

CHAPTER «STATE ADMINISTRATION»

GENESIS OF THE INSTITUTION FORMATION OF THE INTERNATIONAL PARTICIPATION IN THE RECOVERY OF THE UKRAINIAN ECONOMY AFTER THE RUSSIAN-UKRAINIAN WAR

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Abstract. The history of the formation of the institution of international participation, the recovery of Ukraine's economy after the Russian-Ukrainian war is a strategic process for the history of the Ukrainian state. Leading scholars and practitioners consider it as an important and influential state mechanism for regulating investment in reconstruction in Ukraine.

It is generally accepted that without the involvement of foreign investors, this process will last quite a long time. For its effective use in Ukraine, its genesis and features of influence in Ukraine are studied. The article outlines the researchers' scientific positions on reconstruction in Ukraine. The role of scientific structures and international financial organizations is studied. The international experience of post-war reconstruction is summarized.

The experience of countries that have undergone post-war/post-conflict recovery shows that their success was the result of targeted policies, structural reforms and consistent regulatory measures taken by the state to achieve certain goals. The idea that in the process of post-war recovery the national economy should not only be rebuilt at the previous level, but modernized, updated, and improved in institutional, organizational, technological, spatial, social, and other dimensions means that structural reforms are needed. Structural reforms are the process of streamlining economic life and making economic activity more certain and predictable, and the economic system more sustainable.

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In a post-war economy, structural reforms should provide conditions for the resumption of economic activity, including entrepreneurial activity; restoration of the functioning of markets, including the labor market; transformation of resources into assets, their inclusion in the economic cycle; and the effectiveness of capital formation mechanisms and the investment process.

The international historical experience of countries, which differed significantly in terms of starting conditions, internal socio-political situation, external factors and the pace of post-war reconstruction and further economic growth, confirms that the establishment of institutional order through structural reforms and the use of opportunities offered by geopolitical changes are prerequisites for Ukraine's successful post-war recovery and further innovation and technological development.

The genesis of the formation of the institute of international participation in the recovery of the economy of Ukraine after the Russian-Ukrainian war was revealed in the following directions:

1. Recent stories of the post-war reconstruction of European countries.
2. The role of the National Institute of Strategic Studies in the scientific and analytical support of the post-war reconstruction of Ukraine.
3. The history of the formation of the institute of international participation in the restoration of the post-war economy.
4. Consolidation of the national idea of Ukraine with the processes of post-war reconstruction.

In the section, the author focuses attention on the results of research on post-war reconstruction in the works of both domestic and foreign scientists who studied the world experience of reconstruction and sometimes were its participants.

1. Introduction

Leading scholars and practitioners view the formation of an institution for international participation in the recovery of Ukraine's economy after the Russian-Ukrainian war as an important and influential state mechanism for regulating investment in Ukraine, because without the involvement of foreign investors, the process will be quite long and difficult. For its effective use in Ukraine, it is necessary to study its genesis and peculiarities of its impact in Ukraine.

Doctors of Economics O. Nesterenko and L. Chubuk, considering the issue of post-war economic recovery in Ukraine, note that "the historical experience of post-war reconstruction shows us the differences in national models of economic recovery. The world history of such transformations also shows that postwar reconstructions initiated powerful changes in the socio-economic space and became a powerful impetus for the further revival of economic systems. Just think of the German and Japanese economic miracles, which were driven by postwar reconstruction. However, the idea that a certain national model of economic reconstruction can be used as a basis for the process of restoring Ukraine's socio-economic system is, in our opinion, a misleading illusion and a mistake.

When assessing the possibility of applying certain proven schemes and elements of postwar economic reconstruction, a number of threats and challenges must be taken into account. *First*, no condition caused by a full-scale war, numerous human casualties, destruction of industrial and social infrastructure, loss of economic potential of the territories, disastrous environmental consequences, etc. is like any other and requires extraordinary solutions.

Second, the uncertainty of recovery paths is exacerbated by the inability to assess and predict the final consequences of the war, the inability to calculate the scale of destruction, the list of losses, and potential further threats.

Third, the possible inconsistency of borrowing and incomparability of borrowed "structures" with Ukrainian realities may call into question the effectiveness of using the experience of rebuilding the economies of other countries.

