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HISTORICAL DEVELOPMENT OF THE CONSTRUCTION INDUSTRY AND ITS IMPACT ON THE ECONOMIC SECURITY OF THE STATE

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Abstract. The purpose of the article is to analyse the historical development of the construction industry and its impact on the economic security of the state. *Methodology.* The article uses general scientific methods of formal logic (analysis, synthesis, deduction, induction, analogy, abstraction and modelling) and a special method (historical and legal) to reveal the historical development of the construction industry and its impact on the economic security of the state. *Results.* The genesis of the formation and development of legal regulation of the construction industry in Ukraine was formed under the complex influence of numerous political, social and systemic legal factors and covers separate periods of development: I (IX – early XIV centuries) – the period of existence of Kyivan Rus and feudal fragmentation in the Ukrainian lands, codification of construction legislation and workshop organisation of construction, but almost all construction activities were of a "defensive" nature; II (XIV – XVI centuries) – the period when Ukrainian lands were under the rule of the Grand Duchy of Lithuania and the Kingdom of Poland – the beginning of development planning, taking into account the successful use of territories, ensuring the proper functioning of military and administrative facilities, as well as fire safety; III (XVI – XVIII centuries) – the existence of the Cossack-Hetman state – legal regulation and management of construction was limited to purely technical works aimed at strengthening the defence capability of the Zaporozhian Army, therefore it was of exclusively strategic importance; IV (late 18th – early 20th century) – the period when Ukrainian lands were under the rule of the Austrian (Austro-Hungarian) and Russian Empires – the creation of the first specialised agencies authorised to issue permits for certain types of economic activity and to supervise and control construction; V (early twentieth century – 1991) – the period when Ukraine was part of the USSR – a gradual transition to industrial construction methods; consolidation of construction organisations; improvement of design and estimate documentation; growth in labour productivity, quality of work and the formation of the first trade unions at construction enterprises and associations; subsequently, the unification of functions between the main participants in construction – the customer and the contractor – led to a reduction in the contractor's liability; adoption of the first consolidated regulatory act – the Code of Ukraine on Administrative Offences – aimed at regulating administrative and legal relations in the construction sector; Period VI (from 24 August 1991 to the present) – the period of modern Ukraine – consists of two stages 1) in terms of regulatory development, it was marked by the active development of the national legislative framework, and in terms of functionality – by a total reduction in demand for construction products, inflation, which led to a decrease in working capital, imperfect depreciation policy and massive fraud in the housing market; 2) definition of national standards and rules for construction, emergence of new norms in the sectoral legislation and establishment of various sanctions for their violation, formation of the institutional system of the construction industry with subsequent winding up, reorganisation, etc. *Practical implications.* When studying the current problems of administrative and legal support in the construction sector and starting to develop a mechanism for the prevention of administrative offences, it should be borne in mind that its regulatory, technical, organisational and managerial effectiveness depends on the state of economic security in the country as a whole.

Keywords: historical development of the construction industry, construction industry, economic security, economic security of the state, security, construction.

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1. Introduction

The construction industry is one of the most important branches of the national economy, on which the efficiency of the entire economic system of a country depends. The importance of this industry for the economy of any country can be explained as follows: capital construction creates a large number of jobs and consumes the products of many branches of the national economy. The economic impact of the development of this industry consists in the multiplier effect of the funds invested in construction. After all, the development of the construction industry promotes the development of the production of building materials and related equipment, machine building, metallurgy and metal processing, petrochemistry, glass production, woodworking, porcelain and earthenware, transport, energy, etc. In addition, construction contributes more than any other sector to the development of small and medium-sized enterprises. The development of the construction industry inevitably leads to the economic growth of the country and the solution of many social problems (Biba, Hatash, 2013).

It should be noted that studying and understanding the legal phenomenon of "regulation of construction activity" is an acute and urgent necessity of today for a number of reasons. Firstly, the construction industry creates the basis for ensuring and realising economic and other interests of the society by ensuring safety of construction, durability of building constructions, stimulating measures related to energy saving, protection of the surrounding natural environment for citizens. Secondly, the knowledge of historical and legal prerequisites for the development of the construction industry will make it possible to more fully reveal the essence of construction activity and to create effective mechanisms of influence on this activity. Therefore, the study of the development of construction industry will provide an opportunity to more fully reveal the essence of construction activity, since the essential characterisation of any legal phenomenon is perfectly complemented by the knowledge of the formation and further development of construction industry on the territory of Ukraine (Stukalenko, 2016).

