territorial communities. Thus, the study of the theoretical, methodological and scientific-practical foundations of the effective functioning of interbudgetary transfers in the system of socio-economic development of regions, their impact on the functioning of relations determine the relevance of the subject of our study and this publication, because interbudgetary transfers have a significant impact on the socio-economic development of the region.

Foreign and domestic scientists were engaged in the study of socio-economic development of regions, the system of interbudgetary relations and distribution of transfers, development of the regional economy, such as: V. Andrushchenko, A. Wagner, F. Tolkmitt, R. Ignatenko [1], V. Kravchenko, A. Danylenko, O. Poleva [2], F. Tkachyk [4] and others. A significant contribution to the modernization of interbudgetary relations, the development of the methodology of the budget process and the regulation of the public finance system was made by domestic and foreign researchers, including O. Omelchuk, Z. Lobodina, I. Lunina, V. Tropina, O. Chepel. Despite the available publications, this topic remains underdeveloped and requires further research. There are interesting questions about the role and effectiveness of the impact of interbudgetary transformations on the socio-economic development of the regions of Ukraine.

For a stable and proportional socio-economic development of the regions, adaptive reproduction in the current conditions of martial law, progressive shifts towards the growth of economic indicators that will affect the solution of social problems remain expedient. First of all, such problems are ensuring the growth of welfare and improving the quality of life of the population. Therefore, for the development and use of the potential of the regions, it is necessary to improve the system of budgetary relations, interbudgetary transfers that focus on the implementation of national and regional interests, among which the

realization of equal opportunities to meet the needs is considered a priority [1, p.38-44; 3].

The socio-economic development of the regions of Ukraine plays an important role in ensuring the livelihoods of the population and the defense capability and sustainability of the country during the period of martial law, so the government focuses on creating conditions for maximum sustainability of the state budget through the support of regional budgets. Their importance for the financial security of the state lies in the financing of services for the population, which contributes to the restoration of economic activity (relocation of enterprises) and social capacity [2, p.3; 3, p.2]. According to the State Tax Service, in the first quarter of 2022, tax revenues to regional budgets amounted to UAH 110.3 milliard, which is UAH 9.8 milliard or 9.7% more than in the same period last year. According to the Department of Finance of the Lviv Regional State Administration, for the first quarter of 2022, the general fund of the budgets of the Lviv region received UAH 7.7 milliard in tax payments, which is UAH 1.5 milliard or 24% more than the revenues for the same period last year. Revenues to the budget of the Ternopil city territorial community in January-April 2022 were UAH 96.5 million or 12% higher than in 2021, and revenues to the general fund of the community (excluding transfers and subventions) for the specified period amounted to UAH 690.9 million.

Despite relatively high regional revenues during the period of martial law, they need additional financial support. Thus, some regional budgets have lost a significant part of their financial capacity, tax revenues have decreased in some territorial communities due to a decrease in business activity of enterprises associated with problems with the supply of raw materials, a decrease in the volume of orders and opportunities to sell their own products, limited services market, logistics problems, etc. However, experts believe that the main problems are the reduction in the number and low intellectual performance of human resources and labor resources in particular.

Human capital, as a determining factor in maintaining the competitiveness of the state's economy, requires an appropriate attitude to the workforce, which is able not only to perform certain functions, but also the presence of characteristics, the main of which are the level of education, professional knowledge and skills, health, culture of behavior, social values, etc. Human capital as a factor of sustainable development belongs to the list of such categories as physical or material capital and is affected by all the consequences of martial law (mobilization, emigration of the most productive and young, educated population, deterioration of health, liquidation of enterprises, unemployment). We support the conclusion that one of the ways to solve these problems may be to attract intergovernmental transfers [4, p.3]. The system of interbudgetary transfers affects the socio-economic development of regions, primarily by reducing fiscal imbalances and taking into account the interests and priorities of regional importance; regulates existing budget flows and the use of financial resources in the regions [5, p.54].

Every year, interbudgetary transfers are allocated from the State Budget of Ukraine to regional budgets for the development of the region as a whole, construction, educational and medical projects, payment of wages and other expenses. In January 2022, the state budget envisaged UAH 16.297 milliard of basic subsidies (Zakarpattia region - UAH 1.295 milliard, Ivano-Frankivsk region - UAH 1.103 milliard, Odesa region - UAH 1.0595 milliard, Lviv region - UAH 1.103 million, Poltava region - UAH 130.7 million); UAH 10.794 milliard of reverse subsidies (Dnipropetrovska region - UAH 2.039 milliard, Kyivska region - UAH 1.122 milliard, Khersonska region - UAH 1.3 million) and UAH 5.163 milliard of additional subsidies (Dnipropetrovska region - UAH 314.3 million, Kyiv city - UAH 81 million). Despite the use of large amounts of financial resources in previous periods, the situation has now changed towards a decrease in inter-budget transfers. Thus, subventions to local budgets have been reduced by UAH 17

milliard, the educational subvention has been reduced by 10% (partially, the improvement of the situation in financing education is possible due to the receipts from the World Bank, which has planned for Ukraine about \$ 200 million per month to pay teachers and civil servants. The total amount of support is \$ 1.5 milliard) [6; 7].

The policy of financial and budgetary equalization of socio-economic development is carried out with the aim of ensuring the interests and tasks, in particular, for the economic security of the state, uniform development of its regions, achievement of the level and quality of life of the population in accordance with market prices. This should ensure public welfare in the long term in the region and its individual territorial units. For example, funds are planned for the program "Interbudgetary Transfers-2023": subventions and additional subsidies from the state budget to regional budgets, first of all, additional subsidies are aimed at the maintenance of educational and healthcare institutions (UAH 2.9 milliard), the implementation of the powers of local self-government bodies), exercise of powers of local self-government bodies in the de-occupied, temporarily occupied and other territories of Ukraine that have been adversely affected due to the introduction of martial law (UAH milliard ), subventions in the field of education (arrangement of safe conditions in general secondary education institutions - UAH 1.5 milliard) the purchase of school buses - UAH 1 milliard) and social protection (payment of financial compensation for persons who have been wounded, contused, injured or ill received during direct participation in the

antiterrorist operation, ensuring its conduct, implementation of measures to ensure national security and defense - UAH 1.7 milliard payment of monetary compensation for housing for internally displaced persons who defended the independence, sovereignty and territorial integrity of Ukraine - UAH 3.3 milliard), other subventions (financing of measures for socio-economic compensation of the risk of the population living in the territory of the observation zone - UAH 200 million), other grants (implementation of projects under the Program for the restoration of Ukraine - UAH 5.3 milliard) financial support for the construction, reconstruction, repair and maintenance of public roads of local importance, streets and roads of communal property in settlements - 13.6 milliard UAH, implementation of projects under the Emergency Credit Program for the restoration of Ukraine - 1.7 milliard UAH) [8].

Thus, in order to stabilize the socio-economic development of the regions during the martial law in Ukraine and to equalize the situation in the regions, it is necessary to introduce additional financial support for the implementation of interbudgetary transfers. This, in turn, will ensure effective interaction between state, regional and local institutions, private business entities and society; and the improvement of the mechanism for attracting and using interbudgetary assistance and financial resources - to support regional development and ensure the successful implementation of programs and projects aimed at infrastructure development, improving the quality of life of the population.

**Keywords:** interbudgetary relations; socio-economic development; regional budget; state budget; regions; subsidies.

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## ASSESSMENT OF DAMAGE FROM THE DESTRUCTION OF UKRAINE AS A RESULT OF A FULL-SCALE INVASION

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A full-scale invasion by the Russian Federation is underway in Ukraine. Every week, the scale of destruction is increasing, the number of destroyed and damaged residential, industrial and critical infrastructure is increasing. Thus, Ukraine and its people face the task not only of defeating the enemy on their land, but also of rebuilding all destroyed and damaged objects and making them meet the requirements of modern times. The first issue facing state bodies and private structures is the assessment of the damage caused. And the next question, which requires an immediate solution: at the expense of which sources of financing will this reconstruction be carried out.

Some official structures provided an initial assessment of the damage and the need for funds for reconstruction. Thus, at the International Conference on the Restoration of Ukraine in Lugano (Switzerland, July 4-5, 2022) [1] it was stated. In the next 10 years, the economy of Ukraine will need more than 750 billion US dollars, the funds will be directed to 15 areas. In particular, in 2022, about 60-65 billion, which will be directed to support the financial stability of Ukraine and the reconstruction of infrastructure. In the period 2023-2025, it is necessary to accumulate more than 300 billion dollars. USA, which will be aimed at further reconstruction of the infrastructure. And in the next 7 years (2026-2032), more than 400 billion dollars will be needed to modernize the economy. In total, 850 projects are planned to be restored [2].

The plan presented in Lugano contains 3 stages [1]. The first stage - "Stability" - aims to restore the most important objects of

critical infrastructure by the end of the current year. In particular, repairs of boiler houses, networks, housing, support of small and medium-sized businesses should be carried out in the first place. For these measures alone, Ukraine needs 60-65 billion dollars.

The Lugano conference in no way could have estimated the scale of the damage that would be inflicted on the energy sector in the fall. On October 26, 2022, the general director of DTEK, Maksym Timchenko, noted that "For eight months (of the war), our thermal power plants received UAH 17.6 billion in losses, and this is when calculating the cost of coal, which is artificial, UAH 4,200 per ton" [3]. However, it is unfortunately impossible to consider that these losses are final, because the Russian Federation is threatening the next more massive missile strikes on the energy infrastructure of Ukraine. The situation is aggravated by the fact that such shelling occurs against the background of a decrease in the ambient temperature and an increase in the population's need for coolant and electricity in the autumn-winter period. And according to NEC "Ukrenergo" at the beginning of November 2022, more than 40% of the energy infrastructure was damaged. Since October 10, at least half of Ukraine's thermal generating capacity has been hit by Russian aggressors, 4,000 MW have been lost. [4]

Also, in our opinion, the forecasts for the restoration of the energy infrastructure should be revised in the direction of their significant growth.

And the joint report of the Government of Ukraine, together with the European Commission and the World Bank, which was



presented in Brussels on September 9, 2022, announced the need for financing in the amount of about 350 billion US dollars [1]. These funds are also expected to be spent in the next 10 years. At the same time, over 105 billion USD should be allocated for 2022-2024, which will be aimed at rebuilding infrastructure, ensuring human development, cleaning up the territory after the war, purchasing gas, and supporting agriculture. And in the next 8 years (2025-2032), almost 244 billion US dollars should be allocated, which will be directed to the modernization needs of all sectors of the Ukrainian economy. These estimates are less ambitious, but they clearly do not fully cover the losses of our state's economy and its urgent needs.

The most modest estimates are presented at the International Expert Conference on Restoration, Reconstruction and Modernization of Ukraine, which will be held on October 25 in Berlin (Germany). It was stated there that the economy of Ukraine in 2023 will need 17 billion US dollars for infrastructure reconstruction and another 38 billion US dollars for financial stability.

The KSE Institute estimated the direct damage to Ukraine caused by the armed aggression of the Russian Federation. According to her data, at the end of summer, their volume is 127 billion US dollars [5]. So, according to their report, the occupiers damaged or destroyed:

- more than 135 thousand residential buildings;
- 1270 schools;
- 786 kindergartens;
- 775 cultural objects;
- 80 religious buildings;
- 149 tourism establishments;
- 153 sports facilities;

- 2,910 retail outlets;
- 19 airports and civil airfields;
- 110 railway stations and stations;
- 315 bridges and bridge crossings of state, local or communal importance;
- 10 thermal power plants and 322 boiler houses.

Indirect losses from the war, i.e., losses suffered by state and private businesses, revenues not received by the state budget, are also calculated in hundreds of billions of dollars. The total direct and indirect damage from the invasion of the Russian Federation is already approaching 1 trillion dollars [5].

The assessment of damages takes place according to different approaches, which may contain a significant difference. But there is still the question of sources of funding for such reconstruction. According to the world community, the main source of funding for the reconstruction of Ukraine should be reparations from the Russian Federation to Ukraine. Also, Ukraine offers its allies to confiscate Russian assets frozen abroad even at the beginning of a full-scale invasion. It is known that the total amount of Russian reserves that were frozen in various countries is more than 300 billion US dollars. Another source of financing could be the funds of Russian oligarchs frozen in foreign banks. In addition, the support of partners will undoubtedly be an important source of funding, as the USA is already preparing a "new Marshall Plan" for Ukraine, and B. Johnson is supposed to promote it. It aims to create an international language organization. However, it is important to consider that the full cost of the restoration of Ukraine cannot be carried out at the expense of Western partners, who, first of all, should take care of the needs of their people and their well-being.

**Keywords:** destruction; damage; assessment of damage.

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## BASIC PRINCIPLES OF PLANNING CONSTRUCTION PARAMETERS UNDER SEASONAL CONDITIONS

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According to the DSTU, the calculation of the labour intensity, cost and terms of construction when carrying out construction at different times of the year can be carried out not according to regulatory coefficients, but on the basis of a database of similar objects formed by the contractor or by the customer. This allows subcontractors and the customer's services to more reasonably calculate the terms of performance of works, their labour intensity and additional costs arising from seasonality.

To forecast construction parameters under the influence of seasonal fluctuations, it is advisable to use a methodical approach that includes 5 steps:

- 1) accumulation of information on the progress of the construction process and its parameters on the basis of similar objects;
- 2) determination of the step of data collection (months, week, quarter, etc.);
- 3) determination of the general trend of development and creation of several alternative equations for forecasting;
- 4) detection of seasonal adjustment;
- 5) adjusting the equations for seasonal adjustment and determining the most accurate of them based on the calculation of the average linear error.

This methodical approach to the calculation of future parameters of construction works is based on a widespread toolkit for the analysis of seasonal fluctuations in various spheres and industries. It will allow taking into account, in addition to the increase in labour costs, costs and terms calculated in accordance with technological maps, general site and works other ones arising under the influence of seasonality as a

result of the action of complicating factors in the winter or summer periods.

Natural and climatic conditions and seasonality have a moderate influence on the progress of construction, which can be expressed in the form of seasonal fluctuations in indicators of deviations in the progress of construction works and their parameters - construction terms, labour intensity and estimated cost during the calendar year.

The main stages of forecasting and correction of certain organizational and technological parameters of construction under the influence of seasonal fluctuations based on the decomposition of numerical series include:

- formation of a sample for correlation-regression analysis;
- identifying the leading trend of process development and creating a set of equations that describe this trend;
- identifying the seasonal component and creating equations that take this component into account in the form of a seasonality coefficient;
- the final selection and setting of special econometric functions for the adjustment of construction characteristics, taking into account the seasonality coefficients, which are determined based on the analysis of the retrospective behaviour of data series in previous periods for each individual object or group of similar objects. The final model, which takes into account the detected trend and the seasonal component, is selected based on the average linear error.

The proposed approach makes it possible to form a system of prognostic, organizational and technological models for adjusting performance characteristics under

the influence of seasonal fluctuations, which makes it possible to reveal the variable dependence of construction parameters on the average daily outdoor air temperature:

a) labor intensity forecasting model with an accuracy of  $\Delta i = 8.3\%$  - recommended

to be used for the stage of work on the construction site and the season;

b) models for forecasting the cost of works and terms with an accuracy of  $\Delta i = 14.1-16\%$  - it is advisable to use them at the stages of development of VAT, conclusion of subcontracts.

**Keywords:** terms of construction; construction parameters; development.

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**SECTION 3**  
**PROBLEMS AND PERSPECTIVES**  
**OF PUBLIC ADMINISTRATION REFORM:**  
**LEGAL ASPECTS**



## LEGAL PRINCIPLES AND FEATURES OF PUBLIC ADMINISTRATION IN THE SPHERE OF THE USE OF NATURAL RESOURCES IN ECONOMIC ACTIVITIES IN UKRAINE

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The importance of the competence of management subjects in the field of natural resource use in economic activity became especially relevant in the conditions of a full-scale war in Ukraine. Undoubtedly, the scale and accuracy of calculations of all damage to the environment can be established only after the end of the war and the de-occupation of all territories of our state. However, as of the beginning of October 2022, the Minister of Environmental Protection and Natural Resources of Ukraine emphasized during hearings in the European Parliament that the Russian Federation caused environmental damage to Ukraine in the amount of about 36 billion euros (damage due to air pollution was estimated at 25 billion euros, and for elimination damage to the soil requires another 11.4 billion euros), more than two thousand facts of ecological damage have been recorded, several million hectares of natural reserves are still under critical threat [1].

