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STEADY SUPPORT FOR CONSERVATION OF THE ECONOMY AND FINANCIAL SECTOR OF UKRAINE IN TERMS OF MILITARY AGGRESSION

The research examines the financial and economic implications of the ongoing military conflict in Ukraine, emphasizing the critical need for financial support and policy coordination to recover and stabilize the country's economy. The analysis addresses the extensive destruction caused by military aggression, which has devastated Ukraine's infrastructure, including transportation, energy systems, and social services. The research also explores the global economic repercussions of the conflict, including disruptions in international trade, energy markets, and financial systems, while noting partial adaptations in the global economy.

The role of international businesses in perpetuating or mitigating the conflict is scrutinized, emphasizing the ethical and economic responsibilities of firms operating in or engaging with the aggressor state. The ongoing military aggression has necessitated increased vigilance in implementing international financial sanctions to safeguard global financial stability.

To ensure Ukraine's post-war recovery, the study proposes strategic financial planning scenarios, accommodating both short-term challenges and long-term development needs. It identifies the need for substantial international financial assistance, estimating costs in the hundreds of billions of dollars. The reconstruction of critical infrastructure and the revitalization of economic systems are deemed essential, with special attention to leveraging partnerships with business structures from allied countries.

The research concludes with a call for enhanced coordination between monetary and fiscal policies in Ukraine, as mismanagement of these instruments is identified as a key driver of financial and economic crises. Strengthened policy alignment is presented as a vital strategy for overcoming the challenges posed by the ongoing conflict and ensuring financial security at both national and international levels.

The methodological tools of the research were: systematic approach, methods of analysis and synthesis, logical generalization, comparison, etc.

Keywords: economic support, financial sector, monetary policy, fiscal policy, military aggression.

СТІЙКА ПІДТРИМКА ЗБЕРЕЖЕННЯ ЕКОНОМІКИ ТА ФІНАНСОВОГО СЕКТОРУ УКРАЇНИ В УМОВАХ ВІЙСЬКОВОЇ АГРЕСІЇ

У статті досліджено фінансові та економічні наслідки військової агресії в Україні, акцентуючи увагу на потребі фінансової підтримки та координації різноманітних політик для відновлення та стабілізації економіки країни. Підкреслюється роль міжнародного бізнесу у впливі на конфлікт і необхідність посилення санкцій для захисту глобальної фінансової стабільності. Запропоновано стратегічне фінансове планування для післявоєнного відновлення, що передбачає реконструкцію інфраструктури, розвиток економіки та міжнародну фінансову допомогу. Особливу увагу приділено інноваціям через співпрацю з фінансово-технологічними стартапами. Наголошується на важливості координації монетарної та фінансової політик як ключового чинника фінансової безпеки.

Ключові слова: підтримка економіки, фінансовий сектор, монетарна політика, фінансова політика, військова агресія.

Statement of the problem in a general form and its connection with important scientific and practical tasks. Modern global challenges have a significant impact on national economies and financial systems of countries. In addition, we observe how the issue of sustainability of socio-economic systems and provision of stable finances at the regional level is gaining more and more relevance. It is worth noting that we agree with the research of scientists Shkuropadska D., Lebedeva L. and Ozhelevska T., who claim that «sustainability is not only a concept of security; it also manifests itself in the economic sphere; the ability to maintain economic stability depends on the country's resources and financial capabilities to withstand shocks and recover from them» (Shkuropadska D. et al., 2023).

The full-scale military aggression of the Russian Federation against Ukraine, which has been going on for almost three years, and during this time our state has encountered various manifestations of instability in various spheres of social life. Undoubtedly, the financial sector and the economic system have suffered the devastating impact of military operations. From the beginning of

2022 until now, State budget expenditures have increased by more than 3 times, and the coverage of a significant amount of state expenditures has become possible thanks to international financial assistance. In particular, since February 2022, the largest providers of budgetary aid to Ukraine were: the EU (more than 40 billion US dollars), the United States (almost 30 billion US dollars), the IMF (a little more than 10 billion US dollars), Japan and Canada (in total - almost 12 billion US dollars). We agree with the opinion of scientist Roshylo V. that «the current trends in the budgetary sphere are characterized by a significant deficit of the state budget, as a result of a decrease in tax revenues due to the devastating consequences of the war and a considerable increase in the country's defence expenditures» (Roshylo V., 2023).

Therefore, the definition and understanding of the issue of sustainable support for the preservation of the economy and financial sector of Ukraine in the conditions of military aggression is increasingly urgent today.

Analysis of the latest studies, in which the solution to the problem was initiated. Over the past three years, we have observed the development of the following trends in the research of scientists concerning: financial support for the development of the economy of Ukraine; monetary and fiscal coordination in Ukraine and its impact on economic growth under martial law; stability of the economies of the EU and Ukraine in the conditions of russian aggression; prospects of the post-war recovery of the financial sector of Ukraine, etc.