The study of the relevant legislative history in Ukraine occupies a leading place in the identification of modern problems of administrative and legal prevention of building offences (Buha, 2023).

In the field of domestic scientific research, the issues of historical development of the construction industry and its impact on the economic security of the state have been studied in the works of such scientists as Bondareva N., Melnyk N., Stukalenko O., Okolovich M. and others. However, the disclosure of a number of problematic issues requires

special attention, which underlines the relevance of this article.

The purpose of the article is to determine a historical development of the construction industry and its impact on the economic security of the state.

2. The First Stage – The Period of Kyivan Rus and the Feudal Fragmentation of Ukrainian Lands (9th Century – Early 14th Century)

Official references to construction date back to the Paleolithic era, when huts dug shallowly into the ground were used as dwellings. In the Neolithic period, dugouts with a stitching floor made of skins or bark appeared on the territory of Ukraine. The Trypillian culture, in turn, left entire villages that were open and located mainly on the hills or valleys (along small rivers), and the dwellings were rectangular in shape with a molded post structure. During the Neolithic and Bronze Age, open agricultural settlements were built near military-type settlements located on high coastal cliffs, where dwellings were made of branches and clay (Encyclopedia of Ukrainian Studies, 1993; Encyclopedia of Modern Ukraine, 2004; Bondareva, 2023).

However, the origin of domestic administrative law is associated with the existence of Kievan Rus, which was formed at the end of the 19th century (Sabat, 2011). It is worth noting that the codified collection of *Russkaya Pravda*, which most fully regulated the procedure for consideration of conflicts arising in society in this historical period, was a codified collection of *Russkaya Pravda* in three editions: Short Edition (*Kratkaya Pravda*), the Extensive Edition (*Prostrannaya Pravda*), and the Abridged Edition (*Sokrashchyonnaya Pravda*). It was the Extensive Edition that contained the rules of procedural law formed by the legislator and those that had been known in practice for several centuries (Malyarenko, 2005; Ivashchenko, 2012; Zelensky, 2011).

Thus, this period is characterised by the emergence of workshop-organised construction and the formation of construction rules, reflected in the Construction Statute and *Russkaya Pravda*. However, almost all urban planning activities had a defensive significance and orientation (Buha, 2023).

3. The Second Stage – The Period of Ukrainian Lands Under the Rule of the Grand Duchy of Lithuania and the Kingdom of Poland (14th–16th Century)

When the Ukrainian lands were under the rule of the Grand Duchy of Lithuania and the Kingdom of Poland, the adversarial legal process inherited from the old Russian one was preserved. The main source of

law regulating relations at that time was the Lithuanian Statutes (Kovaleva, 2008) in three editions: 1529, 1566 and 1588.

The judicial process in this period continued to be characterised by the unity of civil and criminal proceedings. The plaintiff was responsible for gathering and presenting evidence during the trial and could withdraw his claim or accusation at any stage of the proceedings (Statutes of the Grand Duchy of Lithuania, 2004). It is worth noting that legal proceedings in the Ukrainian lands under the rule of the Kingdom of Poland were conducted on the basis of customary law, the *Russkaya Pravda*, the Lithuanian Statutes, the Magdeburg Law, royal acts and judicial practice (Getmantsev, 2013). At the same time, royal charters were extended to the Ukrainian towns, granting each town the Magdeburg Law. The charters combined the norms of the Saxon Charter, Lithuanian statutes and local customs. In particular, the Saxon Mirror incorporated the norms of criminal and private law, it regulated all relations, while separately establishing rules for the maintenance of houses (Avramova, 2019).

Housing was not defined as a separate legal category, as in Roman law, but was correlated with the general concept of a building. There was a separate concept of an estate, which was a combination of a building and land. Ownership of a building gave the right of residence. There were basic rules for the maintenance of residential property, which were related to the interests of neighbours and safety rules. In other words, the XIV century saw the emergence of the primary elementary rules of life in housing, its safety and the relationship between the interests of homeowners and neighbours (Buha, 2023; Avramova, 2019).

