

CHAPTER

SOCIAL ORIENTATION OF UKRAINE'S ECONOMIC SECURITY IN THE CONTEXT OF GLOBAL AND MILITARY CHALLENGES

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Summary

The current challenges to Ukraine's economic security are caused by a combination of internal contradictions and external threats. Striking a balance between economic efficiency and social orientation is identified as a key task for public policy. War, globalization, and technological change increase the vulnerability of the economy, but at the same time open up new opportunities for innovative development. The social component of economic security is a determining factor in the stability of society. Ignoring it leads to growing inequality and social tension, while integrating social criteria into economic security policy creates conditions for inclusive development. Thus, Ukraine's economic security should be viewed as an integrated system where the balance between market mechanisms and social guarantees is a prerequisite for political stability, international competitiveness, and improving the quality of life of the population.

Introduction

Economic security is a fundamental component of national security, as it reflects the ability of a country to maintain sustainable socio-economic development, protect strategic interests, and withstand internal and external threats. For Ukraine, this issue has become particularly acute due to the combined impact of globalization, geopolitical instability, economic crises, and ongoing military aggression. The war has not only caused significant human and infrastructural losses but also created unprecedented challenges for the

financial system, requiring new approaches to economic resilience and social protection.

In the modern world, economic security cannot be reduced solely to macroeconomic stability indicators such as inflation control, debt management, or budget balance. It must also incorporate a strong social orientation, ensuring that economic growth translates into improved living standards, access to healthcare and education, pension sustainability, employment opportunities, and poverty reduction. The balance between financial stability and social guarantees is especially complex in times of crisis, when resources are limited and the state faces competing priorities between defense spending and social needs.

The social orientation of economic security emphasizes human well-being, reduction of inequality, and the creation of an inclusive environment. International experience demonstrates that countries with strong social policies are better able to withstand shocks, maintain internal stability, and foster trust in government institutions. For Ukraine, this dimension is critical: neglecting social aspects risks deepening social tensions, undermining public confidence, and increasing internal vulnerabilities. Conversely, prioritizing social resilience strengthens national unity and contributes to long-term recovery.

Global challenges such as climate change, technological transformation, and demographic shifts further complicate the task of ensuring economic security. At the same time, military threats and hybrid warfare intensify the need for a comprehensive model that integrates economic efficiency with social responsibility. Ukraine's path to European integration also requires alignment with EU standards of social policy and sustainable development, making the social orientation of economic security not only a domestic priority but also an international obligation.

The scientific discourse increasingly highlights the importance of social factors in economic security. Researchers analyze issues ranging from social inequality and labor market dynamics to the role of public finance in supporting vulnerable groups. Ukrainian scholars emphasize the need to adapt global approaches to the national context, taking into account the consequences of war, institutional weaknesses, and limited fiscal capacity. This creates a promising research niche for developing strategies that combine financial stability with social inclusiveness.

Thus, the study of the social orientation of Ukraine's economic security in the context of global and military challenges is both timely and necessary. It provides a theoretical framework for understanding the balance between economic efficiency and social responsibility, while also offering practical recommendations for policymakers. In the further presentation, attention will be focused on the conceptual foundations of economic security, current global

and national challenges, and the role of social policy in strengthening Ukraine's resilience.

1. Theoretical foundations of economic security as a vector of social orientation of economic security and the main stages of its development in Ukraine

Economic security is a multifaceted concept that encompasses the ability of the national economy to function stably, effectively, and independently in the face of internal and external challenges. The generally accepted meaning of this definition in scientific literature is interpreted as a state in which the state is able to ensure sustainable development, protection of economic interests, financial stability, competitiveness, and social stability. At the same time, economic security consists of relevant components, where socially oriented security occupies an important position.

The idea of economic security as a component of overall human well-being began to take shape in political and scientific discourse as early as the mid-20th century. At that time, economic security was seen not only as the protection of national resources or the stability of the financial system, but also as a guarantee of the basic economic rights of citizens. These rights included the right to adequate housing, access to quality education, an effective social protection system, fair wages, and employment.

These provisions formed the basis for the concept of a socially oriented economy, in which the state assumes responsibility for creating conditions for a decent life for every citizen. In this context, economic security takes on a humanistic dimension – it is not limited to macroeconomic indicators, but includes social stability, the level of well-being of the population, and access to basic services.

Subsequently, economic security was officially defined as one of the key elements of national security. Relevant legislative acts defined it as a strategic priority, covering not only the defense and political components, but also the economic stability of the state, its ability to withstand internal and external threats, and to ensure social cohesion.

The concept of “economic security” began to take hold in the mid-20th century, primarily in the United States, as a component of national security. In US National Security Council documents, the term was used to refer to a state's ability to maintain the economic power necessary for defense, stability, and development. In particular, in the context of the Cold War, economic security was seen as a strategic resource that provided geopolitical advantage.

In 1985, the term “economic security” was officially recognized at the international level when the UN General Assembly, at its 40th session, adopted a resolution on international economic security [1]. The document emphasized the need to promote economic stability as the basis for the socio-economic

development and progress of each country. Subsequently, at its 42nd session, the Concept of International Economic Security was adopted, which enshrined the key principles: ensuring a decent standard of living, reducing global inequality, supporting employment, and access to basic social services [2].

These documents became an important step in shaping a global vision of economic security as a multidimensional category that combines economic efficiency with social justice. They also laid the foundation for the integration of social indicators into systems for assessing the economic stability of states.

In the 1970s and 1980s, the term “economic security” began to be actively used in the works of Western economists who studied the impact of economic factors on state stability. During this period, the world economy faced a series of global challenges – energy crises, stagflation, rising unemployment, and inflation. This led to a rethinking of the role of the state in the economy and brought to the fore the issue of the vulnerability of national economies to external shocks.

