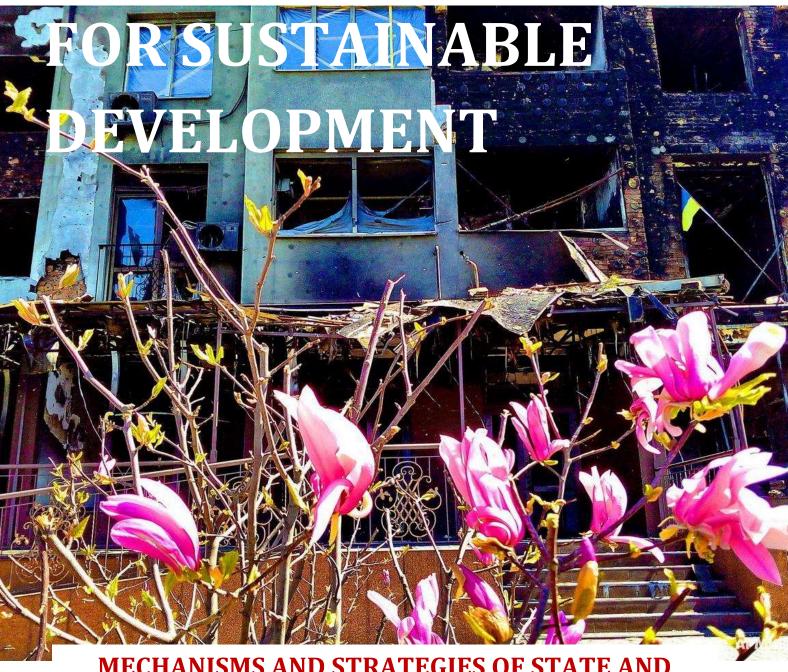
PUBLIC ADMINISTRATION



MECHANISMS AND STRATEGIES OF STATE AND REGIONAL ADMINISTRATION IN THE CONDITIONS OF WAR AND RECONSTRUCTION OF UKRAINE

Mariupol State University (Ukraine)

University of Economics and Humanities (Poland)

PUBLIC ADMINISTRATION FOR SUSTAINABLE DEVELOPMENT

MECHANISMS AND STRATEGIES OF STATE AND REGIONAL ADMINISTRATION IN THE CONDITIONS OF WAR AND RECONSTRUCTION OF UKRAINE

Collective Monograph

https://doi.org/10.36228/PASD24

Kyiv-Bielsko-Biala, 2025

UDC 316/352 P 78

Recommended for publication by the Academic Council of Mariupol State University (Protocol number 7 from 26.02.2025)

Scientific Editor:

Chechel Anna, Doctor of Economic Sciences, Associate Professor, Head of the

Department of Public Administration and Administration of the Donetsk State University of Management of Ministry of Education and

Science of Ukraine ((Ukraine)

Zharova Liubov, Doctor of Economics Sciences, Professor of University of Economics

and Humanities (Poland)

Sleziak Michał, Rector, University of Economics and Humanities (Poland)

Reviewers:

Chaplynska Natalia Ph.D.in Economics, Assistant Professor, Ng Teng Fong Sino Group

Belt and Road Research Institute, Hong Kong Chu Hai College (Hong

Kong SAR, China)

Klopov Ivan Doctor of Economics, Professor, Head of the Department of

Information Economics, Entrepreneurschip and Finance, Yu.M.Potebnia Engineering Educational and Scientific

Institute of Zaporizhia National University (Ukraine)

Orlova Nataliia Doctor of Science in Public Administration, Professor of the

Department of Public Managemant and Alministration, Hryhorii

Skovoroda University in Pereiaslav (Ukraine)

Public Administration for Sustainable Development: Mechanisms and Strategies of State and Regional Administration in the Conditions of War and Reconstruction of Ukraine: Collective Monograph / The general ed. Chechel A., Zharova L., Śleziak M. Kyiv - Bielsko-Biala (Poland): University of Economics and Humanities, 2025. 285 p.

ISBN 978-83-63649-18-0 (online edition)

The monograph is dedicated to the pressing issues and prospects of Ukraine's recovery after the armed conflict. The study focuses on public administration reforms aimed at strengthening the country's potential during the war and in the reconstruction phase, as well as the role of these reforms in the process of European integration. The authors examine a wide range of topics, from the organizational and legal mechanisms for engaging citizens in local governance to strategies for managing public finances in wartime. Attention is given to decentralization, sustainable regional development, crisis management in the field of water use, and the restoration of key economic sectors. Particular emphasis is placed on the analysis of women's social entrepreneurship and its impact on social processes in conflict and post-conflict situations, as well as a comparative study of migration policies in Ukraine and EU member states. This monograph represents a contribution from scholars and experts, offering a critical perspective and comprehensive approaches to addressing public administration and economic development challenges in the post-war recovery period of Ukraine. It aims to serve as a guide for policymakers, researchers, and all those involved in the process of recovery and sustainable development of the country, providing a solid foundation for long-term changes. The monograph is designed for scientists, graduate and undergraduate students who are researching these above-mentioned problems in the Public Administration scientific sphere.

- © Mariupol State University of Management (Ukraine), 2025
- © University of Economics and Humanities (Poland), 2025
- © "Center for Adaptive Leadership and Territorial Development", 2025

CONTENT

The path to re Ukraine (Pref	ecovery: discussions on the strategy of the post-war reconstruction in	4
SECTION 1	MACROECONOMIC AND ADMINISTRATIVE FRAMEWORK OF RECONSTRACTION	6
1.1	Strategy for reforming the public administration system as a factor in increasing the state's potential during war in the context of Ukraine's European integration (<i>Denys Tarasenko</i>)	7
1.2	State management of sustainable regional development in Ukraine in the context of post-war decentralisation (Olena Brazhko)	35
1.3	Organizational and legal mechanism for ensuring public participation in management decision-making at the local level (Alina Nadezhdenko)	66
1.4	Comparative analysis of migration policy in EU member states and Ukraine	86
1.5	(Valentyna Tokareva, Anna Chechel, Viktoria Kotova) Economic development through the Ukraine-Poland migration processes (Liubov Zharova)	100
SECTION 2	MICROECONOMIC AND FINANCIAL DIMENTIONS OF POST-WAR DEVELOPMENT	111
2.1	Features of public finance management in Ukraine in the context of wartime (Svitlana Verytelnyk)	112
2.2	State financial support as a component of the construction and development of the country (<i>Victoria Koverza</i>)	137
2.3	Anti-crisis management in the field of water use: problems and prospects for their solution (Andrii Mashyn, Olena Pavlenko)	160
2.4	Women-led impact entrepreneurship in Ukraine: lessons for public administration in conflict and post-conflict settings (Andrei Kirilenko, Anna Chechel)	177
2.5	«Green entrepreneurship» in the context of developing policies for the advancement of modern social business (Anna Chechel)	195
2.6	Prospects for coordination of innovative development of economic sectors of Georgia in the next decade (<i>Ramaz Abesadze, Vakhtang Burduli</i>)	217
2.7	Social entrepreneurship as one of the tools for ensuring effective social dialogue (Maryna Zelinska, Anastasiia Isaieva,	250
AFTERWORD	Denys Gryaznov)	277
ABOUT AUTHORS OF MONOGRAPHY		283