Thus, under the influence of the Magdeburg Law in a part of the Ukrainian lands, the issue of regulation of the construction sector reached a new level, because firstly, development planning was carried out not only in cities, but also in rural areas; secondly, under the influence of Western culture, attention was paid to the aesthetic appearance of the city; thirdly, development was carried out not only from the point of view of efficient use of territories and ensuring the proper functioning of military and administrative facilities, but also taking into account the necessary level of fire protection (Tarasyuk, 2021).

4. The Third Stage – The Period of the Cossack-Hetman State (16th–18th Century)

In the mid of XVI century, the Zaporozhian Sich was formed on the territory of Ukraine, which developed its own judicial system. The court was not separated from the administration, and the highest judicial authority was the general Cossack council.

The judicial functions were performed by the otaman and a military judge, and cases were considered on the basis of customary law, with equality of arms guaranteed (Zelensky, 2011).

In the Cossack customary law, the concept of a Cossack offence meant damage to life, health, property and honour of the entire Zaporozhian troop (Makarenko O.V.). The court in the Zaporozhian Sich was quite simple: all cases had to be solved according to the principle of justice (Panyonko, 2010).

However, the development of construction was exclusively connected with the development and formation of the military sphere and thus had a defensive significance. This period is characterised by the construction of exclusively Ukrainian Cossack buildings (Buha, 2023).

5. The Fourth Stage – The Period of Ukrainian Lands Under the Rule of the Austrian (Austro-Hungarian) and Russian Empires (Mid-18th Century – Early 20th Century)

In accordance with the provisions stipulated in the Decree of 1763, urban redevelopment initiatives were initiated on a consistent basis. The commission was entrusted with the responsibility of formulating local development plans. During the implementation of this decree, two distinct areas of typification were identified: private and residential construction, and public construction. Typical projects, otherwise referred to as "exemplary projects", were utilised and endorsed in conjunction with municipal development plans. In 1811, the "Lesson Registers for Civil Engineering and Military Protection" were formally adopted, encompassing stipulations pertaining to labour costs and the requisite materials for construction. In 1832, a general regulatory collection "Lesson Regulations on Construction Works" was published (Kvasnitska, 2012; Okolovich, 2018).

These and other legal acts largely regulated various aspects of religious and palace construction, which began in the middle of the XVIII century (Tarasyuk, 2021).

Later, in 1840-1842, the Code of Laws of the Russian Empire (Reznik O.I.) was enacted on the territory of Ukraine. The construction management was carried out on the basis of the Construction Statute of 1857, which was a part of the "Code of Laws of the Russian Empire" and was supplemented and amended with the accumulation of experience. It contained some technical conditions for the performance and acceptance of works and also regulated the relationship between individuals and organisations involved in construction (Lubenets, 1995).

The Technical and Construction Committee implemented the "Lesson Regulations", which

governed the procedure for preparing drawings and determining the cost of construction, execution of works and acceptance of finished construction products. In accordance with the regulations and prevailing practice, contracts for the construction of facilities were entered into with contractors who were responsible for the cost, time and quality of construction. They were also responsible for preparing the project documentation. There were no state-owned construction organisations (contractors). Instead, large contractors who received construction contracts through tenders subcontracted their components to small contractors who were directly involved in the organisation of construction and installation works, hired construction teams and made payments to them (Okolovich, 2018; Lubenets, 1995).

6. The Fifth Stage – The Period of Ukraine as Part of the USSR (Early 20th Century – 1991)

In 1917-1922 (the period of existence of the Ukrainian People's Republic, the Skoropadskyi Hetmanate and the Directory), the authorities actually recognised the entire body of legislation of the previous period and constantly made changes related to the regulation of the activities of military justice institutions and their jurisdiction (Zemlyanska, 2002). During the period under review, the existing judicial system was radically transformed, in particular, all existing judicial institutions on the territory of Ukraine were liquidated, as well as the institutions of prosecutorial supervision, investigators, notaries, bailiffs (Tatarenko, 2009).

