

THE ECONOMIC SECURITY OF THE CRIMINAL JUSTICE SYSTEM IN UKRAINE: LESSONS FROM THE PAST AND PROSPECTS FOR EU INTEGRATION

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Abstract. The *subject* of this study is the economic security of Ukraine's criminal justice system, as seen through the lens of past experiences and prospects for integration into the European Union. This article *aims* to identify the potential for achieving a satisfactory level of economic security within the criminal justice system in the context of European integration. The *methods* employed to achieve this objective included hermeneutics, analysis, systemic-structural approaches, and comparative methods. The *results* of the study underscore the necessity of further developing the system to bolster the economic safeguards of the criminal justice system, especially in anticipation of Ukraine's accession to the European Union. *Conclusion.* Research has found a close, two-way link between a state's economic security and that of its justice system, particularly its criminal justice system. This link lies in the interdependence of these two forms of security. The state budget deficit poses a significant threat to the economic security of the judiciary because it is entirely funded through budgetary allocations. In this context, an analysis was conducted of the expenditure side of the state budget for the general needs of the judicial system for the years 2023–2026. This analysis revealed that funding for this sector has increased annually throughout the period under review. The study supports the identification of two fundamental approaches to countering the 'economic starvation' of the criminal justice system: increasing funding for the justice system and the prudent use of resources. The present study examines the impact of the targeted use of international aid received through co-operation with the European Union on ensuring the economic stability of the justice system. In this context, the 'Ukraine Facility' programme, which currently provides financial support for European integration processes, has been highlighted. The article therefore provides an example of how Ukraine's accession requirements to the European Union can benefit the economic component of the criminal justice system by digitising the judicial system through the introduction and operation of the Unified Judicial Information and Communication System.

Keywords: economic security, state budget, criminal justice, budgetary allocations, funding, international financial assistance.

JEL Classification: H61, H56, K14, F35, H50

1. Introduction

A state's economic security is a complex, multifaceted and comprehensive phenomenon that encompasses all spheres of public life. As Shved I., Kotsur M. and Chornei V. aptly pointed out in their analysis of the practices of the Organisation for Economic Co-operation and Development, economic security is the key to the stability and prosperity of states and

society and remains a central objective in today's complex global environment (Shved, Kotsur, Chornei, 2026, p. 170).

As a rule, economic security is usually analysed in the context of its broad manifestations, that is, by examining the most global spheres of life directly linked to economic processes; however, it is important to understand that a state's effective and sustainable

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economic security is possible only if economic security is ensured across all the numerous spheres of state activity and the functioning of society. In particular, the economic security of the criminal justice system is of considerable importance for the development of a state's economic security.

Economic security of the criminal justice system should be understood as a state in which the justice system is protected from internal and external threats of an economic nature, thereby ensuring its proper and effective functioning. Thus, the components of the economic security of the justice system comprise all processes within the administration of justice that involve a material element.

Within the criminal justice system, procedural costs constitute an important element of the mechanism for ensuring the effective conduct of criminal proceedings. Procedural costs encompass the resources required for the proper functioning of the pre-trial investigation authorities, the public prosecutor's office and the courts, as well as the costs associated with the involvement of participants in criminal proceedings. In the current context, their significance extends beyond the purely financial aspect, as they reflect the effectiveness of the organisation of the criminal process (Bortnyk, Kobzar, Chumachenko, Melnyk, 2020, pp. 344-346).

The interdependence of a state's overall economic security and the economic security of its justice system is linked, in particular, to the fact that the state of the administration of justice within the country influences the crime rate in society and, consequently, the state's reputation on the international stage; this, in turn, is significant for the development of international economic relations, the receipt of financial assistance, investment in economic sectors, and so forth.

At the same time, there is a reciprocal relationship between the state's overall economic security and the economic security of the justice system, whereby the latter can only be ensured provided there is an adequate level of state economic security, which makes it possible to guarantee that the resource needs of the justice system are met through funding from the state budget.

