

**EVROPSKÝ ČASOPIS EKONOMIKY
A MANAGEMENTU**

**Svazek 9
6. vydání
2023**



**EUROPEAN JOURNAL
OF ECONOMICS AND MANAGEMENT**

**Volume 9
Issue 6
2023**

DOI: 10.46340/eujem.2023.9.6

Přístup redakce

«*Evropský časopis ekonomiky a managementu*» – mezinárodní časopis věnovaný aktuálním otázkám ekonomiky a managementu.

Pro publikaci v časopisu přijímají se vysoce kvalitní články, což představují důležité inovativní, teoretické, koncepční, metodické a empirické příspěvky v příslušných oborech vědy. V časopisu se uplatňuje systém anonymního recenzování (peer-review) pro ověření vědecké kvalifikace článků.

Evropský časopis ekonomiky a managementu má velký zájem zejména o výzkumy v makroekonomických tématech, kteří mohou prokázat perspektivní způsoby rozvoje ekonomiky země a také odrážejí zkušenosti úspěšného rozvoje národního hospodářství.

Redakční komise:

Šéfredaktor

Anatolij G. Goncharuk, Doktor ekonomických věd, Profesor, NLA University College Bergen (*Norsko*)

Zástupce šéfredaktora

Inna Riepina, Doktor ekonomických věd, Profesor, Státní vysoké školy “Kyjivská národní ekonomická univerzita jm. Vadyma Het’mana” (*Ukrajina*)

Technický redaktor

Maryna Kalashlinska, PhD in political science, Centrum pro mezinárodní spolupráci města Lublin (*Polsko*)

Administrativní redaktor

Dilara Gadzhyieva, PhD in political science (*Ukrajina*)

Redakční kolégie

Natalya Andryeyeva, D. Doktor ekonomických věd, Profesor, hlavní vědecký pracovník oddělení ekonomických a ekologických problémů přímořských regionů Institutu tržních, ekonomických a ekologických studií (*Ukrajina*)

Artem Bardas, D. Doktor ekonomických věd, Profesor, Nacionální technická univerzita «Dniprovská politechnika» (*Ukrajina*)

Igor Hucal, Doktor ekonomických věd, Profesor, Ternopilské Národní ekonomická university (*Ukrajina*)

Natalia Iwaszczuk, dr hab., Profesor, Akadémie hutnictví a hornictví v Krakově, fakulta managementu, katedra řízení v energetice (*Polsko*)

Mariusz Kudełko, dr hab., Ctěný profesor, Akadémie hutnictví a hornictví v Krakově, fakulta managementu, katedra správy zaměstnanců (personnel management) a Obchodního práva (*Polsko*)

Dagmara Lewicka, dr hab., Ctěný profesor, AGH University of Science and Technology, Fakulta managementu, Katedra personální správy a hospodářského práva (*Polsko*)

Oleksandra Moskalenko, D. Doktor ekonomických věd, Profesor, Státní vysoké školy “Kyjivská národní ekonomická univerzita jm. Vadyma Het’mana” (*Ukrajina*)

Beata Stępień, Profesor, Vedoucí postgraduálního studia mezinárodních obchodních studií, Ekonomická univerzita v Poznani (*Polsko*)

Stanisław Szydło, dr hab., Profesor, AGH University of Science and Technology, Fakulta managementu, Katedra správy energetiky (*Polsko*)

Yurii Zaitsev, Doktor ekonomických věd, Profesor, Státní vysoké školy “Kyjivská národní ekonomická univerzita jm. Vadyma Het’mana” (*Ukrajina*)

Časopis je indexovaný v mezinárodních scientometrických databázích Index Copernicus International Journals Master List: <https://journals.indexcopernicus.com/search/details?id=46667>

Editorial Policy

The European Journal of Economics and Management is international journal dedicated to topical issues of economy and management. The journal aims at publishing of high quality articles that may bring innovative and significant theoretical, conceptual, methodological and empirical contribution to relevant scientific fields. The journal works with anonymous peer-review system that verifies scientific quality of submitted articles.

The European Journal of Economics and Management has a particular interest in macroeconomic researches that may demonstrate promising ways of national economy development, but by no means restricts its interests to these spaces, welcoming any relevant contribution from and about different parts of the World.

The European Journal of Economics and Management accepts original materials which are not under consideration elsewhere at the time of submission and does not accept already published materials.

Editorial Committee:

Editor In Chief

Anatoliy G. Goncharuk, D. Sc. in Economic Science, Professor, NLA University College Bergen (*Norway*)

Deputy Editor In Chief

Inna Riepina, D.Sc. in Economic Science, Professor, State Higher Education Establishment “Kyiv National Economic University named after Vadym Hetman” (*Ukraine*)

Technical Editor

Maryna Kalashlinska, PhD in Political Science, International Cooperation Centre of the Lublin City Office (*Poland*)

Administrative Editor

Dilara Gadzhyieva, PhD in Political Science (*Ukraine*)

Editorial Board

Natalya Andryeyeva, D. Sc. in Economic Science, Professor, main scientific specialist of the department of economic and ecological problems of seaside’s regions, Institute of market, economic and ecological studies (*Ukraine*)

Artem Bardas, D. Sc. in Economics Science, Professor, Dnipro National University of Technology (*Ukraine*)

Igor Hucal, D. Sc. in Economic Science, Professor, Ternopol National Economic University (*Ukraine*)

Natalia Iwaszczuk, dr hab., Professor, AGH University of Science and Technology, Faculty of Management, Head of the Department of Energy Administration (*Poland*)

Mariusz Kudełko, dr hab., Honoured Professor, AGH University of Science and Technology, Faculty of Management, Department of Personnel Administration and Economic Law (*Poland*)

Dagmara Lewicka, dr hab., Honoured Professor, AGH University of Science and Technology, Faculty of Management, Department of Personnel Administration and Economic Law (*Poland*)

Oleksandra Moskalenko, D.Sc. in Economic Science, Professor, State Higher Education Establishment “Kyiv National Economic University named after Vadym Hetman” (*Ukraine*)

Beata Stępień, Professor, Head of Postgraduate International Business Studies, Poznan University of Economics (*Poland*)

Stanisław Szydło, dr hab., Professor, AGH University of Science and Technology, Faculty of Management, Department of Energy Administration (*Poland*)

Yurii Zaitsev, D.Sc. in Economic Science, Professor, State Higher Education Establishment “Kyiv National Economic University named after Vadym Hetman” (*Ukraine*)

The Journal is indexed in the Index Copernicus International Journals Master List:

<https://journals.indexcopernicus.com/search/details?id=46667>

EVROPSKÝ ČASOPIS EKONOMIKY A MANAGEMENTU

Evidenční číslo: MK ČR E 22310

Vydavatel: BEROSTAV DRUŽSTVO

Adresa: Vlastislavova 562/15, 140 00, Praha 4 – Nusle

<http://eujem.cz>

Table of contents**INTERNATIONAL ECONOMIC RELATIONS**

Victor Kipiani, THE NEW ECONOMIC "AUTARCHY": ON A FEW FUNDAMENTAL GLOBAL TRENDS AND IMPORTANT EXPECTATIONS	5
---	---

GOVERNANCE BY NATIONAL ECONOMY

Yurii Drachuk, Anastasiia Zerkal, Nataliia Trushkina, ENVIRONMENTAL COMPONENT IN THE CONDITIONS OF WARTIME AND POST-WAR RECOVERY OF UKRAINE'S ECONOMY	12
---	----

Andrii Polchanov, Nataliia Vyhovska, Iryna Lytvynchuk, Oleksii Polchanov, MODELING THE IMPACT OF DIIA CITY ON IT BUSINESS ACTIVITIES IN UKRAINE.....	24
---	----

REQUIREMENTS TO MANUSCRIPTS (in Czech)	34
--	----

REQUIREMENTS TO MANUSCRIPTS (in English)	40
--	----

INTERNATIONAL ECONOMIC RELATIONS

DOI: 10.46340/eujem.2023.9.6.1

THE NEW ECONOMIC "AUTARCHY": ON A FEW FUNDAMENTAL GLOBAL TRENDS AND IMPORTANT EXPECTATIONS

Victor Kipiani¹ , PhD in Law

¹ Geocase, Tbilisi, Georgia

Email: vkipiani@geocase.ge

Citation: Kipiani, V. (2023). The New Economic "Autarchy": on a Few Fundamental Global Trends and Important Expectations. *European Journal of Economics and Management*, 9, 6, 5-11. <https://doi.org/10.46340/eujem.2023.9.6.1>

Abstract

The end of the Cold War not only heralded an idyll in international relations, but also promised maximum access to the accumulated economic benefits worldwide through various alliances, pacts or initiatives. It is indicative that Francis Fukuyama's *The End of History*, which proclaimed the almost eternal, unconditional and irreversible "Good has triumphed over evil", has become a kind of quintessence of the "Golden Era" attitude of the developed and developing world.

Fukuyama's understanding of international politics was supposed to manifest itself in the global economic picture. And although globalism in the economy does not always equal the global economy, but here too the full irreversibility of cosmopolitanism, universalism or internationalism was expected.

Accordingly, the idea of economic globalisation in global geospace became a kind of mantra, and the opposite view was seen as "turning our backs on the world" and declared the object of an attack on total obstruction. The only exception in the "mainstream" was the creation of large trading blocs, which ultimately, again, contributed to the global economic texture. At first glance, this process in some places had the character of de-globalisation, but only at first glance, but in reality and in practice its final result was the global universalisation of the rules of the game in the world economy.

Thus, the very notion of "globalisation" has turned into a synonym for economic welfare, while the practical forms and mechanisms of obtaining and redistributing this welfare have become the only topic of discussion. The economic drive towards globalisation and the belief in the inevitability of this trend continued until several large-scale shocks rocked much of the world and the existing order.

Keywords: Economic security, Globalisation, Middle East, Cold War, EU, USA, Russia, China.

JEL: F02

Forced reversal

Over the past couple of decades, the world economy has suffered a number of blows. Each of them was unique in its individual nature and different scale.

Despite this abundance and diversity, among the major, so to speak, "systemically transformative" processes were and remain the financial crisis of 2008-2009, the COVID pandemic and post-pandemic

processes, and the ongoing war resulting from Russia's re-invasion of Ukraine. The latter posed a special challenge to Europe, which had to respond to two issues fundamental to it, such as importing cheap energy from Russia and exporting advanced technology to China. Both issues have a very expensive "price tag", so it is no coincidence that, according to a poll conducted by the European Council on Foreign Relations think tank, 62 percent of Europeans would be in favour of neutrality in the event of a conflict over Taiwan.

Military operations in the Middle East are also developing dramatically, although at the time of writing this article it is probably too early to draw definite conclusions.

In the given situation and in response to the shocks mentioned above, probably the natural reaction would be a greater diversification of economic linkages, even if this would lead to the need for additional costs or complex logistical solutions; In fact, a significant number of countries have chosen a different path, which we will discuss in more detail later, but here we will only briefly note that this choice has linked the economy even more closely to geopolitics and security. We think that this link will remain relevant, at least for the foreseeable future.

Of particular note is that along with external, so-called exogenous developments, the larger economic picture is influenced by political changes within specific national systems. We will have a relatively extensive discussion about these changes and the vision and approaches that have emerged from them.