The period of fundamental changes in legislative support for the construction sector in Ukraine is associated with the establishment and dominance of the Soviet regime in Ukraine. The ideology of the political regime had a significant impact on the development of state policy to ensure the rights of citizens to housing. The Central Executive Committee of the USSR adopted a resolution entitled "On Housing Co-operation" on August 19, 1924. This resolution outlined a strategy to address the prevailing housing crisis through the development of housing construction and the promotion of the most economical use of existing residential buildings, facilitated by amateur activity. The Central Executive Committee and the Council of People's Commissars of the USSR were to decide on the composition of housing co-operative societies, with citizens of the USSR permitted to voluntarily unite in such societies to meet their housing needs. The composition of these societies was to be divided into: a) housing and rental co-operative societies; b) workers' housing construction societies; c) general civil co-operative societies (Okolovich, 2018).

Subsequently, in 1938, the Council of People's Commissars of the USSR adopted Resolution No. 233, entitled "On Improving Design and Estimating and on Streamlining Construction Financing". This resolution was accompanied by: "Instructions for drawing up projects and estimates for industrial construction", "Rules for financing construction by an industrial bank", "Rules on construction contracts". However, according to O. Kvasnytska, the pre-war period of regulation of the construction sector in the USSR in general and in Ukraine in particular was characterised by a considerable number of departmental standards and technical specifications, which were not coordinated with each other and were "littered" with private recommendations (Kvasnytska, 2012; Okolovich, 2018).

In the post-war period, much attention was paid to rural housing. Schools were rebuilt in villages, buildings for medical, cultural and consumer services were constructed, etc. Due to the growing volume of work, the People's Commissariat of Construction was dissolved in 1949 and three ministries were created on its basis. By 1956, there were seven ministries of construction of three types: all-Union, Union-Republican and Republican. The management was based on the sectoral principle, i.e., each ministry specialised in construction and installation works for specific industries (Okolovich, 2018; Strategy of Economic Security of Ukraine for the Period Until 2025, 2021).

In the 1950s, architectural planning was aimed at solving the housing problem as quickly as possible. The timing and cost of housing construction was significantly reduced through the use of standard designs, the introduction of industrial large-block and then large-panel construction. At the same time, thanks to the relocation of many families who had previously lived in uninhabitable premises and dilapidated temporary barrack-type housing to capital buildings, the volume of new housing construction exceeded the growth of the housing stock.

The legal acts that defined the legal framework of Soviet housing construction in the 50s and 60s of the twentieth century were as follows: Resolution of the Central Committee of the CPSU and the Council of Ministers of the USSR of July 31, 1957, No. 931 "On the Development of Housing Construction in the USSR" and Resolution of the Central Committee of the Communist Party of Ukraine and the Council of Ministers of the Ukrainian SSR of August 24, 1957, No. 988 "On the Development of Housing Construction in the Ukrainian SSR", Resolution of the Council of Ministers of the Ukrainian SSR of April 30, 1958, No. 514 "On Approval of the Regulation on Housing Construction Collectives and Individual Developers in Cities and Urban-Type Settlements of the Ukrainian SSR". In the relevant

legal acts, the Soviet leadership set the task of eliminating the housing shortage as soon as possible in order to provide good living conditions for all workers (Tarasyuk, 2021).

It should be noted that the territorial principle became the main principle of construction management in the 50s and 60s. This period corresponded to the system of management of the national economy introduced in the country through territorial councils of national economy (sovnarkhozes). The sovnarkhozes amalgamated the functions of the primary participants in the construction process – the client and the contractor – which resulted in a reduction in the responsibility of each contractor. A significant drawback that affected the timing, quality and cost of construction and installation works was that construction as a sector of economic production played a secondary role. Therefore, in 1963, republican ministries were created, within which territorial construction departments were established (Okolovich, 2018; Melnyk, 2013).

At the beginning of 1986, there were two general construction ministries in Ukraine: the Ministry of Heavy Industry Construction (Minvazhbud) and the Ministry of Industrial Construction (Minprombud) (Lubenets, 1995). However, in the same year, the Ukrainian SSR began new transformations in the management of the state economy, which initiated the next stage of development of the studied sphere (Melnyk, 2013).