Management of the use of natural resources in economic activity is carried out at the national and local levels. At the same time, scientists rightly note that the reformation of management entities during the period of Ukraine's independence, their competence in the field of using natural resources in economic activity, as well as in the field of environmental protection could not have a positive effect on the quality and efficiency of management activity. And as an example, V. M. Zavorodnya cites cases when the State Committee of Natural Resources of Ukraine was formed in 2004, and the State Agency of Land Resources of Ukraine was formed in 2007, which were liquidated a year after their creation [2, p. 120].

In the legal doctrine, there are already established approaches to the understanding of management functions in the field of environmental protection and nature use as special types of activities of state authorities, local self-government, as well as public organizations to ensure a rational system of natural resource use, as well as guaranteeing their reproduction and environmental protection [3, p. 38]. Undoubtedly, management activities related to environmental protection and rational nature management are interrelated. At the same time, taking into account the importance of the specified management functions, each of them is separate from each other, although they have mutual influence and relationship both in terms of methods and forms of management, and in terms of the expected partial consequences of such management.

Among the subjects of management in the sphere of the use of natural resources in economic activity at the national level, the Verkhovna Rada of Ukraine, the Cabinet of Ministers of Ukraine and the President of Ukraine are primarily. Parliament plays a key role in determining the regulatory principles of management of the use of natural resources, as it determines through laws the procedure for economic activity, the possibility of using natural resources with environmental safety, and approves national environmental programs. The President of Ukraine in accordance with Art. 106 of the Constitution of Ukraine affects the normative and legal principles of management regulation in the sphere of the use of natural resources in economic activity through the right of veto over laws adopted by the Parliament, the right to suspend the government acts on the

grounds of their inconsistency with the Constitution of Ukraine,

The Cabinet of Ministers of Ukraine not only promotes the development of entrepreneurship and carries out the state regulatory policy of economic activity, but also carries out state policy in the field of environmental protection, nature management and environmental safety. In addition, among the main powers of the government: ensuring the development and implementation of environmental programs at the state and interstate levels; implementation of state management of rational use and protection of land resources, flora and fauna, subsoil, water and other natural resources; making decisions on restriction, temporary ban or termination of enterprises (institutions or organizations), regardless of their form of ownership, in case of violation of legal requirements on environmental protection; coordination of the activities of both executive authorities and local self-government bodies, economic entities regarding the protection of the natural environment, as well as the effective implementation of environmental interstate, state and regional programs; ensuring the implementation of measures to eliminate the consequences of the Chernobyl disaster, as well as other accidents, catastrophes and natural disasters, etc. [5].

At the level of central executive bodies, the issue of managing the use of natural resources in economic activity, environmental protection and guaranteeing ecological safety is assigned to the competence of the Ministry of Environmental Protection and Natural Resources of Ukraine, established on May 27, 2020, whose activities are coordinated by the Cabinet of Ministers of Ukraine. According to the Regulations approved by the Resolution of the CMU dated June 25, 2020 No. 614 [6], the competence of the Ministry in the field of management of the use of natural resources in economic activities can be grouped as follows:

1) management powers for environmental protection (formulation and implementation of the state's policy on environmental protection, exercise of powers

in the field of ensuring ecological, biological and genetic safety);

2) management powers directly related to the use of natural resources in economic activities (formulation and implementation of state policy in hunting and forestry; formation of state policy regarding the use and reproduction of water resources, rational use of subsoil, in the field of radioactive waste management; use of biological resources, land etc.).

In addition to the Ministry of Environmental Protection and Natural Resources of Ukraine, the State Environmental Inspection of Ukraine and the National Accreditation Agency of Ukraine also play an important role in the management of the use of natural resources in economic activity at the level of central authorities.

Public management of the use of natural resources in economic activity is carried out at the local level, primarily by the Council of Ministers of the ARC, regional, district and Kyiv and Sevastopol city state administrations. It is the local state administrations according to Art. 119 of the Constitution of Ukraine ensures the implementation of laws and acts of executive authorities, as well as state and regional programs, including in the field of environmental protection and rational use of natural resources. Article 13 of the Law of Ukraine "On Local State Administrations" clearly defines that the competence of local administrations includes the use of natural resources, land, as well as environmental protection.

Natural resources and land according to Art. 142 of the Constitution of Ukraine and Art. 16 of the Law of Ukraine "On Local Self-Government" is recognized as the material basis of local self-government. In this regard, local self-government bodies have a number of management powers regarding the use of natural resources in economic activities at the level of territorial communities, in particular:

1) district and oblast councils: resolve issues regarding the granting (cancellation) of permits for the special use of natural resources of district (regional)

importance; make suggestions to the state body to declare a natural object as having ecological value; make decisions on the approval of animal species that are not included in the Red Book of Ukraine, but are rare and have a special value or are in danger of extinction; make decisions regarding the organization of the territories and the object of the nature reserve fund or the territory with special protection; ensure balanced use of natural resources; on the basis of the contract, combine funds of business entities for environmental protection, etc.;

2) village, settlement, city councils in the exercise: decided to issue and cancel permits for the special use of natural resources, to make decisions regarding the organization of the territory or object of the nature reserve fund or special protection, as a natural monument, to make decisions on the declaration of a "season of silence" in the place of mass reproduction of wild animals (provides for restrictions on economic activity and hunting of animals);

3) executive bodies of village, settlement and city councils: ensure balance and efficient use of natural resources; will do carry out a preliminary review of the plan for the use of local natural resources, as well as proposals for the placement and development of business entities; attract, on the basis of the contract, the funds of business entities for measures to protect the natural environment; monitor compliance with legislation during construction activities and prevention of damage to the environment; submit proposals to the councils regarding the land tax rate, the amount of fees for the use of natural resources; establish the amount of compensation by business entities for damage due to environmental pollution; develop local environmental programs; guarantee protection and protection of forests, increase of soil

fertility; coordinate local land resource management bodies; settle land disputes; definition of territory, on which waste will be placed and control of business entities regarding waste management; coordinate on the sites of activities of special management state bodies for nature protection, etc.

The conducted study of the legal foundations allowed us to single out the following signs of public management in the sphere of the use of natural resources in economic activity in Ukraine: management is carried out exclusively by the subject of authority; management entities have appropriate management powers in the field of nature management, which are necessarily determined by a normative legal act; public management is carried out on behalf of the state or territorial community; the availability of the necessary legal means for management subjects in the field of natural resource use in economic activity; ensuring in the process of public management at different levels the achievement of common goals for the rational and economical use of natural resources in economic activity.

At the level of the international community, Ukraine is already raising the issue of the need to develop new methods of calculating the damage caused to natural resources as a result of military operations. In this regard, it is extremely important for European experts to provide informational, advisory and financial support both in terms of monitoring the state of the environment in the de-occupied territories, as well as in the territories of active hostilities, and in terms of developing a mechanism for financial sanctions against the aggressor state, as well as improving the mechanism public management of the use of natural resources in economic activity.

**Keywords:** economic activity; legal basis of public administration; Minister of Environmental Protection and Natural Resources of Ukraine.

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## LEGAL REGULATION OF VIRTUAL ASSETS: INTERNATIONAL EXPERIENCE

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Blockchain, cryptocurrencies, crypto actives are in trend today. Regardless of whether states recognize or do not recognize these phenomena as legal tender or equivalent liabilities, blockchain and cryptocurrencies have already taken their place in private law.

At the same time, state regulation consists, in each country to a different degree, of the settlement of already existing social relations, with coordination of the international legal institutions of legal regulation, such as:

- protection of personal data (General Data Protection Regulation (2006) for EU countries),
- identification and verification of economic entities (FATF recommendations (2012) "Blockchain in Trade Facilitation." (2018)),
- prevention of money laundering (FATF recommendations (2012), norms and 4th Directive (EU) 2015/849 "On the prevention of the use of the financial system for money laundering and terrorist financing" and Regulation (EU) 2015/847 "On information accompanying remittances»),
- Prevention of tax evasion (Multilateral Convention on the Implementation of Measures Relating to Tax Agreements (2016)).

Ukraine now only starting own legal regulation, however Ukraine one of the world leaders in the cryptocurrency's market.

When we choose a legal regulation strategy for a country, it should be determined that there is already a permanent classification of legal regulation regime. Thus, the development of legal regulation occurs in two ways:

- recognition of cryptocurrencies as special assets (including cryptocurrencies)

with a wide range of regulation (China, Japan, Great Britain),

- recognition of cryptocurrencies only as intangible assets (Austria, France).

In detail it looks like this. According to German law, cryptocurrencies are financial instruments that are not electronic money, the Law of Germany "Banking Act" (it. Kreditwesengesetz, KWG (1961)) defines cryptocurrency business (Ger. Kryptoverwahrsgeschäft ) as storage, accumulation and transfer crypto actives (Ger. Kryptowerte), generally treated this to financial services which are not believed to be cryptocurrencies - electronic money but noting that the equivalent of their value is the result of an agreement or sustainable practice.

French legislation in accordance with Directive 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market (PSD2) and Directive (EU) 2009/110 / EC of 16.09.2009 on the initiation, implementation and supervision of prudential supervision on the activities of institutions working with electronic money ", introduces an interpretation of the types of digital assets and transactions with them (Vauplane H., Charpiat V. (2020)). The following stand out: 1) tokens, ie intangible digital assets that include rights that can be issued, registered, stored and transferred electronically, if they do not qualify as financial instruments; 2) any digital representation of value, which is not issued and guaranteed by the central bank or government agency, is not necessarily pegged to a legally established currency and does not have the legal status of currency or money, but is accepted by individuals or legal entities as a mean of exchange that can be transmitted, stored and sold electronically. With regard to services, they recognize : 1)



storage of digital assets or cryptographic private keys; 2) purchase or sale of digital assets for fiat currency (currency which is a legal tender) ; 3) purchase or sale of digital assets at the expense of other digital assets (actually exchange of digital assets) ; 4) other services that are related to digital assets, including the receipt and transmission (initiate transactions) on behalf of third parties, portfolio management, digital assets, advising on investments, underwriting and placement of digital assets from certain obligations or without defining them. Thus, defining transactions with digital assets as transactions with financial instruments.

At that time, according to the Austrian Ministry of Finance (Bundesministerium der Finanzen, BMF), cryptocurrencies are intangible assets (Steuerliche Behandlung von Kryptowährungen (virtuelle Währungen)). The legislation of the Kingdom of Spain excludes transactions with cryptocurrencies outside the field of legal regulation (Law On Electronic Money (2011)) noting that supervision, licensing or regulation is not carried out by the state.

The most detailed is the legislation of the United Kingdom, which defines three types of cryptocurrencies , in particular, defines three categories of cryptocurrencies: 1) exchange tokens that are not issued and not maintained by the central bank and are intended for use as an instrument of exchange; 2) Securitized tokens that have the characteristics of securities, such as shares, units, etc .; 3) service (auxiliary) tokens , which provide their holders with access to certain opportunities (services, etc.), but do not provide rights similar to those received by the owners of securitized tokens (Financial Conduct Authority). From 10 January 2020, all companies operating in the UK with cryptocurrencies must register with the Financial Conduct Authority, the registration authority, before carrying out any activity with cryptocurrencies (Cryptoassets: AML/CTF regime). Legal regulation in the United States is carried out separately by each state, and the Federal authorities do not recognize virtual currencies as legal tender

(Commodity Futures Trading Comm'n, 'CFTC Issues Final Interpretive Guidance on Actual Delivery for Digital Assets', CFTC Release No. 8139-20 (Mar. 24, 2020)).

One of the most progressive regulation is regulation in Japan. Japan has recognized the cryptocurrency - Bitcoin as a legal tender (Guide: Japan Crypto Asset Regulation). At the same time, Japan's Payment Services Act (Payment Services Act. (2009)) regulates the rules of cryptocurrency circulation, sets requirements for cryptocurrencies and custodians of virtual assets, etc., as well as the Law on Financial Instruments and Exchange (FIEA), which regulates the circulation of cryptocurrencies (tokens), which are similar in properties to securities. Virtual assets (currencies) are identified with electronic money in Singapore (Payment Services Act (2019) where maintenance operations token ("Digital payment token service") attributed to payment services.

While continuing analysis and development of national legal doctrines on blockchain and cryptocurrency, you can use a neutral definition of this phenomenon, which is used in the final communiqué of the summit G 20 , held 19 - 20 March 2018 - Crypto-assets, it is due to lack of money many signs of crypto currency and virtually uniform properties in all kinds of tokens for their study , as a part of blockchain technology, only a valid name (Communiqué Finance Ministers & Central Bank Governors (2018)).

At the same time, the general analysis of the draft European Directive on Markets in Crypto-assets and amending Directive (EU) 2019/1937 indicates a consistent understanding of virtual assets, just as a derivative financial instrument, with properties and requirements similar to securities.

In the analysis and development of legal mechanisms and legal support of the blockchain in different legal systems, too much attention is paid to determining the status and legal titles of cryptocurrencies, but the legal nature of the blockchain is bypassed.

Instead, not only the cryptocurrency settlement function or smart contracts need to

be studied and forecasted, but also other features and capabilities of blockchain technology for the development of progress and economic phenomena.

The United Nations Economic Commission for Europe (UNECE) discussed and prepared a report on the need to introduce a blockchain in the financing of trade and services, entitled: "White Paper. Blockchain in Trade Facilitation" (White Paper. Blockchain in Trade Facilitation). According to it, promising areas of application of the blockchain are identified: security and protection of information, maritime trade, road transport, agricultural farming, fishing, food, energy, finance and accounting, public administration, tourism, medicine and health care, music and art.

Given the development of technology, to this list should be added architecture and urban planning, communications,

engineering, because the development and implementation of distributed registers began in these areas.

Therefore, when using blockchain in these industries, it is important to maintain the established regimes of legal regulation, avoiding changes in the sustainable balance of the system of checks and balances, in favor of the rights of new entities that have emerged in the blockchain. The use of blockchain in public administration and legal mechanisms is a prerequisite for sustainable economic development, and countries should exchange and implement positive experience.

Currently, Ukraine does not have legislation in the field of virtual assets, the search for its own legal regulation has clearly been delayed. Which only contributes to the "black market" and does not benefit the sustainable development of the economy and the taxation of operations with virtual assets.

**Keywords:** blockchain, blockchain technology, virtual assets, virtual payment services, crypto actives, cryptocurrency.

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## YOUTH SUBCULTURE IN THE MODERN SOCIO-CULTURAL SPACE: THEORETICAL APPROACHES AND GENERALIZATIONS

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Research on youth has always been, is, and will be relevant because the future belongs to the youth, and our country's well-being, development, and culture will depend on the values with which the young generation will enter it. During the last decades, Ukrainian society has been transformed; there have been radical changes in social normativity, affecting all spheres of social life. Therefore, the young generation in all countries is the leading human resource for development, positive social changes, and technological innovations. The result of modern Ukrainian society largely depends on economic, political, and cultural choices. But, in our opinion, youth "issues" are not among the state's priorities today. There are many white spots in establishing mechanisms for working with youth. Individual youth manifestations fall into the sphere of state care only in situations and threats to social stability in Ukraine's system of public administration today.

Scientists have been interested in the problems of the youth subculture and youth in particular since the 60s and 70s of the 20th century. This situation is related to the fact that youth subcultures have become an important tool for the evolutionary recovery of contemporary society. They are an integral part of the mechanism of global innovations, thanks to which the future community can be seen as more pluralistic, freedom-loving, and intellectual.

Disclosure of the peculiarities of the national youth subculture and their influence

on the formation of the modern socio-cultural space in Ukraine.

Scientists: P. Artyomov, Yu. Busel, A. Gorelova, N. Zrazhevskaya, I. Zyazyun, L. Zavatsyuka, I. Kona, Yu. Lysenko, V. Kuhar were engaged in researching the problem of the modern youth movement, subcultures in general and individual subcultures. Shabanov, T. Shchepanska, M. Stepenko, V. Yadova. However, in the process of scientific research, we established that previous studies mainly revealed the role and significance of socialization of the individual in the activities of youth movements, organizations, and associations and did not take into account the specifics and possibilities of the influence of modern youth subcultures on public culture in the context of security, their socialization, and patriotic orientation. However, in the process of scientific research, we established that previous studies mainly revealed the role and significance of socialization of the individual in the activities of youth movements, organizations, and associations and did not take into account the specifics and possibilities of the influence of modern youth subcultures on public culture in the context of security, their socialization, and patriotic orientation.

In the 30s of the 20th century, the term "subculture" was first introduced into scientific circulation by the American sociologist T. Rozzak. However, having a rather vague definition, almost every scientist who studied this phenomenon gave it his meaning. Thus, the English sociologist M. Brake defines subculture as "norms separated



from the generally accepted system of values, which contribute to the maintenance and development of a collective lifestyle, which separated from the traditional style adopted in this society."