In the works of researchers such as Lester Thurow [3], Kenneth Waltz [4], and Henry Kissinger [5], economic security began to be viewed as a strategic category encompassing not only financial stability but also the state's ability to maintain control over critical resources, ensure employment, foster social cohesion, and achieve technological autonomy. They emphasized that economic security is a prerequisite for political stability, and its violation can lead to internal conflicts, loss of sovereignty, and a decline in international influence.

Thus, these foreign concepts laid the groundwork for the further development of the concept of economic security in international law and national strategies. They laid the foundation for integrating social indicators into economic stability assessments, a task especially relevant in today’s global transformations.

In Ukrainian scientific discourse, the concept of economic security after 1991 has acquired special significance in connection with the transformation processes, i.e., the transition from a planned to a market economy and the need to protect national interests. Economic security has become a key factor in the survival of the state, as it determines the country's ability to withstand internal and external challenges.

An analysis of the scientific approaches of Ukrainian researchers to the issue of economic security reveals a wide range of conceptual models that reflect both the structural complexity of this phenomenon and its multidimensionality. One of the key common denominators is the understanding of economic security as a multi-level system that encompasses the state, enterprises, households, and individuals. This approach is presented, in particular, in the works of Z. Zhivko [6], who emphasizes vertical and horizontal links in the security system, as well as the need to ensure it at all stages of the reproduction

process. This allows us to consider economic security not only as an instrument of stability, but also as a mechanism of social balance.

Ukrainian researchers, in particular Heyets and Kvasnyuk and Makara, consider economic security as a systemic category that encompasses financial, social, resource, institutional, and other subsystems. It is interpreted as the state's ability to ensure the stable functioning of the economy, protection from internal and external threats, and the creation of conditions for sustainable development [7; 8].

Also, Heyets and Kvasnyuk, in the Concept of Economic Security of Ukraine, note that the essence of economic security is characterized by the ability of the national economy to ensure its free and independent development [7].

The institutional dimension of economic security in wartime is discussed in detail in a study by Z. Varnaliya [9], who emphasizes the role of state mechanisms in adapting the economy to crisis challenges. This approach allows us to view economic security as a dynamic system that responds to threats and ensures the stability of socio-economic development.

The issue of global challenges in the context of national economic security has been explored in the works of O. Generalov and O. Romanenko [10], who analyze the risks of international competition, financial market instability, and technological change. Although social orientation is not dominant in their approach, it is present as a necessary element of sustainability – through ensuring access to resources, supporting vulnerable groups, and developing human capital.

At the same time, the social orientation of economic security is unevenly represented in domestic scientific discourse. In particular, researchers N. M. Popadynets [11] and V. V. Gutman [12] pay considerable attention to social threats – unemployment, inequality, demographic challenges. Their approaches allow us to consider economic security as an indicator of social welfare and justice. Other authors, however, such as O. A. Denysov [13] and O. G. Chumachenko [14], focus mainly on structural, sectoral, or innovative aspects, where the social dimension is considered indirectly or as secondary.

The institutional approach presented in the works of L. S. Shevchenko [15] emphasizes the importance of legal and regulatory foundations for the formation of economic security. However, as the analysis shows, social aspects in such models often remain on the periphery of attention, which creates the risk of formalizing security without a real impact on the quality of life of the population. This points to the need for deeper integration of social criteria into state economic security policy.

Separately, it is worth noting the approach of D. O. Papirin [16], which focuses on the impact of globalization processes on economic security. His concept allows us to identify new contradictions between global economic

trends and local social needs. This is particularly relevant for Ukraine, which is undergoing transformation and integration into the global economy. In this context, the social orientation of economic security should become not only a declarative goal, but also a practical criterion for the effectiveness of security policy.

Thus, theoretical analysis of foreign and Ukrainian studies has allowed us to develop our own understanding, which is that economic security is a multi-level system where social orientation is a key factor in society's resilience to crisis challenges, as it is social orientation that ensures trust in institutions of power, reduces social tension, and creates conditions for sustainable development.

In today's conditions, Ukraine's economic security is interpreted as a comprehensive system covering financial, institutional, social, and resource components. It should ensure not only macroeconomic stability but also social cohesion, human capital development, and protection of vulnerable population groups. The most promising models for Ukraine are integrative models of economic security that combine managerial, social, and institutional dimensions. The managerial dimension covers strategic planning, support for key industries, innovation development, and ensuring financial stability. The institutional dimension involves creating transparent control mechanisms, fighting corruption, and building citizens' trust in state institutions. The social dimension focuses on human capital development, reducing inequality, and supporting vulnerable groups. These components are summarized in the form of an integrated model of Ukraine's economic security (see Figure 1).

As shown in Fig. 1, economic security is formed at the intersection of economic efficiency, social orientation, and institutional capacity, which ensures its comprehensive nature. Its effectiveness depends on the state's ability to maintain a balance between market mechanisms and social guarantees, because only under this condition are sustainable development, political stability, and international competitiveness possible.

In Ukraine, the institutional dimension is of particular importance, as it is institutions that guarantee the adaptation of the economy to crisis challenges, support strategic industries, and preserve social stability. It should be noted that the institutional formation of the economic security system in Ukraine began at the stage of gaining state sovereignty. In the Declaration of State Sovereignty of Ukraine, adopted by the Supreme Council of the Ukrainian SSR, economic security was officially defined as one of the key principles of independent economic policy [17]. The document emphasized the need to create Ukraine's own financial, tax, banking, customs, and investment systems to ensure the economic independence of the state.