One thing is clear: the idyll and universalisation of economic relations predicted for an indefinite period after the end of the Cold War, has not stood the test of challenges. As a result, "managing the process according to plan" has also failed, which, along with a number of other disturbing symptoms, has manifested itself as:

- (a) Increasing economic inequalities within countries; also -
- (b) Deepening inequalities between the economic capacities of different countries or regions; and –
- (c) The transformation of economic means into an instrument of pressure, which is known in the modern literature as the phenomenon of weaponisation.

As a result, harmonisation of common rules of behaviour is hampered, in some places national economic systems go into a "defensive" mode, and global actors do not hesitate to justify basic policy decisions in the economy by selfish considerations.

The new industrial policy: who is acting how?

There is a growing tendency in the policies of players with significant influence on the global economy to look after themselves at the expense of the interests of others. At such times, we cannot call the practical measures or legislative initiatives anything other than a significant slowdown in the globalisation of the economic structure and, in some cases, a revision of the results achieved in this regard or a demonstration of national-economic egoism motivated by the idea of self-sufficiency.

In the face of growing challenges in the world, a number of major countries have openly declared economic restructuring dictated by national security considerations. Such restructuring has three main objectives, which are equally prioritised, and thus a new industrial policy can only be measured by the implementation of all three together, namely:

- (1) sufficient resource potential of the economy during crises and the resilience of the production base in stand-alone or isolated mode for a significant period of time;
- (2) at the very least, to significantly reduce, if not paralyse, the potential for competing economies in times of global upheaval using the tools of modern economic warfare;
 - and as a result of the realisation of both of the above objectives:
- (3) in the medium or long term, gaining such an advantage on the geo-economic plane that will create a solid precondition for the realisation of the desired geopolitical interests.

The fact is that the so-called new industrial policy is determined by economic actors of such calibre, which, more than others, have the task of consistently and responsibly participating in the world economy, maintaining the necessary balance between developed and developing countries creating fair and equal conditions necessary for development based on the imperative of global order and stability, but in stark contrast, in recent years we have witnessed the deepening of trends that seek to artificially stimulate the domestic market through overt protectionism, to reduce the coordination necessary to manage existing global threats, to destroy the reasonable standards of interconnectedness and interdependence necessary to tame the main ally of extremism and radicalism – poverty.

Even the summation of just a few such steps in this brief format indicates the occurrence of the essential features of the new industrial policy and, consequently, the coming (irreversibly?) of the era of the emergence of "autarchic protectionism" in the economy, with all its consequences.

For example, the stated purpose of the United States Inflation Reduction Act legislative initiative is to encourage green technology through subsidies and tax credits, whereas the purpose of the CHIPS and Science legislation is to encourage semiconductor manufacturing in the United States. The real motive behind this and many other initiatives and programmes is to reduce the United States' dependence on Asian markets, especially China, to gain a better position in the new geopolitical redistribution. Several large-scale projects launched by Beijing, be it the China 2025 Strategy or the Dual Circulation Policy, have the same spirit, the overall effect of which is to promote domestic consumption growth and increase concentration on the Chinese market itself. India has also followed this pattern by launching the Make in India project, the main essence of which is again to protect local production through official protectionist measures. Although on other grounds, but under the slogan – "Everything for the front" – Russia has not fallen behind the trend of self-locking its own economy, and at this stage almost a third of the country's budget expenditure will be used for "national defence". For greater clarity: six per cent of Gross National Product will be spent on the needs of the war, that is, more than twice as much as was spent before the renewed aggression in Ukraine. In addition to direct military spending, more than nine per cent goes to 'national security'. This increase in spending, along with social and infrastructure issues, is very much in line with economic isolationism and protectionism.

These are just a few illustrative examples, and the list can easily be extended with examples of the economies of the mentioned and other countries. Each of them is characterised by concern for its own needs at the level of public policy, and this without taking into account the relevance of proper reciprocity and common interests in international economic relations. Obviously, along with the risks of predictable development of the economic structure, this does not bode well for the overall security structure in a global sense.

And in general, even if we leave aside security and foreign policy, even in the "narrow" economic sense, the direct tangible negative consequences of such neo-isolationism, the same economic autarchy, are:

- (1) maximum withdrawal from international economic linkages has a high probability of reducing the competitiveness of local advanced companies, the so-called national champions, together with the national economy;
- (2) politics is breaking into the allocation of resources and the creation of supply chains, with the result that political and security needs subordinate sound economic laws;
- (3) a timely and technocratic response to challenges in the economy can fall prey to insinuations among politicians;
- (4) there is an increased likelihood of contentious cases, whether between countries or between trading blocs or regional alliances. A prime example of this is the high-profile dispute between Airbus

and Boeing, which has had an unfavourable impact on trade relations between the United States and the European Union.

The private sector has not lagged behind the open protectionism officially declared by various countries. For example, the well-established terms "frandshoring" or "re-shoring" actually refer to the relocation of production from vulnerable geographic regions and unfriendly countries to relatively safe or low-risk jurisdictions. This process, of course, results in a shrinking global supply network with the ultimate goal of preventing and quickly recovering from unwanted, long-term or unpredictable supply and delivery disruptions.

The impact of the process on developing systems...

... is particularly important and noteworthy for us, as it is associated with many topical lessons for the Georgian economy. The trend mentioned in this article most notably negatively affects developing (i.e. emerging) economies, fuelled by geopolitical instability in addition to economic factors.

A number of developing countries have benefited specifically from the "era of globalisation" that has been left behind (temporarily). First of all, this benefit has manifested itself in the redirection of trade and finance to these countries, which has been underpinned by:

- (a) cheap local labour in the respective economies, and
- (b) relatively easy and low-cost supply and delivery.

As a result of these very practical economic circumstances, the flow of direct investment into the developing world has been further enhanced by the "offshorisation" of Western corporations or the transfer of business operations to developing countries.

A related result of the same process was that developing economic systems now obtained financial resources through direct investment (and not only loan capital) to invest in Western funds or securities. Moreover, such systems have gained additional benefits:

- (a) instruments to hedge (i.e. manage) export and import risks;
- (b) emergence of their own "national champions" – flagship companies;
- (c) expansion of the market for national products;
- (d) creation, in some cases, of a sufficiently resilient local stock market;
- (e) access to advanced technologies, and
- (e) even the creation of its own middle class, which is so important for the political and socio-economic sustainability of a country.

It is clear that the intensified "two-way street" between the developed and developing world (needless to say, Georgia has been left out of this process) has significantly increased the degree of interconnectedness and interdependence for globalisation.

Thus, it is clear that the significant weakening of the globalisation-internationalisation-interconnectedness of economic systems at the end of the last century and the beginning of this one has proved to be quite harmful for the developing economic world as well. This damage will increase with the deepening process of de-globalisation and the rise of economic nationalism. Therefore, this situation requires a timely and adequate systemic reorganisation from an emerging economy.

Economic security or security in the economy?

The post-Cold War period is reflected in the pace of globalisation not only by the fragmentation of trade and financial ties, but also by a significant reduction in the stability and sustainability of the existing geopolitical order. Basically, these two sides of the coin are now so intertwined that fluctuations in politics directly affect the economy, and vice versa. We have also said that the relationship and interdependence of such fluctuations (with the lifting of specific means mentioned in this article) is most clearly seen in low- and middle-income countries. The established reality is that security policy or politics in security has almost

become the unquestioned determinant of economic progress. It is from such "subordination" that modern economic nationalism or the new economic autarchy – a separate and largely closed economic policy of a particular country – is born.

Judging by the current trends and public speeches of high-ranking officials, we are dealing with such a phenomenon as a new type of economically secure state. The April 2023 speech of White House National Security Advisor Jack Sullivan is very telling in this regard. In his speech, he spoke at length about the contradictory relationship between the free market and economic security and made some very notable points. In particular, according to Sullivan, the complete and uncontrolled delegation of economic processes to the open market and its players:

(a) has weakened the national security of the United States of America; and that -

(b) total dependence in global economic ties is abused by others to achieve their economic or geopolitical objectives; as well as -

(c) economic liberalisation by previous United States administrations has not only failed to achieve peace and stability, but has also led to the rise of China and critical vulnerabilities in the global supply and delivery chain.

In practice, with this emphasis, we have had a significant expansion of the traditional understanding of "security" (which implied the prevention of war, terrorism, etc.), with the result that security now includes food supply, energy self-sufficiency, inflation management, climate change, etc.

Moreover, statements made at a number of economic alliance forums and gatherings suggest that the so-called Washington Consensus, in place for some time after the end of World War II and the Cold War, has been replaced by a New Washington Consensus. According to opinions circulated in different sources, the updated version of the mentioned "consensus" implies both a rejection of the prioritisation of market over security and maintaining a balance between the two. This theoretical paradigm is actually difficult to imagine. It is all the more difficult to put it into practice because this approach, called "de-risking", is, in fact, as new as the well-forgotten old one – proper management of the economic process by minimising its vulnerability as much as possible. It should be assumed that this result is reflected, *inter alia*, in reasonable state control and management of market processes, examples of which we clearly see in some countries of the European Union and Asia, e.g. in Japan.

To summarise this view, let us say that the security of the economic system is based on a single and indivisible, so-called holistic approach and includes mutual harmonisation and synergy of measures in different areas. Given the complexity of modern challenges, this is even more critical. Let us add that market players, despite their ability to adapt to global shocks and their flexibility, do not have the basic ability to manage geopolitical risks, which in modern conditions has, almost without alternative, a dominant subject of international relations – a state or a union of states.

Excessive sanctions "appetite": a risk for globalisation?

However strange the proposed wording may sound, one very specific problem has arisen in recent years in relation to the application of sanctions. Let us try to briefly explain what its essence is.

The fact is that sanctions, as a universal means of overcoming wrong, are used today with little thought. Moreover, the relentless pursuit of sanctions has created a "sanctions industrial base", as if the excessive number of sanctions and their use without strategic thinking could help alter the policies and behaviour of the target actor. As a result, the "overdose" of sanctions has prompted many countries (including those that violate international law) to consider establishing financial systems that would allow them to bypass US dollar-dominated payment channels. Such efforts are, of course, again leading to a weakening of globalisation.

The promotion of economic coercive policies, the popularisation and indiscriminate use of sanctions as an immediate response has, in fact, significantly undermined the foundations of meaningful economic

policy. For their part, excessive and ill-considered punitive practices and global harmonisation of the rules of economic behaviour favour "me" over "we" and reduce economic resilience in the face of growing global challenges.

In order for us to realise...

...we have presented a small overview of economic trends, including selected opinions and assessments. Yes, the Georgian economy is very small, and this smallness is probably one of the obstacles to its rapid growth. However, it is also a fact that in the modern world "smallness" does not mean exclusion and isolation. Moreover, it is precisely the interconnectedness of global economic channels (like the law of "communicating vessels" in physics) and the effect of a wide spillover of global shocks that made the division into "big" and "small" more conditional, at least in economics.

Therefore, when determining Georgia's economic policy, it is necessary to constantly monitor the processes taking place around us in order to critically assess them and determine the actions that we should implement, guided by sound rationality.

Taking this into account, we would like to summarise some (already well known) considerations. This thinking is only at the "amateur" level and, clearly, when discussing such a topic, the qualified assessment of representatives of professional circles has a very different importance and weight. In any case, to promote the stability and self-sufficiency of our country's economic system, its competitiveness and real growth, we should think and care about:

- Wider integration with developed economies. This will be of practical importance for qualitative improvements in our trade and financial flows, as well as for the transfer to us and adoption of advanced technologies and knowledge.