1.1. Strategy for reforming the public administration system as a factor in increasing the state's potential during war in the context of Ukraine's European integration ¹

https://doi.org/10.36228/PASD24/1/1

Reforming public administration requires adaptability, innovative thinking, and the readiness to quickly respond to key changes to ensure security, stability, and progress on the path to European integration, especially in the context of war. Today, public administration has undergone significant changes that need to be carefully reviewed, taking into account not only the transformation of the system but also the military situation in the country. Given the European direction of Ukrainian policy, it is relevant to study the effectiveness of the functioning of administrative mechanisms and to identify the influencing factors that hinder the country's purposeful movement towards joining the European Union. However, the ongoing war not only exhausts the economy, causes significant damage to infrastructure, reduces investment attractiveness, worsens market conditions, and the quality of life for ordinary citizens but also takes lives and plunges society into the depths of a demographic catastrophe. Therefore, the issue of developing effective public administration mechanisms at all levels aimed at ensuring the livelihood of citizens, conducting business, social protection, etc., arises. Ultimately, effective social transformations in the economic and social life of the state are based on the development of its territory. It is at the level of a specific settlement that state and local government authorities can strengthen regional food security, support demographic stability, preserve historical and cultural heritage, and ensure environmental balance. The relevant administration plays a very important role in this, properly influencing the development of the territorial urban community of Ukraine and ensuring the development of the territory at the necessary level. In this situation, the issue of the overall efficiency of public administration, particularly its implementation based on sound forecasting, becomes important. This leads to the need to study the modern approach to forecasting as a tool for improving the efficiency of public administration

_

¹The author of the chapter: **Denys Tarasenko**, Doctor of Economic Sciences, Professor, Professor of the Department of Public Management and Administration the Educational and Scientific Institute of Management at Mariupol State University, Kyiv (Ukraine).

both at the national and regional levels. The problem of regional development is explained by several factors: the peculiarities of Ukraine's development, the difficulties of past pandemics, and active military actions in the country. This leads to the discussion of ineffective public administration of regional development, which directly affects regional policy and worsens key social indicators. The country's and region's economic problems, combined with the need for defense spending, have posed the task to society of finding a way out of the crisis in ensuring regional development in the event of force majeure circumstances. It is advisable to make adjustments in the field of public administration, on which the country's livelihood depends during this challenging time. Ultimately, the reform of public administration and decentralization of public authority, the current approach to regional development, has led to a systematic resolution of the problems that have accumulated over time. Therefore, questions remain regarding the development and testing of new approaches to regional development, the search for effective ways to implement mechanisms of state governance in strategic development at the level of territorial communities. In general, the process of European integration, which is crucial for Ukraine, requires a comprehensive approach to reforming public administration, aligning laws with European standards, optimizing management processes, ensuring transparency in the activities of state institutions, strengthening local autonomy, enhancing institutional capacity, and adapting to European policies. We consider it necessary to pay special attention to the strategy of public administration reform as a factor in increasing the state's potential during the war in the context of Ukraine's European integration, which becomes particularly relevant in the face of external challenges to national security.

Thus, the aim of the study is to clarify the features and prospects of the process of reforming Ukraine's public administration system as a factor that enhances the state's potential, taking into account European standards; to examine the mechanisms of public administration in the context of factors that slow down the strategy of its reform, considering tools for rational forecasting; to consider opportunities for improving the efficiency of state governance, including identifying relevant strategic directions for its development and considering post-war perspectives; to analyze the public administration factors that influence the regional development of communities in Ukraine; and to justify the modernization

of the administrative system in the context of decentralization of power based on strategic regional development and the necessity of creating appropriate conditions for European integration amid the war in Ukraine.

Today, important multifaceted processes are taking place in the world, and governance systems require changes at all levels. Governments of all countries face challenges related to adapting their development models to modern demands and exploring effective new models of public administration to ensure a certain level of governance and an adequate level of citizens' welfare. The transformation processes and the impact of military actions taking place in Ukraine also dictate new constructive solutions for creating an effective system of state institutions and governance at all levels in the context of societal development. Thus, the main efforts of theorists and practitioners, in modern conditions, are directed towards developing a general paradigm of public administration, adapting the fundamental principles of global concepts to the practical activities of Ukrainian politicians and officials, improving aspects of ineffective reforms, conducting administrative reforms, and supporting the wave of new ideas for improving public administration. If the public sphere is decentralized (in administration our opinion, the decentralization reform should continue even during the war), the activities of state sector institutions and organizations are transparent and the mechanisms for accountability, monitoring, management are improved, then a shift towards principles of efficiency, effectiveness, cost-efficiency, and the provision high-quality of management services by the administration is possible².

And the reform of the public administration system in the context of European integration is a crucial aspect for countries seeking to align with the standards and requirements of the European Union. This process involves a wide range of changes in governance structures, legislative frameworks, and management methods and approaches to ensure transparency, accountability, and efficiency within the state apparatus. It is worth noting that administrative reform in this context aims to achieve the following goals:

-

² Kodis, Ye. I. (2020). *Model of Integration of Public Administration Systems of Ukraine and the European Union*. Retrieved from https://periodicals.karazin.ua/db/article/view/19187/17470

- Improve legislation: Harmonizing domestic laws with EU norms and standards can provide a legal basis for implementing European principles;
- Enhance management efficiency: Optimizing processes in the public sector, implementing modern management methods and IT solutions make the work of government institutions more efficient and socially responsible;
- Ensure transparency and accountability: Creating mechanisms to ensure transparency in the activities of public authorities and mechanisms for public feedback;
- Develop local self-government: Decentralization of power not only ensures more effective and rapid resolution of regional issues but also increases citizen involvement in the management process at the regional level;
- Strengthen institutional capacity: To improve the quality of governance and the provision of public services, it is necessary to strengthen the institutional capacity of public institutions, enhance the qualifications of civil servants, and reform the civil service system;
- Adapt to European policies: It facilitates the creation of a common space for interaction with EU member states and ensures adaptation to common market conditions, security policies, and environmental standards;
- Support innovation and human resource development: It contributes to increasing the competitiveness of the economy, developing the skills and competencies needed for successful integration into the European Union, and ensures more effective resource management;
- Ensure public participation in the management process: It promotes increased transparency, accountability in public administration, and the formation of an open and democratic society;
- Strengthen international cooperation: It fosters the activation of dialogue and cooperation with European Union institutions, opening up new opportunities for experience exchange and securing support for reforms.