Taking this into account, we should note that Ukrainian scientists such as: Chugunov I., Makohon V., Titarchuk M., Nychyk V., Hrehul V., Kovalenko V., Slatvinska M., Sheludko S., Bezkrivny O., Cherkashyna K., Kovalenko, V., Slatvinska, M., Sheludko, S., Makukha, S., Valihura, V., Shkuropadska D., Lebedeva L., Ozhelevskaya T., Versal N., Krasota O., Lialkin O., Khytryi O., Rybak I., Sydorenko D. and others.

The purpose of the article. The purpose of the scientific research is to establish theoretical and practical foundations for maintaining the economy and financial sector of Ukraine in the conditions of military aggression at the current stage.

Presentation of the main material of the study with a full justification of the obtained scientific results. Today, Ukraine is going through one of the most difficult periods in modern history – full-scale russian military aggression against the country has been going on for almost three years. City centers in many parts of the country have been badly damaged. Various ways of transport, namely maritime, road, and railway, have been severely broken, and the infrastructure of economic and social service, including electricity production, digital infrastructure, bridges, and ports, were destroyed or made unusable. Such destruction has occurred for more than two years of intense shelling. In addition, the destruction of the Kakhovka hydroelectric power station, the flooding of large territories, constant shelling along hundreds of front lines, and the pollution of the atmosphere from firing emissions – adversely affect the country's environmental state. It should be noted that the war is significantly erupting human capital. This is likely to have a particularly acute impact on children by increasing malnutrition and delay, reducing years of study, and deteriorating labor market results. That is, we see that the negative manifestation of military aggression against Ukraine is only more or less clear now. As of November 2024, it can be argued that military aggression is ongoing and threatens to become even more devastating since the fighting does not stop and continues to spread to other territories of the country.

Based on this, we are convinced that understanding the essence of sustainable support for Ukraine in the financial and economic sphere is necessary for making effective decisions in the near future. And such support should only increase and develop, not only during active military operations, but also after their termination, in the post-war period.

At the same time, we are convinced that sustainable support of the economy and the financial sector is possible not only through the financial assistance of international partners, but also through the search for internal reserves and the development of opportunities. Chugunov I., Makohon V., Titarchuk M., Nychyk V., Hrehul V., in their research, provided a detailed justification for the provision of financial support for the future recovery of the economy and financial system of Ukraine and also indicated the basics of

improving the quality of the mechanism for effective financial risk management. Minimizing the consequences of financial risks and promoting macro-financial stability was also an important issue in their research. At the same time, they indicated that «it is advisable to strengthen the coordination of financial policy measures, in particular, fiscal and monetary policy should be implemented in coordination with economic policy, which will contribute to the created conditions for the sustainable growth of the socially inclusive economy» (Chugunov et al., 2024).

If we analyze all the crimes and destructive actions in Ukraine, we can say that there is a destruction of russia by the provisions of the Geneva Convention and other special conventions. We need to understand that the conventions that are in the group's mandate to develop specific financial impact measures aimed at combating money laundering (FATF) are grossly violated. And this is done consciously and since the beginning of a full-scale war. In this case, it should be noted that FATF emphasizes that all jurisdictions should be vigilant about the possible risks of bypassing the measures applied to russia to protect the international financial system.

It is known that the conscious choice of many companies to further trade with Russian companies, continues to provide funds from the Russian budget, and therefore continues to finance hostilities against Ukraine.

It is worthwhile to distinguish the business of russia and the impact of the military conflict. In particular, we will outline the international business that operates in the aggressor country. We understand that many international enterprises operating in the russian market have decided to reduce their ties and close stores or reduce investments in russia soon. This trend was observed even in the days before the invasion but received a real impulse after a full-scale invasion. Several firms that have announced the suspension of their business operations in russia did so after the campaign on social networks and the threats of consumer boycotts. However, a small number of firms decided to stay in the country, despite sanctions, difficulties with banking operations, and public sentiment. However, there are still business structures that continue to work with the aggressor country through trade.

We understand that the militarized conflict has already adversely affected the development of the world economy, the global financial system, and international trade, and has shaken the global energy balance. At the same time, the world economy has adapted, and we saw it from our previous analysis and forecast. Therefore, there is a clear awareness today that it is necessary to plan the development of financial and economic processes in Ukraine soon and to start bringing them to life. Rejecting any emotional approaches to understanding the situation, we see that in this case there can be several options: one will indicate the prospects of financial development after the war, and the other takes into account that the war will last a long time. In the first case, it is worth considering wide opportunities for financing the development and reconstruction of Ukraine, as well as the potential restoration of the financial, economic, and social infrastructure of the victim country through support, in particular by the business structures of partner countries. Otherwise, it should be borne in mind that the war will last for years, and the destruction of critical and social infrastructure will continue. In both cases, the financing of measures will be measured by hundreds of billions of dollars.