- Expansion and diversification of the export market. It is well known that holding on to a particular market is economically vulnerable and risky from the point of view of national security; Accordingly, the more sources of "expenditure" and "income" there are, the more space and freedom for nation-state development. All this is connected, inter alia, with free trade agreements and trade associations.

With the rise of economic nationalism in the world, we should also think and care:

- Not only about the quantitative, but also about the qualitative side of investment. Given the current global and regional threats, we believe it is unacceptable to consider any investment as desirable for our country. It is time to learn how to differentiate and choose them. For this purpose, we consider it advisable to review investments and introduce a mechanism for their so-called "screening" at the legislative level. We would also like to note that many developed economic systems use this method today.

- Timely channelling of necessary resources into the country's intellect. Without ensuring "intellectual self-sufficiency" in this way, we are doomed to witness the outflow of so many valuable human resources from Georgia and thus exhaust our competitiveness and growth potential in the near future.

- In addition to the above, we would consider the following as practical measures:

- A large and separate place should be given to the issue of economic security in the national security doctrine of Georgia. This special attention, again, is dictated by the modern and multifaceted understanding of the concept of "security" mentioned in this article. We must agree that national security is unthinkable without a unified set of economic measures, because no one in this world will consider and speak as honourable partners with the weak, the poor and those reaching out for help.

- The direction of economic security in the format of the National Security Council should be strengthened. As one of the possible developments, we do not rule out the separate creation of an Economic Security Council or its institutionalisation within the system of the National Security Council.

- When talking about the structural approach, we would also mention as a possible subject of discussion the introduction of the position of the Minister of Economic Security in the Government of Georgia with the corresponding supervisory scope and functions.

- Whether under the auspices of the Economic Security Council or the Minister of Economic Security, one of the main tasks should be to continuously monitor and analyse the risks and threats to Georgia's economic security. This process should be objectively reflected in a periodic document on economic threats (similar to the current practice in the European Union). Among other necessary issues, the document will assess short-, medium- and long-term risks to the country's economic security, as well as recommended measures to minimise and manage them.

- In addition to the doctrinal approach, the appropriateness of legislation ensuring economic security (e.g. Georgia's Act on Economic Security) should be discussed. In working on such legislation, special attention should be paid to, inter alia: (a) coordination of government agencies in times of crisis; (b) rapidly realigning global or regional delivery and supply from one system to another, and to reduce overdependence on one system; (c) promoting modern innovation in critical sectors.

We realise that there is much to talk about in this regard and many more key aspects could be mentioned. However, it is a fact that all of them can only be realised in conditions of normalisation of relations within the country. We would like to reiterate what has already been said many times: the country has neither the "luxury" nor the resources to continue functioning within the framework of "political business-making", a process that has transcended institutions, centred only on the static harmful imperative of preserving and gaining power.

The Georgian political and social elite, those who understand that elitism is first and foremost equated with responsibility, openness and self-criticism, are required to saturate the internal and external lines with meritocracy, knowledge and informed decisions. Today, the country faces a practically non-alternative task: to invest in its own functional competitiveness, efficient security and inclusive development in order to regain its place in the existing "disorderly order".

GOVERNANCE BY NATIONAL ECONOMY

DOI: 10.46340/eujem.2023.9.6.2

ENVIRONMENTAL COMPONENT IN THE CONDITIONS OF WARTIME AND POST-WAR RECOVERY OF UKRAINE'S ECONOMY

Yurii Drachuk¹  **Doctor of Engineering, Anastasiia Zerkal²**  **Doctor of Economic Sciences, Nataliia Trushkina³**  **PhD of Economic Sciences**

¹ *The Academy of Economic Sciences of Ukraine, Institute of Industrial Economics of the National Academy of Sciences of Ukraine, Kyiv, Ukraine*

² *Department of Marketing and Logistics Economics and Management Faculty, National University «Zaporizhzhia Polytechnic», Zaporizhzhia, Ukraine*

³ *Research Center for Industrial Problems of Development of the NAS of Ukraine, Kharkiv, Ukraine*

Corresponding author: Yurii Drachuk; Email: drachuk.yuriy@gmail.com

Citation: Drachuk, Yu., Zerkal, A., Trushkina, N. (2023). Environmental Component in the Conditions of Wartime and Post-War Recovery of Ukraine's Economy. *European Journal of Economics and Management*, 9, 6, 12-23. <https://doi.org/10.46340/eujem.2023.9.6.2>

Abstract

The ecological component in the conditions of wartime and post-war recovery of the economy of Ukraine becomes a priority for scientific and government structures. Considering the extent of the damage and the consequences of ecocide as a result of the Kakhovka hydroelectric power plant being blown up by the aggressor in Ukraine, it is important to take effective measures to restore ecosystems, ensure environmental safety and sustainable development. This requires a systematic approach, scientific understanding and implementation of innovative solutions. Only by working together and coordinating efforts we can overcome these challenges and create a future where environmental sustainability and economic development go hand in hand. The unique context of modern Ukraine, reflecting the sad reality of the war and the need to restore the country's economy, requires a serious analysis and understanding of the environmental component in these conditions. Due to the ruthless actions of the aggressor, the Russian regime, Ukraine has witnessed a large-scale act of ecocide, which is equated with the consequences of an atomic bomb explosion or an accident at a nuclear power plant. Ukraine, as a state, must mobilize all its resources to combat the environmental challenges of the war and ensure a sustainable economic recovery. Ukrainians face the challenge of preserving the national heritage, protecting nature and creating favorable conditions for future generations. The use of a wide range of sources and research methods, in particular, analytical literature and author's research, materials for the sustainable development of the country's economy in the context of global transformation processes and post-war recovery, directive materials from various sources, world experience in industrial modernization, contributed to a deep understanding of this issue. Research and analysis of information testify to Ukraine's extreme gratitude for the support of its partners in this difficult period. Ukraine recognizes that with the help of these partners it can win the war and rebuild its country, including the normalization of the ecological situation. Poland expressed its support and the Interreg NEXT Poland-Ukraine 2021-2027 Program is aimed

at a number of areas, including nature protection, improving the quality of water resources, healthcare, and improving the functioning of the Polish-Ukrainian border. According to the analysis of the expert discussion of ways to restore Ukraine, it was noted that for Ukraine today the economic front is becoming increasingly important, where key aspects of successful restoration should be: human potential, attraction of technologies and management experience, use of funds provided to Ukraine for recovery, proposed innovative ideas and, together with partners of Ukraine, the issues of economic punishment of Russia for the crisis phenomena that it created for everyone, in particular, Poland, Hungary, Germany, Great Britain, Italy and other countries. The scientific approach to the analysis of the economic situation in Ukraine shows that after the war the country should focus on economic recovery through the transition to European management standards and rapprochement with the European Union.

Keywords: post-war economic recovery, ecological component, war in Ukraine, ecocide, environmental safety.

JEL: N40, H56, Q28.

Introduction

The unique context of modern Ukraine, reflecting the sad reality of war and the need to restore the country's economy, requires serious analysis and understanding of the environmental component in these conditions. Due to the brutal actions of the Russian aggressor – merciless destruction of nature, damage to infrastructure, hatred towards people – Ukraine has witnessed a large-scale act of ecocide, which is equivalent to the consequences of an atomic bomb explosion or an accident at a nuclear power plant. The explosion of the dam of the Kakhovka hydroelectric plant, which caused catastrophic consequences for the environment and the economy, became a tragic event, causing serious destruction of the economic potential of the Kherson region. The dependence of 70% of the local population on the irrigated agriculture sector was significant, which was directly affected by the lack of a sufficient water level in the Kakhovsky Reservoir.

The consequences of this tragedy significantly spread to neighboring regions, in particular to Zaporizhzhia and Dnipropetrovsk regions, as well as to the Ukrainian Crimea. The extent of damage to the environment, the economy, and man-made consequences turned out to be extremely terrible. Due to the flooding of many cities, the threat of the disappearance of the National Nature Park "Nizhnyodniprovskiy" and large crops of agricultural crops, Kherson Oblast, Zaporizhzhia and Dnipropetrovsk were plunged into a wave state of despair and uncertainty. The general economic decline, the threat of destruction of agricultural crops and the forced migration of the population arising from the impossibility of living in harsh climatic conditions and the lack of jobs are only part of the problems that Ukraine has faced since this ecological disaster.

According to the Ministry of Environmental Protection and Natural Resources of Ukraine, during the full-scale invasion by Russia, the amount of environmental damage inflicted on Ukraine as a result of the war has increased fivefold, reaching 2 trillion hryvnias as of August 2023. The chronological breakdown of environmental damage is as follows: May 2022 – 13.2 billion hryvnias; August 2022 – 395 billion hryvnias; December 2022 – nearly 1.5 trillion hryvnias in environmental losses; August 2023 – 2 trillion hryvnias. The growth in the total damage amount continues. A comprehensive picture of the damage will be known after the de-occupation of the entire Ukraine, and everything that Ukraine will inherit from nature will be a cost borne by future generations, as reported by Minister Ruslan Streltsov (Katsimon, 2023). According to Ukrainian environmentalists, "It will take 20-30 years to restore the environment naturally."

The purpose of the study involves a thorough analysis of the impact of armed conflicts on Ukraine's ecological state, as well as the formulation and development of strategies and recommendations for the effective restoration of the country's economy, taking into account the damages inflicted on the environment. The primary objective of this research endeavor is to comprehend the intricate interplay

between wartime events, environmental factors, and economic development. Additionally, it aims to devise strategies conducive to Ukraine's restoration and the preservation of its natural heritage for future generations, while also implementing effective measures to ensure environmental security and sustainable development.

Research Methodology

Searching for and implementing effective measures for ecosystem restoration, ensuring environmental safety, and sustainable development, taking into account the scale of damages and consequences of ecocide in Ukraine caused by the aggressor's actions. This research is based on the utilization of a wide range of sources and research methods, including analytical literature reviews, original research studies, materials on the country's sustainable economic development in the context of global transformation processes and post-war recovery, directive materials from various sources, and insights from global industrial modernization experiences. Additionally, it draws from materials related to Ukraine's support by friendly partners within the European Union during emergencies. Addressing the issues of Ukraine's economic recovery will require a systemic approach, scientific analysis of the problem, and the implementation of innovative solutions. Through collaborative efforts and coordinated actions, we can overcome these challenges and create a future where ecological resilience and economic development go hand in hand.

Taking into account all the above-mentioned facts, it becomes obvious that the environmental component in the conditions of wartime and post-war economic recovery of Ukraine is of indisputable importance. The scientific community, government structures and all responsible citizens must direct their efforts to the development and implementation of effective environmental strategies. This involves consideration of issues of restoration of ecosystems, creation of innovative technologies, ensuring environmental safety and implementing sustainable economic practices. Ukraine, as a state, must mobilize all its resources to combat the environmental challenges of the war and ensure sustainable recovery of the economy. This requires a high level of coordination and cooperation between relevant ministries and authorities, as well as the involvement of scientific institutions, public organizations and international partners. Only through careful analysis of the causes and consequences of the environmental disaster, development and implementation of effective strategies and policies, Ukraine will be able to get closer to the sustainable recovery of its economy and the achievement of environmental sustainability. We face the challenge of preserving national heritage, protecting nature and creating favorable conditions for future generations.