In 1999, the Concept of Economic Security of Ukraine was adopted, which established a systematic approach to understanding economic security as a

multi-level category. It covers macroeconomic stability, institutional capacity, resource self-sufficiency, innovative development, and social cohesion. The concept emphasizes that the social aspect is an integral part of economic security, as it determines the level of society's resilience to economic shocks and crises.

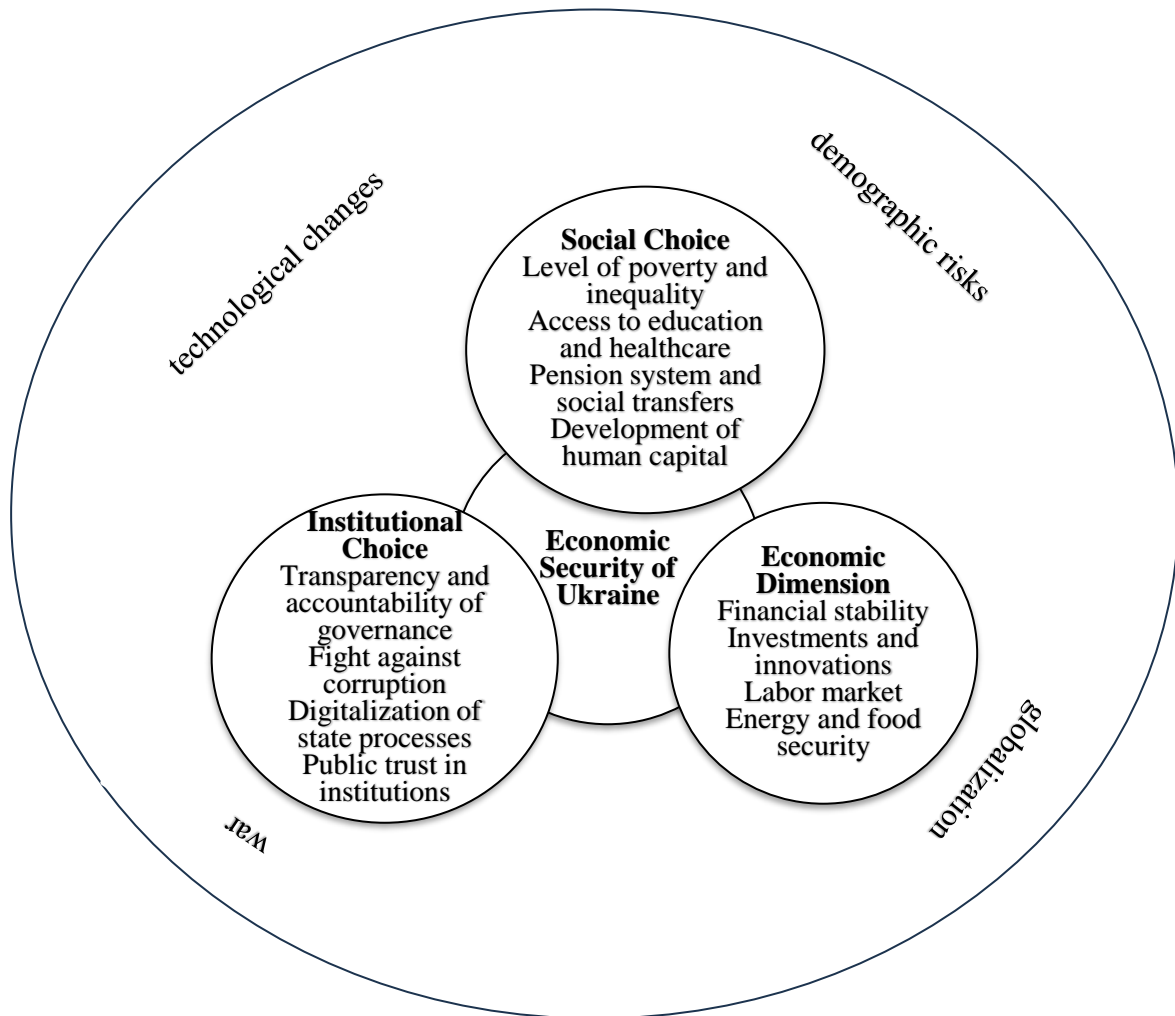


Figure 1. Integrated model of Ukraine's economic security

Source: developed by the authors

Subsequently, in order to implement this principle, the Economic Security Department was created, which became the first specialized body responsible for monitoring and analyzing economic threats. This marked the beginning of the formation of a national system for the protection of economic interests.

An important step was the development of the National Program for Ensuring Ukraine's Economic Security until 2005, which defined the strategic directions of state policy in the field of economic security. The program covered issues of financial stability, energy independence, food security,

protection of the domestic market, as well as social security, in particular, support for employment, the pension system, and access to basic services [18]

Thus, already in the early stages of state formation, Ukraine laid the foundations for the formation of a comprehensive economic security system that combines economic efficiency with social orientation.

Subsequently, the issue of economic security gradually became systemic in Ukraine, which was reflected in strategic state policy documents. The main regulatory act defining current priorities in this area is the Economic Security Strategy of Ukraine for the period up to 2025, approved by Presidential Decree No. 347/2021 of August 11, 2021. This document serves as a national program, as it contains a comprehensive system of goals, objectives, mechanisms, and indicators for ensuring economic security [19]. The term of the Economic Security Strategy of Ukraine (2021-2025) has expired, which highlights the need to develop new strategic documents that can take into account current challenges and the long-term consequences of the war.

