ACCOUNTING AND TAXATION

Nataliia Loboda, PhD in Economics, Associate Professor
Ivan Franko National University of Lviv
Lviv, Ukraine

Odarka Chabaniuk, PhD in Economics, Associate Professor
Lviv University of Trade and Economics;
Lviv Research Institute of Forensic Expertise
of the Ministry of Justice of Ukraine
Lviv, Ukraine

Iryna Bernatska, PhD in Economics, Associate Professor
Stepan Gzhytskyi National University of Veterinary Medicine and Biotechnologies Lviv
Lviv, Ukraine

DOI: https://doi.org/10.30525/978-9934-26-698-0-10

PARADIGM SHIFTS IN THE ACCOUNTING, REPORTING, AND MANAGEMENT SYSTEM UNDER THE CONDITIONS OF DIGITAL AND WARTIME ECONOMIC TRANSFORMATION

The current stage of development of the Ukrainian economy is characterized by a systemic transformation of economic relations, managerial mechanisms, and approaches to ensuring business functioning under conditions of a high level of uncertainty. The full-scale war has caused not only structural changes in the production sector, the financial system, and the labor market, but has also significantly affected the very logic of economic management [1]. Under these conditions, traditional approaches to accounting, corporate reporting, and management are losing their adequacy, as they were formed within a relatively stable economic environment and were primarily oriented toward assessing the financial performance of enterprises. In contrast, the modern economic reality requires the formation of a new management concept in which adaptability, resilience, digital integration, and the ability of enterprises to operate under constant crisis challenges become key priorities.

Global economic transformations of recent decades have already challenged the effectiveness of the classical industrial development model based on profit maximization, production scaling, and intensive resource utilization. At the same time, the war in Ukraine has significantly accelerated the process of rethinking economic priorities and has demonstrated the vulnerability of economic systems oriented solely toward financial performance. In modern conditions, economic efficiency is increasingly determined not by absolute profitability indicators, but by the level of enterprise resilience to external shocks, the ability to quickly adapt operational processes, ensure business continuity, and maintain managerial functionality in unstable environments.

As a result, a transformation of the very essence of accounting is taking place. In the classical economic model, accounting primarily performed the function of recording business transactions and generating financial information for external users. Today, however, it is becoming a strategic element of the economic security system. The accounting system can no longer be limited to recording business events, as modern management requires information on risks, business adaptability, dependence on critical infrastructure, digital resilience, and the enterprise's ability to maintain operations under crisis conditions.

A new approach to understanding the accounting system is thus emerging, where the key object of analysis is not only financial performance but the overall level of economic resilience of the enterprise. This transformation is logical, as the war has radically changed the structure of business risks. Whereas previously attention was focused mainly on market risks, competition, and financial stability, today critical importance is given to energy security, physical protection of assets, continuity of logistics processes, information security, and workforce stability. In these conditions, traditional financial reporting no longer provides sufficient informational representativeness, as a significant share of factors determining real business viability cannot be measured by classical accounting methods.

Therefore, the integration of financial and non-financial reporting is becoming particularly relevant. The modern corporate reporting system should reflect not only the financial position of an enterprise but also its environmental, social, and governance (ESG) sustainability. In the global economic environment, the ESG concept is gaining increasing importance, transforming approaches to business performance evaluation and forming new criteria for investment attractiveness. However, in the Ukrainian context, ESG acquires a specific meaning. Unlike Western models, where environmental aspects of sustainability dominate, Ukrainian practice is formed under wartime economic conditions, where resilience includes not only environmental responsibility but also the ability of business to maintain social stability, ensure employment, preserve production capacity, and guarantee transparency in the use of financial resources.

Thus, the modern reporting system is gradually transforming into a tool for building trust between the state, business, investors, and international partners. This is particularly important given the high dependence of the economy on external financial support, where transparency in resource management becomes a critical factor of macroeconomic stability [2]. In this context, accounting and reporting go beyond corporate governance and become components of the mechanism of the state's economic legitimacy.

At the same time, modern transformation processes cannot be considered outside the context of digitalization. The war has significantly accelerated the integration of digital technologies into enterprise management systems. Conditions of constant instability, business relocation, remote work, and cyber threats have created the need for a fundamentally new architecture of accounting and analytical systems. As a result, digital technologies are no longer merely tools for optimizing business processes but are becoming the foundation for ensuring enterprise functional resilience.

Modern accounting is increasingly integrated with digital data management platforms, automated information analysis systems, artificial intelligence, and cloud services. This changes the very nature of accounting information. While reporting was previously mainly a retrospective tool for analyzing completed transactions, it must now perform a predictive function and ensure the possibility of rapid managerial response. In these conditions, the key importance lies not in the volume of information, but in its processing speed, reliability, and ability to integrate into strategic management systems.