As the scientists note, the socio-economic development of the country means the state of the environment, the rational use of the available natural resource potential, where ensuring environmental safety based on the principles of sustainable development should be the main way of solving environmental and socio-economic problems that guarantee proper level of development and living conditions of the population (Varlamova & Varlamova, 2017).

Thus, the ecological component in the conditions of wartime and post-war economic recovery of Ukraine becomes a priority task for scientific and power structures. Considering the extent of damage and the consequences of ecocide, it is important to take effective measures to restore ecosystems, ensure environmental security and sustainable development. This requires a systematic approach, a scientific understanding of the problem and the implementation of innovative solutions. Only by working together and coordinating efforts can we overcome these challenges and create a future in which environmental sustainability and economic development go hand in hand.

Materials and Methods

The events set in motion by the war and post-war reconstruction in Ukraine resulted in a serious environmental problem, which today has a significant impact on the region and the international community.

The results of research and discussion of this topic indicate the extreme importance of preserving the environment and natural resources, as well as restoring what was lost during full-scale aggression.

The use of a wide range of research sources and methods, in particular analytical literary and author's studies, materials of sustainable development of the country's economy in the conditions of global transformation processes and post-war recovery, directive materials from various sources, global experience of industrial modernization, contributed to a deep understanding of the issue.

Information provided by the Ministry of Environmental Protection and Natural Resources indicates significant environmental damage as a result of the full-scale aggression of the Russian Federation. The cost of these damages, which amounts to three trillion hryvnias, as well as the loss of a part of natural resources forever, testify to the serious impact of the conflict on the ecological situation. Such actions of the Russians have a destructive nature, encroaching on the environment, which, unfortunately, does not recognize borders.

Among the environmental damages, it is worth noting the pollution of land and air, the loss of forest plantations, as well as natural resources. Forests were particularly affected, where about a third of the forest territories of Ukraine, which is almost three million hectares, were damaged. Natural diversity is also suffering as a result of Russian aggression, with damage to around 600 species of fauna and 750 species of flora.

Results and Discussion. Solving the environmental problem in the conditions of war and post-war reconstruction is a complex task that requires a comprehensive approach and joint efforts on the part of government bodies, scientific institutions, public organizations and international partners. Research and analysis of information testify to the extraordinary gratitude of Ukraine for the support of its partners in this difficult period. Ukraine recognizes that with the help of these partners it has the opportunity to win the war and rebuild its country, including the normalization of the environmental situation. Poland in particular, expressed its support and noted that while the Russians are wreaking havoc on the environment in Ukraine their representatives continue to actively participate in international organizations aimed at preserving nature. This shows that environmental issues have become a silent victim of this war, and a joint call to court is necessary to stop Russian military actions on Ukrainian territory (Boron, 2023). Poland also provides unprecedented political support to Ukraine in the face of Russian aggression (Kancelaria Prezesa Rady Ministrów, 2022). As part of the meeting of the representatives of the governments of Poland and Ukraine, a number of bilateral documents were signed, which relate to national memory, environmental protection, energy and trade. Issues of rebuilding the country were also discussed, and the Polish government unequivocally declared its support for Ukrainian companies in the process of rebuilding destroyed cities. These signed documents open the way to strengthening bilateral cooperation between Ukraine and Poland.

The Interreg NEXT Poland-Ukraine 2021-2027 program is also an important tool for supporting Ukraine after the cessation of Russian aggression. This program is aimed at a number of directions, including nature protection, improving the quality of water resources, health care, cooperation between the administration and local communities, as well as improving the functioning of the Polish-Ukrainian border. As part of this program, work on the preparation of projects is already underway, and the first call for proposals is scheduled to open in May 2023 (Interreg NEXT Poland – Ukraine, 2023).

Poland, implementing various support measures, demonstrated its trust and partnership with Ukraine, even in the difficult conditions of the war. This is confirmed by such actions as the visits of the prime ministers of Poland, the Czech Republic and Slovenia to Kyiv, as well as the speech of President Andrzej Duda in the Ukrainian parliament. Poland is ready to continue cooperation and engage in joint projects with Ukraine aimed at restoring the country and strengthening bilateral relations.

In general, the support of partners, in particular Poland, is extremely important for Ukraine in the fight against Russian aggression and in the process of restoring the country. This creates positive prospects for the restoration of the ecological state and the development of Ukraine as a whole and stable country.

In light of the recent events related to the blowing up of the dam at the Kakhovka hydroelectric plant, it is important to pay attention to the ruthlessness and brutality of the actions of the Russian army. The President of Poland, Andrzej Duda, in his speech in Bratislava noted this problem and called for appropriate material and criminal responsibility of the criminals. He noted that the destruction of the dam is an example of the ruthlessness of the Russians, who are trying to destroy Ukraine and its future. He also called for financial compensation from Russia and the prosecution of the perpetrators of the crimes before a specially created tribunal.

In addition, it is known that seven countries of the European Union (Poland, Austria, the Czech Republic, Germany, Switzerland, Norway and Finland) provided assistance to Ukraine in the context of this disaster. These countries have shown their understanding and solidarity with Ukraine at this important time. Their attention includes humanitarian aid and other means to ensure the development of the region and the relief of the humanitarian situation. Director of the Department of Economic Diplomacy of the Ministry of Foreign Affairs of Ukraine, Oleksandra Vasylenko, emphasized this fact during a briefing at the "Ukraine-Ukrinform" media center.

In this situation, it is important to note that the act of undermining the dam in Nova Kakhovka is a terrible tragedy and another example of the brutality of the occupiers, who devastate civilian infrastructure and lead to a humanitarian disaster. The condemnation of these acts of brutality and the provision of humanitarian aid to Ukraine as a result of the explosion of the Kakhovka hydroelectric plant reflect the appropriate attitude of the world community to this act of barbarism. These measures are aimed at supporting Ukraine and alleviating the consequences of this disaster, which has serious consequences for the region and the local population.

Scientific research and analysis of such events are important for understanding the causes and consequences of conflict, as well as for developing strategies for settlement and prevention of similar situations in the future. Accountability and appropriate response to ruthlessness and brutality ensure the establishment of truth, justice and peace in the region.

The scientific analysis of the mentioned information demonstrates the importance of a strategic approach and high-quality development of investments in the process of building a new economy space. Attracting investments and creating a favorable business climate are key factors for restoring the productive potential of the economy and ensuring further economic growth, especially in the context of a reduction in official international aid. The process of rebuilding a country after a conflict is individual for each country and depends on its economic, geopolitical and cultural characteristics.

An important step for building a new space is the introduction of a strategic approach and the ability to properly master investments. The restoration of new production potential of the economy, as well as the formation of a favorable business climate, will allow attracting investments and maintaining economic growth in the future in the conditions of a reduction in official international aid. Each country's recovery model is individual and depends on its economic, geopolitical and cultural characteristics. The All-Ukrainian Forum "SEB-2022" (Obrambalskyi & Kushnirenko, 2023) – cooperation of science, education and business for the post-war revival of countries, noted the modern requirements set by leading global and domestic companies and employers to institutions of higher education to the quality of specialists and their of practical training, which are extremely high. The goals of sustainable development, the implementation of the European Green Course in the conditions of globalization and climate change, are currently impossible without sufficient investments in education and science. This can be achieved only in cooperation with business, joint mastering of new technologies, their improvement and creation, involvement of students, young scientists and scientists in these processes.

A large number of studies by domestic and foreign authors are devoted to the consideration of the economic and legal factors of the management system in the context of the post-war reconstruction

of the country, aspects of the sustainable development of the country's economy. Separate directions of such consideration, for example: an important trend in the development of the modern world economy, as noted in the work (Ukrainian Institute for the Future, 2022) – a new epochal crisis is currently taking place, where outright evil has removed its masks and manifested itself in full. Who will stand on the side of good? Not all countries have taken a clear position in this war. February 24, 2022 is not only a new, larger stage of the Ukrainian-Russian war, which has been going on for centuries, but also the beginning of the European civilizational breakdown. The "Marshall Plan" was also about a significant historical contribution to the new architecture of the world, which determined the path of its development for 80 years. Key features of the State of Emergency regime: determination of resource allocation priorities, among which the transformation of the state resource analysis system is a key change in the management system. Creation on the basis of the Accounting Chamber of a structure that has full and comprehensive information about the real state of affairs: resource base, human potential, effectiveness of management decisions, operational analysis and statistics. In matters of post-war reconstruction, an urgent issue will be the search and attraction of resources for the restoration of the economy, infrastructure, and industry, where the main sources of such resources will mostly be long-term loans, to a lesser extent grants, from Western countries, as well as financial assistance through the funds of international organizations, in particular the UN, but for targeted programs related to humanitarian aid, demining and reconstruction of settlements. Regarding the return of people – according to the Razumkov Center survey, 79% of refugees plan to return home. In addition to the loss of population, Ukraine will face another challenge – the mass return of people in circumstances when the country is unable to provide them with work, income, and in the case of refugees from the war zone, possibly housing. It is emphasized that the program to restore the lost infrastructure can become the largest in modern history, will require the involvement of huge resources and time, where urgent infrastructure problems must be solved already during the war and prepare the basis for large-scale reconstruction after its end.

According to the research (Stepaniuk, 2022), a long war is observed in Ukraine, which is accompanied by an assessment of the damage caused and a search for optimal ways to restore the economy. According to the calculations of the Ministry of Economy, the total losses of the economy of Ukraine as a result of the war are estimated from 564 to 600 billion dollars. Similar figures were given by the leadership of the government of Ukraine. It is worth noting that these estimates are not final, and the recovery of the economy will require considerable time.

The increase in patriotism and national unity, which Ukraine has not seen since 2014, could be a window of opportunity to attract the best managers in the public and private sectors with experience in crisis management and reforms. As Columbus said, "You will never cross the ocean unless you have the courage to lose sight of the shore." The war does not give us the opportunity to return to the past and the usual in all aspects of life. Therefore, we have no choice but to move forward to new qualities. Any goals are achievable. "After the Victory" can be done.

According to the expert discussion of ways to rebuild Ukraine, which took place at the round table "European integration and war: the economic dimension" in 2022, it was noted that "today, the economic front is gaining more and more importance for Ukraine. Without victory on this front will make all further military successes of our army difficult. The way to victory lies in the transition of Ukraine to European principles of economic management. Therefore, the rapprochement of the economic system of Ukraine and the EU becomes a necessary condition for victory in the hybrid war with Russia," Viktor Borshchevskiy, an expert of the Agency for Local Economic Development of the Yavoriv Oblast, expressed his opinion.

One of the important prerequisites for post-war economic reconstruction is the return of people who were forced to leave Ukraine. It is important to consider the policy of returning Ukrainians home and acquiring the status of a candidate for EU membership, which will open up new opportunities for access

to financial funds. Involvement of technologies, innovations and experience are also important aspects that were noted by people's deputies of Ukraine. According to the Chairman of the Board of the Institute of Economic Research and Political Consultations, Professor Igor Burakovsky: "It is very important to show how we will use the funds provided to us for recovery. It is important to propose innovative ideas and, together with our partners, raise questions about the economic punishment of Russia for the crisis phenomena that it has created for everyone, including Poland, Hungary, Germany, Great Britain, Italy and other countries. Such collective demands for reparations can further unite us with our partners. However, the main focus of our recovery must not only be money, but also people, because recovery carried out by hands and for future generations. The experience of post-war reconstruction of other countries should be viewed critically, as it depended on different social and historical conditions. The post-war reconstruction of Ukraine should be considered as a large investment project, in which the priority is to carry out reforms and define clear criteria for entry to the EU".