The strategy envisages the formation of a sustainable, competitive, and innovative economy capable of withstanding internal and external threats. It pays particular attention to the social component, including reducing inequality, supporting employment, developing human capital, and ensuring access to basic services. The document identifies key areas: financial, investment, innovation, energy, social, and institutional security.

Despite significant legislative developments in the field of economic security in the country, only the Strategy until 2025 has for the first time systematically combined the economic and social aspects of security, defining the balance between market mechanisms and social guarantees as a key condition for sustainable development. In addition, an important element in the implementation of the strategy was the creation on January 28, 2021, of the Economic Security Bureau (ESB), which performs the functions of an analytical and law enforcement body in the field of protecting the economic interests of the state [20].

For a better understanding of the stages of development of Ukraine's economic security system, it is useful to summarize the key events and regulatory documents that shaped its conceptual and institutional foundations. Thus, the development of Ukraine's economic security can be traced through a series of documents that enshrined its conceptual foundations. Table 1 shows the main milestones in the development of state policy in the field of economic security in the period from 1990 to 2025.

Therefore, it can be stated that the establishment of Ukraine's economic security system took place in stages – from the declarative consolidation of principles in the Declaration of State Sovereignty to the development of comprehensive strategies and the creation of specialized institutions. This process reflects the gradual transformation of state policy from the basic

principles of economic independence to an integrated model that combines economic efficiency with social orientation.

Table 1

Key milestones in the development of Ukraine’s economic security system (1990–2021)

Year	Event / Document	Content and significance
1990	Declaration of State Sovereignty of Ukraine	The principle of economic independence was enshrined for the first time and economic security was defined as the basis of independent policy
1998	CMU Resolution No. 345	A working group was created to develop the National Program for Ensuring Economic Security of Ukraine until 2005
1999	Concept of Economic Security of Ukraine	A multi-level structure of economic security was defined, and the social aspect was included as a key element
2000–2010	Social and Economic Development Programs	Partially covered issues of stability, employment, and social protection, but without systematic integration
2015	Ukraine's National Security Strategy	Economic security defined as a component of national security; emphasis on energy independence, import dependence, and demographic risks
2021	Ukraine's Economic Security Strategy until 2025 (Presidential Decree No. 347/2021)	Systemic combination of economic and social aspects; areas defined: financial, investment, social, and institutional security
2021	Establishment of the Economic Security Bureau of Ukraine	Launch of a specialized body to protect the economic interests of the state and combat economic crimes

Source: systemised by the authors

Thus, the development of Ukraine's economic security can be characterized as an evolution from declarative provisions to a comprehensive strategic management system. Ukraine's Economic Security Strategy (2021-2025), although formally no longer in force, remains an important benchmark for state policy and a basis for the formation of new security programs. In the current context of post-war reconstruction and global economic transformation, the economic security model should be based on a human-centered approach that combines market mechanisms with social guarantees, provides conditions for sustainable development, international competitiveness, and integration into the global economic space, and takes into account the long-term consequences of war and new challenges of the global economy.

2. Contradictions and challenges of the present day in ensuring economic security in wartime

The current stage of Ukraine's development is characterized by a combination of internal transformations and external challenges that significantly affect the state of economic security. In wartime, the problem of finding a balance between economic efficiency and social orientation becomes particularly relevant. On the one hand, the state must ensure financial stability, competitiveness, and institutional capacity, and on the other hand, it must guarantee the social rights of citizens, support employment, reduce inequality, and create an inclusive environment. Ignoring the social aspect leads to increased social tension and reduced trust in the authorities, while excessive socialisation of the economy can threaten financial stability. That is why it is important to find an optimal model of economic security that will respond to the challenges of war and post-crisis transformation in Ukraine.

In Ukraine, the chronic budget deficit is caused not only by cyclical economic crises, but also by systemic structural flaws: an inefficient tax system, a high level of shadow economy, and irrational distribution of expenditures. This creates a situation where spending on defense, energy security, debt servicing, and institutional support is increasing, while funding for social sectors – education, healthcare, and the pension system – is declining.

According to the Ministry of Finance of Ukraine, budget financing for debt operations amounted to more than UAH 1.5 trillion, which is approximately 15% of the total budget [21]. This means that every sixth hryvnia of budget funds is directed not towards development, but towards debt repayment. This situation limits the possibilities for investing in human capital, modernizing infrastructure, and supporting socially vulnerable groups.

In the context of war, Ukraine adopted a military budget in 2024–2025 in which spending on the security and defense sector exceeded 20% of total expenditure [22]. This policy was dictated by the need to ensure the country's defense capability in wartime and to counter external aggression. The priority of security spending became obvious: the state allocated significant resources to finance the army, military equipment, defense infrastructure, and support for law enforcement agencies. At the same time, funding for social sectors, particularly education and healthcare, was cut. This indicates a selective implementation of state priorities, with economic security and defense capabilities taking precedence over social orientation. This situation creates risks of long-term underfunding of human capital, which could negatively affect the country's development after the war ends.

On the one hand, the military budget is a necessary tool for the state's survival in the face of an existential threat. On the other hand, it demonstrates a structural contradiction between economic security and social orientation, as cuts to social programs can lead to increased social tension and deepening

inequality. In scientific discourse, this is defined as a public policy dilemma, when strategic defense spending conflicts with human capital development objectives [22].