Fundamental changes are taking place in Ukraine, primarily due to globalization, socio-economic, and civic transformations. This global challenge dictates the necessity for comprehensive reforms aimed at modernizing the national economy, contributing to the balanced progress

of our country as a highly developed and civilized European state with a fairly high standard of living, socio-economic stability, established democratic traditions, and post-war recovery³. Regarding the modernization of the public administration system, due to the combination of negative trends, in our opinion, it is necessary as soon as possible, primarily through the application of innovations related to the following criteria:

- The institutional structure of the administrative apparatus does not meet the needs of society and business, or the priorities of Ukraine's external and internal policies;
 - Low manageability and high administrative costs;
- Lack of transparency and low quality of public services, along with the absence of timely responses to public inquiries;
- The limitations existing within the structure of modern state institutions significantly reduce the opportunities for socio-economic and human development;
- Shortage of specialized personnel within the administrative system;
- Ignoring the positive results achieved by leading scholars in the field of public administration in the process of developing and shaping effective personnel policies;
- The dishonest and corrupt nature of the functioning of public bodies;
- Low competitiveness of the country in terms of security and the quality of state institutions;
- Lack of information on the implementation of the latest scientific and methodological approaches and the application of foreign practices in public administration activities;
 - Bureaucracy in the systems of innovation implementation;
- Negative public opinion regarding the activities of public bodies at all levels;
- Demographic crisis, aging population, declining birth rates, poverty, national reproduction, and migration of highly qualified citizens;

³ Nikolyuk, O. V., Myronenko, B. V., & Kyrylova, V. P. (2022). *Reforming the Public Administration System in the Context of Decentralization of Power*. Ekonomika Kharchovoi Promyslovosti, 14(2), 77-83.

- Monopolization of land use rights, mass privatization of industrial enterprises, and unreasonable exploitation of industrial and land resources;
- Military actions on the territory of the state and the overall martial law.

The analysis and synthesis of various approaches have led us to conclude that many of the problems arising in the process of administrative development are highly relevant. Further directions of global development, including a wide range of issues, are outlined in Ukraine's Sustainable Development Strategy until 2030, but it has not yet been approved for well-known reasons⁴.

Overall, the research, based on the integration of public administration system reform strategies, aims to initiate the process of identifying and classifying innovative and advanced methods that have been or can be applied in this field to improve the quality of life for citizens and effectively address regional issues in Ukraine. Furthermore, analyzing these modern methods allows for an assessment of the opportunities and limitations of their application, which is connected to the specifics of the Ukrainian context. Currently, Ukraine faces a number of serious challenges that affect the efficiency of public administration and require special attention in developing response strategies.

First and foremost, there are security threats, particularly the ongoing military conflicts, which not only place additional burdens on public authorities but also lead to the loss and destruction of everyday life. Of course, the war depletes vast resources that could be used for internal development and modernization. Additionally, military actions exacerbate social tensions, complicate the internal political situation, and divert attention from the need for structural reforms. However, even very promising changes could pose a threat to the stability of public institutions and should be postponed as much as possible until the end of the military actions. Political instability continues to be one of the key obstacles to the effective functioning of state mechanisms. Before the war, this included frequent changes in government, leading to long-term disruptions in policy implementation, loss of expertise, and unpredictability in the political

⁴ Melnychenko, O. A. (2021). *The Quality of Public Administration as a Guarantee of the Welfare of the Country's Population*. Theory and History of Public Administration, 1(51).

sphere⁵. Currently, there is growing public distrust in the government, which worsens both the security and economic environment in the country. The lack of stability in the government negatively affects the country's ability to carry out reforms and adapt to changing internal and external conditions.

Economic have also significantly issues impacted public administration. In particular, the high level of public debt and the need to utilize international financial resources pose threats to financial and economic stability. Even minimal delays in assistance from partners could be enough to devalue the hryvnia exchange rate. And, of course, these issues complicate the implementation of macroeconomic policies, especially in the areas of inflation and exchange rate stabilization⁶. Moreover, high dependence on energy imports increases the economy's vulnerability to external shocks, necessitating the development and implementation of more flexible economic strategies by the government.

Another significant issue is internal migration and the emigration of the population, particularly women with children, as well as young and highly skilled professionals. This phenomenon significantly reduces the potential for economic growth and innovation in the country. Therefore, it is necessary to develop policies aimed at supporting and encouraging the professional and personal development of Ukrainian youth and to create conditions for the return of qualified migrants, at least after the war⁷. These challenges must also be addressed in parallel with efforts to reform public administration and modernize the country as a whole. At the same time, new approaches are being sought to ensure national security and defense. All categories of challenges require a comprehensive approach and interaction with management decisions that should aim at stabilizing the internal situation and enhancing Ukraine's security.

The synthesis of conceptual approaches common among contemporary scholars allows for the identification of areas for applying

⁵ Yarovoy, T., & Dabizha, V. (2023). The Role of the State in Financial and Economic Stabilization in the Context of Societal Transformation. *Scientific Innovations and Advanced Technologies*, 11(25), 134-143.

⁶ Koziuk, V. V. (2022). Post-War Inflation Targeting: Key Challenges. *Economy of Ukraine*, 10(731), 15-34.

⁷ Lytvynchuk, O. V., & Yurkivskyi, O. Y. (2023). Migration Processes in Ukraine: Threats in the Context of the Russia-Ukraine War. *Economy, Management, and Administration*, 2(104), 71-78.

innovative approaches in the public administration system, which encompass the following categories:

Service innovations aimed at improving the provision of services to existing users; process innovations that include the development of new management methods, forms, and working procedures in public bodies⁸;

Technological innovations applied to service delivery mechanisms through digital transformation, a reform that has been accelerated by the war in Ukraine⁹:

Management innovations that introduce new mechanisms and methods to ensure transparency and accountability in the public sector; systemic innovations that enhance interaction with other organizations and knowledge bases for the joint delivery of public services; social innovations, which represent cross-sectoral concepts aimed at meeting the social needs of vulnerable groups and addressing the root causes of social problems¹⁰.

However, regardless of the category, all aspects of the public administration reform strategy are unified by the necessity of using rational forecasting methods. Overall, forecasting methods play a crucial role in enhancing the effectiveness of public administration, as they allow authorities to anticipate future events and develop adaptive strategies for responding to potential challenges. Advanced forecasting methods, such as artificial intelligence, significantly improve the ability to analyze large volumes of data, which can be used to identify trends, risks, and optimize management decisions¹¹. These methods can be employed for various purposes, ranging from budget planning and public asset management to the development of social programs and crisis response.

Quantitative methods, such as econometric forecasting and statistical analysis, allow future scenarios to be derived from variables in past and current data. These methods are widely used for economic forecasting,

⁸ De Vries, H., Bekkers, V., & Tummers, L. (2016). Innovation in the Public Sector: A Systematic Review and Future Research Agenda. *Public Administration*, 94(1), 146–166.

⁹ SMART MEDIA (2023). *Digital Transformation in Ukraine: A Reform Accelerated by the War*. Retrieved from https://www.smartmedianews.org/post/.

¹⁰ Cinar, E., Simms, C., Trott, P., & Demircioglu, M. A. (2022). Public Sector Innovation in Context: A Comparative Study of Innovation Types. *Public Management Review*, 1–29.