The author distinguishes such subcultural types of youth as "normal" youth, delinquent youth, cultural rebels, and politically active youth [16], and the American professor N. Smelzer believed that "a subculture is any system of norms and values that distinguishes a group from of a large community" [11]. D. Risman explained the phenomenon of subculture as the culture of a group of people who deliberately choose the style and values that are dreamed of by the minority.

D. Hebdige, a British sociologist, conducted a thorough analysis of the phenomenon and concept of subculture and emphasized the marginal nature of the subculture, and also explained the mechanism of attracting people to the subcultural environment through protest against society, which is caused by dissatisfaction with generally accepted standards and values [17].

Subculture is inextricably linked to and derived from the general culture. Modern scientists focus particular attention on the connection of a subculture with a specific social group; for example, a subculture is a social, ethnic, or economic group with a unique character within society's general culture [12].

A subculture is a set of specific socio-psychological characteristics (norms, values, stereotypes, tastes, etc.) that influence the lifestyle and thinking of particular groups of people and allow them to realize themselves and assert themselves as not similar to other members of society [2]

Scientists classify informal movements, groups, and associations according to the type of group values, the characteristics of leisure activities, the nature of the social orientation of consciousness and behavior, and the influence on the youth environment.

Thus, Ukrainian scientists V. Kulik, T. Holobutska, O. Holobutsky single out the system (hippie subculture), romantic-escapist,

religious-mystical, hedonistic-entertaining, outrageous-protest, radical-destructive groups, violent-arbitrary youth groups, hackers [4].

I. Sundiyev classifies these amateur groups according to their orientation: aggressive (sports fans, extremist neo-Nazi groups of the right and left-wing); outrageous (punks, majors, rockers, poppers); cultural (aimed not so much at the creation of new artistic values as at the result of a culture that meets the urgent needs of a specific individual or group); economic (aimed at the creation and realization of material goods for oneself, one's group or others); social (aimed at solving specific social problems - ecologists (environmental protection, restoration of natural values), eco-cultural groups (protection of the cultural environment), ethnocultural; political [10].

L. Shabanov separates subcultures according to their marginality into groups: informal rejected by society; informal forms of direct political meaning; creative informal; informal of indirect political influence, visionaries; non-political informal; informal conformists [14].

Researchers V. Sokolov and Yu. Osokin, subcultures are typified according to the types of communities of their participants: sexually mature (children's, youth, mothers' subcultures, etc.); socio-professional (workers and intelligentsia, computer, medical, archaeological, army, beggar, or, for example, criminal and prison). Subcultures can also be recreational, religious, or ethnic. Subcultures can include compatriots of representatives of different regions of the country, and they will not necessarily have a different, distinct ethnicity. Also, subcultures can be local and relate to a separate district or location in the city [15].

Today, the concept of subculture in Ukrainian society is found in all spheres of life; it concerns professional, age, national, religious, and other layers and versts of the population. Ukrainian scientist P. Artyomov divides subcultures according to their place in the social system and legal status: 1) formal - groups whose structure and activity are



rationally organized and standardized according to defined group rules, goals, and role functions; 2) informal - amateur associations of people, the status, structure of which are not legally formalized. That is, formal subcultures are created for a certain social activity, have a legally defined status, a normative basis of existence that establishes the structure, type of tasks, collective and individual rights and obligations, and informal ones are deprived of such regulation [1, p. 34], and K. Petrovska emphasizes the fact that all subcultures have their own hierarchical structure, in which the person who enjoys the greatest influence (the leader) is singled out, there are also other influential members, rank-and-file and "bottom. "

The location, according to the degree of influence, is quite extensive, depending on how much the association members differ in terms of physical and mental development, vital energy, and other indicators. The fewer such differences, the less noticeable this hierarchical structure is, and the more difficult it is to distinguish "tops" and "bottoms" in it [8, p. 43]. Today, subcultures are closed, hermetic communities that do not aim to oppose the official culture in terms of overthrowing or replacing it. "Subculture is designed to keep socio-cultural features in a certain isolation from "other" cultural layers and not to turn into officialdom" [3].

U. Lysenko notes that there are complex relationships in the cultural system of society, where subcultures perform a progressive function, contributing to cultural development" [6, p. 115], that is, a subculture is a particular sphere of culture, it is a formation within a culture that differs in its own values and customs. This is the culture of a certain young generation, which has an everyday lifestyle, behavior, and group norms. Each subculture keeps its "secret" hidden, intended exclusively for the chosen ones [5].

Let's pay attention to the fact that "youth subcultures" theoretically, in our opinion, are no different from the description of the concept of subculture. They were formed in the process of alienating young

people from many forms and stereotypes, as well as from the lifestyle of "adults," and therefore are one of the components of personality formation.

Young people try to identify themselves, regardless of the views of their parents, family, school, and others, regardless of their expectations - they develop their identification, positions, aspirations, features, ideas, and readiness to defend themselves actively.

That is, youth subculture is an esoteric, escapist, urban culture created by young people for themselves; it is a culture aimed at the inclusion of young people in society; it is a partial cultural subsystem within the system of "official," a basic culture of society, which determines the lifestyle, value hierarchy, and mentality of its carriers [7].

A youth subculture is typified by:

- areas of activity: - socio-political groups (their goal is the promotion of particular socio-political views); - radicals (leaders are mainly representatives of the older generation, criminal youth groups, skinheads); - ecological and ethical groups; - lifestyle groups (informal youth groups: punks, hippies); - non-traditional religious groups (for example, Buddhists, cult groups, Satanists); - interest groups (sports and music fans, badgers, philatelists).

- the nature of the manifestation in society: - tolerant (a subculture that is detached from the outside world and does not demonstrate its relationship to it: bikers, breakers, rappers); - nihilistic (a subculture that presents its own style and values, but not as a protest, but as an alternative: majors); - negative-minded (demonstrating their negative attitude towards the prevailing culture, but not seeking to destroy it: hippies, punks); - aggressive (represent active forms of protest against the existing culture: skinheads).

- as a measure of "openness" for other young people: - "closed" youth subcultures, the membership of which is strictly fixed and selective; - "semi-closed," allowing the appearance of a certain number of young people in their ranks, who do not fully share

the ideas and views of this group; - "open," consisting of representatives of various youth currents and trends, but grouped around one ideological center.

- socio-legal sign: - socially active groups with a positive focus of activity (groups of environmental protection, protection of monuments, environment); - socially passive, the actions of which are neutral about social processes (music and sports fans); - antisocial - criminal groups, drug addicts, etc.

For many years, the existence of youth subcultures was perceived be described and analyzed as a pathology, or the presence of foreign and hostile elements was sought in them. In domestic science, the term "youth subculture" had a negative connotation for a long time. For several decades, it was considered as "deviations" (deviations from norms). Until the end of the 80s of the last century, psychologists, cultural experts, and politicians did not know how to investigate or whether to investigate all young people who tried to find their place in society through their strange actions. The modern understanding of subculture has generally freed itself from negative assessments. It is interpreted as a special sphere of culture formed within the dominant culture, which differs in its values, customs, and norms. Domestic and Western scientists have developed general trends in youth movements. But the freedom to choose a lifestyle gives today's youth an unprecedented surge in the number and variety of subcultural manifestations of social life at all cultural levels and various spheres of society, so the problem of classifying youth subcultures still needs to be fully resolved. The main problem in the classification is that youth subcultures are unstable and within their limits; there are processes of integration with other subcultures, youth values are changing, and the participants' behavior is changing. Although young people in subcultural organizations position themselves as "independent" and "localized," they are influenced by mass culture, mass media, television, cinema, events in the country, etc.

Thus, L. Pavlishevskaya singles out the ultras subculture in her classification of the most widespread subcultures and distinguishes it as highly organized and active [9].

Football fans (hooligans, or "hools") are a complex community in terms of organization, but most of them are participants in the Revolution of Dignity. Fans of Kyiv "Dynamo" and Lviv "Karpaty" together with representatives of right-wing organizations, guarded the first national Viche during Euromaidan on December 1, 2013. In January 2014, ultras of FC "Dnipro" (Dnipro), "Zorya" (Luhansk), "Shakhtar" (Donetsk), and "Chornomorets" (Odesa) announced their support for the Revolution of Dignity from the Maidan stage; a few days later they were joined by radical fans of "Metalist" Kharkiv and FC "Tavria" (Simferopol). Today, radical football fans, ultras, and yesterday's football hooligans who stood on the Maidan became the first defenders of Ukraine. Extreme football fans formed the backbone of the "Azov" regiment of the National Guard of Ukraine during its formation [13]. Among the dead fighters of "Azov," there are also activists of the ultras community.

This proves that youth subcultures are the catalysts of political changes and active initiators of revolutionary transformations, which are associated with the moods of anarchism and rebellion, which are often psychologically inherent to the youth. Youth subcultures influence the development of society; what was a protest yesterday – is now acceptable.

In connection with the radical changes in our country, the youth subculture became a form of social adaptation, a particular buffer between traditional culture, generally accepted values, and elements of "resistance" about the "old" socio-cultural order and the prevailing system of youth culture. Youth groups turn into independent functioning sub-communities, where they have their main idea (or system of beliefs), which determines its character and the principles of involvement and which are identical to the purpose of its existence. Youth subcultures, in our time, are

characterized by specific norm-making, the opposition of their norms and values to external ones, acquiring certain features of a "micro-society," in which traditional views

are transformed, and an individual's "own" image of the world and the way of life in it is formed.

**Keywords:** subculture, evolutionary recovery, youth, subcultural environment, ultras, classification of informal movements, socialization of youth, society.

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## MODELS OF INSTITUTIONAL PROVISION OF EXTERNAL FUNCTIONS OF UKRAINE AND HUNGARY IN THE CONTEXT OF CONSTITUTIONAL AND LEGAL APPROACHES TO THEIR EXPRESSION

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The issue of the external environment of Ukraine has been and is an urgent issue of all times. The external position of Ukraine during the times of different Presidents for most of the history of independence was a place of throwing from the West to the East, or rather de jure to the West, de facto to the East. A full-scale war in Ukraine causes huge human, economic and cultural losses. Life was divided into "before the war" and "in the war".

All this pushes Ukraine to the starting point of reference, where after the end of this agony-propaganda "military operation" there will be a period of great reconstruction and punishment of the guilty within the framework of international law.

The purpose of each state, its directions of functioning, success, neglect, and limits of implementation can be vividly considered today under the prism of its external functions.

The issue of state functions remains one of the key issues in the theory and practice of state formation. They play an important role in the implementation of state policy, because

without influencing this or that phenomenon of social relations, the state is unable to solve the tasks set before it and achieve the set goals. Comprehensive implementation of state policy is a guarantee of peaceful and safe existence and further development of the entire society.

Research on the issue of distinguishing models of institutional support is not researched in the territory of Ukraine and insufficiently researched in the territory of Hungary. In this scientific article, we try to consider models of institutional support under the prism of forms of implementation, which, in our opinion, adequately reveals the essence of legislative and theoretical approaches and distinguishes the practical inclination of such activities. In the theory of the state and law of both Ukraine and Hungary, there are different approaches to distinguishing approaches to forms of implementation, however, due to the relation to the republican type of both states, we find their similarities, which is quite convenient in the case of the implementation of experience, often at the stage of adaptation the borrowed experience.

**Keywords:** Ukraine; Hungary; models; institutional support; constitutional approaches; legal approaches; external functions.

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## CREATIVE MANAGEMENT IN THE IMPLEMENTATION OF INSTITUTIONAL REFORM IN UKRAINE

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A set of formal and informal institutions that are in constant interdependence and interaction represent the institutional environment. Formal institutions can be changed quite quickly, unlike informal ones, which are stable over time, and transform rather slowly depending on the maturity of society. Therefore, the period of their adaptation in the new institutional environment is long and may be accompanied by the deterioration of the welfare of society, the growth of social inequality, inflationary processes, the imbalance of public finances, the growth of public debt and other negative phenomena for the socio-economic system.

The purposeful change of institutions, the formation of a qualitatively new institutional landscape that corresponds to the realities of today, is carried out through institutional reforms. In the process of institutional reform, the behavior of the subject of the economic system is determined by following strategies: the "voice" strategy, which involves active opposition to the new rule; a "leniency" strategy, which defines either active support of the new rules or agreement to follow them in one's business practices; the "exit" strategy, which means that economic subjects do not protest against new orders, they simply bypass them or deform the new rules, fitting them into existing business schemes, which results in the partial washing out or undermining of the formal institution; the strategy of "neutrality" - neutral participants mostly make up the majority of participants in the process. The neutrality of most participants of the process is determined by the fact that either the new rule applies to their interests, or they choose an "exit" strategy. If it is possible to evoke the leniency of neutral forces, then the new institution overcomes the barrier of the majority [2].

In the context of uncertainty theory, institutional reforms are divided into partial ones, which are associated with the change of local institutions; cardinal, which consist of the change of some basic institutions, and systemic transformational institutions, which involve the change of the entire system of basic institutions. The transformation process is aimed at the formation of a new economic system through the organization of purposeful systemic actions to create a new institutional environment.

The high level of monopolization, deindustrialization, shadowing of the Ukrainian economy, systemic corruption and total distrust of society towards all state institutions is the result of ineffective public management and requires institutional changes through systemic transformational reforms.

Institutional systemic transformational reforms in Ukraine should be aimed at the formation of a creative innovative national economy. Creative innovative national economy is a set of highly effective economic sectors, created through the symbiosis of individual creative abilities, economy and technology. As a result of this symbiosis, intellectual capital is formed and developed, which is able to generate income, create new jobs, implement the export of high-tech products and technologies, thereby simultaneously contributing to the socio-economic development of the country.

The functioning of the creative economy requires a creative institutional landscape, the formation of which involves reforming the institutions of the banking system, lending, the tax institute, the antimonopoly committee, institutions of the financial sphere through the implementation of programs for the demonopolization of the economy, a program for creating a market

institutional environment and a program for building an innovative model of the Ukrainian economy and its management.

Reforming the institution of the Antimonopoly Committee of Ukraine (AMCU) should be aimed at identifying and stopping cartel conspiracies, bringing violators to justice, public control over the performance of the AMCU's functions, providing greater opportunities regarding the state of commodity markets, the dynamics of their prices, expanding joint work with law enforcement agencies bodies and independence from the Office of the President, the Government and the Parliament.

It is necessary to focus attention on the development and implementation of the Law on the creation and functioning of a civilized lobbying institution, its implementation in accordance with the requirements of the EU and a clear definition of the role and functions of AMCU in accordance with lobbying activities.

In the field of reforming the tax institute, management efforts should be focused on the unification of tax types. The Tax Institute should focus its efforts on the fight against black business, that is, conducting business without any registration of a person for conducting business, and lobby for the adoption of relevant laws to increase the responsibility of persons engaged in "black" business, since it brings damage to legal business.

Improving the work of the tax institute requires the implementation of various forms of tax regulation, the introduction of strategic and tactical (current) planning.

Bank management should concentrate its efforts on increasing the level of capitalization; strengthening the ability of domestic banks to compete with foreign banks; improving the quality of service and reducing the cost of the banking product; introduction of benchmarking technology, which includes the study of indicators of the bank's activity and business processes; improvement of structural subdivisions; improving the quality of customer service;

improvement of technologies and information systems of the bank; lending to small businesses and investment projects.

The formation of a creative innovative economy requires significant changes in the conduction of industrial policy. The development and implementation of scientifically based industrial policy will be focused on overcoming the technological lag of the 3rd and 4th systems, the transition to energy- and resource-saving technologies while simultaneously improving their structure, the progressive movement towards an innovative model of industrial production, the return of Ukraine to the status of states that set the tone in the economic and scientific and technological spheres of activity.

Supposedly, the transition to an innovative development model covers a long-term period of 10-15 years, in which we distinguish the following stages:

The I stage consists of overcoming the technological lag in the production of the 3rd and 4th orders by means of mobilizing available reserves of internal accumulation and attracting investment resources.

The II stage consists of transition to energy- and resource-saving technologies in industry while simultaneously improving their structure and creating conditions for a technological breakthrough.

The III stage implements transition to an innovative model.

Active use of high technologies and scientific and technical developments in the latest industries serves as the main engine of the innovative development model, i.e. the development possibilities for the 5th and 6th technological systems are fully determined by the scale and effectiveness of scientific developments and the degree of their integration with applied developments. In order to achieve high R&D performance, an appropriate level of financing of the country's scientific and technological complex is required.

In modern conditions, the formation and development of a competitive business requires digitalization of economic and business processes of enterprises. The level of

development of the digital environment and the physical infrastructure itself is necessary for the formation of an ecosystem.