We are likely to face a certain "window of opportunity" that will once again be open to the Ukrainian economy and the need to build our own special national model of recovery. Moreover, the movement towards the restoration and acquisition of new qualitative features of the socio-economic system will take place in the well-known "corridor" of choice between liberal and socially oriented models of the economic system. And most importantly, the future reconstruction of Ukraine cannot be limited to rebuilding the economy to achieve the parameters of the pre-war state, but should include a powerful restoration and modernization of the country, which involves a comprehensive transformation of the socio-economic system" [4].

It is important to assess the possibilities of adapting the experience of European countries in the postwar reconstruction of Ukraine. It is fundamental to the formation of the institution of international participation in economic recovery after the Russian-Ukrainian war. The war in Ukraine is recognized as one of the most destructive in Europe since World War II. The total area of damaged or destroyed facilities already amounts to 74.1 million square meters, which is 7.3% of the total housing stock of Ukraine. The infrastructure of the settlements was also significantly destroyed. In terms of living standards, the country is gradually rolling back to the level of the early 2000s. According to the World Bank, 25% of Ukrainians have fallen below the poverty line due to Russia's full-scale invasion of Ukraine, and by the end of 2023 this figure could rise to 55%. These forecasts are supported by calculations made by the National Bank of Ukraine, which show that Ukraine's GDP has already declined by more than 30% in 2022. Ukraine's postwar recovery is most often compared to the recovery of Europe after World War II and viewed through the prism of the Marshall Plan. However, according to economist N. Moroziuk, "the socio-economic and political conditions, geopolitical situation, the nature of the war, and the peculiarities of the destruction are significantly different today, requiring us to make qualitatively new modern economic decisions and mechanisms. In our opinion, more attention should be paid to certain elements of Japan's postwar recovery strategy, which, by focusing on research and innovation, achieved success quite quickly.

2. Recent Stories of Post-War Reconstruction of European Countries

One of the most recent postwar success stories is Croatia, which suffered significant destruction during the war in the 1990s – up to 10% of its housing stock. It managed not only to recover but also to become one of the first countries in the former Yugoslavia to join the EU. For Ukraine, the experience of Croatia in engaging in economic recovery of regions that were in the rear and less affected by the war, as well as in introducing special regimes for the affected areas, may be of interest. Ukraine is a unique resource-rich country, and the security situation in the world depends on its stability. In view of this, it should not only focus on post-war recovery, but also on building its own self-sufficient competitive economic system.

In addition, it should be noted that the Ukrainian economy will be quite militarized even after the war, given the presence of hostile neighboring countries" [4].

Olha Kudlasevych, Senior Researcher at the Department of Economic History of the Institute for Economics and Forecasting of the National Academy of Sciences of Ukraine, notes the positive experience of the relationship between the state and the market in the post-war economic recovery in the context of Russia's military aggression against sovereign Ukraine, and emphasizes the experience of successful reconstruction of the socio-economic space after World War II. This is of great interest, both in theoretical and practical terms. In particular, the German model of a social market economy deserves attention. As history shows, in the postwar period, West Germany gradually took a course toward reorientation to a different model of socio-economic development. The restructuring of the form of government required a return to decentralization, strengthening the functions of local self-government, creating a solid foundation for the rule of law. The transformations were based on an ideology that professed a synthesis of the idea of an efficient market economy, the dominance of private property, economic freedom, state regulation, and the philosophy of social responsibility. The role of the state was limited to setting development priorities, supervising and regulating, creating a favorable investment and business climate, and effective legislation, which together constitute the essence of economic order. The prerequisites for the success of Germany's postwar recovery were external (the *Marshall Plan*) and internal (*political stability and popular support for reforms aimed at liberalizing prices and trade, stabilizing money circulation, and limiting government intervention in economic life*). In the context of the relationship problem between the state and the market in the post-war reconstruction process, the author identifies the advantages of restoring the economy of West Germany by attracting foreign aid, decentralization, market liberalization, adherence to social priorities and integration into the world economic space. Given the creative use of the theoretical and applied heritage of the social market economy policy, its principles are also relevant for the post-war reconstruction of Ukraine" [4].