¹¹ Khatniuk, N., Shestakovska, T., Pobiianska, N., Rovnyi, V., & Surzhik, Y. (2023). Legal Principles and Features of the Use of Artificial Intelligence in the Provision of Legal Services. *Journal of Law and Sustainable Development*, 11(5).

financial planning, and the analysis of socio-economic development¹². Qualitative methods, such as expert judgment and the Delphi method, rely on expert knowledge and intuition to determine future trends and solutions¹³. At the same time, it is important to develop the forecasting and analytical capabilities of administrative personnel. Investment in education and professional training aimed at improving the analytical skills of staff will contribute to a better understanding and application of forecasting tools. Training should encompass critical thinking skills, the ability to analyze and interpret large volumes of data, and an understanding of the latest technological solutions that can enhance the transparency and objectivity of decision-making.

Overall, the effective use of forecasting methods as an administrative tool can significantly enhance the quality of management decisions, reduce risks, and unlock new opportunities for sustainable development and citizens' well-being. These methods should improving become commonplace in strategic planning and management, as they help governments become more predictable, accountable, and transparent to society. Despite the considerable amount of research in the field of territorial community development, a different approach is still needed at this stage to study the role and importance of public administration in regional development. It is particularly important to analyze the administrative factors influencing regional development in Ukraine. Currently, the impact of administrative factors on the development of regional urban communities in Ukraine is based on the principles of objectivity, flexibility, openness, and democracy. This applies procedures regulating tax payments and the activities of taxpayers, regardless of ownership form, procedures for filling local budgets, and other procedures related to the economic development of regional urban communities.

The Law of Ukraine «On Local Self-Government» considers the principles of democracy outlined in the European Charter of Local Self-Government, significantly expanding knowledge and understanding of the

-

¹² Hilbert, M., Miles, I., & Othmer, J. (2009). Foresight Tools for Participative Policy-Making in Inter-Governmental Processes in Developing Countries: Lessons Learned from the eLAC Policy Priorities Delphi. *Technological Forecasting and Social Change*, 15(2), 880–896.

¹³ Banno, M., Tsujimoto, Y., & Kataoka, Y. (2020). The Majority of Reporting Guidelines Are Not Developed with the Delphi Method: A Systematic Review of Reporting Guidelines. *Journal of Clinical Epidemiology*, 124, 50–57.

principles of self-governance. The particularly important challenges faced by Ukrainian communities require the development and implementation of modern approaches to address them¹⁴. The success of democratic governance and the implementation of innovative methods and technologies depend on understanding the theoretical, methodological, and practical aspects of the new stages of regional public development. Given the challenges public administration faces in the field of socioeconomic regional development, it is generally necessary to evaluate all factors affecting the integrity and adequacy of the management process. Therefore, it is advisable to use a PEST analysis designed for political factors, including the stability of political power, maintaining stability in the tax, credit, and financial spheres, participation in political processes, and increasing citizens' activity in political life; the large number of bureaucratic obstacles and high level of corruption; the potential for conflict escalation and military operations in the country. Economic factors include low economic growth rates, decreasing population income levels, increasing unemployment, slow progress in the development of the banking system, decreased purchasing power, and rising inflation. Social factors involve decreasing population growth rates, increasing labor market migration, expanding social assistance, low minimum wages, and insufficient quality of healthcare and education. Technological factors include the potential for the development of mobile devices and expanded access to the Internet, the creation of public registers of individuals' opportunities for implementing, using, and transferring incomes, technologies, and strengthening control over the accounting of the tax base for economic entities¹⁵. This approach will allow identifying the public administration factors that significantly influence regional development and forecasting the dynamics of future impact.

Based on the aforementioned administrative factors, let's consider their impact on regional development in the current conditions. Examining the political factors, it can be observed that the stability of political power, a relatively resilient tax, credit, and financial sector, despite the implementation of martial law, and citizen participation in the political

-

¹⁴ On Local Self-Government in Ukraine (2024). Retrieved from https://zakon.rada.gov.ua/laws/show/280/97-вр#Техt.

¹⁵ Kyzym, M. O., Semihulina, I. B., & Yaroshenko, I. V. (2022). Factors of Spatial Development of Territorial Communities in the System of Public Administration of Territories. *Problems of Economics*, 2(52), 83-92.

process have a positive impact. At the same time, numerous bureaucratic obstacles and a high level of corruption negatively affect the phenomenon under study. The factor of increasing conflict within the country and the possibility of escalating military actions requires separate consideration, as it is currently the most relevant and has the greatest impact on the territorial development of the Ukrainian state.

Economic factors are interrelated, with economic growth leading to higher incomes and lower unemployment. The development of the banking system also serves as a stimulating factor; however, higher inflation has a negative impact. When evaluating social factors, it is important to note that improvements in education and healthcare, increases in the minimum wage, and higher birth rates are factors that currently positively influence the effectiveness of regional development management. However, the increase in labor migration negatively impacts this phenomenon. Technological factors include the implementation of technologies that facilitate public management of regional development, the widespread use of the Internet, and the development of mobile devices. These factors also include the creation of a public registry of individual incomes and the enhancement of tax base management, which contribute to the improved functioning of local communities ¹⁶.

Thus, the analysis of public administration factors influencing regional development indicates that a significant portion of them can enhance the efficiency of individual regions. However, the most crucial factor that directly impacts all areas of social life, including the phenomenon under study, is the presence of martial law and active military operations on the territory of Ukraine. This situation directly affects the development of Ukraine's regional urban communities and the maintenance of an adequate standard of living for their residents.

Particular attention should be paid to the importance of transforming decentralization to enhance administrative efficiency in the development of regional urban communities. In this context, various directions of regional development can be highlighted within the framework of financial decentralization:

Organizational and procedural independence: empowering relevant officials and local self-government bodies with the authority to draft,

¹⁶ Movchaniuk, A. V. (2019). Features of the Functioning of Capable Territorial Communities in the Context of Decentralization of Power. *Modern Economics*, 13, 74–179.

execute, and approve budget plans, estimates, and budgets, as well as ensuring accountability and oversight.

Expenditure decentralization: providing local self-government bodies with the financial resources necessary to ensure the proper development of their territories.

Revenue decentralization: granting local self-government bodies the right to independently determine their own revenues for fulfilling their tasks and to allocate them in amounts sufficient to ensure the proper performance of their duties and functions¹⁷.

To ensure the effectiveness of local self-government under financial decentralization, local authorities must possess tax and budgetary independence under certain conditions. Specifically, it is important that local self-government bodies can independently utilize their revenues within the scope of their powers and competencies, which implies a corresponding level of autonomy. To ensure effective financial decentralization for the progressive development of regions, the following mechanisms should be implemented:

- Allocation of adjusted taxes and grants in a manner that balances the budget deficits of each region without interfering with horizontal imbalances;
- Utilization of a unified system of transfers and special grants to equalize differences in fiscal revenues among local budgets;
- Closing local budget deficits through the optimal distribution of tax revenues and transfers from the state budget.

Overall, at the current stage, the effective functioning of local budgets is a crucial factor in ensuring the development of Ukrainian urban communities. This transforms local communities into organizations capable of effectively executing their budgets, rationally planning their expenditures, and independently addressing the socio-economic issues of their residents, primarily through their own revenues. An important aspect of public administration in this area is the establishment of social standards within the context of decentralizing the budgetary system, with

-

¹⁷ Ksionzhyk, I. V., Potravka, L. O., & Zamkovyi, V. M. (2023). Socio-Economic Development of Territorial Communities in Ukraine in the Context of Decentralization. *Public Administration: Improvement and Development*.

the aim of successfully reforming local budgets and ensuring sufficient resources for the future development of the territories¹⁸.