At the same time, the shadow economy remains one of the most serious challenges. According to estimates by the Ministry of Economy, its share in 2024 exceeded 50% of GDP. This reduces the effectiveness of state regulation, undermines the tax base, distorts market competition, and makes it impossible to fully implement social programs. The most problematic sectors remain trade in excisable goods, construction, and services [23]. A significant part of the labor force works without formal registration, which leads to a shortfall in contributions to the Pension Fund and Social Insurance Funds. As a result, the state is forced to either cut social spending or compensate for the deficit through external borrowing, which increases the debt burden. The shadow economy also undermines trust in state institutions, creating a sense of injustice: some entities evade taxes, while others bear the full fiscal burden. This contributes to a culture of evasion, which complicates the implementation of reforms aimed at ensuring social justice and transparency in economic relations.

Such challenges are not unique to Ukraine. The experience of other countries shows that excessive shadowing of the economy and a one-sided focus on financial stability without due consideration of the social consequences can lead to profound social upheaval. The examples of Brazil and Greece demonstrate that attempts to solve economic problems solely through harsh fiscal consolidation measures or cuts in social programs can stabilize the financial system only temporarily, but at the same time provoke political instability and a decline in living standards. In particular, Greece demonstrated the negative consequences of austerity during the debt crisis of the 2010s. Cuts to social programs, pensions, and wages helped stabilize the financial system, but at the same time led to mass protests, a decline in living standards, and political instability. This shows that focusing exclusively on financial stability without considering the social consequences can have a devastating effect [24].

In Brazil, periods of fiscal consolidation have exemplified the conflict between economic security and social orientation. Faced with high inflation and rapidly growing public debt, the government was forced to cut social programs, leading to mass protests and political instability.

In contrast, South Korea demonstrates a synergistic approach, combining investment in defense with the development of social programs. Significant resources are directed toward education, health care, and innovation, which ensures the country's competitiveness and at the same time reduces social tension [25].

Comparing the experiences of different countries allows us to trace how public policy responds to the challenges of economic security and social orientation in crisis situations. Ukraine, Brazil, Greece, and South Korea

demonstrate different models of balancing financial stability, defense capability, and human capital development. In each case, strategic priorities were determined by the specifics of external and internal threats, but the consequences for the social sphere and the level of trust in the state were significantly different. To systematize these approaches, it is advisable to provide a comparative description (Table 2).

Table 2

Comparative models of interaction between economic security and social orientation of state policy

Country	Context of crisis/ threat	Key public policy measures	Economic outcomes	Social consequences	Model of interaction between security and social orientation
Ukraine (2024–2025)	War, external aggression	Priority of defense spending (over 20% of the budget), reduction of social programs	Increased defense capabilities, mobilization of resources	Under-funding of education and healthcare, risk of long-term decline in human capital	Model of prioritizing security over the social sphere
Brazil	High inflation, debt pressure	Fiscal consolidation, reduction of poverty reduction programs	Partial stabilization of the financial system	Mass protests, growing inequality, political instability	Conflict between financial stability and social orientation
Greece (2010s)	Debt crisis, deficit >13% of GDP	Austerity program: cuts in social spending, pensions, and wages	Deficit reduction, partial stabilization of macrofinance	Mass strikes, decline in living standards, radicalization of public sentiment	Dilemma between economic security and social stability
South Korea	Constant external threats (DPRK), global competition	Increased defense spending alongside investments in education, healthcare, and innovation	High economic growth rates, financial system stability	Improved social welfare, reduced tensions	Synergistic approach: integration of security and social development

Source: systemised by the authors

The data in Table 2 show that state policy in the field of economic security is shaped by various external and internal factors. In 2024–2025, Ukraine chose a model of prioritizing defense spending, which was driven by existential threats but created risks of long-term underfunding of human capital.

In the international context, the example of Poland is illustrative: in the 1990s, the country carried out a comprehensive tax reform, simplified administration, introduced a single VAT rate, and strengthened control, which made it possible to reduce the share of the shadow sector and increase social investment [26].

After joining the EU, Poland introduced a number of social equalization programs, including investments in education, infrastructure, and regional development, which reduced poverty and increased the human development index. A similar experience can be seen in the Scandinavian countries, where a combination of high taxes, a developed social protection system, and investment in human capital ensures both economic competitiveness and a high level of social cohesion [27].

Overcoming this contradiction requires a systematic review of budget priorities, optimization of public spending, expansion of the tax base, and ensuring transparency in the use of financial resources. Only through strategic planning and effective management is it possible to achieve a balance between economic security and social orientation, which is a key prerequisite for the sustainable development of the state in the post-crisis period.

One of the key contradictions between economic security and social orientation is the gap between macroeconomic indicators and the actual living standards of the population. In many countries, the growth of gross domestic product (GDP) is not accompanied by improvements in social conditions, which indicates structural inequality in the distribution of economic benefits. According to the State Statistics Service of Ukraine, in 2023 real GDP grew by 5.3%, which is a rather high figure compared to the significant decline of 28.8% in 2022 [28]. The economic recovery of Ukraine during 2023–2025 made it possible to form fairly optimistic forecasts regarding the stabilization of the macroeconomic situation and the mitigation of most risks for the socio-economic system of the state. Experts predict that in order to reach the pre-war level of real GDP, the national economy will need annual growth of 5% over the course of seven years [29].

An additional challenge to economic stability is public debt, which in 2025 exceeded 90% of GDP in Ukraine. Debt servicing accounts for more than 15% of the budget, which limits funding for the social sector – education, healthcare, the pension system, and support for internally displaced persons [30]. All these negative trends in the country have caused a significant increase in inflation. According to the Center for Economic Strategy, the inflation rate in Ukraine in

2025 was 13–15% [31]. This creates considerable pressure on households, reduces purchasing power, and complicates the planning of social expenditures.