Future competitive business must be completely digital, which will ensure speed and transparency of decision-making. The pursuit of digital change should be a constant motto for companies, since an innovative idea can make a business successful for years [3].

Taking into account the experience of other countries, the priorities for Ukrainian enterprises are deemed to be:

- government support and promotion of digital consumer tools, such as e-commerce, digital payments and entertainment;
- involvement of existing IT personnel, their training and support;
- stimulation of digital startups;
- technical provision of high-speed and accessible Internet, both wired and wireless (cellular), emphasis on the export of digital goods, services and media;
- coordination of actions and control over digital development;
- search for partners for export of products and technology.

The creation of an innovative institutional landscape requires the development and implementation of various forms of public-private partnership (PPP). Management in this area should be aimed at: implementation of concession agreements in accordance with international criteria; strengthening control over the implementation of agreements on the basis of PPP; increasing the share of PPP contracts in prospecting, mineral exploration, waste treatment, state

tourism by at least 2-3%; transition from a centralized to a decentralized PPP management model with new powers of the municipal sector; creation of a high-quality legislative framework harmonized with the regulatory framework of the EU;

Along with the program of demonopolization of the Ukrainian economy, the program of transition from anti-competition to real competition plays an important role in the implementation of the program of synchronization of transformations of the model of the Ukrainian economy and public management systems.

Risks are a mandatory and indisputable element of the activity of state institutions and business. When carrying out institutional reforms, it is necessary to take into account the different behavior of economic subjects in relation to institutional reforms.

Suggested: inclusion of the AMCU lobbying activity control function in the antimonopoly legislation, adoption of a law on lobbying activity regulation; directing bank management to implementing preferential lending to small and medium-sized businesses; directing the tax management towards the unification of taxes, determining their limits and size, developing an excise policy; emphasis of management in the field of small privatization on the creation of powerful small and medium-sized businesses; focusing management attention on the implementation of various forms of public-private partnership, formation of innovative public-private partnership; completion of the decentralization reform.

**Keywords:** development; creative economy; management.

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## ISSUES WITH INFORMATION SECURITY: LEGAL ASPECTS

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Information security is the capacity to counteract the negative consequences of many forms of social information. Security is the lack of a threat or the capacity to consistently fend it off.

The main threats to information security in the information sphere are:

- 1) theft of information that is a secret and protected by law;
- 2) destruction of information and software that provide data processing or operation of hardware and systems;
- 3) information "interception" that is unlawful;
- 4) software and information alteration;
- 5) unauthorized use of data and software;
- 6) computer and network malfunctions or failures;
- 7) failure to disclose information that impacts an individual, a citizen, or society;
- 8) The gathering, accumulating, and use of personal information, as well as other behaviors that violate citizen and man's fundamental rights.

The issue of information security has become more pressing with the growth of the global information society and the widespread use of information and communication technology in all aspects of life. Ukraine aspires to be a full member of the European Union, thus adhering to European values, rules, and guidelines for information security is also required.

The primary avenues for addressing the issue of information security at the legislative level in Ukraine are the development of a state-owned information infrastructure that is fully operational and protected from threats; improving the coordination of state body activities in identifying, assessing, and forecasting threats to information security; preventing such threats, and ensuring the elimination of their effects.

The following interrelated components make up the concept of information security in electronic document management:

1) the absence of information risks (damage or damage due to inaccurate, incomplete, or outdated information, unauthorized use of information technology, unauthorized access to state electronic resources, violation of integrity, confidentiality, and availability of electronic information, espionage, and cybercrime on the Internet, etc.) or reliable from their impact on the rights and interests of individuals, legal entities, society, and the state.

2) the focus of public policy and the role of public administration; 3) a system for safeguarding direct information during the management of electronic documents in the executive branch and the information space of e-government.

It is not simple to evaluate an electronic document management system because there are many legal issues in Ukraine with the introduction and application of this technology to government operations.

According to Article 9 of the Ukrainian Law "On Electronic Documents and Electronic Document Management," the main issue with electronic document management in executive bodies is the set of procedures for creating, processing, sending, receiving, storing, using, and destroying electronic documents. These procedures are carried out using integrity checks and, if necessary, with receipt confirmation of such documents.

Since electronic document management systems have just recently become extensively employed, despite all the advantages of their use, their primary responsibility is to ensure the integrity, accessibility, and confidentiality of information. Since all electronic document management systems have certain built-in security safeguards, often based on the delimitation of access privileges depending on the function played by the system user, the question of authenticity arises immediately

when conducting electronic document management. Electronic document management systems should be one of the information structure's components that should be safeguarded not separately but as a

single unit because this will not be able to stop the threat of unauthorized use of confidential information by an authorized user.

**Keywords:** information security; law; management; e-document.

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## **THE CURRENT LEVEL OF INTERACTION OF PUBLIC AUTHORITY BODIES WITH THE MASS COMMUNICATION MEDIA IN THE CONTEXT OF NORMATIVE AND LEGISLATIVE REGULATION**

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Not so long ago, the Internet was not considered as a publicly available means of mass information (hereinafter referred to as mass media), as opposed to radio, television or print media. But today Internet journalism is the most important component of the information industry in Ukraine, and Internet mass media is the most influential source of information for Ukrainian users.

The importance of this issue is confirmed by the fact that on October 6, 2009, in the city of Warsaw (Poland), the European Union (hereinafter - EU) Agency for Fundamental Human Rights held an additional event on the topic "Freedom of Expression on the Internet" within the framework of the OSCE/ODIHR Conference on the Human Dimension - opportunities and problems". During this event, it was stated that freedom of expression on the Internet is one of the priorities of the Swedish EU Presidency.

The Internet is a worldwide information system of general access, which is logically connected by the global address space and is based on the Internet protocol defined by international standards, in accordance with Article 1 of the Law of Ukraine "On Telecommunications" No. 1280-IV dated 10/24/2020 [1].

Today, there are more and more situations when unverified information that does not correspond to reality is posted on the Internet. Such information is reprinted by newspapers with a link to the relevant source on the Internet. In this regard, the authors of such materials cannot be brought to justice,

and the honor, dignity, and business reputation of individuals cannot be protected by legal means.

Since the problem of the spread of unreliable information on the Internet remains unsolved, the relevance of the issue of legal regulation by state authorities of the activities of business entities related to the use of the Internet is beyond doubt.

It should be noted that along with unreliable information, pornography, including children's, various appeals by terrorists and information promoting war, national and religious enmity, fascism and neo-fascism, drug addiction, drug addiction, alcoholism, tobacco smoking and others are also distributed on the Internet. Bad Habits.

Compared to periodical print media, the Internet has become today the most important source of information for both ordinary citizens and government officials. The Internet allows you to read the news through electronic versions of regular newspapers, television programs or specialized websites. Own pages of printed and audiovisual media on the Internet make it possible to get access to information resources from almost every corner of the world 24 hours a day.

The raised issue is unresolved all over the world, we also note that appropriate legal regulation by the state should be preceded by research and generalization of international experience. We can speak with confidence about the need to prepare a draft law on the procedure for the creation and organization of mass media activities on the Internet. Such a

normative legal act will make it possible to resolve such issues as:

- obtaining the status of journalists by employees of Internet publications;
- provision of grounds for accreditation of relevant mass media;
- compensation for damage caused by copyright infringement;

- bearing responsibility for violations of the legislation on information and on the protection of public morals.

The above should be taken into account during law-making activities, which will further contribute to the improvement of information legislation and the corresponding provision of state information policy.

**Keywords:** communication; media; legislative regulation.

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## **AGRO-CONSTRUCTION CLUSTERS AND BIOECONOMY IN THE CONTEXT OF ADAPTING NATIONAL ECONOMIC POLICY TO MARTIAL LAW**

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The results of modern studies [1; 6] indicate that every year in economic policy there is an expansion of the research object, which allows a comprehensive and systematic approach to solving the problems of developing agro-construction clusters and bioeconomy, to form regulatory institutions and mechanisms for involving business entities in these processes, which represent the agricultural sector and the construction industry, correlated with the high level of progress achieved in the decentralization reform in the pre-war period. However, during the wartime, against the backdrop of aggravated economic, environmental, energy and social problems, the importance of choosing a vector for managing the territorial development of especially decapitated territories, concretizing the directions and methods for achieving the strategic goals of the Plan for the Post-War Reconstruction of Ukraine [5], the concept of which was presented in the middle of summer, sharply increased at a conference in Lugano, and imbued with the “spirit” of clustering and bioeconomic centrism – at least we are talking about several national programs: “Integration with the EU”, “Environment and sustainable development”, “Energy security”, “Value-added sectors” and “Modernization of regions and housing construction”, for which it is planned to allocate about 450 billion US dollars in total [5].

At the same time, it should be remembered that in modern conditions, the internationally accepted imperatives of sustainable development are of paramount importance, the refraction of which in the

context of the development of agro-construction clusters and the bioeconomy appears not only as a simultaneous balanced acceleration of changes in the economic, social and environmental spheres, but also as an achievement coordinated interaction of the population, business and the state in the coordinates of the Plan for the post-war reconstruction of Ukraine.

In addition, clustering and bioeconomics are a complex developing scientific discipline, which is significantly influenced by the post-war understanding of the nature and specifics of the productive forces in society, which ensures the integration of the principles, tools and approaches of related economic scientific fields into the subject field of the rural economy [2–3]. In particular, special attention is paid to the concept of stakeholders in territorial development, which involves taking into account and maximum satisfaction of the rural population interests, agricultural and construction businesses and authorities in managing the development of agro-construction clusters, the penetration of bioeconomic approaches to the organization of production processes in the agricultural sector of the economy, their integration with institutes of rural construction [4].

These trends necessitate the development of theoretical, methodological and analytical aspects of the scientific problem in managing the sustainable development of agro-construction clusters using bioeconomics in the socio-ecological and economic interests of territorial

stakeholders, which can be argued for a number of reasons:

Firstly, the achievement of a dynamic balance in the context of the areas under consideration, both at the territorial and national levels of the economy, depends on the consideration of interests, the degree of their balance and the activity of territorial stakeholders, as well as their willingness to compromise. Accordingly, the focus of the tasks of managing agro-construction clusters is concentrated on the problems of identifying bioeconomic interests subsidiary to each of the territorial stakeholders, determining management parameters, assessing existing imbalances, developing mechanisms and tools to neutralize them using possible synergy effects;

secondly, in modern studies, the theoretical and methodological aspects of assessing the sustainable clusters development as a whole are deeply developed. The current methodological apparatus is quite diverse and allows a systematic approach to solving problems in the field of sustainable territorial development management based on the cluster approach or the full use of bioeconomic potential. However, insufficient attention has been paid to the issue of correlating the components (spheres) of sustainable development of territories, agro-construction cluster groups and bioeconomic interests of territorial stakeholders. Increased attention in the strategies for the development of territories, the formation of agro-construction clusters to bioeconomic problems, the research fragmentation of the role and mechanisms for balancing the interests of territorial stakeholders determined the need to expand the scientific field of the identified problem.

The transition to cluster development is an established trend at the level of global, national, regional and local communities and involves ensuring economic development and growth that does not interfere with social equality and justice and does not threaten natural ecosystems and favorable environmental conditions for life. The deoccupation of the territory is considered by

the authors as a key link in the implementation of the principles and the achievement of bioeconomic goals, which is due to a number of reasons. Firstly, the deoccupation of the territory, along with the need to stimulate the relocation of the processing industry and the construction industry, can ensure the socio-ecological and economic balance of higher order systems, that is, at the national level, its successful integration into the European agro-cluster system, professing the principles of unity in agricultural policy. Secondly, the deoccupation of territories acts as an accelerator for solving the most pressing problems in the economic, environmental and social spheres that are part of the bioeconomic policy. However, the current stage of the military inertia in the agrarian crisis [1], the crisis of bioeconomic centrism in economic policy, along with the dynamically changing external environment, determines the transformation of the territorial development targets in the direction of responsible consumption, responsible production and responsible management. Along with this, the authors found that in modern studies [1; 4; 6] there is an expansion of the research subject of the cluster economy and bioeconomic centrism in its development. In particular, the basic principles and provisions of the stakeholder theory are penetrating deeper and deeper into cluster studies. Based on the generalization of the results of domestic and foreign studies, the author identifies three regional stakeholders in the development of agro-construction clusters and bioeconomy – the population, the agricultural and construction business, authorities with separate territorial interests, especially in decapitated territories.

Influenced by the concept of clustering and bioeconomic centrism, the territorial interests of stakeholders are also expanding and include environmental, social, construction and agricultural interests. At the same time, the lack of an integrated approach to the management of agro-construction clusters, taking into account the behavioral attitudes of key territorial stakeholders in

socio-ecological and economic relations, hinders sustainable development processes and limits the implementation of synergistic effects that provide positive changes in the development of the agricultural sector and rural construction institutions. At the same time, the balance of socio-ecological and economic interests of deoccupied territorial stakeholders (both between clusters, bioeconomy spheres, and between stakeholders) has a positive impact on the

economy development of the agro-construction cluster and contributes to the post-war restoration of deoccupied territories, thus accelerating the elimination of existing imbalances in the realization level of the population interests, the agricultural and construction business, authorities, ensuring the movement in the agricultural and construction sectors of the national economy in the direction of universal sustainable development.

**Keywords:** agro-construction; cluster; bioeconomy; development; martial law.

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## MODERN ASPECTS OF ENSURING THE MILITARY SECURITY OF UKRAINE

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The vital interests of any state are based on national heritage and national values, which are provided by the capabilities of the economy, political and military organization of the state, as well as the spiritual, moral and intellectual potential of society. The basis of the formation of national security is military security. Military security is a complex phenomenon that should be analyzed taking into account the current stage of state development, challenges facing Ukraine today, and forecasting and research, as well as modeling of military challenges and global dangers of the future for the formation of Ukraine's military security strategy. Therefore, the issue of analyzing the theoretical foundations of the formation and development of Ukraine's military security is relevant today.

Military security becomes the most important priority of the state. In turn, this leads to the emergence of specific activities related to its provision, during which the military security system is formed, improved, and maintained at the required level, which is determined, on the one hand, by the military-political situation, and on the other, by the powers of the state. In the course of the same activity, there is also a practical reflection of emerging military threats.

At the same time, it should be understood that military security is only one side of the overall national security system, although it is extremely important and in many ways even decisive. It, like other types of security, serves to ensure the conditions for the effective functioning of society, the state, and the individual both in peaceful conditions and in a situation of military conflict. As a result, it is an important element, a guarantor of social progress.

Despite the significance and importance of this area, the concept of "military security" does not have a single definition, and the mentioned phenomenon is little studied from the aspect of public administration. In a number of scientific studies and conceptual government documents, instead of the concept of "military security", the concepts of "security in the defense sphere", "defense security", "public security", "state security", "defense capability of the country" and others are used. Which is not entirely correct, as it does not accurately define the scope and essential relations of activity, which provides protection against military conflict.

Domestic scientists, as a rule, define military security as the absence of military dangers and threats for Ukraine, the minimization or elimination of military dangers and threats to Ukrainian society, consider it as a cultural and historical phenomenon, as the possibility of an adequate response to military threats, the guaranteed ability of the country to resist the use or the threat of the use of military force, its readiness to repel armed attacks from the outside and suppress armed demonstrations inside the country [1, p. 34]. Therefore, military security is most often understood as a certain state of the social and military-political system, which ensures the protection of the state (society, individual) from military threats.

The normal life activity of society is supported due to the political, legal and economic systems that have developed historically, the formed management mechanism, which provides for the possibility of applying state-authority measures to ensure stability in the state. Such measures make it possible to maintain law and order in society, ensure public safety, protect the rights and

freedoms of citizens, the legitimate interests of society and the state, etc. However, their application is effective only in conditions of a stable social and political situation, and is impossible when extraordinary (extraordinary, extreme, special) circumstances arise that disrupt the normal life activities of citizens, the functioning of society and the state [2] .

The concept of "military security", being derived from the category "security", reflects a specific side of the latter, related to the use of force by both the aggressor (real or potential) and its victim [3, p. 28]. A substantial feature of military security is the use of means of armed struggle for the benefit of national security.

Of course, military security is a much more complex phenomenon that requires taking into account a large number of factors and components. Military security includes: a system of ideas and views on the protection of the state and society, a defined ideology; activities aimed at preventing military danger, eliminating military threats; the state of social relations, which is characterized by the protection of national interests from threats related to the forceful solution of international and domestic political problems; a system of state institutions designed to protect society and its citizens from external military expansion and forceful pressure from internal separatists; the property of the social system to maintain its own stability, i.e. the possibility of sustainable dynamic development, integrity, independence - contrary to external military expansion; the state's ability to defend its vital interests.