3. The role of the National Institute for Strategic Studies in scientific and analytical support for the post-war reconstruction of Ukraine

The **National Institute for Strategic Studies** (NISS) plays an important role in the study of the genesis of the institution of international participation in the recovery of Ukraine's economy after the Russian-Ukrainian war, established by Decree No. 127 of the President of Ukraine March 4, 1992 and Decree No. 1158 of the President of Ukraine of December 16, 2002, The Institute is subordinated to the President of Ukraine. It is the basic research institution for scientific and analytical support of the activities of the President of Ukraine and the National Security and Defense Council of Ukraine, and an advisory body to the President of Ukraine.

The Institute carries out scientific, analytical and forecasting studies of Ukraine's development and national security, prepares and submits analytical materials, draft policy documents and regulatory acts to the President of Ukraine, the National Security and Defense Council of Ukraine.

The main objectives of the Institute are:

- scientific substantiation, analysis and assessment of problems and prospects of sustainable development of Ukraine, its national security issues, development of scientifically based proposals for their solution;
- organizational, methodological and scientific support for the preparation of drafts of the annual addresses of the President of Ukraine to the Verkhovna Rada of Ukraine;
- drafting program documents and regulations;
- scientific expertise of draft legal acts;
- publication of research results, prompt publication of materials on the main areas of scientific and analytical activities of the Institute;
- scientific support for the exercise of powers by the President of Ukraine, the National Security and Defense Council of Ukraine in the field of ensuring the national security of Ukraine" [5].

Its research is primarily used by the President of Ukraine to make decisions on these issues.

Analyzing the experience of EU assistance to CEE candidate countries for economic reconstruction, Professor S. Tkalenko notes that the post-war reconstruction phase is a rather complex process that requires taking into account the experience of other countries. A well-known "example

of post-war reconstruction after the 1990s is the reconstruction programs of the Balkan countries (PHARE, EAP, OBNOVA, SAP, BiH). These EU programs and financial instruments came to the aid of the countries of Central and Eastern Europe and were intended to develop the countries' infrastructure and restore their economies, especially those that suffered after the war (Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and the former Yugoslav Republic of Macedonia).

For the postwar reconstruction of Ukraine, the best practices of those countries that successfully developed their economies after the wars are useful. Ukraine's path of reconstruction will be different from those of the Balkans and other countries, but it should be a unique chance for Ukraine to become a full member of the EU in the near future and create a new, powerful, successful country. In the first place, Ukraine's post-war reconstruction should focus on fighting corruption, as emphasized by the European community; we will also need long-term global assistance and cooperation with countries around the world; building institutions, creating support programs and using various tools for post-war reconstruction. Most countries in the world support Ukraine's sovereignty and independence. The UK, EU, US, Japan, Canada and other countries intend to help Ukraine rebuild its infrastructure after the destruction caused by the war with Russia. So, we must seize the chance to build a successful country with security in mind for the future" [4].

Therefore, according to economists K. Klymenko and N. Ukhnal, "the destruction of critical infrastructure, social and economic structure (destruction of enterprises, housing, roads, educational and healthcare facilities, cultural property) disrupts economic activity, leads to the loss of jobs, including skilled workers, as well as income and investment. A number of countries, including Rwanda, have demonstrated successful economic recovery after military conflict, which has achieved significant economic growth after the 1994 genocide, in part due to the government's focus on promoting entrepreneurship and innovation, as well as the establishment of democratic institutions and effective public financial management, which has led to accelerated economic development in the country with an average annual GDP growth rate of 7.7% in 2000-2019.

Croatia, too, was able to stabilize its economy and attract foreign investment after the Balkan wars in the 1990s by implementing reforms