Regarding the reform of administrative mechanisms for regional development, it should be noted that although the use of strategic approaches to the development of local communities is gradually expanding in modern society, government bodies have not yet conducted studies or comparisons to evaluate their application at different levels of public administration or local self-government. A relevant issue when considering the features of the regional system is the relationship between autonomy and the regulation of its development. Many scholars, whose views are well-founded, believe that external management and internal autonomy within the system must be balanced to ensure the relative stability of the social system as a whole.

If these rules are not followed or are violated sharply and uncompromisingly, the imbalance of the subject may lead to the destruction of the system's integrity. There are two ways to organize the internal relations of territorial communities to perform managerial functions. The first is self-governance, or the process of objectively autonomous self-regulation and self-organization. Thus, the four well-known elements of the self-organization mechanism—demand, supply, price, and competition—play a primary role in the self-regulation of market relations. Based on these interactions, territorial elements of the market economic system emerge. The relationship between these elements is influenced by various social and regional characteristics. Today, the process of economic regionalization is most evident in the significant delegation of authority to decentralization, with the focus of reforms shifting to the regional level¹⁹.

According to V. Negoda, the best time for reforms, especially those aimed at strengthening the resilience of the state, is during wartime. Strong and responsible local communities are key to success and victory in Ukraine. Decentralization reforms have begun 10 years ago when the concept of reforming the territorial organization of local self-government and authority in Ukraine was adopted, and this process must continue

¹⁹ Kovalskyi, M. R., & Pustovoit, Ye. O. (2021). Resource Territorial Potential and Methodological Bases for Its Assessment. *Public Governance*, 3(28), 31–37.

¹⁸ Bobrovskyi, O. I. (2020). Theoretical Foundations of Public Administration of Territorial Communities. *Public Administration: Improvement and Development*. Retrieved from: http://www.dy.nayka.com.ua/pdf/4 2020/153.pdf

without waiting for the war to end. This is why lawmakers have already developed bills to strengthen local autonomy²⁰.

The process of completing the decentralization reform, initially planned for peacetime, is now taking place during military conflict. This situation creates new challenges, prompting consultations with parliamentarians, local councils, and professional associations to ensure the sustainability of local self-government. For the first time since independence, a law on service in local government bodies will be adopted.

The second bill will address military administrations in communities; many administrations have alreaddiny been established, but this issue will become even more relevant as victory approaches. Also on the agenda are bills on budget amendments, administrative fees, co-ownership, and representation of banned political parties at the local level. The current martial law provides for a six-month transition period after its repeal. Following victory, constitutional amendments will be needed to strengthen local self-government. However, until then, local authorities must continue to operate effectively²¹.

Thus, decentralization has become one of the most successful reforms in Ukraine, strengthening the role of local self-government in management. However, during martial law, the state significantly restricted the powers of local self-government bodies and continued to curtail their rights, justifying this by the needs of defense. It is necessary to emphasize that the Ukrainian state somehow fails to see local self-government as an equal partner and acts in a way that undermines its role. In other words, despite the significant role of local authorities in addressing wartime issues, state bodies do not seem to regard local self-government as an equal and reliable partner in the context of war²².

Of course, it cannot be said that this attitude towards local self-government is systematic, with characteristics of statism. However, state measures aimed at limiting the role of local self-government raise concerns, leading to increased tension and growing discontent in the regions.

_

²⁰ Nehoda, V. (2024). *The Decentralization Reform Must Continue During the War*. Retrieved from https://lb.ua/society/2023/04/28/553403 reformu detsentralizatsii neobhidno.html.

²¹ Ibid.

²² Local Self-Government in the Conditions of War with Russia (2024). Retrieved from https://lb.ua/blog/katerina_odarchenko/586766 mistseve_samovryaduvannya_umovah.html.

With the introduction of martial law, state authorities imposed several restrictions on the powers of local self-government necessary to ensure defense and military resistance. However, some of these restrictions did not comply with the law. For example, the government issued a decree that deprived not only regional and district councils in occupied or conflict zones of budgetary powers but also all other councils of this level in rear regions. The government also withdrew local taxes paid into community budgets from personal income taxes paid by the army and other security forces, deciding that from November 2023 until the end of martial law, these funds would be returned to the state budget and used for defense purposes, as communities were deprived of the right to purchase weapons. In 2024, the bill to return local military taxes to the state budget was passed by parliament on the third attempt²³.

This is due to the fact that local communities effectively support the armed forces and cover most of the needs of military units that lack state funding. The bill provides for compensation to local communities from the state budget, but it is expected that next year, local budget revenues will sharply decrease, leading to a corresponding reduction in community activity in assisting the armed forces and addressing other war-related issues²⁴. Unjustified tension in relations between the state and local authorities during the war is associated with the constant oversight of local government leaders by law enforcement agencies due to suspicions of corruption. Of course, corruption exists at the local level, but the level of corruption is significantly lower than the violations related to the state budget. In many cases, investigations into the misuse of state funds by local officials end in acquittal by the courts. This is another argument that these prosecutions are driven by political pressure rather than a genuine fight against corruption.

War is a time not for politics but for national consolidation, which should be based not only on civic enthusiasm and sacrifice, as was the case in Ukraine at the beginning of the war, but also on appropriate government measures reflecting national reconciliation and a willingness to cooperate equally with all partners. On the contrary, there is a strong impression that the Ukrainian ruling elite has failed to maintain national consensus in line

²³ On the State Budget of Ukraine for 2024 (2023), No. 3460-IX. Retrieved from https://zakon.rada.gov.ua/laws/show/3460-20#Text

²⁴ Partnership for Recovery and Development (2024). Retrieved from https://decentralization.ua

with its institutional goals. By its actions, Ukraine has alienated almost all potential partners: first the political opposition, then local authorities, and now volunteers have united against the government's attempt to change the conditions under which humanitarian organizations operate. If the government does not change its approach to the country's recovery, the erosion of trust in the actions of the President and his government is unlikely to be stopped. It is worth noting that in 2023, the Ministry of Restoration began laying the foundations for a qualitatively new regional policy aimed at overcoming the challenges of war and preparing for European integration²⁵.

First, the State Regional Development Strategy until 2027 was updated. The strategy clearly identifies current problems, priorities, and the strategic local development goals based on them. These will guide regions and communities in developing their own strategies and action plans. This includes creating conditions for the return of Ukrainians to their regions and territorial communities. It is necessary to address the adaptation of internally displaced persons, relocated businesses, and veterans, consider environmental issues, and carry out reconstruction according to the principles of the European Union's Green Deal²⁶.