In countries with developed market economies, such as Brazil or South Africa, economic expansion has often been accompanied by the concentration of wealth within narrow social groups, leading to increased social tension, protests, and political instability. In South Africa, despite a high GDP per capita, the Gini index remains one of the highest in the world – 63.0 as of 2024 [32]. This demonstrates that inequality in income distribution has a direct impact on economic security, as it reduces social cohesion, generates distrust in institutions, and complicates the implementation of strategic reforms. The long-term consequences of such inequality manifest in reduced labor productivity, limited access to quality education, brain drain and emigration of young professionals, as well as increased political radicalization.

Inequality also has a direct impact on economic security, as it reduces the level of social cohesion, generates distrust in institutions, and complicates the implementation of strategic reforms. Thus, the gap between macroeconomic indicators and the actual living standards of the population is one of the key structural contradictions of modern state policy. Economic security cannot be achieved without an effective system of social equalization that ensures fair distribution of resources, access to basic services, and the development of human capital. Only the integration of economic efficiency with social orientation creates the conditions for the long-term sustainability of the state and its competitiveness in the global environment.

Demographic processes also have a direct impact on economic security and social stability of the state. Population aging, the decline in the share of the working-age population, and labor migration create systemic risks for the pension system, labor market, and healthcare. According to the Ministry of Social Policy, in 2025 the share of people aged 60+ in Ukraine was 25%, and those aged 65+ accounted for 18.4% [33]. This creates additional pressure on the pension system and requires reorientation of social policy toward the needs of the elderly. At the same time, labor migration leads to a shortage of qualified personnel, especially in healthcare, education, and industry, which weakens the competitiveness of the economy.

In Poland, to overcome the problem of aging, the government introduced a program to support birth rates and encourage the return of labor migrants. In 2024, a Comprehensive Migration Policy Strategy for 2025–2030 was approved, which provides for the reintegration of citizens working abroad and support for families with children [34].

In Brazil and South Africa, demographic challenges have a different character – large segments of youth lack access to quality education and employment. In Brazil, more than 24 million people aged 18–29 are at risk of social marginalization due to insufficient educational opportunities and high

unemployment [35]. In South Africa, a significant share of young people lack stable employment, which contributes to rising crime and social tension. Thus, demographic challenges are a long-term risk factor that complicates the combination of economic security with social orientation. Overcoming them requires comprehensive policies: stimulating birth rates, supporting families, creating conditions for the return of migrants, and engaging youth in economic life through investments in education and innovative industries.

The labor market in Ukraine demonstrates mixed trends. On the one hand, the official unemployment rate decreased to 7.8%, which may appear as a positive signal. However, this decline is partly explained not by economic growth but by population mobilization and labor migration. A large number of working-age citizens left the country (almost 11 million people) or were engaged in the defense sector, which reduced the total number of registered unemployed. On the other hand, the share of informal employment is increasing – work without official registration – which complicates the replenishment of social funds, reduces pension savings, and creates additional risks for economic security [36].

Social expenditures remain one of the most sensitive elements of state policy during wartime. In 2025, the government provided for pension indexation, but its amount did not compensate for real inflation. The minimum pension in Ukraine was 2,361 UAH, which is lower than the actual subsistence minimum of 3,028 UAH for working-age individuals [37]. This creates financial shortages for millions of pensioners, especially in regions where access to medical services and social infrastructure is disrupted. At the same time, subsidies for housing and utility payments were allocated in the amount of 42.3 billion UAH, but the number of recipients decreased by more than 400,000 [38].

Healthcare funding in Ukraine in 2025 remained at the level of 2024, without significant increases. At the same time, the burden on the medical system is growing – due to the wounded, displaced persons, and the destruction of medical facilities [39]. Many regions face shortages of doctors, medicines, and equipment, which complicates access to quality medical care. Thus, social expenditures during wartime become a strategic challenge for state policy. Their provision requires a revision of priorities, optimization of spending, and finding a balance between macroeconomic stability and social orientation.

The contradictions between the goals of economic security and social orientation are a complex and multidimensional phenomenon that manifests itself at the level of financial policy, institutional governance, demographic dynamics, and structural features of the economy. The state, striving to ensure stability and competitiveness, is often forced to sacrifice social priorities, which generates an imbalance between economic efficiency and public welfare.

Overcoming the contradictions between the goals of economic security and social orientation in Ukraine requires a systemic, multi-vector approach that combines strategic planning, institutional renewal, and rethinking the role of the state in ensuring citizens' welfare. An important step toward balance has been reforms in the social sphere: pension reform, the introduction of a subsidy system, and the development of electronic services in social protection. At the same time, there remains a need for deeper integration of social indicators into the system of economic security assessment. This will allow timely identification of risks and adaptation of policy to the needs of society [40].

One of the promising instruments for shaping a balanced economic policy is the use of foresight methodology. It allows for modeling development scenarios and taking socio-economic risks into account. Foresight combines forecasting and programming of development, engages expert groups and stakeholders, and ensures the alignment of interests among different social groups. For Ukraine, this tool is particularly relevant in times of crisis, as it helps to form long-term strategies that consider both economic and social aspects [41].

A demonstrative example is the application of foresight in a hypothetical industrial region of Ukraine, which faces demographic decline, high levels of labor migration, and significant fiscal pressure on local budgets. Key risks to economic security here are associated with deindustrialization, rising unemployment, declining investment attractiveness, and social tension.

The foresight methodology makes it possible to model two basic development scenarios. The baseline scenario envisions gradual modernization of production, retraining of personnel, and targeted support for small and medium-sized businesses, which ensures moderate employment growth and stabilization of social indicators. The stress scenario models a deepening crisis: reduced investment, rising poverty, and youth outmigration, creating risks of social destabilization.