In addition, military security can act as an element of public consciousness, goal setting, public guidance, value, national interest, etc. It is important to emphasize that military security is one of the necessary conditions for the sustainable dynamic development of the entire social system.

Thus, as a component of national security, military security is a complex

category that characterizes the state of social relations of a given social and military-political system, its components, in which effective counteraction to the influence of external and internal military threats (armed violence) is ensured, and thereby in the military sphere, conditions are created for the stable dynamic development of this society.

In our opinion, military security is an integral part, the most important component of national security, which determines the state of the country's defense capability and its ability to ensure the protection of national interests by means of armed violence.

Military security characterizes the state's ability to counteract the emergence of war, involvement in war, and in the event of its occurrence - to minimize losses and destructive consequences for the country's national security.

The military security of the state involves the formation of a professional staff of the armed forces, their constant training and practical "sharpening" of skills, improvement of the material and technical support of servicemen and their family members, conducting joint exercises with NATO countries with the aim of mastering innovative weapons, new skills and knowledge, improving management in the field of ensuring military security, constantly informing the public about the strategic directions of the formation and development of military security of Ukraine.

To maintain military security in Ukraine, it is necessary to maintain the military potential at a level sufficient for defense in the event of a crisis situation in the immediate vicinity of the state border. The necessary level of military security is achieved in the presence of the entire complex of structural components, both purely military and political-diplomatic, economic, ideological and other, by purposeful and coordinated efforts of state institutions.

**Keywords:** national security, military security, economic security, military potential, personnel potential.

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## KEY AREAS OF REFORMING THE LEGISLATION OF UKRAINE ON THE ELECTRONIC TRADE DOCUMENTS FLOW

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The intensification of international trade due to the development of IT technologies contributed to the modernization of national legislation by countries, in particular, taking into account the model laws of the United Nations Commission on International Trade Law (hereinafter - UNCITRAL) on electronic commerce and electronic signatures. In particular, Ukraine has improved the Law of Ukraine «On Electronic Commerce», «On Electronic Trust Services», «On Electronic Digital Signature», etc. However, this was not enough to fully meet the modern needs of business entities in this area. Today, there are problems of dematerialization of certain documents used in international trade (bills of lading, bills of exchange, warehouse receipts, etc.) for exchange between various stakeholders, including public authorities and transport intermediaries. The lack of legal framework for electronic transfer of records created on paper leads to uncertainty in their use. At the same time, the dematerialization of relevant documents can facilitate electronic commerce, for example by increasing the speed and security of data transfer and automating certain transactions using «smart contracts». Electronic transferable records may be particularly relevant not only for certain business areas, such as transport and logistics, finance, but also for developing countries, such as Ukraine.

The current legislation of some countries, including Ukraine, does not recognize the mechanism of electronic trade documents circulation. Thus, the industries that use them are not able to switch to a completely paperless document flow. As a result, international trade is complicated by the need to process a significant amount of paper documents. For example, the world's largest container ships can carry 24,000 twenty-foot containers at a time on the same voyage. For each of these cargoes, paper transport documentation must be created and processed manually to make its way from the shipper of the goods to the final buyer at the destination point, sometimes through numerous intermediaries. The Digital Container Shipping Association estimates that 16 million original bills of lading were issued by sea carriers in 2020, and more than 99% of them were in paper form (DCSA, 2022).

Therefore, the legislative consolidation of the possibility of using electronic versions of certain trade documents will have a positive impact on the intensification of work in this area, in particular, will optimize trade procedures, improve information management and strengthen information security. Unified legal regulation is necessary to ensure the use of such documents in international trade.

The result of international efforts in this direction was the adoption of a unified and neutral document - the UNCITRAL Model Law on Electronic Transferable Records (hereinafter - MLETR) in 2017 (MLETR, 2017). Being aware of the importance of international compatibility of legislative approaches to ensure the circulation of electronic trade documents between different jurisdictions and their recognition as legally equivalent to paper versions, more and more countries, including the United Kingdom, have started implementing the MLETR Model Law. Thus, on 30 April 2021, the Law Commission published a report with a draft law «On Electronic Trade Documents», which aims to legally recognize trade documents such as bills of lading and bills of exchange in electronic form (ETD, 2022). The draft of the relevant legal act defines 7 criteria that an electronic document must meet to be considered an «electronic trade document».

At the same time, the norms of MLETR are not fully implemented in it, but taking into account the existing legislation and established practice. For example, unlike MLETR, the Draft Law does not contain a clear provision allowing electronic documents to meet the requirements of «written form». This is due to the fact that the legislation of England and Wales defines «written form» in a broad sense (identifies it with electronic form). In addition, the provisions of this draft law do not change the peculiarities of signatures of electronic documents already defined by national legislation and, unlike MLETR, provide for the possibility of endorsement on an electronic trade document (as it is an integral part of many trade documents) (ETD, 2022).

In view of the commitment of the G7+ countries to promote the use and recognition of electronic transferable records (model laws of the United Nations Commission on International Trade Law (NDS, 2022), in particular in developing countries, the experience of the United Kingdom, and the insufficiency of the Laws of Ukraine «On Electronic Documents and Electronic Document Management», «On Trust Services», «On Electronic Commerce» (which are the result of the implementation of international documents, in particular UNCITRAL) for the electronic document flow, the development and adoption of a separate law «On Electronic Trade Documents» (taking into account the norms of existing national legislation and national interests), which would contain a clear concept of «trade document», «trade electronic document» (which are currently absent at the legislative level) and their classification, is justified.

**Keywords:** electronic trade documents; UNCITRAL; electronic transferable records; bill of lading; bill of exchange.

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## INFORMATION REVOLUTION: GLOBALIZATION AND DEVELOPMENTS IN GLOBAL COMPETITION

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Before moving on to the relations between public administration and the management of commercial enterprises, I would like to start by talking about the fundamental changes affecting both management styles.

Since the past; first, after the "Industrial Revolution" and today the "Information Revolution," globalization and developments in global competition have created serious and lasting effects throughout the world.

Also, the great wars in the 20th century brought along severe economic, financial and political crises and rapid increases in the expectations of societies.

In addition, in our age, developments in industry, education, transportation, logistics and information technology are changing so rapidly that it makes it difficult for the business and scientific world to adapt to these changes.

One hand, such changes and developments have further increased the global competition that exists mostly in the business world.

On the other hand, it is an unbelievable fact that for the last three years, the COVID-9 Pandemic has swept the whole world and created profound and negative effects.

Actually, besides all these fundamental changes, how the management of public and commercial enterprises is carried out; countries are shaped depending on factors such as political, historical, social, economic, moral, law and cultural.

Essentially, these situations in question played a role in the management relations of public and commercial organizations, as well as their effects in every field.

Therefore, the relevant issues that affect the business and scientific world so much make it inevitable to change the management

of especially public and commercial organizations.

Since the 1980s, especially as a remedy for the clumsiness and inefficiency in public administration, it has been aimed to downsize the public sector structurally and functionally.

It has come to the fore to manage the public administration with a management approach based on the private sector style and principles.

Ideas such as presenting public administration by using more market instruments have started to come to the fore.

Thus, in public administration, there has been a transition to a flexible and market-based management approach rather than a traditional management approach.

In addition, in public administration, bureaucracy and hierarchy have also been reduced.

A fundamental change and transformation has been made in public administration not only in terms of functionality, but also in the actors providing the service and the methods of providing of services.

In public administration, it has been adopted to focus on entrepreneurial leadership and to decompose public services into basic units.

In public administration, the principle of decentralization has been brought to the fore.

In the public administration, local services were provided by the units closest to the citizens.

In public administration, more efficiency and productivity have been focused on the services provided directly.

Finally, these practices, which are described as a paradigm shift in public administration, have created concrete practices in the field.

Changes and transformations have shown their effect not only in public administration, but also in the management of commercial enterprises.

Undoubtedly, after these changes, it has been understood how important human resources management and education are in the management of public and commercial enterprises.

In addition, after these changes, it has been realized how valuable intellectual capital and knowledge management are in both management approaches.

In both management approaches, modern management approaches have started

to come to the fore.

Recently, both managements have tended to cooperation between each other through partnerships.

In summary, both public administration and commercial enterprise management have adapted to modern management approaches.

Because the rapidly increasing global competition created by the change is not only challenging the commercial enterprise management but also the public administrations.

Anymore, this is an inevitable reality for both management styles.

**Keywords:** Information Revolution; development; public administration.

## **RELOCATION OF ENTERPRISES AND THEIR PROPERTY FROM THE WAR ZONE: ECOLOGICAL, ECONOMIC AND LEGAL ASPECTS**

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Russia's full-scale invasion set new challenges for the legal community to ensure support, recovery and further development of Ukraine's wartime economy. There is a complete lack of legal support for the relocation of enterprises and certainty in the basic terminology, which negatively affects the relevant processes. It is proposed to continue relevant research at the scientific level in order to justify the direction of improving the current legislation with the aim of introducing into the legal field the process of relocation of enterprises, ensuring employment, community development and tax revenue as a source of funding for the defence of Ukraine.

Full-scale offensive of Russian troops on February 24, 2022, deoccupation of certain territories of Ukraine, which have already reached 50% of those captured since February 24, 2022, despite the fact that some of these territories are still under artillery or mortar attacks, the need to maintain the economy and social sphere, spheres of population employment, prevention of the use of enterprises of all forms of ownership by occupation administrations, or prevention of the destruction or removal of individual equipment or enterprises as a complete property complex to the territory of the aggressor state, Ukraine implements a program of relocation of enterprises to safer regions. Such regions have become «magnets» in connection with the available free industrial sites, the availability of housing for the accommodation of evacuated personnel, the presence of a stable energy system, ways of communication with foreign and domestic markets, etc.

However, it should be borne in mind that with the development of missile technologies in the world and the limited territory of Ukraine in terms of size,

landscape, and the length of the border with the aggressor state and its accomplice (the Republic of Belarus), the possibility of relocation and creating safe working conditions is a big question. And here is the experience of the former Soviet Union (as part of which Ukraine was under occupation for almost 70 years), which carried out a large-scale evacuation and relocation of a huge number of enterprises of various industries (including enterprises of heavy industry, engineering, etc.) in 1941-1942. Some experience of relocation enterprises of Ukraine nevertheless acquired in 2014 in connection with the occupation by the Russian Federation of parts of the Donetsk and Luhansk regions of Ukraine [1, p. 138-144]. However, such an experience can hardly be considered successful, because even then thousands of enterprises remained in the occupied territories, some of which were either destroyed as a result of hostilities or «moved» (in fact, stolen and taken away, in some cases, together with key personnel). to the territory of the aggressor state - to the Russian Federation.

According to the Ministry of Economy of Ukraine, as of November 7, 2022, 770 enterprises were relocated under the government program of relocation to safer regions of the country with the support of the state, 599 of which have already resumed their work. Thanks to this program, businesses can continue to operate smoothly and pay taxes, and thousands of employees of these businesses have jobs. The largest number of enterprises relocated to Lviv (30%), Zakarpattia (17%), Chernivtsi (11%) regions [2]. There are examples of relocation of enterprises abroad (approximately 10% of all enterprises: 62% of relocated businesses moved abroad to the countries of the European Union. 15% to other European

countries, 15% to Asian countries, 8% to North American countries, and CIS countries - 8%). In addition, such a type of relocation as «combined relocation» appeared - part of the enterprise moves abroad, the other part moves within Ukraine to another region (17% of relocated enterprises) [3].

In connection with the above, the question arises, what is «relocation»? What is the relationship between the term «relocation» and the terms «displacement» and «evacuation»? Analytical materials of the Cabinet of Ministers of Ukraine and ministries in reports and press releases refer to the «relocation program». However, such a document adopted as a regulatory legal act does not exist today, which is rather strange. In fact, such a normative legal act is needed in the form of a Law of Ukraine, and not a step-by-step instruction on the official website of the Ministry of Economy of Ukraine.

On July 28, 2022, the Law of Ukraine «On Amendments to Certain Legislative Acts of Ukraine on Facilitating the Relocation of Enterprises in the Conditions of Martial Law and Economic Recovery of the State» No. 2468-IX was adopted, the provisions of which were aimed a) at simplifying the conduct of economic activities in conditions of martial law, b) simplification of the process of privatization of operating or already defunct enterprises in order to transfer to their industrial sites enterprises from the northern and eastern regions of Ukraine that suffer

from hostilities or may potentially be captured by Russian troops [4]. The aforementioned Law of Ukraine, unfortunately, did not implement the concept of «relocation» into the current legislation of Ukraine, despite the relevance of this issue. The current legislation of Ukraine, in particular, the Law of Ukraine «On the Legal Regime of Martial Law» dated May 12, 2015 No. 389-VIII [5], operates with the concept of «displacement (evacuation) of production facilities of enterprises of any form of ownership» (Part 4 of Article 15). At the same time, the relationship between the concepts of «displacement» and «evacuation» is not given.

So, in conclusion, we state that despite the fact that there is a huge demand for legal regulation of relations of relocation of enterprises to safer regions, there is no coherent legal field for this. When implementing such projects, which are positive for the wartime economy (the relocation of enterprises is one of the components of the wartime economy), first of all, a clear legal definition of both the basic terminology and legal mechanisms, state support, and support of the communities that host the relocated enterprises is required. The situation can be resolved either by introducing amendments to the Economic Code of Ukraine, or by adopting a separate Law of Ukraine «On Relocation and Evacuation of Enterprises». The first option seems more acceptable.

**Keywords:** Russian aggression against Ukraine, relocation, displacement, evacuation, legal support.

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## THE EXPEDIENCY OF INVOLVING THE POLICE IN THE WORK OF CUSTOMS AT THE BORDER

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The development of international trade involves the simplification of customs formalities. One of the ways is to organize on a single window basis and conduct a preliminary documentary control by the customs authority. A clear division of powers, the identification of a technology for joint actions and responsibility for their improper performance. All this makes the system predictable and transparent. The need to respect to protect their own national interests emphasizes the leading role of customs authorities in the process of organizing and conducting customs control and clearance of goods in accordance with the chosen customs regime. The issue of counteracting international crime in the economic sphere, preventing terrorist acts and so on is possible only in close cooperation with other state authorities, their coordination and elimination of duplicate functions.

The main thrust of public administration as a function of the state's implementation of a managerial process to meet the tasks, functions and interests of the state (according to Article 3 of the Constitution of Ukraine the rights and freedoms of the person and their guarantee determine the content and direction of the state activity) is the system of public administration in general and in its separate components (branches) that depends on clear hierarchical definition and normative fixing of boundaries competences of each level of government.

During the study of issues related to the theory of public administration, the supplying of the national security system, the introduction of the latest technologies we are faced with attempts to mechanize the transfer

of experience or hopes and wishes of officials in various areas of public administration. It causes contradictions or conflicts of interest in the implementation of various bylaws, which may not comply with the laws for which they are adopted, and not to be in accordance with the aims their acceptance is declared. In our opinion, the example of such a premature policy is the Cabinet of Ministers of Ukraine Resolution No. 479 "On the implementation of a pilot project to create conditions for avoiding customs tax evasion" dated June 20, 2018. The extreme politicization of issues related to the implementation of customs clearance, the desire to implement reforms for the sake of reforms, or the need to report on the implementation of reform played a cruel joke with the government.

The essence of state regulation is considered in the works of Averyanov V., Bityak Yu., Koval L., Komzyuk A., Lukyanets D., Starikov Yu. and others. The problems of the implementation of customs formalities, harmonization of customs procedures in accordance with international standards are considered in the works of Garmash Ye., Berezhnyuk I., Mazura A., Pryimachenko D., Tereschenko S. and others.

The need to respond to the challenges of today, the desire to show the reform process, the understanding of the inconsistency of existing management models, the ability to emphasize their own significance and influence on the processes of public administration led to the implementation of a pilot project, legal assessment of which and expected results from the implementation of which nobody tried to conduct and evaluate.



By the Cabinet of Ministers of Ukraine Resolution No. 479 "On the implementation of a pilot project to create conditions for avoiding customs tax evasion" dated June 20, the participation of law enforcement agencies during the customs inspection was introduced.

Rights of law enforcement agencies within the framework of this Resolution:

- Police have the right to stay 24 hours a day in customs control zones at the state border crossing and in other places of the customs territory of Ukraine, in which the bodies of the State Fiscal Service (SFS) carry out customs formalities (hereinafter - customs control zones), in order to detect the facts of the violation customs rules;

- Police officers and officers of the Ministry of Interior have the right to access the Automated system of customs registration (ASCR) "Inspector-2006".

Thus, on the site of the State Tax Administration, an algorithm of actions and access of the National Police to the customs control zones (CCZ) was published in the framework of the access of law enforcement to the customs control zones.