to improve the business environment and promote economic growth. Economic recovery after war is a difficult process for any country, but there are a number of successful and effective strategies for reconstruction and stabilization of the national economy. This requires the implementation of a comprehensive strategy for postwar economic recovery, including a combination of short- and long-term measures. In the short term, political institutions should prioritize stabilizing the economy and protecting vital needs, especially the restoration of critical infrastructure sectors (transportation, energy, water, and telecommunications). In order to restore and intensify economic growth in the long run, it is necessary to focus on international cooperation in obtaining financial and technical assistance, promoting national entrepreneurship and creating a favorable business environment (modernization of processing industry enterprises; public-private partnerships (seaports, airports, railways); digitalization of public administrative services)" [4]. To determine the vector of postwar economic recovery, a comparative analysis of different types of models of postwar socio-economic development is important. We are facing a historic test for the right to be a democratic and independent, competitive country with human dignity-oriented values. And despite the fact that the war is still ongoing and has devastating consequences, the issue of recovery is already at the center of scientific and public discourse. Scholar O. Kushnirenko states that "the analysis of scientific sources shows that today different countries that have experienced enemy destruction have implemented different models of socio-economic development, which differ primarily in terms of the criterion of state intervention in the processes of production and redistribution of national wealth.

The *first group* includes countries with a liberal type of national economy (the United States, Canada, and the United Kingdom).

The *second group* includes countries with socially oriented market economies and active state involvement in the processes of management and distribution of national income (Sweden, Germany, Poland).

The *third group of* countries is the "Eastern Tigers", countries with a high level of government intervention in the economy, a clear industrial policy based on selective support for priority industries and sectors, and an export-oriented economy (Singapore, South Korea, and China). IMF working papers emphasize *three key principles* underlying the

success of industrial recovery: support for domestic producers in difficult industries, comparative advantage; export orientation; and the pursuit of fierce competition with strict accountability.

For Ukraine, the choice of the best model for industrial development recovery is hampered by the current lack of unified and standardized strategic documents for the sector on the basis of sustainable development, with the interests of the main stakeholders aligned and national priorities taken into account in the strategy process. This requires the introduction of the doctrine of industrial recovery based on sustainable development, which is closely related to and depends on the role and functions of the state" [4].

Foreign practices of post-war economic reconstruction and modernization have become one of the main topics of academic discourse since the beginning of Russia's war against Ukraine in 2014. The lessons and experience of such practices are relevant for Ukraine and should be prudently taken into account in order to realize the historic chance to rebuild a powerful economy on a modern innovation and technological basis, which is a prerequisite for strengthening the sovereignty and economic security of the state after the war, creating a powerful industry and infrastructure development, increasing employment and incomes, and avoiding social upheaval.

Researcher V. Humeniuk believes that "a comparative analysis of foreign practices of postwar reconstruction gives grounds to assert that the *experience of South Korea* may be the most instructive for Ukraine. The liberal rule of President Rhee Syngman in the postwar period, widespread corruption, and the government's inability to solve economic development problems made the country completely dependent on foreign aid, mainly from the United States, the distribution of which, like half of the state's budget expenditures, was controlled from outside. The weakness of the government led to its change by force and the establishment of the authoritarian military-bureaucratic regime of Park Chung Hee. The 26-year term of his rule was a period of impressive economic growth based on state planning and control, as well as a stage of restoration of constitutional democracy. This historical example confirms the role of the individual and professional public administration in rebuilding the economy after the war and the risk of a liberal approach prevailing.

V. Humeniuk argues "that the helplessness of the authorities poses a threat of social upheaval and conflict, and decisive actions to quickly address the urgent needs of post-war reconstruction, in particular on the basis of foreign aid, should be subordinated to the interests of the country and its economic security" [4]. N. Hakhovych, also confirms the importance of South Korean experience in industrial policy for the postwar reconstruction of Ukraine's economy. During the post-war recovery, Ukraine's economic recovery should be based on the strategy of rebuilding and rapid economic growth to leapfrog from a transitional to a developing economy, taking into account the experience of developed countries. *South Korea's experience* shows how to transform from an agrarian poor state into a modern technological economy. After the Korean War of 1950-1953, the country demonstrated one of the best economic results in the world in the second half of the twentieth century. For 1960-2010, GDP per capita increased 25-fold, and the economic upswing, the surge of rapid industrialization and economic growth, is divided into three periods: import substitution, export orientation, and industrialization – the development of heavy and chemical industries. Therefore, in the modern world, Korea is a highly developed country, a member of the G20, and the 11th largest economy in the world. An important component of its success was the policy of dirigisme, the state's influence on the economy, which was aimed at moving from a policy of import substitution to the export of high-tech products. Support from the United States and its allies was also important for building industrial capacity. Ukraine also needs this" [4].