To monitor scenarios, indicators of social resilience are used: poverty levels, employment, the Human Development Index, access to basic services (education, healthcare), and the level of trust in institutions. Regular monitoring of these indicators allows timely policy adjustments and adaptation of regional strategies to the real needs of the population. Thus, foresight becomes a practical tool for integrating economic and social priorities into the system of economic security.

Accordingly, the tax system is one of the key instruments for achieving a balance between market efficiency and social justice. Progressive taxation reduces inequality, but excessive burdens restrain business. The optimal balance should simultaneously ensure economic growth and social stability [41]. At the same time, tax policy must consider the investment attractiveness of the country. Excessive tax burdens may hinder business

development, while excessive benefits may reduce budget revenues. Therefore, it is important to find an optimal balance between stimulating entrepreneurship and ensuring social guarantees. For Ukraine, a pressing task is the creation of a transparent and fair taxation system that simultaneously supports economic growth and guarantees social stability.

Another important instrument is transparent budget planning. The openness of the budget process and public participation in its formation increase trust in institutions and ensure efficient use of resources. In Ukraine, electronic tools for budget monitoring are already being implemented, but their effectiveness depends on institutional capacity and political will. Transparent budget planning allows timely identification of risks and adaptation of policies to societal needs [43].

An important aspect of transparency is not only citizens' access to information but also their ability to influence budgetary decisions. The practice of "participatory budgeting," which is gradually spreading in Ukrainian cities, demonstrates the potential of engaging civil society in resource allocation. This fosters a culture of responsibility and accountability, while reducing corruption risks. Moreover, transparent budget planning has an international dimension: it is an important condition for receiving financial assistance and investments. Donors and international partners assess the openness of the budget process as an indicator of the institutional maturity of the state. Thus, budget transparency becomes not only an internal instrument of stability but also a factor of Ukraine's integration into the global economic space.

Therefore, the Ukrainian context demonstrates the complexity of finding a balance between market mechanisms and social guarantees. Economic crises, current challenges of war, and institutional weakness show that without integrating social indicators into the system of economic security, sustainable development cannot be ensured. For Ukraine, it is promising to form an integrative model that combines market efficiency with social justice and is based on transparent institutions and strategic planning.

The generalization of challenges and the search for balance between social orientation and economic efficiency are illustrated in Figure 2.

As shown in Figure 2, Ukraine's economic security is shaped by a constant balance between social guarantees and contemporary threats. This contradiction defines the practical boundaries of state policy and requires flexible management mechanisms. One of the most acute contradictions in implementing economic security policy is the limited availability of financial resources, which forces the state to continuously balance between strategic expenditures on security and social commitments to the population. Such a dilemma is particularly relevant for countries with high levels of public debt, limited access to external financial resources, and unstable macroeconomic

conditions. Resolving this issue is a key prerequisite for building a sustainable model of Ukraine’s economic security.

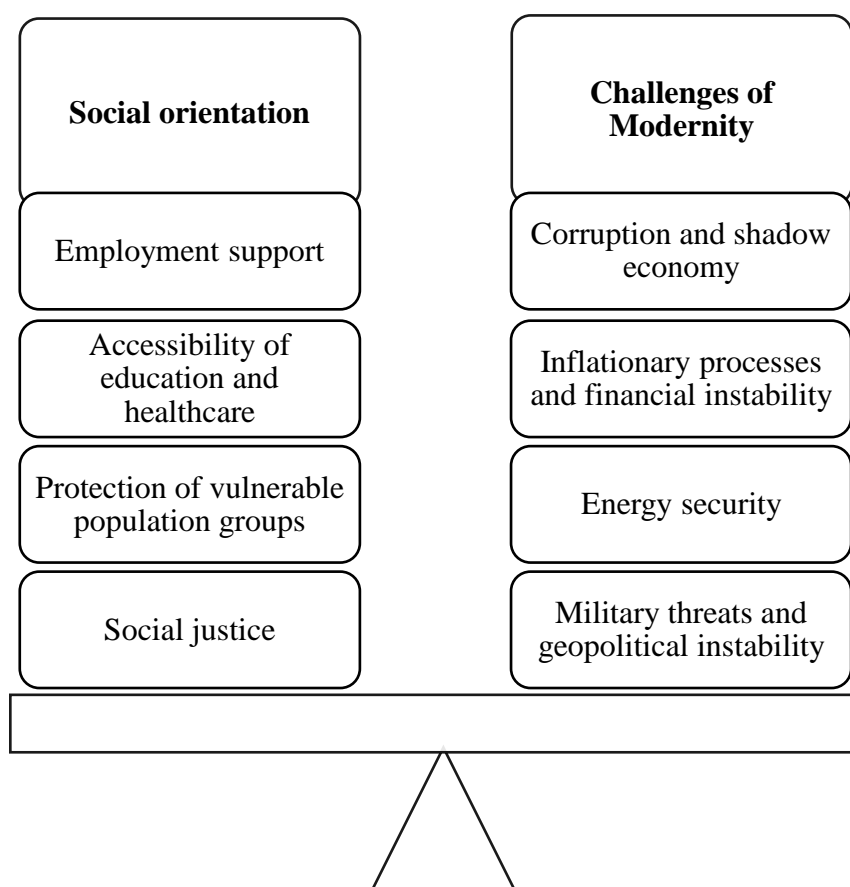


Figure 2. Balance between social orientation and contemporary challenges in the context of Ukraine’s economic security

Source: developed by the authors

Social transfers (subsidies, targeted payments) remain an important instrument for supporting vulnerable groups but require improvement to prevent misuse [44]. Thus, the reduction of subsidies during periods of rising electricity and gas tariffs provokes social dissatisfaction, especially among pensioners and low-income families.