Thus, the scientific approach to the analysis of the economic situation in Ukraine shows that after the war, the country needs to focus on economic recovery by transitioning to European management standards and rapprochement with the European Union. The return of people, the involvement of technology and innovation, and the proper use of financial resources are key aspects of successful reconstruction. It is also necessary to learn to be critical of the experience of other countries and to focus on our own reforms and the development of clear criteria for joining the EU. The implementation of these measures will help Ukraine to go on the path to a new quality and achieve success after the war.

According to the study of Anna Kondratieva (2022), such recovery is determined by the needs and characteristics of specific territories, taking into account the available resources and opportunities. Reconstruction of Ukraine's infrastructure and economy after the war is considered by experts taking into account the consequences of the conflict, development ideas are outlined in the Marshall Plan for Ukraine (Toms, 2022). Analysis of the experience of countries that successfully recovered after the war, can serve as the basis for the development of such a plan that deserves attention and can enter the history books, describing the economic miracle. The success of restoration depends on many factors, such as available resources, political, economic, legal, social and environmental situations, as well as natural and geopolitical conditions. However, the common element of success is external support and effective use of opportunities.

In modern wartime conditions, the authorities of Ukraine and leading experts are actively discussing and considering the ways of post-war renewal of the country, including its settlements, buildings, structures and infrastructure. In such a complex matter, not only specialists in construction and architecture, but also managers, project management and logistics professionals have an important role. The uniqueness of projects for the reconstruction of infrastructural elements in conditions of limited resources requires a systematic approach to management. The effectiveness of the project approach to reconstruction processes has already been proven. The general methodology of project management and its relevance to Ukrainian society have been considered.

One of the priorities of Ukraine's post-war development is ensuring economic security. Already today, the formulation of recovery priorities provides an opportunity to raise the country to a new level of economic development. Granting Ukraine the status of a candidate country for membership in the European Union will also motivate the country and its defenders to protect European values.

Therefore, the post-war recovery of Ukraine's economy and infrastructure requires a systematic approach to project management and development priorities. Taking into account the experience of countries that successfully survived the war and achieved an economic miracle, Ukraine can achieve recovery and development by attracting external support and using existing opportunities (Kondratieva, 2022). It is also important to ensure economic security, adapt to climate change and develop environmental management, which will contribute to the country's sustainable development.

In general, solving the above-mentioned tasks requires the joint efforts of economists, government officials, specialists from various fields and the entire Ukrainian society. Only thanks to cooperation and skillful use of opportunities, Ukraine will be able to successfully go from recovery to sustainable development after the war.

An effective environmental policy, which envisages a holistic and balanced strategy of nature use and environmental protection, is considered in work (Drachuk et al., 2022). For the successful implementation of such a policy in a market economy, it is necessary to ensure proper attention to management structures and real resources. In the modern conditions of the market economy, there are several reasons that determine the need to take into account environmental factors. First, environmental performance is becoming an increasingly important factor in competition. Secondly, an increase in economic and administrative sanctions should be expected for violating the requirements of the legislation in the field of environmental protection.

Taking into account environmental priorities in socio-economic processes is of great importance for ensuring international competitiveness and a favorable image of companies. Special attention should be paid to the metallurgical sector and other carbon-intensive industries, as they face pressure from environmental activists to reduce greenhouse gas emissions. To ensure the achievement of climate equilibrium in the next decade, it is necessary to implement new climate-friendly technologies in the production of steel and iron, as well as to develop effective policies and incentives for metallurgical plants.

One of the most important technological tasks of modern production is the complex and rational use of raw materials at all stages of processing. Special attention should be paid to the problem of man-made waste, in particular ferroalloy slag. In the context of the depletion of ore reserves and the decrease in world prices for ferroalloys, companies are forced to look for ways to reduce the cost of production. Therefore, it is important to improve the ecological component through complex processing of slag. First of all, it is necessary to develop the possibilities of utilization and use of metallurgical production waste, in particular blast furnace slag (Drachuk et al., 2021).

In the environmental issue, we should turn to the preservation of nature, which should happen together with all of us, because nature can do everything: feed us with bread, water from its sources, surprise us with its beauty. Only she cannot protect herself. Therefore, the sacred duty of nature protection rests on the shoulders of those who eat bread, drink its water, are proud of its nature, that is, us. It is necessary to protect HER! On issues of nature protection in Ukraine, we refer to individual domestic studies carried out by today's scientists. Thus, in the work of M.V. Andriienko and V.S. Shako (2016), the modern market economy requires careful regulation and control of natural resource potential and the state of the environment to ensure sustainability and environmental safety. This is the importance of a territorial approach in the implementation of environmental policy, the role of systemic management through regulation with feedback, and the need to use economic mechanisms to ensure environmental security. First of all, it is worth emphasizing the priority of the territorial approach in the implementation of environmental policy. This approach makes it possible to take into account the peculiarities of each region, since environmental problems can differ significantly depending on the location. The regional model of environmental management becomes a key component of the implementation of environmental policy at the regional level. The implementation of the state environmental policy depends on a set of interacting factors of system management. Feedback regulation is important for improving management methods and ensuring the effectiveness of measures in the field of ecology.

Environmental safety is one of the key components of sustainable development, as noted in the State Institution "Institute of regional research named after M.I. Dolishniy of NAS of Ukraine" (Kravtsiv et al., 2020). To ensure it, it is important to use effective economic mechanisms, such as environmental taxes, which are taken into account in European countries. In Ukraine, it is necessary to review the structure

of environmental taxes and increase rates in order to create a financial base for the development of environmental infrastructure. Environmental safety has its spatially delineated boundaries and depends on territorial specificity. Studies show that the ecological condition of the territory of Ukraine differs from that of European countries, and it is necessary to take into account these features in the development of environmental policy. In conclusion, the implementation of environmental policy in the conditions of a market economy requires a comprehensive approach, which includes a territorial approach, systemic management through regulation, the use of economic mechanisms and consideration of regional characteristics. Ensuring environmental safety is an important goal, and to achieve it, it is necessary to take into account the best European experience and improve environmental mechanisms in Ukraine.

Modern state regulation in the field of environmental protection, according to the work of Y. Dmitrieva, S.I. Tereshchenko (2018), requires the presence of an effective system of monitoring the state of the environment, which provides the possibility of constant monitoring. Geocological monitoring, based on the application of information technologies, represents a modern form of implementation of environmental activities, aimed at assessing and forecasting the state of the environment, the conditions of functioning of ecosystems, and making management decisions in order to ensure environmental safety, preservation of the natural environment and rational use of nature. Geocological monitoring involves the performance of tasks at different levels: global (biosphere) monitoring, which is carried out at the international level; state monitoring, which takes place within each state and is organized by special bodies; regional monitoring, which is carried out at the level of large regions; local monitoring, which is carried out within individual settlements and at specific enterprises. The main goal of geocological monitoring is to register the state of natural systems, forecast its changes, provide information to management structures for timely adoption of measures regarding environmental safety, preservation of the natural environment and rational nature management. The structure of geocological monitoring is characterized by high "rigidity". However, this "rigidity" has its advantages, since each subsequent level of monitoring has its own operational body capable of summarizing primary information, providing an operational assessment of the state of the environment and recommendations for its protection within its territorial scale. This is especially important for the local administration, which has to implement recommendations for environmental protection in specific territories. Thus, geocological monitoring acts as a necessary tool of state regulation in the field of environmental protection. This surveillance system allows effective control and analysis of the state of the environment at various levels and ensures support for rational nature management and conservation of natural resources.

New modern scientists should consider the legal concept of institutional and functional support for the formation and implementation of Ukraine's environmental policy in a broad sense (Feloniuk, 2023). This concept includes a system of state, non-state and supra-state institutions (entities) that have a direct or indirect influence on the processes of formation and implementation of the country's environmental policy by performing the tasks, functions, duties assigned to them, as well as exercising their rights and powers. The modern environmental policy of Ukraine is characterized by the complexity and multifacetedness of its institutional and functional support. In this context, the leading role in the regulation of the environmental sphere is played by the state, which acts as one of the subjects of the system of institutional and functional support for the formation and implementation of the environmental policy of Ukraine. State management in the system of institutional and functional support for the formation and implementation of environmental policy is considered as the activity of state authorities, including the legislative, executive and judicial authorities, which are endowed with the appropriate competence. Judiciary bodies are also considered to be subjects that carry out state management in the environmental sphere, as they resolve disputes and conflicts related to the use of natural resources and environmental protection. Public participation in the formation and implementation of environmental policy in Ukraine is regulated by normative acts, but the practical

implementation of these norms and the activity of public representatives in the field of environmental protection are insufficiently effective. It is assumed that among the promising priorities for the coming years is the activation of public involvement in the formation and implementation of the country's national environmental policy.

In concluding the consideration of issues of environmental protection of Ukraine, it is appropriate to use the results of the research of the young scientist Yu. Krasnova (2018), dedicated to the evolution and legal foundations of environmental security, as one of the important branches of environmental law. It is noted that the doctrine of the law of environmental security is based on the security nature of the relationship between humanity and nature. This is reflected in beliefs, customs, traditions, philosophical and other doctrines. The concept of environmental security includes measures to prevent harmful effects on the environment, ensure sustainable use of natural resources and preserve nature. Historically, the concept of environmental security has been reflected in various cultures and civilizations through beliefs and rituals aimed at preserving nature. However, the real evolution of environmental security law took place in the 20th century. During this period, problems of environmental pollution arose, which required legal regulation. Legislation and international agreements have become an important component of the evolution of environmental safety law.

The term "environmental safety" has been introduced into legislation and national policy documents by many countries, including Ukraine. This happened as a result of the adoption of resolutions of the UN General Assembly in 1986-1987 and national legal acts. Scientific approaches to understanding environmental security are divided into two main directions: anthropocentric and biocentric. In the anthropocentric approach, the emphasis is on human interests in the context of environmental security, while the biocentric approach puts nature and all components of the biosphere at the center of attention, placing the main emphasis on their preservation and protection. Basic Principles Environmental security law has its own principles and methods of legal regulation. The fundamental principles of this right include: prevention of environmental risks, payment for dangerous effects on the environment, compensation for environmental damage, access to environmental information, public participation in decision-making, as well as international cooperation.

It is important to understand that environmental safety is of great importance for the preservation of the environment, life and health of citizens. The mechanism of legal regulation of environmental safety involves the use of various legal measures to ensure environmental safety and prevent environmental threats. The enterprises' own environmental policy and their environmental management systems act as a continuation of the national environmental policy. Enterprises not only fulfill the requirements of national norms and standards, but also contribute to the implementation of the country's environmental goals, ensuring effective protection of nature and human health. In general, institutional and functional support for the formation and implementation of environmental policy of Ukraine is an important element of modern management of environmental issues.

In the context of environmental preservation, sustainable development of enterprises involves the implementation of strategies and practices that enable businesses to thrive without compromising the ecological balance. This encompasses taking measures to reduce emissions, optimizing resource utilization, adopting environmentally sustainable technologies and products, as well as adhering to environmental standards and regulations. Enterprises that act responsibly and consider ecological aspects in their operations contribute to nature conservation and the creation of a sustainable future for society (Shyra et al., 2020). Overall, achieving sustainable development for enterprises in wartime conditions necessitates a creative and adaptive approach. It is crucial to consider the conflict's context and the specific challenges it presents, while taking actions to maintain environmental resilience and social responsibility, despite the adverse impacts of wartime events.