Although, according to economist A. Oliinyk, it is possible to implement the experience of post-war urban reconstruction in Ukraine on the example of Coventry (UK), which can be achieved by studying the experience of this experience in the post-war period. Until 1940, Coventry was the capital of the aviation, automotive, and military industries. During the Second World War, the term "coverture" was coined to mean bombarding a city with air strikes: on November 14, 1940, as a result of an 11-hour bombardment, the city lost 4,330 houses and three-quarters of all industrial facilities. An analysis of the stages of reconstruction reveals the peculiarities of this example:

1) the local authorities bought the land and became the absolute owner of Coventry;

2) a touch of humor and lightness has been added to the architecture (sculptures, installations and murals);

3) concrete was the main material for high-rise buildings (emphasized the "brutal" image of Coventry).

Study A. Oliinyka also points out the problems that the architects made during the reconstruction: the city's reorientation to car-centricity (a city for cars, not people), an overabundance of shopping and industrial centers, and many poorly constructed high-rise buildings. The art of rebuilding Coventry lies in the fact that, alongside the concrete facades, people have preserved the optimism reflected in the architecture. It is advisable to use this method of reconstruction management for the Donbas industrial area, as well as to attract the use of international financial assistance funds" [4].

4. The history of the formation of the institution of international participation in the recovery of the post-war economy

The formation of the institution of international participation in the restoration of the post-war economy and its genesis in the twentieth century is a rather important comparative study of state-building processes in post-war countries that have undergone the crucible of destruction by the aggressor country. The *European Bank for Reconstruction and Development (EBRD)* is such an institution of international participation in the restoration of Ukraine's economy after the Russian-Ukrainian war [4].

On May 16, 2023, the EBRD's Regional Economic Outlook report was published [7], which, in addition to the prospects for the development of the economies of other countries, outlines a scenario for the recovery of Ukraine. Therefore, we have already noted that the preparation of this EBRD study on Ukraine's recovery is an important signal of the involvement of international financial institutions in the reconstruction of our country. In addition, this study was published during the EBRD's annual meeting in May 2023 in Samarkand; the meeting was attended by representatives of all international financial institutions. The study noted: The EBRD forecasts Ukraine's economy to grow by 1% in 2023 and 3% in 2024 amid a gradual decline in inflation. However, according to experts, Ukraine's economy needs to grow by 14% annually for 5 years to sustainably recover. This study and its conclusions can be used in the preparation of a plan for the post-war reconstruction of Ukraine.

The EBRD is one of the largest institutional investors in Ukraine. As of May 1, 2023, the total amount of funding allocated by the Bank of Ukraine under 532 projects is €18.1 billion [3].

Based on the analysis of the lessons of recovery in world history, the scenario shows that the five-year period of state reconstruction will require additional investments of about \$50 billion. This can be done with the help of foreign capital inflows, including private capital.

For Ukraine's economy to recover within five years, it will need to grow by 14% annually over the entire period.

This will raise the average GDP at constant prices to \$225 billion from about \$150 billion. The total amount of the company's assets is expected to reach \$1.5 billion in 2022. According to the EBRD study, the main common feature for periods of sustained extremely high economic growth is a high investment-to-GDP ratio.

A rapid economic recovery is not the norm, the study notes. Unfortunately, most economies that emerge from armed conflict do not experience a long period of peace for 25 years afterwards and do not recover to pre-war levels of per capita income, even in the long run. However, according to the report, 29% of economies reach pre-war GDP per capita levels within five years after the end of hostilities. The study combines the common features of successful reconstruction that could guide Ukraine and extrapolates pre-war economic trends.

Until February 24, 2022, investments in Ukraine were mainly financed by domestic savings. In 2010-2021, capital inflows amounted to only 3% of GDP per year. Foreign direct investment usually declines significantly after an armed conflict and takes a long time to recover to pre-war levels. When domestic savings were low, foreign financing helped fuel a number of investment booms, including those in Central and Southeastern Europe in the 2000s.

According to the EBRD, many Ukrainian businesses did not cease operations during the war, but operate with limited capacity. Many enterprises are concentrated in the east and southeast of the country. Manufacturers have to cope with frequent power outages, destruction of fixed assets and infrastructure, logistical problems, lack of qualified personnel, etc. In such unfavorable conditions, macroeconomic stability was maintained thanks to clear external financing schedules and a long-

term program of the International Monetary Fund, which was signed in March 2023. The study suggests that external financing will be sufficient to cover the external and fiscal financing gap in 2023.