Social expenditures must be not only substantial but also effective. This means optimizing programs, targeting assistance, avoiding duplication of functions, and introducing performance evaluation systems. For example, subsidies should be provided to those who genuinely need support, rather than based on formal criteria. Effective use of social resources reduces fiscal pressure, improves service quality, and ensures a real impact on the welfare of the population. In this context, it is important to implement social audit tools and involve the public in oversight.

Modern conditions require the use of digital technologies for monitoring and controlling the effectiveness of social programs. Electronic registries, open budgets, and automated analytical systems help reduce corruption risks and increase transparency in governance. For instance, in Poland, the digitalization of public administration has become one of the factors behind the successful integration of social programs into the system of economic security [45].

The instruments for achieving a balance between market mechanisms and social guarantees include tax policy, budget planning, social transfers, investments in human capital, and digital technologies. Their effectiveness depends on the institutional capacity of the state and the level of public trust in institutions. For Ukraine, the key task is to integrate these instruments into a unified system of strategic planning, which will ensure both economic efficiency and social justice.

The balance between market mechanisms and social guarantees in Ukraine should be considered a strategic condition for sustainable development. In the current context of war and global challenges, the state is compelled to simultaneously ensure financial stability and uphold social justice. A promising direction is the formation of an integrative model that takes into account both economic efficiency and social indicators – poverty levels, access to education and healthcare, and the Human Development Index [40].

An important factor in maintaining this balance is international assistance. Programs of the IMF, World Bank, and EU are aimed at stabilizing the financial system while simultaneously financing social projects. This allows Ukraine to preserve its social orientation even during periods of budgetary constraints [44]. In particular, Ukraine's cooperation with the International Monetary Fund in 2024–2025 took place within the framework of the EFF program, which envisages fiscal discipline, reduction of the budget deficit, pension system reform, and reduction of subsidies [30]. These requirements are logical from the standpoint of macroeconomic stability but contradict the real social needs of the population. For example, freezing the minimum wage at 8,000 UAH does not correspond to the rising cost of living, especially under conditions of inflation and energy instability.

Thus, the economic security of the state cannot be viewed solely as a technical category based on macroeconomic indicators. It has a social dimension that determines citizens' trust, the level of fairness, and opportunities for social mobility. For Ukraine, the key task is to form a development model that combines market efficiency with humanistic values, ensuring both financial stability and a decent standard of living for the population. The current challenges to Ukraine's economic security are shaped by a combination of internal contradictions and external threats. The balance between economic efficiency and social orientation remains a key task of national state policy. War, globalization, and technological change increase the

vulnerability of the economy but at the same time open new opportunities for innovative development.

At the same time, the social component of economic security is a decisive factor in the resilience of society. Ignoring it leads to growing inequality and social tension, while integrating social criteria into economic security policy creates conditions for inclusive development. Thus, Ukraine's economic security should be considered as an integrated system, where the balance between market mechanisms and social guarantees is a defining condition for political stability, international competitiveness, and improved quality of life for the population.

Conclusions

The conducted study confirms that the economic security of the state is a multidimensional phenomenon that cannot be reduced solely to financial or macroeconomic indicators. It has a social dimension that determines citizens' trust in institutions, the sense of fairness, and opportunities for social mobility. Therefore, the balance between market mechanisms and social guarantees is a key factor of sustainable development. If the state ensures a fair distribution of resources while simultaneously creating conditions for economic freedom, it lays the foundation for long-term stability and societal development.

The Ukrainian context shows that excessive market orientation without adequate social support leads to growing inequality and social tension, while excessive socialization of the economy creates risks of budget deficits and reduced investment attractiveness. Thus, the key task is to find an integrative model that combines economic efficiency with social justice. This task is particularly relevant in the context of war and post-war recovery, when the state must simultaneously ensure financial stability and support the most vulnerable groups of the population.

An important factor in achieving balance is the institutional capacity of the state. Combating corruption, developing transparent governance mechanisms, and engaging civil society in oversight are necessary conditions for building trust in institutions. Without this, even the best economic models will remain declarative. At the same time, digital transformation opens new opportunities for enhancing transparency and efficiency, while international assistance and European integration provide additional resources for implementing reforms.

The Ukrainian context demonstrates the complexity of this task: economic crises, institutional weakness, and the challenges of war prove that without combining economic efficiency and social justice, sustainable development cannot be achieved. A promising direction for Ukraine is the formation of an integrative model that incorporates international experience while responding to national realities. Its foundation should include: strategic planning based on foresight; effective tax policy as a mechanism for redistributing financial

resources; and transparent budget planning as an institutional guarantee of trust. Only the combination of these instruments will make it possible to achieve a balance between economic security and social orientation, ensuring long-term stability and sustainable development in Ukraine.

Equally important is the development of human capital. Education, healthcare, and innovation form the basis of long-term resilience, as people are the main resource of any economy. For Ukraine, this issue is particularly relevant due to demographic challenges and youth outmigration. Only through systematic investments in human potential can the country ensure competitiveness in the global dimension.

Thus, achieving a balance between market mechanisms and social guarantees is a strategic task that will determine Ukraine's future. This task requires a comprehensive approach that includes tax system reform, transparent budget planning, development of social programs, digital transformation of governance, international support, and active participation of civil society. Only by integrating these elements into a unified system of strategic planning can a development model be formed that ensures economic efficiency, social justice, and long-term stability.

Current challenges present Ukraine with an opportunity to design a new development model. It can become an example of a country that combines the pursuit of economic freedom with a high level of social responsibility. This requires time, political will, and active participation of civil society, but such a path can ensure not only economic growth but also the formation of a fair and solidaristic society.

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