Conclusions. Ukraine is actively working on the development of a national action plan for the recovery of the country after the war. The National Council for the Recovery of Ukraine from the Consequences of the War was created as a consultative body under the President of Ukraine. Determining priorities for the post-war development of Ukraine already today provides an opportunity to bring the country to a new level of economic development. According to the words President of Ukraine Volodymyr Zelenskyi, the continuation of the war leads to an increase in the cost of protecting freedom not only for Ukraine, but also for the whole world. Therefore, preserving unity and working towards victory is the most important national task, which will definitely be fulfilled. This opens up opportunities to achieve what previous generations failed to achieve, including protecting independence, joining the European Union, and establishing Ukraine as one of the most modern countries in the world.

Ukraine has a powerful potential and an extremely talented people who are capable of achieving great flourishing achievements. Through the course of trials and efforts of its citizens, Ukraine deserves peace, prosperity and a place among countries striving for democracy, freedom and economic security.





References:

- Andriienko, M. V., Shako, V. S. (2016). Sutnist derzhavnoi ekolohichnoi polityky na zahalnoderzhavnomu ta rehionalnykh rivniakh [The Essence of the State Environmental Policy at the National and Regional Levels]. *Derzhavne upravlinnia: udoskonalennia ta rozvytok* [Public Administration: Improvement and Development], 9. http://nbuv.gov.ua/UJRN/Duur_2016_9_3 [in Ukrainian].
- Boron, M. (2023). Val'demar Buda: Pol'sha izbezhalo tekhnicheskoy retsessii [Waldemar Buda: Poland Avoided a Technical Recession]. *Polska Agencja Prascowa*. <https://www.pap.pl/ru/russian/news/valdemar-buda-polsha-izbezhalo-tekhnicheskoy-recessii> [in Russian].
- Dmytriieva, Y., Tereshchenko, S. (2018). Znachennia monitorynhu navkolyshnoho pryrodnoho seredovyscha v Ukraini [The Importance of Environmental Monitoring in Ukraine]. *Independent Youth Association*. <http://oldconf.neasmo.org.ua> [in Ukrainian].
- Drachuk, Y., et al. (2021). Slag waste of metallurgical production. Environmental and economic justification of their use in the industry of Ukraine. *Polityka Energetyczna* [Energy Policy Journal], 24(1), 169-182. DOI: <https://doi.org/10.33223/epj/131205>
- Drachuk, Yu. Z., Zerkal, A. V., Trushkina, N. V. (2022). Do stratehii upravlinnia promyslovymy pidpriemstvamy v umovakh klimatichnoi rinvovahy [To the Strategy of Managing Industrial Enterprises in Conditions of Climatic Equilibrium]. *Biznes navihator* [Business Navigator], 1(8), 50-57. DOI: <https://doi.org/10.32847/business-navigator.68-8>. [in Ukrainian].
- Feloniuk, D. L. (2023). Suchasna ekolohichna polityka Ukrainy: pravovi zasady instytutsiino-funktsionalnoho zabezpechennia formuvannia ta zdiisnennia [Modern Environmental Policy of Ukraine: Legal Foundations of Institutional and Functional Support of Formation and Implementation]. Odesa: Odesa Law Academy National University. [in Ukrainian].
- Interreg NEXT Poland – Ukraine (2023). Osnovna informatsiia pro Prohramu Interreg NEXT Polshcha – Ukraina 2021-2027 [Basic Information about the Interreg NEXT Program Poland – Ukraine 2021-2027]. https://pl-ua.eu/files/uploads/pages_en/pbu2021-2027/o%20programie/-%20PL-UA%2021-27%20podst.%20info_ukr%20AKTUALIZACJA_1.pdf [in Ukrainian].
- Kancelaria Prezesa Rady Ministrów (2022). Premier na Ukrainie: podpisane dokumenty stanowią przedsięwzięcie do zupełnie innej współpracy, jakiej do tej pory Ukraina nie miała z żadnym innym państwem [Prime Minister of Ukraine: the Signed Documents are a Precursor to Completely Different Cooperation, which Ukraine has not had with any other Country so far]. <https://www.gov.pl/web/premier/polsko-ukrainskie-konsultacje-rzadowe> [in Polish].
- Katsimon, O. (2023). Zbytky dlia ukraïnskoho dovkillia vid ahresii Rosii zrosly u 5 raziv [Damage to the Ukrainian Environment from Russia's Aggression has Increased 5 Times]. *Suspilne Movlennia* [Public Broadcasting]. <https://suspilne.media/559963-zbitki-dla-ukraïnskogo-dovkilla-vid-agresii-rosii-zrosli-u-5-raziv-ministr/> [in Ukrainian].
- Kondratieva, A. (2022). Vidnovlennia staloho ekonomichnoho rozvytku terytorii Ukrainy pislia viiny [Restoration of Sustainable Economic Development of the Territories of Ukraine after the War]. *Public space*. <https://www.prostir.ua/?library=vidnovlennya-staloho-ekonomichnoho-rozvytku-terytorij-ukrajiny-pislya-vijny> [in Ukrainian].
- Krasnova, Yu. A. (2018). Pravo ekolohichnoi bezpeky v Ukraini [The Environmental Safety Law in Ukraine]. Kyiv: Institute of Economic and Legal Studies. [in Ukrainian].

- Kravtsiv, V. S., et al. (2020). *Ekolohichna bezpeka v yevropeiskykh krainakh: metody ekonomichnoho rehulivannia y dosvid dlia Ukrainy: naukova dopovid* [Environmental Security in European Countries: Methods of Economic Regulation and Experience for Ukraine: Scientific report]. Lviv: State Institution "Institute of regional research named after M.I. Dolishniy of NAS of Ukraine". [in Ukrainian].
- Obrambalskyi, V., Kushnirenko, I. (2023). «SEB-2022»: v universyteti obhovoryly pisliavoienne vidrodzhennia krainy ["SEB-2022": the Post-War Revival of the Country was Discussed at the University]. *National University of Life and Environmental Sciences of Ukraine*. <https://nubip.edu.ua/node/112156> [in Ukrainian].
- Shyra, T., et al. (2020). Providing the Corporate Security Strategy in the Management System of the Enterprise. *Business: Theory and Practice*, 21(2), 737-745. DOI: <https://doi.org/10.3846/btp.2020.12975>
- Stepaniuk, Ye. (2022, May 2). Maibutnie Ukrainy: dim, yakyi my buduemo dlia sebe [The Future of Ukraine: the House we are Building for Ourselves]. *LB.ua*. https://lb.ua/blog/ievhen_stepaniuk/515449_maybutnie_ukraini_dim_yakiy_mi.html [in Ukrainian].
- Toms, S. (2022). "Plan Marshalla" dlia Ukrainy – yakym vin mozhe buty? ["Marshall Plan" for Ukraine – what can it be?]. <https://www.dw.com/uk/plan-marshalla-dlia-ukrainy-iakym-vin-maie-buty/a-62274383> [in Ukrainian].
- Ukrainian Institute for the Future (2022). *Ukraine 2022. Yak ne vtratyty svii shans staty sylnoiu derzhavoiu* [Ukraine 2022. How not to Lose your Chance to Become a Strong State]. <https://uifuture.org/publications/ukrayina-2022-yak-ne-vtratyty-svij-shans-staty-sylnoyu-derzhavoyu/> [in Ukrainian].
- Varlamova, S. I., Varlamova, I. S. (2017). *Ekolohichna bezpeka ta stalnyi rozvytok, vzaiemozv'iazok ta vzaiemovplyv* [Environmental Security and Sustainable Development the Relationship and Interaction]. *Efektivna ekonomika* [Effective Economy], 7. <http://www.economy.nayka.com.ua/?op=1&z=5679> [in Ukrainian].

DOI: 10.46340/eujem.2023.9.6.3

MODELING THE IMPACT OF DIIA CITY ON IT BUSINESS ACTIVITIES IN UKRAINE

Andrii Polchanov¹ , D.Sc. in Economics, Nataliia Vyhovska² , D.Sc. in Economics, Iryna Lytvynchuk³ , PhD in Economics, Oleksii Polchanov⁴ 

¹ Department of Finance and Digital Economy, Zhytomyr Polytechnic State University, Ukraine

² Department of Finance and Credit, Zhytomyr Polytechnic State University, Ukraine

³ Department of Finance and Credit, Zhytomyr Polytechnic State University, Ukraine

⁴ Department of Finance and Digital Economy, Zhytomyr Polytechnic State University, Ukraine

Corresponding author: Andrii Polchanov; Email: polchanov@gmail.com

Citation: Polchanov, A., Vyhovska, N., Lytvynchuk, I., Polchanov, O. (2023). Modeling the Impact of Diia City on it Business Activities in Ukraine. *European Journal of Economics and Management*, 9, 6, 24-33. <https://doi.org/10.46340/eujem.2023.9.6.3>

Abstract

The article studies the influence of the special tax regime Diia City on the activity of IT business in Ukraine. The results of the analysis of literary sources proved insufficient attention of scientists to the issue of quantitative assessment of changes from the transition of IT business from the general taxation system to Diia City, which determined the purpose of the article.

With the help of economic and statistical methods, the key performance indicators of enterprises engaged in computer programming (the predominant type of economic activity in the IT industry of Ukraine) were analyzed, as well as the trends of their change during 2013-2022 were revealed, which made it possible to make income, cost and financial result forecasts for 2023-2025.

Summarizing the practice of conducting IT business in Ukraine, the following main forms of interaction between companies and specialists in the market were identified: "company (employer) – specialist (employee)" and "company (customer) – specialist (independent individual entrepreneur contractor)". The different status of specialists determines differences in the taxation of their incomes and the existence of additional tax risks. Switching to the Diia City regime provides an opportunity to minimize tax risks and receive significant tax benefits.

Using methods of scientific abstraction and modelling based on industry average values of revenues, costs and financial results, appropriate parameters for a typical Ukrainian IT company were determined. This made it possible to calculate the change in the amounts of personal income tax, single tax, single social contribution, corporate income tax, as well as the tax burden in general when a typical IT company of Ukraine switches from the general tax system with employees to Diia City. In addition, the impact of the transition to Diia City on the gross and net margin of a typical Ukrainian IT company in 2023-2025 was reflected.

Along with this, residence at Diia City does not ensure the liberalization of currency transactions, effective protection of business from force pressure, as well as other conditions created for IT companies registered in EU countries.

Keywords: business, financial model, management, information technology, planning, taxation.

JEL: L86, C52.

Introduction

The global information technology (IT) market is developing dynamically and according to experts' estimates, it will reach a volume of about 12 trillion US dollars in 2027, showing an average annual growth of 7.9% (The Business Research Company, 2023). At the same time, this growth scenario takes into account the impact of the military conflict between Ukraine and Russia, which has been ongoing since the spring of 2022.

For Ukraine, the IT market is one of the promising sectors of the economy, along with the agricultural sector, the military-industrial complex, and energy. According to official statistical data, with the beginning of the military conflict, the share of added value of the IT sector in the GDP of Ukraine has more than doubled, but remains at the level of 2-3%, which is many times smaller than the share of the IT sector in the GDP of the leading countries of the world.

In order to regulate IT business activities and increase its role in the economy, a special tax and legal regime, Diia City, was launched at the beginning of 2022 (Diia.City, 2023). However, the full-scale war in Ukraine did not give an opportunity to fully use the potential of this tool.