In March 2023, inflation fell to 21.3% year-on-year and is likely to continue to decline. Foreign exchange reserves are expected to remain at the same level, supporting the exchange rate peg.

The study forecasts that Ukraine's economy will grow by 1% in 2023 and 3% in 2024. It is noted that after an unprecedented drop in GDP in 2022, which amounted to 29.1%, the volume of production in real terms stabilized at about 70% of the pre-war level.

In the case of Ukraine, doubling the level of investment would require a significant increase in the country's absorption capacity, as well as the creation of a management structure for developing complex projects, preparing and concluding contracts. This will also require appropriate funding. The study indicates that the difference between the required level of investment and available domestic savings will need to be covered by external financing in the amount of 20% of GDP or \$50 billion per year.

The study emphasizes the importance of an appropriate balance of private and public sector involvement in previous post-conflict reconstruction, along with the important role of external assistance from bilateral and multilateral institutions. Private and public investments tend to complement each other in post-conflict situations and in general. In addition to financing, the private sector provides much-needed technological expertise, management know-how, and a focus on cost-effectiveness. In addition to energy-efficient industrial capital and agricultural machinery, the private sector can make an important contribution to rebuilding housing, transportation, energy, and municipal infrastructure, provided it has access to financing. The study also emphasizes the importance of foreign aid for Ukraine, both to overcome short-term funding shortfalls and to ensure that reform conditions are met. The absence of such momentum for reform and broader efforts to build credible economic and political institutions, according to the study, can discourage private investment, leaving bureaucratic gridlock, corruption, or a high degree of informality caused by an institutional vacuum.

On May 15, 2023, the European Commission has provided a forecast for the future of the Ukrainian economy. According to the European

Commissioner for Economic Affairs Paolo Gentiloni, GDP growth is expected to reach 0.6% in 2023 and 4% in 2024 [6].

World Bank analysts have revised upward Ukraine's financial needs for reconstruction and overcoming the consequences of a full-scale war. Reconstruction and restoration of Ukraine will cost at least \$411 billion [8].

The United Nations (UN) has also estimated the amount of money needed for reconstruction at \$411 billion. This is stated in the UN report "World Economic Situation and Prospects for Mid-2023" [9]. Despite financial assistance from international organizations, the UN estimates that Ukraine's economy will stagnate in 2023.

The EBRD has committed to invest €3 billion in Ukraine in 2022-2023, supporting the real economy to keep electricity and trains running in wartime, and stands ready to play a major role in reconstruction when circumstances allow. During 2022. The EBRD has invested €1.7 billion in Ukraine's economy, etc." [3]. The Bank also mobilized in 2022 €1.4 billion of donor funds, including in the form of unfunded guarantees, to support Ukraine and other countries that have already been and will be most negatively affected by the war in 2022-2023.

According to scientists, "the modern world is the result of the historical development of jointly divided labor from the elementary cell of society through the separation and institutionalization of, on the one hand, moments of separation, and on the other, moments of togetherness, which is embodied in the relations between the state and the market, the national and the world economy and finds its modern embodiment in the unfolding contradiction between globalization, which is realized through information, networking and financial technologies, and the localization of material and labor resources that are unable to move at the speed of information and financial flows.

The modern world has turned into a divided and shared world-system, the main contradiction of which is the tension between globalization and localization. Russia's war against Ukraine is a localization of the most acute global contradictions of the world's leading players in Ukraine. The post-war reconstruction of Ukraine's economy should take into account the previous path and experience of Ukraine, the consequences of market transformations of the inversion type and be aimed at forming a nationally rooted economic development based on the fullest use of national raw materials, production,

scientific, technical and labor potential and the creation of a network of value chains and processing of raw materials into final products to meet the needs of the population and exports.

This necessitates, *firstly*, clarifying the range of final products in demand in the domestic and foreign markets, *secondly*, assessing the raw materials that can be used to create these products, *thirdly*, creating an abstract scheme of the chain of processing raw materials into final products, *fourthly*, comparing the abstract scheme with the actual processes and identifying discrepancies, *fifthly*, choosing options to overcome the discrepancies by creating the missing links through the mobilization of national capacity and, if necessary, imports.