The mechanism contains two blocks: the access procedure and the round-the-clock stay of representatives of the Ministry of Interior in the areas of customs control and the possibility of using the Automated system of customs registration "Inspector-2006".

The essence of the first section is as follows.

Officials of state bodies, in this case it is about representatives of the National Police, are in the customs control zones in accordance with the regime of the zone and with the written permission of the head of the customs post, and at the points of entry through the state border - also in agreement with the Chief with appropriate body of the State Border Service.

The national police will inform the customs in writing (the coordinator will be assigned for each one) about the availability of operative information on possible cases of movement of goods in violation of the legislation.

The basis for conducting an inspection (re-inspection) of goods, vehicles is a written order in the framework of criminal proceedings (an exhaustive list of grounds is enshrined in the decree of the Cabinet of Ministers of Ukraine dated May 23, 2012 No. 467).

Means of photo and video fixation will be applied during the inspection (re-inspection) on the initiative of law enforcement authorities.

The act about the inspection (re-inspection) will contain information about the persons who were present at the time of the inspection and their signatures.

As for the second block of the algorithm of action, an agreement on granting access to the Automated system of customs registration "Inspector-2006" is concluded between the State Fiscal Service and the Ministry of Interior.

In addition, the fiscal service has already received a list of officials of the National Police, which will be granted the right to be in the customs control zones.

Consequently, the mechanism of joint action involves responding exclusively within the framework of the current legislation. The actions of law enforcers will not hinder customs registration and will not lead to unreasonable delays. All decisions will be aimed at detecting violations of customs rules and smuggling.

Nowadays the management of the SFS has directed the List of National Police staff of the Department of National Economy of the National Police of Ukraine to the Customs. The list provides access to the ASCR Inspector and unhindered round-the-clock access to the customs control zone for each Customs SFS separately.

During this "pilot project" policemen have the right to stay 24 hours a day in customs control zones at checkpoints across the state border and elsewhere in the customs territory of Ukraine, in which the bodies of the State fiscal service carry out customs formalities, in order to identify the violation of customs rules.

It is clearly defined in Article 19 of the Constitution of Ukraine that public authorities, their officials are obliged to act only on the basis, within the limits of authority and in the manner provided for by the Constitution and laws of Ukraine. (the provision in part two of Article 19 is given an official interpretation in accordance with the Decision of The Constitutional Court of Ukraine of 16 April 2009 7-rp / 2009)

Article 8 of the Customs Code of Ukraine states that the state customs is carried out on the basis of the exclusive powers of the bodies of revenue and duties of Ukraine. It is emphasized by Article 318 that customs control is carried out exclusively by the bodies of revenue and duties so the legislator directly prohibits persons who are admitted to the customs control zone to interfere with officials of the customs (customs post) who carry out customs control and customs registration as well to take any actions as for the goods, vehicles, and also other persons who are in the zone of customs control, unless otherwise provided by law.

In accordance with Article 320 of the Customs Code of Ukraine, the forms and volumes of control sufficient to ensure compliance with the legislation on state customs matters and international treaties of Ukraine in the customs registration are selected by customs (customs posts) on the basis of the results of the system's application risk management. It is not allowed to determine the forms and volumes of customs control by other state authorities, as well as the participation of their officials in the implementation of customs control. Article 336 of the Customs Code of Ukraine defines customs registration as one of the forms of customs control. In accordance with part five of Article 338 of the Customs Code of Ukraine, except the cases specified in parts two and four of this article, inspection (re-inspection) of goods, vehicles of commercial purpose may be carried out if there is sufficient evidence to consider that the movement of these goods, vehicles through the customs border of Ukraine is carried out outside customs control or with concealment

from customs control, including in the case of obtaining relevant official information from law enforcement agencies. An exhaustive list of sufficient evidence is determined by the Cabinet of Ministers of Ukraine. The list of evidence was approved by the decision of the Cabinet of Ministers of Ukraine dated 23.05.2012 N 467 "On approval of an exhaustive list of evidence for the inspection (re-inspection) of goods, vehicles of commercial purpose by the customs authorities of Ukraine". Item 14 of the exhaustive list approved by this resolution, the basis for conducting inspection (re-inspection) of goods, vehicles of commercial purpose, determined receipt in accordance with the established procedure from law enforcement agencies information on the movement of goods and vehicles of commercial purpose in violation of the requirements of the legislation on the state customs. In accordance with Articles 482, 483 of the Customs Code of Ukraine, information received from law enforcement agencies must be such that it allows its recording, identification and processing; it must contain data sufficient to form the conclusion about the movement of certain goods, vehicles with signs of violations customs rules. In accordance with Article 332 of the Customs Code of Ukraine, movement through the borders of the customs control zone and within this zone by the officials other than customs, territorial bodies of the central executive authority, which ensures the formation and implementation of state tax and customs policy, as well as officials state bodies which do not carry out the types of control specified in the first paragraph of Article 319 of the Customs Code of Ukraine shall be adhered to with the regime of the customs control zone and shall be allowed only with the written permission of the head of the relevant customs (customs post) or the person performing his duties, and in zone customs control located at the points of entry through the state border of Ukraine - in addition, in agreement with the head of the relevant body of state border guard. Each decision on admission to the customs control

zone should have an individual character and one-time action.

The Laws of Ukraine "On the Security Service of Ukraine", "On National Police", "On Operational Investigative Activity", "On the Organizational and Legal Foundations of Combating Organized Crime" do not provide the direct involvement of personnel of the bodies whose activities are regulated by these laws carrying out customs control and registration. In accordance with Article 1 of the Law of Ukraine "On Organizational and Legal Foundations of Combating Organized Crime", organized crime refers to a set of crimes committed in connection with the creation and operation of organized criminal groups. The types and crime signs, as well as criminal measures against the perpetrators of such crimes, are established by the Criminal Code of Ukraine. In accordance with article 12, paragraph 4 (a), when carrying out the fight against organized crime, members of special units under the written order of the head of a special unit have the right to enter checkpoints across the state border of Ukrainian customs upon presentation of the service official identification. The above rule relates solely to the implementation of measures aimed at combating organized crime and does not provide for the right to enter and stay in customs control zones. Section XXI, paragraph 3, of the Customs Code of Ukraine "FINAL AND TRANSITIONAL PROVISIONS" stipulates that the Laws of Ukraine, acts of the Cabinet of Ministers of Ukraine, normative acts of the central executive body, which ensure the implementation of the state policy in the field of state customs, and other central executive authorities, adopted in pursuance of the laws of Ukraine on the issues of state customs matters before the entry into force of this Code, and normative legal acts that are used in applying the norms of laws on state customs (including acts of legislation of the USSR), are applied in a part that does not contradict this Code until the adoption of corresponding acts in accordance with the requirements of this Code. Paragraph 9 of the same Section stipulates that changes to the

Customs Code of Ukraine may be introduced only by the laws on amendments to the Customs Code of Ukraine, namely, amendments introduced only by the Verkhovna Rada of Ukraine, and not by any Resolution of the Cabinet of Ministers of Ukraine. In accordance with part 1 of Article 30 of the Customs Code of Ukraine, officials and other employees of the bodies of revenue and duties who have taken unlawful decisions, committed wrongful acts or afford omissions, including for personal mercenary purposes or in favour of third parties, bear criminal, administrative, disciplinary and other liability in accordance with the law.

The basis for a legal conflict is stipulated by the provisions of Article 8 of the Law of Ukraine "On National Police", which states that the police are acting solely on the basis of, within the limits of authority and in the manner prescribed by the Constitution and laws of Ukraine. A policeman is prohibited from doing criminal or explicit illegal instructions and orders. Instructions, orders and assignments of supreme bodies, executives, officials and officers, service, political, economic or other expediency can not be the basis for the police violation of the Constitution and laws of Ukraine.

Thus giving the police the right to be around the clock in the customs control zones, not defining their duties or tasks and not giving them any legal authority, in effect forcing them to take actions outside the current legislation.

One particular danger is the admission of law enforcement officers with uncertain powers to the databases of revenue and duties bodies that contain information related to the state customs. In accordance with Article 11 of the Customs Code of Ukraine, this information may be used by them solely for customs purposes and can not be disclosed without the consent of the entity, persons or the authority that provided such information, in particular, to third parties, including other public authorities, except cases determined by this Code and other laws of Ukraine.

Special attention should be paid to the Resolution of the Cabinet of Ministers itself dated June 20, 2018, No. 479.

In accordance with Article 117 of the Constitution of Ukraine and Part 1, Article 49 of the Law of Ukraine "On the Cabinet of Ministers of Ukraine" the Cabinet of Ministers issues binding acts - decrees and orders. In accordance with paragraph 29 (2) of Chapter 1, Section 4 of the Resolution of the Cabinet of Ministers of Ukraine No. 950 dated 18 April 2007 "On Approval of the Regulation of the Cabinet of Ministers of Ukraine" Decrees of the Cabinet of Ministers are issued in the following areas: approval of the provision, statute, order, regulation, rules, methodology and others cases when public relations require legal regulation; approval, acceptance or accession to an international treaty.

Each legal act issued by public authorities must contain mandatory requisites and normative techniques. Thus, it is established by the Resolution of the Cabinet of Ministers of Ukraine dated 6 September 2005 No. 870 "On adoption of the Rules for the preparation of draft acts of the Cabinet of Ministers of Ukraine", namely, in accordance with paragraph 11 the draft resolution consists of the title, introductory and decree and, if necessary, applications.

In addition, in accordance with paragraph 14 of the Resolution of the Cabinet

of Ministers of Ukraine No 870 dated September 06, 2015, the decree of the resolution must contain: legal provisions; concrete instructions to subjects of public relations in the relevant area; conditions and procedure of other resolutions (separate norms); links to attachments (if they are available); norms related to the entry into force of the resolution (separate norms). If necessary, the body (bodies) of the executive power or the official (persons) exercising control over the implementation of the resolution is determined.

That is, this regulation contains no normative provisions, as the normative provisions can be considered as new norms that regulate the new legal relations and do not contradict the provisions of the current legislation of Ukraine. But only some kind of agreement between the Ministry of Interior, the Ministry of Finance and the State Fiscal service and their proposals are mentioned.

Taking into account the above, we note that the adoption of the Resolution of the Cabinet of Ministers of Ukraine is premature without proper preparation, examination, discussion and substantiation. Reports of the results of the experiment were not made public, the method of their calculations is unknown. The development of the concept of reforming customs authorities can be the subject of further research.

**Keywords:** development; international trade; custom; public administration.

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## GENERAL OVERVIEW OF INTERNATIONAL AGREEMENTS RATIFIED BY UKRAINE IN THE CUSTOMS FIELD

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Ukraine's participation in international cooperation on matters of state customs matters is an integral part of foreign policy activity. Active reform of the system of customs authorities of Ukraine and changes in legislation in customs affairs in the conditions of integration processes require conducting a modern study of the participation of customs authorities of our country in international cooperation.

The purpose of the article is to study the main regulatory legal acts regulating customs cooperation between Ukraine and foreign countries, as well as to consider the issue of Ukraine's participation in major international organizations, which became the main incentive for its accession to international treaties in the field of simplification and harmonization of national customs procedures.

The following methods were used to determine the basis of international cooperation in the customs field: cognition (for the formation of theoretical bases for determining the essence of ratified customs agreements) and abstract-logical (for the formation of theoretical generalizations and the formulation of research conclusions).

As a result, it was determined that the formation and development of Ukraine's international customs cooperation took place simultaneously with the formation and development of its statehood, and directly depended on the emergence of its own customs system. Thus it was concluded that today there is an extensive regulatory legal framework, which gives the right to the customs authorities of Ukraine to establish and maintain international relations in the field of customs affairs, both with the customs

authorities of foreign countries and with international organizations, the statutory activities of which provide for the possibility of cooperation on customs matters.

Cooperation in the fight against smuggling and violations of customs laws is one of the primary areas of bilateral cooperation. Cooperation on these issues is primarily accomplished by sending inquiries from Ukraine's customs authorities to the customs services of other countries in order to obtain the necessary information or assistance in investigating cases of violation of customs rules, or by informing these services about possible offenses in the respective states. Today, Ukraine supports its intentions to create a multifunctional, competitive, efficient customs service, equated to the most modern models of customs in the world.

Further development of Ukraine's customs service in the context of global community transformations will be based on a significant increase in the volume of goods moving across the border as a result of trade globalization, widespread adoption of computer information technology, and the growing role of customs as a tool for regulating trade and economic relations, as well as the need for new approaches to customs. Customs authorities' work is focused on the goal of supporting the growth of international commerce and establishing favorable circumstances for foreign economic activity. The interaction of customs services has a long history; since our country's independence, there has been an active process of signing appropriate agreements, many of which need to be updated and altered today.

**Keywords:** international customs law, international conventions, international organizations, international treaties, international agreements.

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## CHALLENGES TO UKRAINIAN "GOOD GOVERNANCE" REFORMS IN THE CONDITIONS OF RUSSIAN ARMED AGGRESSION

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One of the most difficult management problems is making a successful management decision in conditions of uncertainty. In the event of an aggravation of the situation or deepening of the crisis, it is practically impossible to predict the consequences, to predict them. However, it is crisis situations that change the context of perception of reforms and radical changes. The experience of foreign countries (South Korea, Singapore, Japan and others) clearly testifies to this. Reform approaches caused by the military threat, the accelerated restructuring of economic and social relations, the labor market and the development of entrepreneurial initiative contributed to the emergence of "sensitive government", "entrepreneurial government" and other approaches in the context of the principles of Good Governance.

The changing challenges of pre-war Ukraine and post-war Ukraine deserve special attention and make it possible to determine the main trends in the reform of the modern Ukrainian state. within the limits of established trends, it is possible to predict and see gaps that are often not taken into account by the government, but are a powerful force, an agent of change implementation - a source of independent opinion and expertise that allows to adjust the government policy, the policy of local self-government bodies for the local needs of territorial communities. it is about the most vulnerable sector in the public administration of Ukraine - political and public.

At the current stage of state formation, Ukraine is in a state of active comprehensive reforms. In particular land, budget, and administrative-territorial reforms (decentralization) are characterized by the active participation of private capital and

changes in approaches to resource management in the state. In addition to the current reforms in peacetime (updating the justice system, implementing a ban on capital withdrawal, limiting the influence of oligarchs on the political life of the country, preventing and fighting corruption offenses, forming independent mass media, and so on) , during the hostilities, issues of updating the management of both state resources and assets, as well as at the levels of local self-government (based on decentralization and the implementation of New Public Management approaches) became more acute. In the conditions of conducting active military operations, resources for budget expenditures decrease.

The budget reform covers such issues as reforming the wage system, including employees of the budget sector, carrying out medical reform, educational reform, pension reform, social protection, and so on. The continuation of the reform of the budget sphere requires a change of priorities and a different arrangement of accents. And this means a certain suspension of the implementation of changes that are not vital, require significant financial support and perspective.

One of the effective ways is to apply the principles of strategic management of state assets and property, which are based on the values and rules of regulation of social relations of market democracy. In turn, this involves the application of the principles of "good governance" and focusing on sustainable development. But in the conditions of conducting military operations, such an approach is impossible.

Among the challenges of the deepest level, it should be noted as measures to respond to the increase in budgetary costs for

conducting military operations, the destruction of the energy infrastructure of Ukraine (blackouts in the business sector), the conditions of a drop in the country's GDP by 39%, according to the Minister of Economy of Ukraine Yulia Svyrydenko in Washington.

Among the challenges that have a medium-term perspective, one can note the issue of providing and supporting internally displaced persons. According to the estimates of the International Labor Organization (ILO), more than 6.4 million Ukrainians went abroad because of the war, and another 7.7 million people became internally displaced persons. About 5 million of them lost their jobs, and 3 million working-age Ukrainians went abroad.

According to the German UN Refugee Agency UNO-Flüchtlingshilfe (UNO-Flüchtlingshilfe head Peter Ruenströt-Bauer), this is the largest movement of refugees since the end of the Second World War. About 90% of forcibly displaced persons who left Ukraine in the last six months are women and children. The Office of the United Nations High Commissioner for Refugees supports the authorities of countries neighboring Ukraine in registering refugees and facilitates the identification of the most vulnerable groups of people, such as unaccompanied children, the elderly, people with disabilities, etc.

From February 24 to November 6, 2022, UNHCR recorded 16,462 cases of death or injuries to civilians in Ukraine: 6,490 dead and 9,972 wounded. Of these, more than 7,200 have not been identified. According to the Ministry of Defense of Ukraine, more than 7 thousand Ukrainians are considered missing. Therefore, the issues of identification and development of integrated databases require urgent attention from the government, taking into account the existing experience of Ukraine in this area, starting from 2014.