7. The Sixth Stage – The Period of Independent Ukraine (August 24, 1991 – Present)

The collapse of the Soviet Union and the adoption of the Verkhovna Rada of Ukraine in July 1991. The Declaration of State Sovereignty and the proclamation of Ukraine as an independent democratic state (Ukraine) in August 1991 opened a new milestone in the formation and development of the construction industry, including its administrative and legal support. In the early 1990s, the construction industry in Ukraine encountered significant challenges due to the prevailing economic downturn, financial crisis, the inadequacy of public administration reforms, and the inadequacies of state policy within the construction sector. Consequently, the issue of developing national legislation was brought to the fore (Kalinnikov, 2020).

On September 12, 1991, the Verkhovna Rada of Ukraine adopted the Law of Ukraine "On Legal Succession of Ukraine". As stated on page 3 of the legislative act, the laws of the Ukrainian SSR, along with other acts adopted by the Verkhovna Rada of the Ukrainian SSR, are valid on the territory of Ukraine, provided that these do not contradict the

laws of Ukraine adopted after the declaration of independence (The Law of Ukraine "On Legal Succession of Ukraine", 1991). Consequently, a considerable proportion of the legislative acts of the Soviet period continued to be utilised in the nascent Ukrainian state, which had not yet succeeded in developing its own system of legislative regulations at that time. In particular, the Decree of the Cabinet of Ministers of Ukraine No. 46-93 "On Standardisation and Certification" of May 10, 1993 equated the norms of the socialist period with the state norms of Ukraine and took their place among other sources of construction legislation.

8. The Impact of the Construction Industry on the Economic Security of the State

Today, any sovereign state faces all levels of threats to its national security (international, regional, state), as well as all its manifestations (political, economic, social, military, environmental, etc.).

Danger is understood as "an objectively existing possibility of a negative impact on a social organism that can cause it significant damage, lead to the loss of the ability to reproduce its socio-economic identity, and give its development undesirable dynamics or parameters (nature, pace, forms, etc.)" (Nyzhnyk, Sytnyk, Bilous, 2000; National Security of Ukraine, 1994-1996, 1997).

The categorisation of dangers is contingent on several parameters, namely: 1) the degree of probability: real, potential; 2) the level (scope and scale of negative consequences): international, national, local and private; 3) areas of public life; 4) types of human activity.

A number of sources use the following terms as synonyms for danger: challenge, risk and threat. Despite the fact that these concepts are similar in meaning and are types of adverse conditions, they differ in the nature of their target and the role of the subjective factor. According to levels: risk – threat – challenge – danger (Nyzhnyk, Sytnyk, Bilous, 2000).

The following definition of "security" is provided by scholars specialising in domestic studies: "a specific state and degree of security of any state and its ability to withstand changes in the conditions of functioning" (Kosevtsov, Binko, 1996); "the state of an object in its environment in terms of its ability to survive and evolve in the face of existing or probable internal and external threats, as well as unforeseen and difficult-to-predict threatening objective or subjective factors" (Goncharova, 2001).

In other words, security as a result of activities aimed at ensuring the security of an individual, society and the state has a complex, multiple subject matter: in one aspect it is the ability of the system to prevent possible harm to the interests of an individual, society and the state, in the second – the manifestation of

the state to protect their interests, in the third – the manifestation of security measures.

The ability to properly understand and clearly articulate overall national economic interests helps to distinguish national wisdom from political adventurism and self-serving group interests. It is important to note that national economic interests are inseparable from the country's history, culture, traditions, value system and spiritual development of the people, which have been formed over centuries.

The national economic interests of a state have always been manifestly evident. Consequently, the fundamental objective of a state's domestic and foreign policy has been to ensure the stability of production conditions, with the subsequent enhancement of economic power and prosperity. The promotion and protection of domestic entrepreneurship, construction, agriculture, industry and trade, irrespective of the forms and types of economic activity, as well as class or other group interests, have been recognised as the primary national economic interests. Subsequent to this, the development of national science and education was identified as a pivotal factor in attaining economic prosperity.