This is the core of a strategy for nationally rooted economic development in a divided and shared world. Economic, fiscal, monetary, investment and innovation policies are adjusted to it" [1; 4].

Globalization processes continue to exist in the world, but under regional and country-specific constraints. Even on the eve of the 2020s, global economic thought was debating the prospects for development in the context of so-called slowbalization (slow globalization). Doctor of Economics, O. Plotnikov, believes that "the active use of the sanctions regime defines certain countries not only as unfavorable for economic activity, but also as those that are actually excluded from the globalization process. There are real changes in the centers of economic power. Today, we are increasingly talking about theoretical and practical fragmentation. In fact, the world is experiencing increasing economic fragmentation, which is a counterweight to traditional globalization processes. Fragmentation is one of the significant consequences of Russia's armed aggression against Ukraine and has the potential to divide the world into geopolitical blocs with their own technical standards, reserve currencies and payment systems. The postwar reconstruction of Ukraine will take place in a fragmented global economy and will be implemented according to the appropriate parameters. Ukraine will continue to depend on external sources of funding and material assistance. In this context, it is extremely important to preserve the country's external development priorities, primarily its full membership in the European Union. It is also important to realize the role of the state in economic life during the war and the period of postwar reconstruction. In addition, the maximum correctness in relations with foreign partners

should be unquestionable, in particular, in calculating Ukraine's needs for financing the reconstruction process, given the differences in attitudes to corruption in Ukraine and Western countries" [4].

Reconstruction should take place at a qualitatively new level of the national economy and society, so it requires defining the fundamental principles, top priorities and problems of developing strategies and software tools. Anatolii Mokii, Doctor of Economics, believes that "the global environment is characterized by significant geopolitical, demographic, social, environmental, geo-economic, technological and information shifts and challenges against the backdrop of ineffective institutions of the world order. This challenge is the Russian aggression, which constitutes an imperative to transform the paradigm of Ukraine's development. For more than 30 years of state independence, despite significant political and socio-economic challenges, not only a strategy and macro model have not been formed, but also a national idea of development, which makes postwar reconstruction impossible, as there are risks of inefficient use of financial and material internal and external resources. It is necessary to conceptualize approaches to the formation of the strategy in a time horizon of at least 50 years, taking into account the likelihood of our state's existence in a war" [4].

5. Consolidation of the national idea of Ukraine with the processes of post-war reconstruction

Scholars propose to formulate the national idea of Ukraine as follows: "Ukraine is a European state: equal among the strong, strong among equals"[4]. To realize this idea, it is necessary to plan the sequence of the main stages of implementation of the proposed "macro model of balanced limited socio-economic growth:

- 2023-2032: accession to NATO; transformation of Ukraine's national security strategy; reduction of economic shadowing and corruption; ensuring respect for property rights; raising socio-economic standards; development of a competitive environment; recognition of the military, economic, scientific and technological sectors as priorities;

- 2033-2042: restructuring of the national economy in favor of technology-intensive industries; development of the factor potential of the nation's productive capacity;

– 2043-2052: entering the top ten countries in the field of space technology;

– raising socio-economic standards to the European level;

– 2053-2062: increase in the share of industries of the existing technological structure in the global environment; entering the top ten countries – world leaders in technological development" [1; 4].

Doctors of Economics S. Ivanov and H. Rozumova consider national food security to be the basis for the recovery and social stability of Ukraine in the postwar period, noting that "military actions affected all spheres of life in Ukraine, including the pricing and income level of the majority of the population in Ukraine, which in turn led to a deterioration in the food availability index. The food security policy should be a system of scientifically based measures that can be expressed in the form of a concept. When developing the concept, we considered the experience of developed countries. Developed countries use two approaches to ensuring food security:

The **first** is the priority of supporting national agricultural producers (EU countries);

The **second** is equal support for both agricultural producers and food consumers (USA).