It should be emphasized that local authorities play an important role in the EU, and in the future, Ukrainian regions should become full-fledged partners. Therefore, priority should be given to the development of intermunicipal, inter-regional, and cross-border cooperation. For the first time, the strategies are based on an approach that considers the needs and problems of different regions: four functional types have been introduced – reconstruction regions, regional growth poles, areas with special development conditions, and sustainable development areas. For each type, individual support tools have been developed, and corresponding committees have already identified 600 local communities in need of recovery.

Second, a decentralization roadmap to 2027 was developed. This roadmap outlines priorities for continuing reforms in the decentralization field and provides specific legislative measures for the recovery and development of communities during and after the war. In particular, it

²⁵ Ministry of Recovery (2024). Retrieved from: https://mtu.gov.ua/content/hto-mi-e.html.

State Regional Development Strategy for 2021-2027 (2023). Retrieved from https://mtu.gov.ua/news/35052.html

addresses the restoration of authority in de-occupied territories, the revision of the powers of local authorities and governance in line with the European Charter of Local Self-Government, the introduction of local statistics, and other important decisions. The main mission of the roadmap is to ensure the necessary conditions for creating competent, prosperous, transparent, and inclusive local communities, already synchronized with the State Regional Development Strategy and the Ukraine Plan²⁷.

It is also advisable to work on more efficient and simplified planning, which requires a detailed analysis of the architecture of planning documents to ensure that strategic, spatial, and budget planning documents are synchronized with each other. This issue is particularly acute at the community level, where up to ten different documents have been prepared. Many of these documents have overlapping sections, leading to unnecessary work and the dilution of the plan's goals and Today, it is desirable to develop an efficient objectives. straightforward approach to regional planning, reducing the burden on regional and local authorities both in terms of document preparation and monitoring their implementation. This would lead to a more efficient use of community resources, especially in the context of staff shortages and the overburdening of local government representatives²⁸.

Thirdly, a new methodology is needed to launch the liquidation fund and prioritize reconstruction projects. A key event in 2023 in the context of reconstruction was the launch of the liquidation fund for the consequences of armed aggression. It is important that communities were given the opportunity to submit their own projects for funding, providing them with the necessary independence to prioritize their funding needs. This has demonstrated the effectiveness of local government use of funds. Through the Liquidation Fund, UAH 10.6 billion was allocated to 337 projects in 99 communities; in 2023, a total of UAH 21.6 billion was allocated to 834 community projects²⁹. The Ministry also approved a separate set of methodological guidelines for prioritizing reconstruction projects. This

²⁷ Roadmap for Decentralization (2024). Retrieved from https://www.kmu.gov.ua/news/uriad-ukrainy-zatverdyv-dorozhniu-kartu-detsentralizatsii

European Integration and the Challenges of War (2024). Retrieved from https://www.epravda.com.ua/columns/2024/01/25/709155/

²⁹ Fund for the Elimination of the Consequences of Armed Aggression (2023). Retrieved from https://mtu.gov.ua/content/fond-likvidacii-naslidkiv-zbrovnoi-agresii.html

document includes a list of indicators, criteria, and benchmarks that allow for the prioritization of projects based on a point system.

To ensure fair distribution of community support from various development partners, including programs, projects, initiatives, international funds, and organizations, community support groups or Community Support Teams were established. These teams are intended to serve as a communication platform between development partners. In the short term, this should level the playing field and create conditions for providing support to communities that need it. One way to do this is to encourage communities to cooperate with each other, as some projects benefit more than one community³⁰.

To make communities more capable, new financial opportunities are needed. First of all, they need access to favorable loans with minimal interest rates. Relevant bills and initiatives aimed at developing a local borrowing culture have already been developed, but the communities themselves must also be ready to learn how to borrow, including from international financial institutions.

Information about these opportunities will be available, in particular, on the updated decentralization portal, and local government representatives will be able to seek consultations through it. Together with the European Commission, conditions must be created so that all communities have clear rules and guarantees for obtaining funds for restructuring within the framework of support for reforms under the Ukraine Facility³¹.

In particular, it includes the allocation of 50 billion euros from the EU. According to the program, the majority of these funds will be directed towards the restoration and reconstruction of regions and regional communities. In 2024, it is necessary to focus on developing a concept for relaunching the State Regional Development Fund, which should operate on the same principles as similar EU funds, as well as adapt and integrate the successful experience of the Liquidation Fund into the Regional Development Fund, such as prioritization methods and digital solutions.

³¹ The Ukraine Facility (2024). Supporting Ukraine's Recovery, Reconstruction, and Path Towards EU Accession. Retrieved from https://www.google.com/search

³⁰ Ministry of Infrastructure (2024). Retrieved fro: https://mtu.gov.ua/content/hto-mi-e.html.

Active collaboration with foreign companies to attract investments and create new jobs in the regions is also essential³².

It is the local societal elements that make the local economy a viable system. However, this also complicates the process of managing the system, as it manifests in the independence of individual subsystems, the ambiguity of development goals for each element and the system as a whole, and the complexity of relationships between the elements forming this system³³. The general problems corresponding to the characteristics of the current stage of public administration are the inefficiency of state policy due to the difficulty in predicting economic conditions and significant distortions in the fundamental responses of the national economic system to endogenous and exogenous factors³⁴.

State institutions have evolved alongside the development and emergence of public administration and governance, social activities, and the regulation of socio-economic development of the economy. In light of the above, it is necessary to examine the development of mechanisms for reforming the public administration algorithm for the development of the region. Modernization of administrative mechanisms and local government systems is one of the many trends in the current development of both the economic system and state policy. However, it does not create positive opportunities for regenerating the national economic system and emerging from the crisis. Some researchers believe it is necessary to focus not on modernization but on reconstruction³⁵. Defining a strategic task means developing the national economy within the context of global economic relations, which allows for the inclusion and realization of the internal potential of all elements, including at the local community level, and of all entities within the national socio-economic system, thereby ensuring their balance.

The implementation of the concept of local development and corresponding models, as well as the application of a conceptual approach

³² State Regional Development Fund (2024). Retrieved from https://welfare.green/docs/tips-guides/donori-ta-finansovi-organizacii/derzhavnijj-fond-regionalnogo-rozvitku/

³³ Kolupaieva, I., & Shevchenko, O. (2019). Justification of Scenarios of State Regulatory Policy of Ukraine. *Proceedings of the International Conference of Innovation in Science and Education*, March 20–22, Prague, Czech Republic

³⁴ Pustovoit, Ye. O., & Lytvyn, Yu. O. (2022). Conditions for the Development of Regional Competitive Advantages in the System of Public Administration. *Scientific Perspectives*, 1(19), 521–527.

³⁵ Kolupaieva, I., & Shevchenko, O. (2019)....

to solving current issues faced by governing bodies, communities, and the population in Ukraine, requires the modernization of the administrative system and the formation of new approaches to the application of effective management policies. Specifically, the theory of social welfare in terms of addressing issues of inequality and poverty from the perspective of distributing social wealth, the theory of space and location in terms of forming inclusive regional and local markets and creating inclusive innovations, as well as the activities of inclusive and extractive institutions as levers of regional development³⁶.