In this context, it is imperative to acknowledge the inherent threat to national economic interests that emanates from within. Frequently, this pertains to the prioritisation of narrow group and individual interests: monopolistic groups and regional entities, construction, trade and intermediary structures, and to a certain extent, mafia-affiliated entities, management apparatuses, and so forth. Today, construction is a complex business process that involves constant interaction over time between the developer, contractor, investor, regulators and individuals, involving large amounts of money and a series of actions aimed at completing construction and successfully commissioning the facility. For its further development, the construction industry requires significant investment, which can be provided by both domestic and foreign investors. The procedure for attracting investment requires an assessment of the business activity of enterprises (Methodology for Integral Assessment of Investment Attractiveness of Enterprises and Organisations) and the reliability of the state's economic security. In view of this, the concept of "economic security" should be based on the following principles:

1) Economic independence is the ability to independently formulate and implement its own economic policy and to define and implement national economic interests; the ability of the state to exercise control over national resources and property; the ability to attract and retain capital on its own territory; the ability to participate on an equal footing in the international division of labour and world trade.

2) Stability of the national economy is the stability and reliability of the economic system as a whole and all its elements; the ability of the state to protect all forms of property; the creation of state guarantees for business activities; the containment or overcoming of factors destabilising the functioning of the economy.

3) The ability to economic self-development is the ability of the economic system to sustainably expand reproduction, development of the country's economic, labour and intellectual potential; competitiveness of the national economy in international relations.

4) A high degree of self-sufficiency of the economy - providing it with natural, labour, financial, intellectual, information resources or safe replacement of some of them by importing them.

5) Derivation from the tasks of economic growth is dependence of the level of economic security on internal and external conditions at a given stage and national interests in this period (Yermoshenko, 2001).

Given the subject of this study, it is advisable to consider threats to economic security at the following hierarchical levels:

- Threats to the security of the economic system as a whole;

- threats to economic security from individual industries (construction).

Internal economic threats to the system as a whole include crisis phenomena that arise within the economic system due to defects in its economic and institutional structure. This category includes most of the threats associated with the growth of crisis trends in the production, investment and financial sectors. These threats, according to the authors, can be grouped into separate groups of problems that need to be addressed:

- Crisis phenomena caused by the limited ability of the economy to adapt to new conditions due to the "martial law" state of the economic system;

- growth of the "shadow" economy;

- unresolved problem of resource, financial and technological dependence of the national economy on other countries;

- a deformed production structure (dominance of extractive and basic industries with a low degree of processing of raw materials), outdated technologies in most industries;

- inefficient search for own investment resources.

The weaknesses of the domestic economic environment at the group level, in particular, as illustrated by the construction sector, include:

- Low level of investment activity;

- inefficient tax and banking systems;

- imperfect budget system, inefficient control over budget expenditures;

- legal, organisational and institutional incompleteness of the control and audit reform.

In addition to the above-mentioned threats to Ukraine's economic security, there is also the presence in Ukraine of a certain class of nomenclature which, on the eve of independence and within fifteen years afterwards, i.e., during the period of initial capital accumulation and privatisation, largely deliberately created a situation which allowed it to freely and legitimately maintain dominant socio-economic positions and legalise accumulated capital and real estate.

Initially, the ruling bureaucracy was frightened by the threat of a market that would deprive it of its power over the economy, which had generated significant profits in the context of the commercialisation of command and control relations in Soviet times, but later it realised that market relations come in different forms and that it was better prepared for them than the rest of the population. As a result, it began to implement reforms to the extent that they met the interests of the ruling nomenklatura. It adapted the transformation processes to its economic and political problems. Taking advantage of its privileged position as the distributor of state property, the nomenklatura began to appropriate state property and turn it into the object of its private enterprise. It soon became clear that the nomenklatura was first and foremost an economic entity, unwilling to accept Western-style market relations. It sought to preserve the monopoly position of its companies and resisted attempts to introduce free competition, because it was used to preferential state loans and free subsidies, as well as guarantees against bankruptcy. The directorate wanted to make a profit, as in capitalism, but not to be liable with its own capital for losses and commercial risks, as in socialism. Nomenclature capitalism began to take shape. As a result, a very peculiar socio-economic model of state-bureaucratic, oligarchic capitalism was created, characterised by a monopolised market with very limited competition and low economic efficiency; criminalisation of the state bureaucracy, its merger with entrepreneurship, which is parasitic on close ties with the government, and the monopoly of the nomenclature on state power.