According to the results of 2022, the IT business replenished the budget by UAH 32.2 million of taxes, of which only 4.1 billion goes to 451 residents of Diia City (Melnik, 2023). At the same time, among the largest taxpayers in this tax regime are product companies (streaming Megogo, Netcracker, game developer Plarium and neobank Monobank), and not typical for Ukrainian realities outsourcing companies such as EPAM, SoftServe and GlobalLogic.

Literature review

Issues of IT business activity in Ukraine are of considerable scientific interest. Among recent studies, we can highlight the study of the financial potential of the IT industry of Ukraine (Vyhovska, 2022b), the essence of business in the field of information technology as an object of financial management (Vyhovska, 2023), the determinants of the profitability of IT companies in Ukraine (Polchanov, 2023), financial planning in the IT sector (Vyhovska, 2022a), structuring IT business (Lagovska, et al., 2020) and other developments.

The results of the analysis of literary sources on the taxation of IT business in Ukraine indicate that scientists have, in particular, evaluated the global experience of taxation in the IT industry (Khomenko, et al., 2022), analysed the current domestic legislation regarding the taxation of residents of Diia City, and determined the directions for its improvement taking into account international experience (Nazarova & Kononenko, 2023). They also revealed the establishment of preferential taxation of the IT industry in Ukraine (Hetmantsev & Koval, 2022) and the peculiarities of the legal regime of Diia City. The audit of enterprises that have switched to this special tax regime (Mysiuk, et al., 2022), the influence of Diia City on attracting investments was investigated (Tyshchenko, 2022).

Unsolved aspects of the problem

At the same time, quantitative modelling of Diia City's impact on a typical IT business model remains insufficiently researched.

Purpose

The purpose of the article is to quantify the transition of a typical IT company to Diia City.

Materials and Methods

The information base of the study was scientific works on IT business in Ukraine, its taxation, as well as official statistical information of the State Statistics Service for 2013-2022.

Both general scientific and special methods became the methodological basis of the research. In particular, economic and statistical methods were used (to identify trends in the main financial indicators), modeling and scientific abstraction (to determine the parameters of a typical IT company in Ukraine), analogies and comparisons (to compare different tax regimes).

Results

The main types of mandatory payments paid by the IT business in Ukraine are:

1) value-added tax (basic rate 20%). Considering that the IT business is mainly export-oriented, therefore most of their operations are not subject to this tax;

2) corporate income tax (basic rate of 18%), which must be paid by enterprises subject to the general taxation system;

3) a single tax paid by representatives of small businesses (the amount of income does not exceed 1,167 amounts of the minimum wage established by law on January 1 of the reporting year, which makes calculations exclusively in cash). Being in the 3rd group of single taxpayers, such enterprises pay only 5% of income or 3% of income and additionally value-added tax;

4) a single social contribution (basic rate of 22%), mainly for wages calculated to each insured person.

In addition, IT companies act as tax agents for payers of personal income tax and military service.

Based on the fact that a typical IT business works according to the model of outsourcing or outstaffing for foreign clients, the main part of business expenses is paid for the work of specialists engaged for the end customer. According to analysts' estimates, such costs make up 80-85% of total costs (Cherkashin, 2022). In view of the issue of optimizing the tax burden, the vast majority are focused on payments to specialists that the business engages to provide services to its clients.

Before the introduction of Diia City to the IT market, there were two main forms of interaction between companies and specialists:

1) Relations in the "company (employer) – specialist (employee)" system. From the point of view of taxation, payments in such a system provide for payment from calculated wages to each employee:

- single social contribution at the rate of 22%;
- personal income tax at the rate of 18%;
- military levy at the rate of 1.5%.

2) The relationship "company (customer) – specialist (independent individual entrepreneur contractor)". From the point of view of taxation, payments in such a system involve the payment of:

– a single social contribution at the rate of 22% of the minimum wage for each individual entrepreneur;

- single tax at the rate of 5% of the calculated amount in favor of contractors;

Despite the significant tax advantage of the second option, it exposes the business to significant tax risks, including the recognition of labor relations, as well as the difficulty in attracting investment and entering new markets, as investors evaluate the team, and in the case of subcontracting agreements, it complicates negotiations with foreign partners.

Diia City is a special legal and tax space for IT companies in Ukraine, and generally provides:

1) reduction of the tax burden on labor income for IT specialists (personal income tax has been reduced from the standard rate of 18% to 5%), as well as reduction of the base for calculating the single social contribution to the amount of the minimum wage;

2) the possibility to pay either the traditional corporate income tax, which operates in Ukraine at the rate of 18%, or choose the recently introduced tax on withdrawn capital, non-typical for the domestic economy, at a reduced rate of 9%. At the same time, enterprises paying income tax in the amount of 18%, whose annual income does not exceed UAH 40 million (about 1.1 million of US dollars), will be able

to cooperate with the individual entrepreneurs without restrictions during the entire period of operation of the special regime. For all other residents, payments to the individual entrepreneurs should not exceed 20% of total expenses.

For those companies that will pay tax on withdrawn capital, amounts above the limit will be taxed at the rate of 9%. Income taxpayers will have to include in the financial result the costs of the individual entrepreneurs, which will exceed the allowed 20%.

3) the possibility of attracting specialists through GIG contracts – a separate civil law agreement that combines aspects of both labor contracts and subcontracting contracts. However, there are certain restrictions on cooperation with individual entrepreneurs depending on their annual income and the chosen type of taxation (Diia.City, 2023).

A resident of Diia City can be an operating enterprise registered on the territory of Ukraine, regardless of its location and place of business activity, which meets the following requirements (Fig. 1).

In addition, the Diia City resident is obliged to submit a report on compliance with the requirements for such residency for the period from January 1 to November 31 of the previous calendar year to the Ministry of Digital Transformation of Ukraine every year no later than June 1 of the year following the reporting year (annual compliance report).

It should be noted that the annual report of the Diia City resident must be checked by the subject of audit activity and issued with an audit conclusion, which is also submitted to the authorized body.

The compliance report must include ((Diia.City, 2023):

1) assurance of the Diia City resident's compliance with all requirements defined by the Law of Ukraine "On Stimulating the Development of the Digital Economy in Ukraine";

2) calculation of the average monthly remuneration for employees and gig specialists (if engaged) for each calendar month of the reporting period;

3) information on the average number of employees and gig specialists (if involved) of the Diia City resident based on the results of each calendar month of the reporting period;

4) data on the size of the share of qualified income of the Diia City resident, received during the reporting period, in the total income of the Diia City resident.

To model the performance indicators of a typical IT company, we used averaged data on the volume of products sold and the net profit of enterprises which main activity is computer programming (Table 1).

According to the given data, the total volume of sold products in US dollars (taking into account the average official exchange rate of the National Bank of Ukraine in the relevant period) grew by an average of 16% every year during 2013-2022, net profit – by 26 %, and the number of enterprises on the market – by 3%. At the same time, the volume of sales of an average statistical enterprise grew by 12% every year and net profit – by almost 22%.

The data for 2022 were used as the basis for modeling the transition of a typical IT company from the general taxation system with hired employees (basic option) to Diia City, as well as for comparing this tax regime with the option of involving the enterprise in the general system of taxation of individual entrepreneur contractors (table. 2).



Fig. 1. Basic requirements for residency at Diia City

Source: summarized by the authors based on (Verkhovna Rada of Ukraine, 2021).

Table 1

**Sales, Cost of production, Net profit (loss) and number
of active enterprises with main activity in computer programming
in Ukraine, during 2013-2022**

Year	Sales, thousand US dollars	Cost of production, thousand US dollars	Net profit (loss), thousand US dollars	Number of active enterprises	Average sales per enterprise, thousand US dollars	Average cost of production per enterprise, thousand US dollars	Average net profit (loss) per enterprise, thousand US dollars
2013	1,018,212.15	709,514.14	43,268.70	2668	381.64	265.93	16,22
2014	1,134,277.08	751,011.24	- 6,515.14	2491	455.35	301.49	- 2.62
2015	983,545.81	727,714.86	- 19,724.71	2670	368.37	272.55	- 7.39
2016	1,175,363.39	692,216.21	92,399.67	2450	479.74	282.54	37.71
2017	1,383,016.77	867,363.78	98,873.08	2909	475.43	298.17	33.99
2018	1,740,010.77	1,285,171.34	122,134.73	3374	515.71	380.90	36,20
2019	2,228,898.54	1,626,461.93	137,036.47	4031	552.94	403.49	34.00
2020	2,509,087.05	1,714,715.86	194,894.78	4393	571.16	390.33	44,36
2021	3,638,608.05	2,102,962.30	227,473.00	4753	765.54	442.45	47.86
2022	3,833,609.22	2,668,669.03	346,506.08	3621	1,058.72	737.00	95.69
<i>CAGR</i>	<i>15.87%</i>	<i>15.86%</i>	<i>26.01%</i>	<i>3.45%</i>	<i>12.00%</i>	<i>11.99%</i>	<i>21.80%</i>
2023	4,442,037.67	3,091,866.11	436,620.24	3,745.99	1,185.81	825.38	116.56
2024	5,147,029.21	3,582,173.70	550 169.96	3,875.29	1,328.16	924.36	141.97
2025	5,963,909.29	4,150,234.19	693,250.00	4,009.06	1,487.61	1,035.21	172.92

Source: authors' calculations based on data from the State Statistics Service of Ukraine

At the same time, the definition of the parameters of a typical IT company was based on the following assumptions:

1) the volume of sales for 2022 is equal to the volume of sales of an average enterprise providing computer programming services (\$ 1,058.72 thousand);

2) the cost of IT services for 2022 is equal to the production costs of an average enterprise providing computer programming services (\$ 737,000), and consists entirely of the costs of labor and/or services of IT specialists and related mandatory payments to the budget (personal income tax, military levy, single tax and single social contribution).

3) pre-tax profit for 2022 is defined as the net profit of an average enterprise providing computer programming services, increased by the amount of corporate income tax at the rate of 18%. Accordingly, other expenses are defined as the difference between the volume of sales and the sum of cost and profit before taxation. This category of expenses reflects administrative, general management and marketing expenses, etc.

4) the number of employees/contractors was 25 people. This assumption is based on data on the distribution of IT companies by the number of employees, according to which 62.3% of companies have a team of up to 50 people (IT Ukraine, 2022).

Table 2

**The result of modeling the transition of a typical IT company
to Diia City in 2022**

Index, thousands of US dollars	Basic option	An alternative option	Diia City	The difference between Diia City and the basic option
The volume of implementation of IT services	1,058.72	1,058.72	1,058.72	0.00
Number of employees/contractors, persons	25.00	25.00	25.00	0.00
Average earnings of an employee/contractor after taxes per month	1.62	1.62	1.62	0.00
Average salary fund (remuneration of IT specialists) after tax	486.30	486.30	486.30	0.00
All taxes and fees, including:	250.70	37.99	47,48	-203.22
- <i>Income tax</i>	108.74	0.00	26.01	-82.73
- <i>military levy</i>	9.06	0.00	7.80	-1.26
- <i>single tax</i>	0.00	24,31	0.00	0.00
- <i>single social contribution</i>	132.90	13.67	13.67	-119.23
Total cost of IT services	737.00	524.29	533.78	-203.22
Other expenses	205.02	205.02	205.02	0.00
Profit before taxation	116.70	329.41	319.92	+203.22
Income tax	21.01	59.29	57,59	+36.58
Net profit	95.69	270.12	262.33	+166.64
Tax burden, %	25.66%	9.19%	9.92%	-15.74 p.p.