In view of the above, Ukraine's integration into the European Union will also have an impact on the economic security of the criminal justice system, as it may fundamentally alter approaches to ensuring such economic security, increase the level of funding allocated to the criminal justice system, and so on.

Thus, given, in particular, the link outlined above between the economic security of the justice system and the economic security of the state, an examination of the topic of the economic security of the criminal justice system through the prism of European integration processes is highly relevant. Furthermore, the lack of due attention from theorists and practitioners lends this topic distinct characteristics of novelty.

The objective of this study is to identify the potential for achieving a satisfactory level of economic security in the criminal justice system in the context of European integration; to this end, the following tasks have been set:

- Identification of the key economic requirements of criminal proceedings.
- Investigation of the state budget deficit as the main threat to the economic security of the criminal justice system.
- Identifying ways to address the economic constraints facing the criminal justice system.
- An analysis of the impact of European integration processes on the economic security of the criminal justice system, using specific examples.

In this context, the following methods, amongst others, were employed to ensure a thorough examination of the research topic: the hermeneutic method, which enabled the definition of the essence of economic security, particularly as it manifests within the criminal justice system; the analytical method, which allowed economic security within the criminal justice system to be considered as a component of Ukraine's national security; the systemic-structural method, which made it possible to analyse the economic security of the criminal justice system as a complex phenomenon; and the comparative method, which enabled a comparison of the relevant financial allocations across different budget periods, etc.

2. The Budget Deficit as the Main Financial Threat to the Economic Security of the Criminal Justice System

As noted above, the financial security of the criminal justice system depends on the financial security of the state, as the state is the sole source of funding for criminal proceedings, which are financed from the budget.

Thus, through the system of public expenditure, the state redistributes financial resources between sectors of the economy and specific areas of development, ensuring the funding of infrastructure projects, support for priority industries and the implementation of targeted economic development programmes. Here, budgetary expenditure acts as one of the instruments of state economic policy, helping to stimulate economic growth and ensure the country's sustainable socio-economic development (Okhrimenko et al., 2022, p. 242).

In the academic literature, certain aspects of the economic and legal framework for state control, audit and financial monitoring in times of crisis have been examined, in particular, in the works of Olyukha V., Dobrovolska V., Chaikovska V., Popeliuk V., & Dyshkantiuk J., which focus on the legal aspects of auditing during a pandemic, where the authors

concluded that mechanisms for financial control, auditing and supervisory activities need to be adapted to exceptional socio-economic conditions (Olyukha et al., 2020). In this regard, the nature and functional purpose of state control in the sphere of ensuring the economic security of the criminal justice system allow it to be regarded as one of the fundamental elements of the nationwide system for combating criminal and unlawful acts in the sphere of the use and redistribution of budgetary resources. State control, in this context, is not merely a set of administrative and financial oversight procedures, but also a preventive mechanism for minimising the risks of the criminalisation of economic processes within the criminal justice system.

The State alone is responsible for fully meeting all the financial needs of the judiciary, the main ones being, in particular:

- Decent and appropriate remuneration for the judiciary, court staff and other personnel performing official duties within the criminal justice system, with a view to eradicating corruption in their work, ensuring a competitive labour market and enhancing the prestige of working in the courts.
- Covering all costs associated with the administration of justice, without which such administration would be impossible or impeded (the operation of the Unified Judicial Information and Communication System, the provision of the necessary technical equipment and resources, etc.).
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Furthermore, the current situation, arising from the full-scale armed invasion of Ukraine, places an additional financial burden on the state budget in relation to the funding of the criminal justice system. This manifests itself in the need to ensure the uninterrupted operation of the courts despite frequent power cuts (the purchase and maintenance of generators, fuel for them, the installation of solar panels as alternative power sources, etc.), the restoration of destroyed or damaged court premises, an increase in the number of criminal offences under the relevant sections of criminal law, the prosecution of which requires greater resource expenditure, and so forth.