Inflation is the next challenge against the backdrop of a lack of budget funds. According to the State Statistics Service of Ukraine, since the beginning of the year, prices have increased by 24.8%. In October, inflation accelerated to 26.6%. Food prices rose by 36.1%, and vegetables and fruits by more than 63%. These challenges are related

to access to safe food and drinking water in Ukrainian territories.

In 2017, "Ukraine ranked third in the world in terms of landmine contamination and first in terms of the number of people who died due to mine explosions". With the beginning of the large-scale aggression of the Russian Federation against Ukraine, the NGO "Association of Sappers of Ukraine" reported that as of March 21, 2022, according to preliminary calculations, the approximate total area of dangerous territories (suspected and confirmed areas) contaminated by explosive objects is at least 82,525 square kilometers, which is 13.6% of the territory of Ukraine. This means pressure on existing infrastructural capabilities of less dangerous areas, flows of forced migrants and increased attention to socio-psychological support and services, especially in the de-occupied territories.

According to the algorithm of challenges - actions - solutions - consequences, we are currently observing a complete stop of all budget reforms due to the rationalization of management processes under the crisis influence. The answer to the challenges was the question of unexpected, unforeseeable consequences. We are talking about social consequences - reductions in budget expenditures have led to reductions in costs to support the reform of the "new Ukrainian school" (general secondary education reforms in the form of reductions in subsidies, incentives, bonuses at the local level, reductions in textbook printing costs).

The issue of reducing maintenance costs in the general budgetary sphere was updated - the reduction of the apparatus of state authorities and state administration bodies, local self-government bodies (from 20 ministries is reduced to 14, and the number of employees in the central departments of ministries from 9,200 to 2,800 employees; in territorial bodies of ministries from 17 thousand to 7,000 employees; in the central apparatuses of the Central Security Service from 13,000 to 4,300; in the territorial bodies of the Central Security Service from 80,000 to 40,000 employees).

This is precisely the risk that Ukrainian government officials were constantly warned about by foreign colleagues (International seminar on civil service issues in crisis and post-crisis periods “Construction of a new model of civil service in the post-war period”, 28.06.2022, National Agency of Ukraine on Civil Service (ukr. NADS), in particular at various events dedicated to civil service reform. The crisis of specialization and the lack of experts due to the reduction will lead to a slowdown in reforms and implementation of changes. This will have consequences on the efficiency of the administrative system in general and the economy in particular. It forces to speed up the processes of digitization of administrative processes and operations.

The next challenge is the problem of managing strategic enterprises that have fallen into the circle of interests of oligarchic structures and at the same time have already experienced significant destruction as a result of military operations. The issue of nationalization, which was so acute in peaceful Ukraine, came under the influence of the strategic interests of the state and a certain corporatization.

As a result, orientation towards the goals of sustainable development in the conditions of a complex crisis caused by military, financial and socio-demographic instability, and the continuation of reforming education, medicine, pension reform in an evolutionary way is impossible. Therefore, the principles of package management carry threats in the form of a crisis of expertise, including reforming the spheres of production and distribution of public goods in the long term (education, science, preserved environment, drinking water, etc.)

The loss of natural resources (as sources of income, agrarian territories, water arteries), their pollution together with the crisis of human resources, displacement to safe areas, a decrease in domestic demand, etc. threatens to "freeze" their development and slow down adaptation, increasing the load on available resource capabilities.

However, the release of human resources can be reoriented to the production of new products with an individual approach to the market. This will be especially relevant for the creation of zones in highly urbanized areas with high population density, depressed areas and settlements. Such directions can be such as: energy sector (technologies, educational and scientific support, technical support); agricultural (food security, access to drinking water, humanitarian security); digitization (information processing systems, integrated registers and databases, identification tools, technologies, digitization of the civil service); human resources management and the supremacy of human rights and freedoms (institutional capability of state; reform of justice; social works and communications).

The above means the accelerated restructuring of the labor market and the transfer of significant labor resources to safe areas, relocation of enterprises, increased redistribution of human resources to other sectors - defense, military, medical with an emphasis on paramedical assistance and military field surgery, social support of migration flows and its distribution, as well as the adaptation of combatants in a peaceful reality.

The expansion of the state's opportunities for corporatization and the implementation of market approaches to the management of state property and assets in conditions of increased risk of corruption among officials who come politically through election or appointment through personal connections causes the distortion of the entire public administration system. Therefore, the formation of networks of independent research and expert centers, including among public organizations, mass media, as well as in academic centers, universities, which would not depend on the state and have autonomy in their investigations, would contribute to the development of objective assessments of activities in the sphere of public administration.

Actually, the combination of reforms of public administration institutes (increasing the



qualifications and experience of the bureaucratic apparatus), service structures and functions, digitalization of management processes and technologies are the main

things that should change and acquire national features, be oriented to the internal needs of Ukraine.

**Keywords:** management; challenges; good governance; armed aggression.

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## FEATURES OF THE TRANSFORMATION OF THE CUSTOMS SPHERE IN THE CONDITIONS OF EUROPEAN INTEGRATION

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An objective condition for the variable development of state institutions, as the direct architects of the development of the state, is the dependence of internal socio-economic processes on external factors of influence. Almost all countries that choose the path of development and integration into the international developed community consider the restarting of almost all state management processes and the modernization of state institutions with a focus on innovation, implementation of legislation with international norms, and improvement of the country's image through institutional reforms to be the first priority.

An important role in the processes of ensuring the economic development of countries that conduct active foreign economic and trade activities belongs to the state institution - the Customs Service of Ukraine. An important step towards the European integration of the country is the implementation of effective and relevant reforms that will lead to the creation of the customs service of Ukraine according to the European model.

Now there is an active stage of transformation of the sustainable paradigm of international trade. The transnational influence on the economy of countries, the change in the logistics of commodity flows and supply chains necessitates the creation of uniform standards, conditions and procedures related to the control of goods being in-transit, the passage of customs procedures, an objective assessment of the value of goods, which ensures full payment of customs duties payments to the country's budget.

Approximation of legal standards in the customs legislation of the countries of the world is already not a recommended, but an unconditional process in every state. The

irreversibility of the processes of globalization also changes the role of customs, which is no longer limited to the performance of fiscal tasks. The control and prevention of threats in international trade, the safety of citizens and, at the same time, taking measures to facilitate trade become dominant in the customs sphere. Convergence under these conditions evolves into comprehensive integration, legislative implementation. An important aspect of these processes should be the preservation of national differences, which remain an important element of the country's self-identification.

Modern world processes have some uncertainties, which also affects international trade and related stakeholders. Unstable geopolitical issues, changes in legislation, and changes in trade relations have a potential impact on uncertainty. Military actions on the territory of Ukraine in 2022 and the involvement of many developed countries of the world led to the fact that the global trade environment is experiencing a stage of shifts in sustainable profits, the conditions for fulfilling obligations between partners are changing. This is the basis for the initiation and creation of a new concept in international trade and the participation of the involved state authorities including the customs authorities.

The problem of effective management of the development of customs authorities is one of the most urgent in the complex of interrelated problems of the development of customs affairs in the conditions of strategic changes. The primary task is the development of new, more effective approaches to manage the development of these bodies, the development of improved methodical support for process management to make reasonable and timely management decisions based on it.

The basis for achieving effective transformations is strategic management, as it is believed to be the implementation of a concept that combines targeted and integrated approaches to the organization's activities. This makes it possible to set development goals, compare them with the available capabilities (potential) of the organization and bring them into line at the expense of development and implementation of a strategy system («strategic set») [1].

During the analysis of the state of development of the national customs affairs, the activation and politicization of foreign economic activity remain relevant. The creation of a global security system and the need to simplify and speed up the implementation of customs procedures require the introduction of new approaches to the implementation of state customs affairs. Necessary characteristics of the adaptation of state customs affairs to modern conditions should be its efficiency and constant interaction with business, customs administrations of other states, and international institutions [2].

The main goal of the customs policy should be subordinated to the foreign economic policy of the state and aimed at achieving economic stability and progress under the conditions of the optimal level of the main macroeconomic indicators [3].

From the point of view of potential development, the European integration measures and tasks approved for implementation, which at this stage are defined as priority, are focused on procedural aspects. They are related to the improvement of existing customs rules, the implementation of international conventions and EU customs legislation.

Issues that need to be improved and solved during the reformation of the customs affairs are divided into the following categories: legal, organizational and structural, technological and communicational. Therefore, the formation of

a modern strategy for the development of customs affairs in the country should be formed taking into account the target tasks, which are compiled with challenges of foreign economic policy and satisfaction of the demands of the state and society.

The signing of the Agreement between Ukraine and the European Union on Ukraine's participation in the Customs programme [4] for cooperation in the customs sphere became an important practical element of the policy of the Government of Ukraine in the field of European integration, deepening cooperation between Ukraine and the EU in the customs sphere, in particular, in the conditions of the state's acquisition of candidate status in EU members. Ukraine's participation in the Customs programme as an associated country will make it possible to use all the advantages of this Program regarding cooperation between customs administrations, which involves the development and strengthening of IT potential, the operation of European electronic systems; professional development of customs specialists and exchange of experience; research and innovation activity; conducting joint communication events, etc. The Agreement also provides for the exchange of knowledge and best practices between the employees of the customs authorities of the participating countries and the possibility of using relevant IT systems for information exchange and access to databases. Ukraine's signing of the Agreement with the EU on participation in the "Customs" program is developing such a relevant aspect of customs activity as human resource management, training, customs ethics, communications with customs administration entities and stakeholders, customs obligations and internal audit.

Therefore, legal consolidation, prioritization of tasks with the use of potential and its expansion create a constructive perspective for Ukraine's entry into the customs community of the European Union.

**Keywords:** customs sphere; development; legal standards; international trade; customs procedures.

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## **PROBLEMS AND PROSPECTS OF THE DEVELOPMENT OF ENERGY FROM ALTERNATIVE SOURCES IN UKRAINE AND THE EU: PUBLIC ADMINISTRATIVE ASPECT**

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The practice of human use of energy from renewable sources goes back centuries. Historically, it was hydro and wind power, on par with the muscle power of humans and domesticated animals, that powered irrigation systems, mills, and other equipment, beginning with the civilizations of Sumer and Babylon. According to modern research, when King Hammurabi established control over the entire region of Mesopotamia (until 1760 BC), and especially over the city-states of Sumer, he first restored the irrigation canals there to their best condition and returned water to areas that were previously deprived of irrigation. The unification of the entire south and the lands north of Babylon allowed him to dig long canals to various cities of these lands. One of the largest canals, for example, passed through Nippur, Isin, Uruk, Larsa, Ur, and Eridu, and covered land extending for a distance of about 160 kilometers. These works brought economic development to the region and increased the wealth of the population to an unprecedented level [1]. Since that time, mankind has continuously used energy from renewable sources, and only in the 18th century, the energy of water vapor began to play a significant role, from the end of the 19th century, internal combustion engines, and in the 20th century, the energy of the atom was mastered.

Currently, renewable energy sources in the EU include: bioenergy, geothermal energy, hydropower, ocean energy, solar electricity (obtained using semiconductor panels), thermal concentrated solar energy, wind energy [2]. Instead, the current Ukrainian legislation interprets alternative energy sources as "renewable energy sources, which include solar, wind, geothermal, hydrothermal, aerothermal energy, wave and

tidal energy, hydropower, biomass energy, landfill gas, gas from treatment plants, biogas, as well as secondary energy resources, which include blast furnace and coke gases, methane gas for degassing of coal seams and transformation of the waste energy potential of technological processes" [3]. It is characteristic that Webster's dictionary (Merriam-webster) interprets renewable energy sources as those that "can be replaced by natural ecological cycles or rational management methods" [4]. This definition emphasizes the role of political will and rationalization of management processes as key factors in increasing the share of electricity generation from renewable sources.

Let's try to make a brief overview of different categories of renewable energy sources and the problems of their use.

Since the beginning of the 20th century, hydropower has been the constant leader among the available technologies for power generation from renewable sources. In the 20th century, numerous projects of both classic hydroelectric power stations and quite original ones - wave or tidal power stations were implemented. Most of them are characterized by high capital costs for construction, but low cost of electricity generation for decades. For example, perhaps the world's most famous tidal power plant "Le Rance" (com. Saint-Malo, France), has been operating since 1966, producing about 500 million kWh of environmentally friendly electricity every year at a record low cost (about 0.018 EUR per kWh) [5].

Wind energy is gaining more and more popularity in EU countries. It has gained particularly active development in the Federal Republic of Germany, where the share of renewable energy sources in total electricity generation is constantly increasing. Already



in 2020, it amounted to 44.9% (including - 23.7% was given by wind energy), instead, coal-fired power plants generated another 23.7% [6].

Of course, the generation of energy from renewable sources could not fail to be affected by the decrease in economic activity in 2020-2021, which most experts attribute precisely to the COVID-19 pandemic and measures aimed at overcoming it. However, despite these processes, global investments in energy from renewable sources have doubled over the past 12 years, reaching USD 366 billion in 2021 [2]. It is quite expected that in all areas of production of energy from renewable sources, a significant growth was observed in these years. So, in particular, the capacity of solar power generation since 2010. by 2020 increased 19 times! As of 2020, the capacity of solar power generation in the EU alone (160 GW) was four times the capacity of all solar power plants in the world in 2010 (according to the Renewables 2021 Global Status Report [2]). No less impressive are the growth rates of wind power generation capacities.

However, almost all categories of renewable energy have significant drawbacks. Bioenergetics involves the use of biological materials for energy purposes. It involves the use of a wide range of materials, including agricultural and forestry waste, solid and liquid organic waste (including municipal solid waste), and crops grown specifically for energy. Geothermal resources are used to obtain energy both through the generation of electricity and through various thermal programs of "direct use" (without conversion into electricity), for example, space heating and industrial heat supply [2]. Bioenergy contributes to the utilization of waste, but does not significantly reduce CO<sub>2</sub> emissions (with the exception of the processing of pre-grown biomass, which compensates for a certain amount of such emissions).

Perhaps the most important systemic problem of a significant part of renewable energy sources (in particular, solar and wind) is the problem of excess energy accumulation. The nature of this problem is due, on the one

hand, to the instability of energy production (solar – only during the day, and in summer more than in winter, wind energy – in hours when the wind is strong enough), and on the other – the rhythm of consumption (taking into account the peak loads in the morning and in the evening). In contrast to them, the already mentioned hydropower not only provides a stable supply of electricity, but also allows responding to peak loads (in particular, such tools include the so-called hydroaccumulating power plants - GAES [7]). On the other hand, dams of hydropower plants disrupt the natural flow of rivers, cause water stagnation, and worsen the ecology of the area. In flat areas, reservoirs can flood thousands of square kilometers of valuable land, making their economic use impossible. For example, the Kremenchug HPP (Svitlovodsk, Ukraine) with a power generation capacity of 700 MW uses the Kremenchug Reservoir with an area of 2,250 square kilometers (comparable to 87% of the area of Luxembourg), while the Tokmak Solar Energy solar power plant ( Tokmak, Ukraine) has a peak power of 50 MW (14 times less) [8], with an area of land used of 0.96 square kilometers (2,300 times less than the area of the aforementioned Kremenchug Reservoir).

From the point of view of state management and legal regulation of electricity generation from renewable sources, there are also many problems. It is important to note that, according to the Ukrainian lawmaker, "alternative energy" objects include energy generating and other equipment that "produces energy using alternative energy sources, the share of which is at least 50 percent of the installed capacity of all energy sources used in the object » [3]. That is, in Ukraine, a power plant with a capacity of 100 MW, 50 of which are produced by burning coal or natural gas, will be considered an object of alternative energy. On the other hand, some experts and politicians in the Federal Republic of Germany, speaking about the prospects for the production of "green hydrogen", suggest taking into account not just electricity

obtained from renewable sources, but exclusively electricity obtained from newly constructed capacities of renewable sources [9]. It is quite obvious that this necessitates the revision of a number of standards and the

formation of unified approaches to the interpretation of definitions in the field of energy production from renewable sources in the European Energy Space.

**Keywords:** electric power; renewable energy sources; hydropower; wind power; solar power plants; state policy; legal regulation; public administration.

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## **IMPLEMENTATION OF INTERNATIONAL STANDARDS AND EU REGULATIONS REGARDING PROTECTION OF INTELLECTUAL PROPERTY RIGHTS TO CUSTOMS LEGISLATION OF UKRAINE: PROCESS AND RESULT**

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In the system of authorities for the protection of intellectual property rights, a special role belongs to the customs authorities of Ukraine. One of the main tasks of the customs authorities of Ukraine is to promote the protection of intellectual property rights and to take measures to prevent the movement of goods in violation of intellectual property rights across the customs border of Ukraine.