Maximizing the use of local potential requires not only consultations with community representatives and professional analytical work but also the direct participation of the population in managing the socio-economic development of the territory. The application of a conceptual approach to public administration of strategic regional development, based on conscious and informed management, through the implementation of unconventional principles of openness, transparency, efficiency, and environmental protection, which will ensure the introduction of the European paradigm of public administration for sustainable regional development, is extremely necessary. Notably, a new form of interaction between the government and local residents, commercial and noncommercial organizations, is crowdsourcing, based on the use of creative solutions obtained through an open competition of project proposals from the local community³⁷.

Therefore, the role of local development strategies is crucial for addressing key aspects of local governance issues at the community level, with a focus on service delivery procedures and promotion potential. The main task of national and local authorities is to create the right support environment for the application of relevant technologies and use this support environment to create conditions where they can demonstrate their capabilities externally in the context of European integration.

In this context, it can be noted that in Ukraine, the discourse on the quality of public administration has become relevant due to the need for its reform in accordance with EU standards to implement European

³⁶ Pustovoit, Ye. O., & Lytvyn, Yu. O. (2022). Conditions for the Development of Regional Competitive Advantages in the System of Public Administration. *Scientific Perspectives*, 1(19), 521–527.

³⁷ Mosumova, A. K. (2019). The Role of the Project Approach in Ensuring the Effective Work of Local Governments. *Public Administration Studies*, 3(14).

integration policies. The large-scale armed aggression of the Russian Federation against Ukraine has also necessitated the development of anticrisis mechanisms in public administration in response to current national security challenges.

Focusing on European integration during wartime, it is interesting to note that Ukraine's experience in this context is unique. Despite the fact that the EU and NATO defended its eastern borders from Russian armed intervention and suffered enormous human, financial, and economic losses, the country received candidate status for EU membership, implemented pro-European reforms in various fields, deepened sectoral cooperation with Brussels, and effectively implemented the provisions of the Association Agreement and the recommendations of the European Commission³⁸.

The current stage of European integration is taking place under the influence of a number of factors, challenges, and threats of both external and internal nature, including the turbulence and unpredictability of global political and economic processes, the intensification of conflicts between global centers of influence, the accumulation of crises within the EU, and Ukraine's internal problems. However, it is clear that these factors are to some extent fueled and inspired by Kremlin aggression, which poses the greatest threat to Ukraine and its future in Europe. The war has led to a massive "Westernization" of Ukrainian society and has strengthened the perception of the non-alternative and irreversible nature of the movement towards the EU. When assessing the impact of Russian aggression on the content and pace of Ukraine's European integration, the following conditions must be considered.

First, the Ukrainian side must focus its vast political, diplomatic, financial-economic, and human resources on countering Russia's intense interference in various fields. Kyiv must ensure the Russian-Ukrainian front is supported by strong military units and continually increase funding for military needs. Currently, nearly half of budget expenditures are directed towards the defense sector; in the 2023 budget, 43% of military expenditures were allocated to defense³⁹. These human and

³⁸ European Integration of Communities (2024). Retrieved from https://decentralization.ua and Marathon

from

^{(2022).} Retrieved [https://lb.ua/economics/2022/11/05/534879_byudzhet23_armiya_dorogi_i_marafon.html

financial resources could have been usefully directed towards European integration.

Second, the war has slowed down the pace of reforms within the framework of the Association Agreement between Ukraine and the EU and has somewhat complicated the process of implementing the European Commission's package of recommendations. In particular, the implementation of certain areas of the Association Agreement is currently critically difficult and should be carried out in peacetime. Moreover, pan-European universal norms, including those related to media regulation and minority rights, need to be adapted to the conditions of martial law and the wartime regime.

Third, despite a number of important initiatives from Brussels aimed at opening access for Ukrainian producers to the European internal market, the war has reduced the interest of European business partners in cooperating with countries affected by conflict, with a complex internal situation that creates risks and dangers for future investments and business, and activity has decreased. At the same time, Russia's energy blockade, the influx of refugees, and a number of other internal problems have put European businesses in a difficult position.

Fourth, the war has made Ukraine a long-term recipient of aid from international donors. According to expert estimates, foreign inflows cover about a third of Ukraine's budget expenditures⁴⁰.

Thus, significant progress and achievements have been made in all areas identified by the Commission. This progress is particularly important given the threat posed by the large-scale war in Ukraine, not only to the direction of European integration but also to the entire structure of Ukraine as a state. At the same time, it is clear that the implementation of these EU objectives requires further efforts from both the government and Ukrainian society. Amidst the war, Ukraine has actively aligned itself with the EU, implemented pro-European reforms, deepened sectoral cooperation with Brussels, and fulfilled the provisions of the Association Agreement and the recommendations of the European Commission.

Russia's military intervention has accelerated the process of European integration in our country, helped unite our people, strengthened solidarity between Ukraine and the EU, and brought the EU

28

⁴⁰ Economic Truth (2023). Financial Aid from International Partners: How Much Ukraine Has Received. Retrieved from: https://www.epravda.com.ua/news/2022/10/6/692303

countries together against Kremlin aggression. A new quality of relations has been established between Kyiv and Brussels, including Ukraine's status as an EU candidate country, a high level of trust, and unprecedented intensity of mutual contacts, as well as the liberalization of trade and economic cooperation. In this context, political, military, financial, and humanitarian support from the EU is critically important for Ukraine. The EU's sanctions policy, coordinated with other countries, is also an effective tool for countering aggressor states. Ukraine's successful path to European integration is a prerequisite for the implementation of EU values and norms and the effective execution of fundamental reforms in various fields. In the last months of 2022, the Ukrainian government focused on implementing the European Commission's recommendations⁴¹.

Overall, the assessment of the actions of the Ukrainian authorities indicates positive results and significant progress in specific areas. Among them are the adoption of a series of euro-integration laws (including those concerning the media and national minorities), the advancement of judicial reform, and the establishment of a transparent procedure for selecting the head of the anti-corruption agency. However, the adopted legislation requires practical implementation, a focus on key areas of European integration, and the resolution of several internal issues that hinder Ukraine's progress towards the European community.

Active efforts are being made at the legislative level to ensure not only the process of adapting Ukrainian legislation to the laws of EU countries but also the incorporation of the legal standards and values that guide European legislation and legal consciousness into the regulation of public relations in Ukraine – political, economic, social, state, cultural, informational, security, and all other types of relations⁴².