The challenge in eradicating this phenomenon stems from the fact that the economic mechanism established on the old foundations cannot be simply destroyed without adversely impacting the country's economic development. In the contemporary context, it is evident that the construction of industrial facilities is virtually non-existent. This is primarily due to the fact that such construction requires substantial investments, which the state is not inclined to undertake. Additionally, investors, both domestic and foreign, are reluctant to risk investing significant sums of money in the current economic climate in Ukraine. The construction of social infrastructure (schools, kindergartens, etc.) and municipal infrastructure (pipelines, networks, etc.) depends entirely on the

financial content of local budgets, the will of local authorities and the economic situation that would allow launching a relevant construction programme (Adamska, 2019).

In order to counter threats from economic crime, it is necessary to define the system of national interests on which the state's actions will be based quite clearly (Tylchyk, Dragan, Nazymko, 2018). Among them are the following:

- Comprehensive protection of the economic sphere of the state from illegal encroachments;
- establishment of real audit control, localisation and overcoming of destructive manifestations;
- identification and prosecution of offenders;
- elimination of the causes and conditions for the existence of illegal activities (an effective mechanism for preventing offences is needed);
- promotion of legal economic and market relations in Ukraine;
- strengthening the role of the state as a guarantor of economic security of individuals and legal entities, society;
- ensuring guarantees of the rights of citizens and legal entities in the course of measures to combat economic unlawfulness.

To do this, it is necessary to:

- Create legal (in particular, to formulate a new Strategy for the Prevention of Economic Offences that would meet the interests of a society with a market economy, including under martial law; to develop and implement a strategic programme for combating economic offences, etc.), organisational, logistical and other conditions for effective counteraction to economic crime. It should be reminded that in 2021, the Economic Security Strategy of Ukraine for the period up to 2025 was approved. According to this document, Ukraine's national interests include the sustainable development of the national economy, Ukraine's integration into the European economic area, and the development of equal and mutually beneficial economic co-operation with other states.
- Establish the necessary mechanisms to identify and eliminate or neutralise negative processes and phenomena that generate or contribute to economic illegality.
- Help prevent the shadowing of the Ukrainian economy.
- Increase the level of detection of all types of economic offences (in particular, in the construction industry) and the perpetrators.
- Ensure priority in the financial support of the offence prevention mechanism.
- Take measures aimed at ensuring the activities of business entities, both residents and non-residents of Ukraine.
- Conduct ongoing monitoring of illegal processes in the economic and related spheres of the state and

prepare relevant information and analytical materials on combating offences.

- Take measures to ensure compensation for damages caused to the state, as well as to individuals and legal entities.
- Ensure exposure of the facts of establishing corrupt ties with civil servants and officials of all levels by involving them in illegal activities.
- Take measures to select, deploy, train and retrain personnel for law enforcement and control and audit bodies.
- Provide material and moral incentives to citizens who assist in detecting offences.
- Constantly inform the population of the country about the state, dynamics and results of the fight against economic crimes through the media.

9. Conclusions

Economic security is the basis of national security, and the distribution of external and internal threats has shown a constant tendency to increase their negative impact on the priority sectors of the national economy. The construction industry is no exception, the degree and duration of the influence of threats on which hinders the realisation of economic interests, worsens the investment climate and affects the stability of socio-economic processes. Therefore, one of the priority areas of the state policy should be the strengthening of the economic security of the country in the context of protection of the construction sector, namely the creation and implementation of the mechanism for the prevention of offences by means of regulatory and organisational support of

the activities of the authorised bodies, in particular those of supervisory, control and audit, law enforcement agencies and local self-government bodies, the establishment of close interdepartmental co-operation, effective methods of control and supervision of their activities.

The system of building development and its management has undergone a long evolution that continues to this day. Each of the identified and analysed stages of its historical development is characterised by certain features which, on the one hand, reflect the economic and social development of the state in a given period and, on the other hand, have an impact on the peculiarities of building development as a specific area of state administration and regulation of its activities. When implementing reforms in the field of construction and housing policy, it is necessary to avoid repeating mistakes and develop further steps and ways of optimising the industry based on the relevant interests of the domestic environment and people in a particular historical period. Therefore, the prospects of further research in this area may be related to the development of appropriate mechanisms for improving the currently operating organisational forms of construction management (Melnyk, 2013).

Therefore, when studying the current problems of administrative and legal support in the construction sector and when starting to develop a mechanism for the prevention of administrative offences, it should be borne in mind that its regulatory, technical, organisational and managerial effectiveness depends on the state of economic security in the country as a whole.

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