The process of implementing international standards for the protection of intellectual property rights at the customs border began in Ukraine more than 20 years ago.

Norm the provision assuring the liability for violation of intellectual property rights first appeared in the customs legislation of Ukraine in the 2001 (article 116-1 "Movement of goods or items across the customs border of Ukraine with violation of the intellectual property rights Customs Code of Ukraine of 12.12.1991 № 1970-XII (hereinafter –CCU).

In the process of Ukraine's preparation to gain an access to World Trade Organization (further - WTO) and after Ukraine's accession to WTO (Association Agreement between the European Union and Ukraine [1]), customs legislation of Ukraine, that regulates legal relations of protection of intellectual property rights, gradually undergone serious transformation.

With the becoming valid of Protocol of accession of Ukraine to WTO, Ukraine joined the Marrakesh Agreement Establishing the World Trade Organization [1], an integral part of which are treaties and connected with them legal documents, put on the amendments. One of the treaties is Agreement on Trade-Related Aspects of Intellectual Property Rights

(TRIPS) [2]. TRIPS occupies the most important place among the international acts, that ensure the state enforcement of administrative procedures on intellectual property. That Agreement assures the enforcement of judicial and law enforcement state authorities – complex of administrative procedures to ensure security and intellectual property rights protection.

CCU of 11.07.2002 № 92-IV, that entered into force from 01.01.2004 [9], were established: the term of «counterfeit goods» (i.10 p.1 art.1), facilitation of protection IPR on subjects of foreign economic activities and other legal entities and individuals – was assigned to the one the main tasks of customs offices (i.4 p.1 art.11); also included chapter 45 «Measures of the revenue and duties authorities to facilitate the protection of intellectual property rights while goods are moved across the customs border of Ukraine» (from November 2006 named «Facilitation of the intellectual property protection while moving goods across the customs border of Ukraine», which regulates the procedure of customs control and customs clearance of goods containing intellectual property objects art.255), procedure of registration of intellectual property objects in customs register (art.256), procedure of suspension of customs clearance of goods on basis of customs register data of intellectual property objects (art. 257), and from November 2006 in CCU the new provision concerning suspension of customs clearance of goods at the initiative of the revenue and duties authority appeared («ex-officio» art.257-1). Liability on movement of goods across the customs border of Ukraine with the violation

of intellectual property rights is provided in art.345 CCU.

Significant progress in the implementation of the Association Agreement between the EU and Ukraine in this area was achieved in 2012, in connection with the implementation of Council Regulation (EC) No. 1383/2003 of July 22, 2003 [3] on customs actions into the Customs Code of Ukraine of 2012 against goods suspected of infringing certain intellectual property rights, and necessary measures against goods infringing such and of the Commission Regulation (EC) No. 1891/2004 of October 21, 2004 [4], which establishes provisions for the implementation of the Council Regulation (EC) No. 1383/2003 of July 22, 2003 regarding customs actions against goods suspected of violating certain intellectual property rights.

List of customs procedures on facilitation the intellectual property protection was set out in Chapter XIV of CCU 2012, which provides a number of customs procedures part from it was new for Ukraine`s customs legislation.

They should be divided into 3 groups:  
1) procedure of registration of intellectual property objects in customs register (p.3 art.398 CCU 2012), directly related to the procedure provided by art.399 Customs Code of Ukraine (suspension of customs clearance of goods on the basis of the customs register data) and aims to ensure the necessary conditions for the application of specified suspension procedures by customs offices; 2) procedure of suspension of customs clearance of goods in 2 types: a) on basis of customs register data (art.399 CCU 2012 ) and b) at the initiative of the revenue and duties authority «ex-officio» (art.400 CCU 2012); 3) procedure used under pre-trial investigation between the owner and violator of intellectual property rights: a) simplified procedure for destruction of goods whose customs clearance is suspended on suspicion of infringed intellectual property rights (art.401 CCU 2012); 6) change of the marking of goods and their packing (art.402 2012 CCU).

In addition, pursuant to art.476 of CCU 2012, customs offices are endowed with powers to draw up a protocol on violation of customs rules for movement of goods across the customs border of Ukraine with infringement of intellectual property rights.

Legislator also provided the administrative liability of the law violator pursuant to art.476 Customs Code of Ukraine («movement of goods across the customs border of Ukraine with infringement of intellectual property rights»).

The effectiveness of the application of these customs procedures, as a rule, depends on the activity of the owner of intellectual property rights in the fulfillment of customs formalities provided for by customs legislation.

The changes that took place in the customs legislation of Ukraine greatly expanded the powers of customs in facilitation of the intellectual property protection at the customs border and made national legislation closer to international standards in this area and adapted it to EU criterias.

However, back in 2008 the Council (EC) requested, in its Resolution of 25 September 2008 on a comprehensive European anti-counterfeiting and anti-piracy plan be reviewed, that Council Regulation (EC) No 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures taken against goods found to have infringed such rights.

The review of Regulation (EC) No 1383/2003 showed that, in the light of economic, commercial and legal developments, certain improvements to the legal framework are necessary to strengthen the enforcement of intellectual property rights by customs authorities, as well as to ensure of appropriate legal certainty.

Therefore, in 2013, Regulations (EU) No.608/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 12 June 2013 (hereinafter - REGULATION (EU) No. 608/2013) concerning customs enforcement of intellectual property rights

and repealing Council Regulation (EC) No. 1383/2003 [5] entered into force, which significantly expands the powers of customs authorities to promote the protection of intellectual property rights, as well as:

- defines and expands the meaning of terms: 'counterfeit goods', 'pirated goods', 'goods suspected of infringing an intellectual property right' and another;

- expands the list of intellectual property rights;

- expands the circle of persons who may seek protection of intellectual property rights and customs regimes to the list of goods containing objects of intellectual property;

- recommends not to apply measures to protect intellectual property rights to the so-called "parallel imports" and to goods transported through the customs border of Ukraine in customs transit regime;

- introduces a new prevention and combating procedure counterfeit goods moving in international mail or international express shipments;

- introductions of the procedure of the «Early release of goods»;

- changes the list of some customs formalities and conditions for their performance, etc.

For example, it should be said that the practice of applying in EU countries the procedure of destruction of goods whose customs clearance has been suspended due to suspicion of violation of intellectual property rights turned out to be very effective, although it was limited by certain conditions, in particular, regarding the need for the owner of the goods to give written consent to its destruction. In case of such consent, the owner of goods whose customs clearance has been suspended by the customs office on suspicion of violation of intellectual property rights shall be released from any liability.

The Regulations (EU) No. 608/2013 significantly expanded the possibility of applying this procedure, as a number of conditions for its application and customs formalities to be performed were changed. In particular: «... Where the declarant or the holder of the goods has not confirmed his

agreement to the destruction of the goods nor notified his opposition thereto to the customs authorities, within those deadlines, the customs authorities may deem the declarant or the holder of the goods to have confirmed his agreement to the destruction of those goods.» (item (c) *Article 23* Destruction of goods and initiation of proceedings Regulations (EU) No. 608/2013) .

The main tasks of implementing the provisions of Regulation (EU) No. 608/2013 and Commission Implementing Regulation (EU) No. 1352/2013 in the area of customs actions against goods suspected of infringing certain intellectual property rights, and necessary measures against goods that infringe such rights. are:

- implementation of Annex XV "Approximation of customs legislation" to the Association Agreement between Ukraine, on the one hand, and the European Union;

- expansion of powers of customs authorities regarding to enforce intellectual property rights with regard to goods, which, in accordance customs legislation, are liable to customs control, and to carry out adequate controls on such goods with a view to preventing breach of intellectual property rights laws;

- establishment of general rules for the purpose of prohibition of import, release into free circulation, export, re-export or introduction of suspension procedure for counterfeit and pirated goods;

- establishment of general rules in order to effectively combat the illegal market of such goods, without hindering the freedom of legal trade.

Norms of the Regulations (EU) No. 608/2013 was implemented into the customs legislation of Ukraine in October 2019, through the adoption of the Law of Ukraine "On Amendments to the Customs Code of Ukraine on the Protection of Intellectual Property Rights during the movement of goods across the customs border of Ukraine" dated October 17, 2019 No. 202-IX.

This testifies to the fulfillment of certain obligations of Ukraine within the framework of the Association Agreement between



Ukraine, on the one hand, and the European Union and if the position of the owners of intellectual property rights will be active, it

will to some extent increase the effectiveness of the fight against counterfeit goods at the customs border of Ukraine.

**Keywords:** customs procedures; customs formalities, the protection of intellectual property rights, the implementation of international standards, Association Agreement.

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## EU CRIMINAL LAW: STAGES OF DEVELOPMENT

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At the time of the establishment of the European Communities, they pursued mainly economic goals and criminal law did not play any role. However, the situation changed with the formation of the common market and the need to protect it from criminal encroachments, and became especially complicated with the formation of the European Union as a supranational entity that has its own bodies and institutions, budget, etc., taking into account the growth of transnational organized crime. Despite the fact that the European Union does not have direct criminal jurisdiction (neither legislative, judicial, nor executive) as such, it is not deprived of the possibility of indirect regulation of criminal-law relations and the ability to determine certain obligations of member states in this regard EU.

Given that, according to the EU Treaty, the European Union acts as a single institutional structure that unites the three so-called "pillars": Communities, common foreign policy and security (CFSP), police and court cooperation in the criminal sphere, there is a position on the allocation of two levels of manifestation of EU criminal law:

1) harmonization of provisions of criminal law by legal means of first aid (through the application of the principle of loyal cooperation and with the help of regulations and directives);

2) mechanisms, institutions of intergovernmental cooperation of EU member states on issues of criminal law and process. In particular, Art. 29 TEU provides for the implementation of measures aimed at: closer cooperation of police, customs and other competent authorities of member states, directly or through the European Police Agency (Europol); closer cooperation of judicial and other competent authorities of the member states, in particular through the

European unit of judicial cooperation (Eurojust); convergence, if necessary, of the norms of criminal law of the member states.

Researchers note the heterogeneity of EU criminal law and identify its following components:

1) administrative-criminal law of the EU (prohibitions of EU law and procedural rules, which for formal-legal and political, but not essential reasons are called "administrative-legal" and not "criminal-legal");

2) norms of EU law relating to criminal law and process, which mainly require national criminal law systems to implement measures in a certain way;

3) EU criminal procedural law – a system of EU law norms that determines the standards of proceedings in criminal cases and the status of its individual subjects (i.e. the application of criminal or criminal procedural law at the national level), regulates judicial (procedural) cooperation in criminal cases by providing legal assistance in the investigation or trial of criminal cases, execution of criminal procedural decisions;

4) draft norms of the unified European criminal law (Corpus Juris).

As a conclusion, it should be emphasized that a characteristic trend in the development of the national criminal legislation of EU member states is the harmonization of approaches to determining the content of offenses and responsibility for their commission. Convergence of national criminal legislation occurs with the help of directives of the European Union based on the method of minimal harmonization, which involves determining the necessary list and content of socially dangerous acts and establishing the principles of responsibility for such acts. In the case of

the most serious socially dangerous acts belonging to the category of "Euro-crime", sanctions are determined according to the principle of "minimum-maximum" approximation. This method allows, on the one hand, to ensure regulation with the help of uniform standards, and on the other hand, to take into account national legal traditions in the field of criminal law, in particular, to establish more severe punishments or a wider list of acts for

which criminal liability arises. The scope of EU criminal legislation is gradually expanding, taking into account new challenges and threats, which determine the directions of convergence of the national criminal legislation of the member states. Prospective directions for the convergence of national criminal law within the EU are the environmental sphere, cyber security, migrant trafficking, etc.

**Keywords:** criminal legislation, Europeanization of criminal law, EU criminal law, convergence of national criminal law systems, Euro-crimes.

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## BASIC APPROACHES TO CHOOSING TECHNOLOGIES FOR RESTORATION OF DAMAGED BUILDINGS

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As a result of the military operations that Russia started in 2014 in the East of Ukraine and continued with a full-scale offensive on the Northern, Southern and Eastern parts of the territory of Ukraine, a significant part of the buildings was damaged. Real estate objects that were located both directly near the contact line and the zone of military operations, as well as those located in the depths of the country's territory, near which the aggressor country's rockets were fired, were damaged. A large number of buildings of various purposes were damaged, including: residential buildings, public buildings, objects of communal ownership, energy facility, etc.

The team of authors conducted an inspection of residential, individual and communal ownership buildings, that were damaged in the settlements of the Kyiv region, in particular the towns of Borodyanka, Gostomel, Irpin', Bucha and others. According to the results of the survey, part of the objects that received significant damage were recognized as not subject to restoration, other objects that received less critical damage were classified as subject to restoration. Restoration of damaged objects is possible by carrying out current repair, overhaul or reconstruction.

According to regulatory documents [1, 2, 3], the category of technical condition is characterized by one of four categories:

1 – normal technical condition. With this category, there are no defects and structural damage, as well as deviations from the project requirements;

2 – satisfactory technical condition. This category is characterized by the presence

of defects and damage that can partially reduce the durability of structures or lead to a violation of the requirements of the Serviceability Limit State (SLS), which will not lead to a restriction of the use of the object for its intended purpose;

3 – technical condition unsuitable for normal exploitation. This category is characterized by non-compliance with the requirements of the first and second Ultimate Limit State (ULS) and Serviceability Limit State (SLS) categories of technical condition, but the analysis of defects and damage shows that the integrity of the structure can be guaranteed before repair, reinforcement or replacement;

4 – emergency technical condition. This category is characterized by a violation of the requirements of the Ultimate Limit State (ULS) to prevent these violations. Analysis of defects and damage does not guarantee the integrity of the structures before repair, reinforcement or replacement.

In addition to these four categories of technical condition, for buildings damaged as a result of military operations, emergency events, terrorist attacks, etc., there are three categories of damage:

I - this category of damage is characterized by minor damage to load-bearing and enclosing structures without violating the requirements of the first or second limit state. The approximate amount of total damage is 0 – 40 % in general;

II – this category of damage is characterized by damage to load-bearing and enclosing structures, which indicate the need for repair, reconstruction or strengthening of



building structures; The approximate amount of total damage is 41 – 80 % in general;

III – category of damage, in which the object is unsuitable for use for its intended purpose, has completely lost its economic value, there is damage to the supporting and enclosing structures, the degree and nature of which indicates the danger of an accidental collapse of the object. Buildings with this category of damage are impractical to restore, they are subject to dismantling. The approximate amount of total damage is 81 – 100 % in general.

For the restoration of damaged building structures, which are assigned the above-mentioned categories (except for the category of technical condition "I" and the category of damage "III"), their restoration is carried out. Recovery can be:

- a) current repair;
- b) overhaul;
- c) reconstruction.

Current repair is a type of repair in which no intervention is carried out in the load-bearing structures.

Overhaul is a repair in which, in the course of the repair, an intervention is made in the load-bearing structures of the building.

Reconstruction is a type of construction work in which changed the overall dimensions of the building or its functional purpose.

Depending on the damage caused to building structures, it is necessary to carry out various restoration measures. The cost of restoration measures depends on the amount of damage, the materials that were used for the construction of the damaged building, the chosen restoration technology, their materials, etc.

The most decisive factors that affect the cost of restoration work are the technology and materials for restoration. The technology of recovery has a decisive influence on the choice of material, so these two factors stand side by side.

Among the technologies for strengthening load-bearing building

structures, there are various options, which can be conventionally divided into three categories:

1. Traditional or classical technologies. These are technologies that have been tested and improved over many years of use in the construction industry. Such technologies, as a rule, have the lowest cost. They use widely distributed building materials.

2. New technologies. These are technologies that appeared relatively recently. The main characteristic feature of such technologies is a different approach to restoration work than that used in classical technologies. The use of these technologies is associated with the use of new (improved) building materials or equipment. Such technologies have a higher cost than their classical analogs, but have advantages over classical ones.

3. Experimental technologies. Such technologies, as a rule, are described theoretically, and their practical application is limited, as a result associated with certain risks.

Thus, depending on the advantages and disadvantages of each of the technologies, as well as depending on the final result of the recovery, the recovery technologies are chosen.

The procedure for choosing the final option for restoration one or another building structure is related to many aspects. In particular, these may be current or future operating conditions, geometrical features of the building in general and structures in particular, age, geographical location, purpose, etc.

Identification of a number of the specified factors allows you to perform an economic evaluation of the application of one or another variant of restoration building structures. And then, weighing the technological expediency, the available technical capabilities and the cost, the final product of the possible technology of strengthening/restoration of damaged/destroyed structures is produced [4].

**Keywords:** damage; building; technical conditions; recovery.

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