Consequently, the level of expenditure required to ensure the financial sustainability of the criminal justice system, taking into account wage indexation, rising costs of utilities, goods, works and services, etc., and despite the instability of tax and other budgetary revenues due to labour migration, the decline in business activity and other factors, is constantly rising, as is clearly illustrated by the breakdown of state budget expenditure.

For example, under the Law of Ukraine “On State Budget of Ukraine for 2024”, the State Judicial Administration of Ukraine has been allocated 20,601,186.3 UAH to ensure the administration of justice by local and appeal courts and the functioning of the bodies and institutions of the justice system (The Law of Ukraine “On State Budget of Ukraine for 2024”), under the Law of Ukraine “On State Budget of Ukraine for 2025” – 22,095,305.2 UAH (The Law of Ukraine “On State Budget of Ukraine for 2025”), and under the Law of Ukraine “On State Budget of Ukraine for 2026” – 22,705,305.2 UAH (The Law of Ukraine “On State Budget of Ukraine for 2026”).

However, these allocations may be vulnerable to political decisions or subject to cuts during economic downturns (for example, as a result of a global pandemic shock and its consequences, or military risks), leading to a disruption of financial stability within the judicial system. Consequently, the insufficient volume of resources available for the administration of justice is likely to result in the inadequate provision of judicial services (Klymenko, Ukhna, Shaldenko, 2024, p. 49).

According to information from the High Council of Justice, there appears to be a shortfall across all areas of budget expenditure. The negative trend of underfunding lower-level budget administrators within the State Judicial Administration of Ukraine has persisted over recent years (The High Council of Justice, 2026).

The above indicates that maintaining an acceptable level of economic security for the justice system – including criminal proceedings – requires increasing funding year on year and is therefore under threat.

The above also confirms that the fact that the state is solely responsible for ensuring the economic stability of the criminal justice system makes the system’s financial support entirely dependent on the state; consequently, a state budget deficit will automatically result in a shortfall in funding for the judicial system. At the same time, given the need to preserve the independence of the judiciary in Ukraine, the inability to directly attract external financial contributions – which is permitted, for example, for business entities – is justified, although it has negative consequences in terms of the effective provision of resources.

At the same time, international financial flows received by the state may be channelled towards the needs of the judicial system; however, such receipts are first credited to the budget revenue, and only then are they allocated according to their intended purpose and/or the state’s urgent need to meet the relevant requirements, which may not be related to the judicial system. It is important to note that, in order to support Ukraine’s judicial system, targeted international financial contributions may be provided and are currently being provided; however, as a rule, such funds are allocated to meet the needs of the judicial system

as a whole, without being specifically earmarked solely for the benefit of criminal proceedings, which in turn limits the ability to fully address the funding shortfall in this area of the judicial system, and also prevents the rapid resolution of the urgent financial needs of the criminal justice system due to the need to go through all stages of the budgetary process (from the crediting of international aid funds to their actual receipt).

Another source of funding for measures ensuring economic security is the fee for the administration of justice in the form of court fees, which are paid by claimants and other parties to the proceedings in the cases provided for by law. Thus, in accordance with the provisions of Parts 1 and 3 of Article 9 of the Law of Ukraine "On Court Fee", court fee revenue is credited to a special fund of the State Budget of Ukraine and is allocated to ensure the administration of justice and the functioning of the judiciary, as well as to ensure the architectural accessibility of court premises and the accessibility of information displayed in court, for persons with disabilities and other groups with reduced mobility who are parties to the proceedings (The Law of Ukraine "On Court Fee").

However, this special fund is not financed by court fees paid in the context of criminal proceedings, as current legislation does not provide for an obligation to pay such fees, given the specific nature of cases heard within the criminal justice system; therefore, the financial security of this type of judicial proceedings is ensured by contributions, the revenue from which is provided by the courts of civil, administrative and commercial jurisdiction.