Therefore, all developed and democratic countries should help Ukraine fight for its future. Then they will invest in the development of their financial security.

The development of financial innovations is possible only if startups are implemented. It is worth emphasizing that the expansion of cooperation with financial and technological startups is precisely such a system of measures aimed at achieving long-term strategic development goals. This approach involves the increase and steady expansion of the client base. It is possible to achieve such a shift through the active implementation of innovative methods of conducting business operations. It is also fashionable to achieve this through the use of the latest banking products and financial services. In addition, it is important to ensure increased competitiveness of banking institutions. We also testify that such a shift can be achieved through the commercialization of modern knowledge, as well as the build-up of the latest technologies and equipment. Of course, in today's changing world, the active interaction of banking institutions

with financial and technological startups is aimed at creating new products and services. Such services should be built based on absolutely unique qualities used in practical activities.

Europe's dependence on all kinds of energy from Russia, which has been formed for a long time, has caused significant risks. It could be observed that a significant number of European countries did not fully realize the threats of energy dependence on one country. Moreover, when this country dared to aggression against a neighboring country, a large number of European countries could not immediately give a decisive answer that this aggression was determined. After all, such an answer would unambiguously shake trade and economic relations and therefore would put these countries in extremely difficult financial and economic situations.

After all, each of the decision-making countries is guided by its national interests. Instead, international financial institutions are guided by the principles of ensuring financial stability around the world. Therefore, let us note the role of the European Central Bank (ECB), which is at the forefront of financial support. Unfortunately, his management is divided into how best to respond. There is an agreement on the need for practical action in Ukraine, which has suffered from Russia's military aggression

Of course, at the level of national financial systems, we can note that government bodies exert the greatest influence on the implementation of regulatory measures. The main measures in this case are fiscal and monetary measures. In particular, the fiscal authority in Ukraine is the State Tax Service. And the body that ensures monetary policy is the National Bank of Ukraine. We agree with the research of Ukrainian scientists Versal, N., Krasota, O., Lialkin, O., Khytryi, O., Rybak, I. and Sydorenko, D. that to address these challenges, «fiscal policy must withstand the impact of war shocks and prevent a significant economic downturn. Meanwhile, the monetary policy should focus on maintaining monetary stability, which involves countering inflation and stabilizing the exchange rate» (Versal, N. et al., 2023).

In times of instability, monetary measures should be implemented with caution. The use of destructive measures of regulatory influence can shake macroeconomic stability even in

peacetime. Instead, prudence in monetary policy approaches will ensure the optimal course of development even in times of military upheaval. In this case, it is worth noting the important opinion of scientists Kovalenko, V., Slatvinska, M., Sheludko, S., Makukha, S. and Valihura, V., who noted that «inefficient monetary policy is the main indicator of the emergence of financial and economic crises and therefore is a threat to the financial security of the state. Today, there are new threats that lead to a negative impact of the monetary component on the financial security of the state» (Kovalenko V. et al., 2023).

Undoubtedly, the state of war determines its specific features of the formation of stable support for the financial sector and the economic system at the current stage. And although military actions continue to have their destructive impact on society, we are convinced that constructive consideration of monetary and fiscal approaches is valid and promising today. Ukrainian scientists Kovalenko V., Slatvinska M., Sheludko S., Bezkrivnyi O., and Cherkashyna K. in their research established that there is a clear dominance of monetary policy instruments (weighted average interest rate according to the NBU of instruments) over the factors of the fiscal sphere. As these authors note, «drawn from the findings of the conducted investigation, it is evident that amidst the challenging political and economic landscape in Ukraine, there is a pressing need to prioritize the enhancement of coordination between monetary and fiscal policies» (Kovalenko V., Slatvinska M., Sheludko S., Bezkrivnyi O., Cherkashyna K., 2024).

We must realize that the current financial support in the near future should be aimed at the fastest possible recovery of the financial sector at various levels of the country, as well as aimed at the recovery of the damaged and destroyed infrastructure of the financial sector. In addition, sustainable support should be the basis of activation processes of various businesses.

Conclusions. The study highlights the critical need for coordinated fiscal and monetary policies to ensure macro-financial stability amid ongoing military aggression. It emphasizes the importance of international financial support, infrastructure reconstruction, and fostering innovations through collaboration with

financial and technological startups. Future research should focus on optimizing financial instruments for post-war recovery, exploring sustainable funding mechanisms, and assessing the long-term socio-economic impacts of the conflict.

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