Scientists believe that "it is advisable to use support for both consumers and agricultural producers in Ukraine. In order to achieve food security, the state policy should be implemented in the following areas:

– in terms of economic accessibility of food: increase of incomes of the population and state support for low-income social groups;

– in terms of physical accessibility of food: ensuring its uninterrupted supply to places of consumption;

– in terms of ensuring high quality of food and its environmental safety: stimulating improvement of nutrition quality;

– in terms of agricultural development: economic support for production based on the development of innovations in agricultural production;

– in the institutional area: stimulation of integration processes in the field of raw materials production, processing and marketing, development of the agri-food market infrastructure;

– in the foreign economic area: implementation of the policy of substitution of imports of agricultural products, raw materials and food,

support for exporters of certain types of products that do not violate the country's food security. The implementation of such measures will allow to solve the problem of food security of the country and to approach the average level of food consumption in the amount determined by rational norms by 2030" [4].

The scholar K. Lopukh draws attention to the principle of "order" in the policy of postwar economic recovery in Germany, which, after the end of World War II, faced the problem of restoring all spheres of society and, especially, the country's further socio-economic development. "This involved, first of all, the search for a new fundamental theoretical concept to justify economic policy as the basis for the revival of the material well-being of the German people. This concept became *ordo liberalism* and, later, the social market economy. The basic principle of this concept is the principle of "order".

In *ordo liberalism*, the concept of "order" is interpreted in two ways. On the one hand, it is a way of thinking about reality that transcends disciplinarily and applies to all spheres of social life. On the other hand, the principle of "order" implies another duality: we need to distinguish between "positive order" and "natural order." The economic order is necessary to understand the functioning of the "economic process," that is, the interaction of all daily economic events within this order. V. Oiken developed the concept of economic orders and market structures based on individual behavior. The central tool in explaining individual behavior was the "economic plan." For each agent, a plan can be defined as an expected representation of an economic action formed by a set of constraints: individual factors (*Datenkranz*) (satisfaction of needs, reserves, land and natural resources, labor, technical knowledge, social and legal organization), rules (Gossen's first law, law of diminishing marginal returns, long-term investments) and risks (arising from imperfections in the agents' expectations of the future outlined in the initial plan). It seems reasonable to implement the principle of order as a basis for post-war institutional modernization in Ukraine" [4].

It is worth noting that the international experience of structural reforms for rebuilding Ukraine's economy is strategically important among the historical determinants of the success of postwar reconstruction and further development of countries, and researchers identify the following groups:

Economic (level of pre-war development, extent of destruction and losses, volume and nature of foreign aid);

Institutional (state subjectivity in implementing the recovery plan, quality of institutions and effectiveness of public administration, level of institutional trust, interaction between the state, citizens, volunteer and other civil society organizations, degree of complementarity between local and central authorities);

Socio-Humanitarian (human potential and social capital of the country, peculiarities of the national mentality and the level of social consolidation, availability and level of validity of the national strategy and plan for further development).

Historical and economic practice shows that to achieve positive results, it is not so much the country's starting position that matters, but, *firstly*, effective mechanisms for managing processes based on professionalism and competencies;

Secondly, a broad social base of support (national idea, consolidation, and the will to implement their national project);

Thirdly, external assistance (investments, technology, organizational and foreign policy support).

6. Conclusions

The experience of countries that have undergone post-war/post-conflict recovery shows that their success was the result of targeted policies, structural reforms and consistent regulatory measures taken by the state to achieve certain goals. The idea that in the process of post-war recovery the national economy should not only be rebuilt at the previous level, but modernized, updated, and improved in institutional, organizational, technological, spatial, social, and other dimensions means that structural reforms are needed. Structural reforms are the process of streamlining economic life and making economic activity more certain and predictable, and the economic system more sustainable.

In a post-war economy, structural reforms should provide conditions for the resumption of economic activity, including entrepreneurial activity; restoration of the functioning of markets, including the labor market; transformation of resources into assets, their inclusion in the economic

cycle; and the effectiveness of capital formation mechanisms and the investment process.

The international historical experience of countries [1; 4], which differed significantly in terms of starting conditions, internal socio-political situation, external factors and the pace of post-war reconstruction and further economic growth, confirms that the establishment of institutional order through structural reforms and the use of opportunities offered by geopolitical changes are prerequisites for Ukraine's successful post-war recovery and further innovation and technological development.

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