To implement the main directions of administrative reform in the context of European integration, a number of legislative changes are required to align national laws with EU norms and standards. The key areas of legal reform include the following:

- Reform administrative law: Ensure transparency and accessibility of public services by implementing e-government and e-services,

⁴¹ Recommendations of the European Commission on Ukraine's Status for EU Membership (2022). Retrieved from: https://www.eeas.europa.eu/delegations/ukraine/

⁴² Savchenko, I. O. (2022). *Modernization of Ukraine's Public Administration System in the Aspect of European Integration*. 4, 62-65.

improving the regulations applicable to administrative procedures, and facilitating citizens' access to administrative services;

- The civil service legislation should provide for civil service reform, focusing on professionalism, impartiality, and efficiency, as well as clear criteria for hiring, evaluating, and promoting civil servants, ensuring their motivation and accountability;
- Legally support the principle of open governance by incorporating key principles such as openness, transparency, accountability, efficiency, equality, and fairness into the legislation;
- Pass legislation on public procurement and reform the public procurement system to align it with EU standards and practices, ensuring competition, transparency, and the efficient use of public funds;
- Enact legislation on the protection of citizens' rights and access to information, improving existing mechanisms for protecting citizens' rights, such as free access to public information and mechanisms for the protection of personal data;
- Anti-corruption legislation requires strengthening effective mechanisms for detecting, investigating, and punishing corruption, ensuring the independence of anti-corruption bodies, and developing systems to prevent conflicts of interest;
- Enact financial management and audit legislation to ensure the efficient use of public resources, transparency of budget processes, and compliance with international standards;
- The law on e-democracy envisions the development and implementation of legislative measures that promote the development of e-democracy, including electronic consultations with citizens, e-voting, and other tools for involving citizens in the decision-making process;
- Harmonization with European legislation in such specific areas as healthcare, education, social protection, agriculture, and the environment, as well as compliance with EU requirements and standards;
- Implement data protection legislation, including the processing and protection of personal data in accordance with the General Data Protection Regulation⁴³.

The implementation of these legal reforms requires an inclusive approach, active participation of state institutions, and engagement with

30

⁴³ *GDPR in Figures and Diagrams*. Retrieved from https://legalitgroup.com/gdpr-novi-eutendentsii/.

stakeholders, including civil society, the business sector, international organizations, and partners. Carrying out these reforms will not only bring the country closer to EU standards but also contribute to the creation of a more transparent, efficient, and accountable public administration system. According to global governance effectiveness indicators, Ukraine's competitiveness ranking is quite low. Factors such as reducing the administrative burden through state regulation, improving the quality of administrative services, and ensuring the legality and predictability of administrative actions could improve Ukraine's position⁴⁴.

Reforming administrative systems during wartime is a task that requires a special approach and prioritization, particularly in the context of European integration. Martial law creates new opportunities to strengthen the resilience and efficiency of the public administration system while making adjustments to the usual reform procedures. This involves enhancing the capacity of state authorities to adapt and respond quickly to crisis situations, as well as ensuring the continuity of critical administrative functions at all levels, from national to local. It is equally important to reform the security and defense sector in line with EU standards and recommendations, ensure effective cooperation between military and civilian structures, and utilize EU assistance and advisory support to address pressing issues.

It is essential to intensify foreign policy and diplomatic activities to gain the support of international partners, attract international assistance and investments for the country's reconstruction, and strengthen the country's position on the international stage in connection with the European integration process.

Accelerate the implementation of electronic public services and platforms to ensure social protection, aid for refugees and war victims, especially internally displaced persons, and to provide citizens with access to public services in situations where physical access to frontline populations is limited. Strengthen anti-corruption measures to ensure transparency and efficiency in the use of resources, promote active public participation in the reform and recovery process, develop volunteer initiatives, and ensure open dialogue between the government and civil society.

-

⁴⁴ Soros, G. (2016). *Brexit and the Future of the EU*. Retrieved from https://www.eurointegration.com.ua/articles/2016/06/26/7051283/

Despite the challenging political and socio-economic situation in our country, it is crucial to develop long-term recovery and development plans that take into account the goals of European integration, including infrastructure projects, economic reconstruction, and Only by harmonizing environmental initiatives. legislation with international standards and EU norms, as well as ensuring legal security and justice during and after the conflict, will it be possible to implement these plans. To support economic stability, it is necessary to develop new sectors of the economy (such as information technology and cybersecurity, renewable energy sources, biotechnology, e-commerce and digital services, educational technologies) that can attract investments, support small and medium-sized businesses, and contribute to rapid recovery and growth.

The processes of reform within the context of European integration, aimed at aligning with EU standards, including changes to governance structures, legal frameworks, and ensuring transparency and efficiency, have been examined. It has been determined that the reform of the public administration system during wartime, considering the goals of European integration, requires flexibility, innovative approaches, and readiness to quickly adapt to changing circumstances. It is essential to focus on ensuring security, stability, and continuing progress toward European integration standards even under extremely challenging conditions.

The main problems inherent in the public administration reform process, which hinder the effective functioning of the mechanisms of Ukraine's public administration system, have been identified. These problems are influenced by various factors, including the current stage of European integration, external and internal challenges and threats, global political and economic unpredictability, escalating conflicts between global centers of influence, accumulating crises within the EU, and internal issues in Ukraine.

The key components that would make the formation and functioning of the public administration system effective, such as a functioning public service delivery system, a developed e-government network, and the potential of professional human resources, have been summarized. The factors that restrain the effective functioning of the public administration system in Ukraine have been analyzed, the connections between them established, and the conditions for further reforms and improvements outlined.

It has been determined that one of the key means of enhancing public administration efficiency, both at the national and regional levels, is rational forecasting, and the flexibility and responsiveness of public administration can be significantly increased by implementing a comprehensive forecasting system that includes both quantitative and qualitative methods. This will allow for rapid adaptation to changes in the socio-economic environment and ensure a high level of preparedness for potential crises. Researchers should focus particular attention on the coordination of forecasting methods as a tool to enhance management efficiency. Human resources play a crucial role, requiring systematic and widespread training of highly qualified specialists capable of working with data at an inter-agency level and using a comprehensive set of forecasting methods and tools, including elements of artificial intelligence.

The updated State Strategy for Regional Development until 2027 has been reviewed, clearly identifying current issues, priorities, and the strategic local development goals based on these priorities, which regions and communities will focus on when developing their own strategies and action plans. This includes creating conditions for the return of Ukrainians to their regions and territorial communities. It is necessary to address the adaptation of internally displaced persons, relocated enterprises, and veterans, consider environmental issues, and carry out reconstruction according to the principles of the European Union's Green Deal.

It has been proven that, under martial law, optimizing the management process of the country and its regions is becoming increasingly important, placing new demands on Ukraine's public administration system. First and foremost, it is necessary to establish effective interaction between state authorities, local governments, and civil society organizations to overcome existing institutional problems that hinder adaptation to martial law and limit the prospects for economic development in post-war Ukraine. These problems include, in particular, institutional gaps in the legal framework for administrative and regional reforms and the opportunistic behavior of a significant portion of the population. The formation of a new system of strategic management for national, regional, and communal development in Ukraine, taking into account the current needs of wartime, is also highly important in the present circumstances.

The main legislative changes necessary for implementing the key directions of public administration reform in the context of European integration have been proposed to align national laws with EU norms and standards. The financial, social, and market mechanisms for the development of public administration, aimed at increasing its efficiency through the introduction of new models of strategy formulation and effective strategic planning tools, have been systematized.

It has been determined that, in the context of martial law, public administration reform should focus on strategic management, rapid intervention, and the reform of the security and defense sectors in line with EU standards, as well as the development of new economic sectors. The implementation of these reforms will facilitate Ukraine's integration into the European Union and the creation of a transparent and efficient governance system both during the war and in post-war recovery. It has been established that during the war, reforming the public administration system according to EU standards and national security requirements is seen as a primary objective for strengthening state capacity.