Consequently, the main threat to the economic security of the criminal justice system is the deficit in Ukraine's state budget, which, in turn, is influenced by all the factors and risks that affect the state's economic security.

3. Methods of Ensuring Economic Stability in the Criminal Justice System

When analysing the needs of criminal justice in the economic sphere, the main means of ensuring economic stability in this branch of justice can be identified as follows:

1. Increased funding for expenditure on the handling of criminal cases.
2. Resource optimisation of internal and external criminal justice processes.

The first of the points listed above is achieved, in particular, through the mobilisation of international financial assistance, as outlined above. At the same time, the European integration processes currently taking place in Ukraine play a significant role in this mobilisation, as reform of the judicial system – which is possible, in particular, provided there is an adequate level of economic security for the administration of

justice – is one of the key conditions for Ukraine's accession to the European Union.

Thus, the European Union has developed a comprehensive set of legal and institutional criteria which candidate countries must meet in order to achieve full membership. These criteria are based on the Copenhagen Criteria (European Council, 1993), Article 2 of the Treaty on European Union (European Union, 2012) and the specific requirements of the EU's *acquis communautaire*, in particular Chapters 23 'Judicial system and fundamental rights' and 24 'Justice, freedom and security' (European Commission, n.d.).

For example, in 2024, as part of Ukraine's co-operation with the European Union, a special funding programme called the 'Ukraine Facility' was launched; it will run until 2027 and aims to increase the resilience of Ukraine's economic system as a whole.

In this context, with a view to implementing this mechanism, the European Commission has approved a Reform Plan for Ukraine, which sets out the conditions that must be met in order to receive 50 billion EUR in macro-financial assistance (European Commission, 2024).

It is important to note that part of the financial support under this programme is also earmarked for the judicial system, as the implementation of reforms in the justice sector is an integral part of achieving the overall objectives of the Ukraine Facility.

This approach is in line with pan-European trends in the modernisation of judicial systems, under which the digitalisation of justice is viewed not only as a means of improving access to judicial services, but also as an important tool for enhancing the efficiency of the judiciary, reducing administrative costs and optimising the use of financial and human resources. Research shows that the introduction of digital technologies into the work of the judiciary helps to speed up the processing of cases, improve the management of court proceedings and enhance the overall institutional capacity of the justice system (Sourdin, 2021).

According to the High Council of Justice, the Plan for Ukraine – approved by Order No. 244-p of the Cabinet of Ministers of Ukraine dated 18 March 2024 and drawn up with a view to implementing the aforementioned programme – contains a section entitled 'The Judicial System'. In particular, this section is devoted to the digitalisation of the judicial system, as one of the pressing issues in the context of achieving the objectives of the 'Ukraine Facility' and an important component of the requirements of the official negotiation processes regarding Ukraine's European integration within the framework of mandatory judicial reform (The High Council of Justice, 2026).

Although no direct tranches are provided for under the financial assistance programme aimed at adapting the judicial sector to European integration standards for the purposes of criminal justice alone (with the

exception of targeted funding for the establishment and development of the anti-corruption justice system), the allocation of earmarked funds to the state budget to meet the needs of judicial reform enables the state to save its own funds, which would otherwise have had to be allocated to these specific needs, and, as a result, to use them to generally support the financial aspects of the system's operation, in particular that of the criminal courts.

Another way of maintaining a stable and satisfactory level of economic security for the justice system is to take measures to reduce financial expenditure whilst ensuring the proper functioning of the judiciary; in other words, to optimise judicial processes as much as possible whilst minimising the resources required to carry out such processes.

A prime example of such optimisation is the introduction of the Unified Judicial Information and Communication System (hereinafter referred to as the UJICS), in particular its 'Electronic Court' module, and the ongoing expansion of its scope of application in the conduct of court proceedings.

Therefore, UJICS is a comprehensive system designed to fully digitise court proceedings, including internal document management, the exchange of documents between the court, parties to the proceedings and other bodies, the recording of court proceedings, and so on, which, in turn, significantly reduces the costs involved in conducting them.