Risk management is becoming particularly important [3]. Traditional management systems based on stable strategic planning principles prove insufficient under wartime conditions. Modern management must be based on adaptability, scenario forecasting, and anti-crisis flexibility. This forms a new concept of sustainable development management, where the primary goal is not profit maximization but ensuring long-term enterprise resilience under systemic turbulence.

As a result, the structure of enterprise economic value is changing. In the industrial economy, tangible assets were dominant, whereas in the modern development model, intangible resources are becoming increasingly important. Human capital, digital competencies, organizational culture, management innovation, adaptability speed, and reputational resilience are becoming key competitiveness factors. However, existing accounting standards are not capable of fully reflecting the value of these assets, creating a significant gap between the real economic value of an enterprise and its accounting representation.

This, in turn, highlights the need to modernize accounting and reporting methodologies. The modern economic system requires the formation of an integrated management information model that combines financial, non-financial, analytical, and strategic indicators [4]. In the future, it will be comprehensive digital data analysis systems that determine the effectiveness of managerial decisions and the level of enterprise resilience.

An important aspect of Ukraine's economic transformation is also the changing role of the state in shaping economic management mechanisms. Under wartime conditions, the state is increasingly influencing market functioning, resource redistribution, and economic development priorities. This necessitates increased transparency of financial flows, strengthened control over resource utilization, and improvement of the state financial monitoring system. In these conditions, accounting and reporting become important instruments for ensuring institutional stability and reducing economic risks.

The generalization of the above provisions can be presented in the form of a conceptual diagram that reflects the relationship between external challenges, the transformation of the management system, and the formation of a new economic resilience of enterprises under conditions of digital and wartime transformation. Such a scheme allows for a comprehensive representation of the interaction between external factors, internal changes in management approaches, and the formation of enterprise resilience (Figure 1).

The conducted study allows us to conclude that the transformation of Ukraine's innovative economic model forms a fundamentally new role for accounting, reporting, and sustainable development management. They cease to be auxiliary elements of economic activity and become key mechanisms for ensuring economic resilience, institutional trust, and functional adaptability of business under conditions of systemic uncertainty. The ability of the economic system to integrate modern digital technologies, ensure transparency of management, and form effective mechanisms of strategic adaptation will determine Ukraine's competitiveness in the global economic environment.

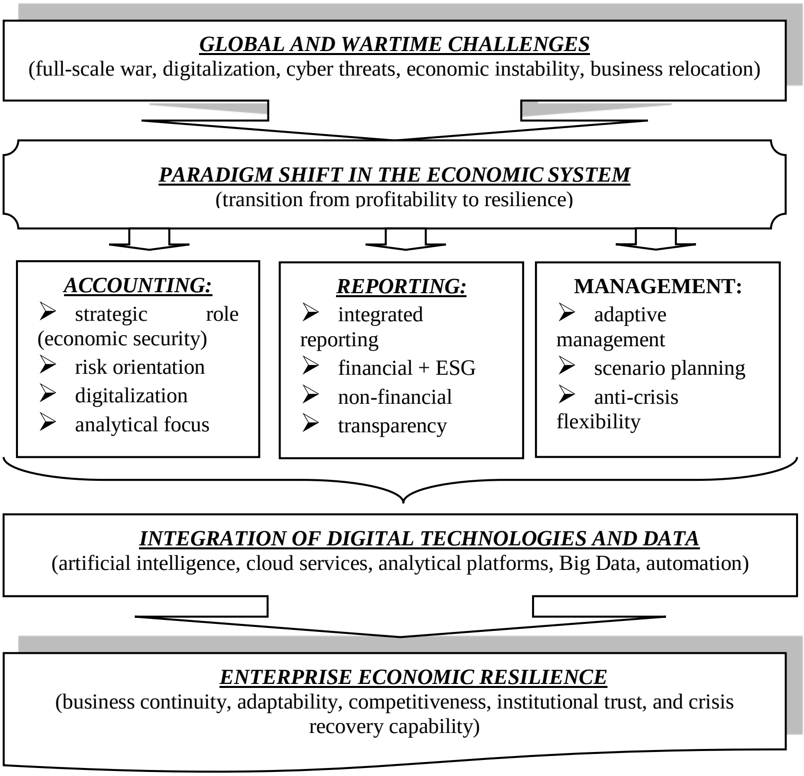

Figure 1. Conceptual framework of the transformation of the accounting, reporting, and management system under conditions of digital and wartime economy

Source: authors' own development

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