Past experience, as well as current realities in some cases, show that a significant threat to the economic security of the justice system is the lack of resources to ensure the normal functioning of the judicial authorities, which manifests itself, for example, the courts' lack of funds to dispatch judicial correspondence in the manner prescribed by current legislation; as a result, it was not uncommon for court hearings to be postponed because the parties had not received summonses, statements on the merits of the case and other procedural documents, appeals against court decisions, etc., which, as a result, led to the expenditure of significant financial resources.

Conversely, the digitisation of judicial proceedings via the UJICS has made it possible to avoid the costs and risks mentioned above, thereby enhancing the stability and economic resilience of the justice system.

These savings are particularly relevant to the criminal justice system, since criminal proceedings – unlike proceedings in other jurisdictions – typically involve individuals who are required by current legislation to register an electronic account in the relevant UJICS subsystem, and consequently, communication between the court and such parties to the proceedings can, in most cases, take place electronically, making it the most cost-effective option.

Meanwhile, due to shortcomings in the legislation, particularly regarding the consequences of the parties

to criminal proceedings failing to utilise the capabilities of UJICS, as Yu. Khimyak aptly noted, in order to ensure the further digitalisation of criminal proceedings, establish the procedural possibility of making full use of the available UJICS modules, and facilitate a hybrid format for case hearings (paper and electronic), it is necessary to improve the provisions of the Criminal Procedure Code of Ukraine (Khimyak, 2025, p. 118), whereupon the process of saving financial resources will become more effective.

Nevertheless, despite the positive aspects of digitalisation in the context of the economic security of the judicial system, it is also important to recognise that the digitalisation of the judicial system is currently accompanied by significant discrepancies between needs and the actual resources available, as a result of which the issues of 'funding versus financial products', 'funding versus IT equipment' and 'funding versus qualified staff' have become particularly acute (Bielova, 2024, p. 30). Thus, in any case, significant financial resources are being spent on supporting digitalisation processes, which has an impact on the economic security of the judicial system; however, in the long term, the return on the investment in these processes will have beneficial consequences for ensuring the economic independence of the justice system, particularly the criminal justice system.

3. Conclusions

In order to ensure the proper functioning of any system in any sphere of public life, issues of economic security are always a matter of great concern. It follows that the administration of justice, particularly the criminal justice system, also requires a stable economic foundation in order to fulfil its core functions, especially in the context of reform processes, given that the state budget is the system's sole source of funding.

Indeed, given the unstable economic, social and political conditions in Ukraine, the budget deficit should be regarded as a key threat to the economic security of the criminal justice system, since, where there are significant shortfalls in the state treasury, there is a high probability that the basic needs of the judicial system, such as staff remuneration, adequate material and technical support, and the coverage of procedural costs associated with the hearing of cases, etc., will remain unmet.

The issues of ensuring the economic security and reputation of the judiciary are particularly acute in the context of Ukraine's accession to the European Union, as many of the requirements for such accession relate specifically to the reform of the judicial system.

It is telling that the European integration processes that have been taking place in the country for several years now have, on the whole, had a positive impact on the financial security of the justice system, in

particular by providing additional funding to improve the judicial system. Thus, thanks to Ukraine's desire to join the European Union and its efforts to meet the EU's requirements for achieving this goal, it has become possible to introduce an effective system of e-justice, which, whilst requiring funding, nevertheless creates a platform for further savings in budgetary allocations to the judiciary.

That said, the measures introduced within the economic security of the justice system are still insufficient at present, as illustrated, in particular,

by the figures for state budget expenditure for 2023–2026; a comparison of these figures leads to the conclusion that the judicial system's funding needs are increasing.

It is therefore important to develop and subsequently implement cost-saving measures within the administration of justice, to step up efforts to attract external funding to ensure the financial stability of the judicial system, and to improve procedural legislation concerning the costs of criminal proceedings, amongst other things.

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