Notes. The basic option is a general system of taxation with hired employees. An alternative option is a general system of taxation with individual entrepreneur contractors

Source: authors' calculations

The results of the conducted modeling show that the tax burden (the ratio of taxes and mandatory payments to revenue) when switching from the general system will decrease from 25.66% to 9.92%, which is actually at the level of the tax burden when using individual entrepreneur contractors instead of hired employees.

Based on the assumption of stability in the medium-term period, i.e. in 2023-2025, the CAGR (average annual growth rate) of sales volumes, production costs and net profit, a forecast of the key financial indicators of a typical IT company was made in the base scenario, which does not involve the transition of the company to Diia City (Forecast1), and in the case of the company's transition to Diia City (Forecast2). This, in its turn, made it possible to calculate the key profitability indicators of a typical IT company in Ukraine (Fig. 2):

1) GPM (gross profit margin) – the ratio of gross profit (difference between sales volume and production costs) to sales volume;

2) NPM (net profit margin) – the ratio of net profit to sales volume.

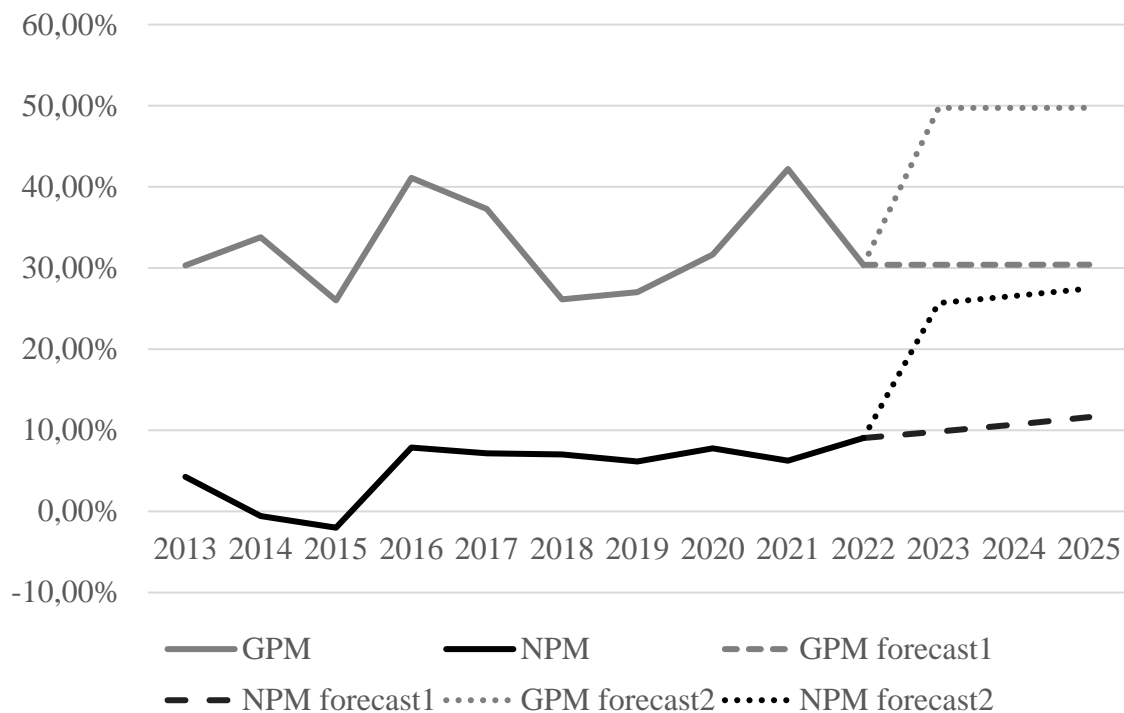


Fig. 2. Profitability indicators of a typical IT company in Ukraine

Source: authors' calculations

According to the given data, GPM was at the level of 30% throughout the analyzed period, and NPM increased from 4.25% in 2013 to 9.04% in 2022. At the same time, during 2023-2025, according to the base scenario, we can expect that the GPM will remain at the level of 30%, the NPM will continue to grow and will reach 11.62% by the end of 2025. In case of transition to Diia City, you can expect GPM to increase to 49.74% and NPM to 27.47%.

Comparing business organization alternatives in Ukraine, Diia City is the best option for business structuring from an economic point of view, which allows you to minimize tax risks and optimize the tax burden. At the same time, comparing the proposed model with the possibility of opening a business abroad in EU countries, this regime has a number of disadvantages:

1) the existence of restrictions on cooperation with individual entrepreneur contractors, which in some cases does not make it possible to quickly attract human capital to fulfill business tasks;

2) ineffective protection of business from the forceful pressure of law enforcement structures. An example of which is the case of the MacPaw company, which in February 2023 was accused of violating the land legislation (Maksimenko, 2023), and later the corresponding actions of law enforcement structures were recognized as insufficiently substantiated (Krytska, 2023);

3) strict currency regulation. In response to the introduced currency restrictions of the central bank under martial law, the difference between the commercial and official exchange rates of the NBU in relation to the US dollar (mainly the currency of export earnings) relative to the Ukrainian hryvnia can reach 5%, actually reducing the volume of IT services abroad by a twentieth.

4) lack of an effective mechanism for reserving IT specialists, which increases the risk of non-implementation of projects;

5) significant costs for the organization and implementation of financial work in conditions of instability of regulatory and legal regulation.

Conclusion

Diia City is a revolutionary attempt to stimulate the development of the information technology industry, which has shown resistance to military and political challenges and has significant potential for development in the near future.

The analysis of official statistical data made it possible to determine the volume of sales, production costs and net profit of a typical IT company of Ukraine, as well as to identify trends in the growth of the relevant indicators during 2013-2022 and to build a forecast for 2023-2025.

A detailed study of the features of Diia City made it possible to determine exactly how the application of this regime will affect the amount of tax payments of a typical IT company (personal income tax, single social contribution, corporate income tax) and its financial result. According to the results of the modeling of the IT companies' transition from the general taxation system with official employment of employees to Diia City, a significant positive impact of such a transition on business profitability indicators was revealed.

At the same time, compared to alternatives for business registration in the EU, Diia City has a number of disadvantages, typical for the regulation of any business in Ukraine (the existence of restrictions on cooperation with individual entrepreneurs, force pressure on business, currency restrictions, the complexity of accounting and reporting in conditions of constant legislative changes).

References:

- Cherkashin, V. (2022). Zberehty i zakhysty IT-uspikh Ukrainy [Preserve and Protect Ukraine's IT Success]. *Ekonomichna pravda*. [Economic Truth]. <https://www.epravda.com.ua/columns/2022/12/14/694961/> [in Ukrainian].
- Diia.City (2023). <https://city.diia.gov.ua>
- Hetmantsev, D. O., Koval, Yu. A. (2022). Stanovlennia preferentsiinoho opodatkuvannia IT-industrii v Ukraini [Formation of Preferential Taxation of the IT Industry in Ukraine]. *Yurydychnyi naukovi elektronnyi zhurnal* [Legal Scientific Electronic Journal], 8, 259-262. DOI: <https://doi.org/10.32782/2524-0374/2022-8/55> [in Ukrainian].
- IT Ukraine (2022). *Do IT Like Ukraine Research: Tech Industry is Growing Despite the War*. https://itukraine.org.ua/files/reports/2022/DoITLikeUkraine2022_EN.pdf
- Khomenko, I. O., Horobinska, I. V., Braha, O. V. (2022). Svitovyi dosvid opodatkuvannia v IT industrii ta STARTUP [Global Taxation Experience in the IT Industry and STARTUP]. *Yurydychnyi naukovi elektronnyi zhurnal* [Legal Scientific Electronic Journal]. DOI: <https://doi.org/10.32782/2524-0374/2022-8/55> [in Ukrainian].
- Krytska, I. (2023). MacPaw, «Multipleks», nelehalnyi tiutiun. Shcho Henprokuratura думає про скандаль з тиском силовиків на бізнес. Interv'iu zastupnyka Henprokurora [MacPaw, Multiplex, Illegal Tobacco. What the Prosecutor General's Office Thinks about the Scandals Involving Pressure on Business by Security Forces. An Interview with the Deputy Prosecutor General]. *Forbes*. <https://forbes.ua/money/macpaw-multipleks-nelegalniy-tyutyun-shcho-genprokuratura-dumae-pro-skandali-z-tiskom-silovikiv-na-biznes-intervyu-zastupnika-genprokurora-14062023-14182> [in Ukrainian].
- Lagovska, O., et al. (2020). Method of Structuring Business Model and Mathematical Model of DSS of IT Companies. *Financial and Credit Activity Problems of Theory and Practice*, 2(33), 306-313. DOI: <https://doi.org/10.18371/fcaptp.v2i33.206959>
- Maksimenko, M. (2023). MacPaw zvinuvachuiut u porushenni zemelnogo zakonodavstva. Naskilky gruntovni zvinuvachennia? Rozbyraut yurysty [MacPaw is Accused of Violating Land Laws. How Substantiated are the Accusations? Lawyers Analyze the Case]. *Forbes*. <https://forbes.ua/company/macpaw-zvinuvachuyut-u-porushenni-zemelnogo-zakonodavstva-naskilki-gruntovni-zvinuvachennia-rozbyrayut-yuristi-27022023-12006> [in Ukrainian].
- Melnik, T. (2023). Rezydenty «Diia.City» splatly lyshe 12,7% vid usikh IT-podatkov v Ukraini. Yaki kompanii naibilshe viriat u novyi podatkovyi rezhym [Diia.City Residents Paid only 12.7% of all IT Taxes in Ukraine. Which Companies Believe in the New Tax Regime the Most]. *Forbes*. <https://forbes.ua/innovations/diia-siti-podatki-17022023-11812> [in Ukrainian].
- Mysiuk, V., Tatenko, M., Tatenko, N. (2022). Spetsialnyi podatkovyi rezhym «Diia Siti»: osoblyvosti provedennia innovatsiinoho audytu [Special Tax Regime "Diia City": Features of Innovative Audit]. *Efektivna ekonomika* [Efficient economy], 5. DOI: <https://doi.org/10.32702/2307-2105-2022.5.70> [in Ukrainian].

- Nazarova, G., Kononenko, L. (2023). Opodatkovannia rezydentiv Diia Siti: vitchyzniani ta mizhnarodnyi dosvid [Taxation of Diia City Residents: Domestic and International Experience]. *Naukovi perspektivi* [Scientific perspectives], 8(38). DOI: [https://doi.org/10.52058/2708-7530-2023-8\(38\)-378-395](https://doi.org/10.52058/2708-7530-2023-8(38)-378-395) [in Ukrainian].
- Polchanov, A. Y., et al. (2023). Profitability Determinants of Companies in IT Industry: Case of Ukraine. *Naukovyi Visnyk Natsionalnoho Hirnychoho Universytetu*, 2, 190-196. DOI: <https://doi.org/10.33271/nvngu/2023-2/190>
- The Business Research Company (2023). *Information Technology Global Market Report 2023*. <https://www.thebusinessresearchcompany.com/report/information-technology-global-market-report>
- Tyshchenko, Y. (2022). Pravovyi rezhym «Diia City» yak faktor zaluchennia investytsii [Legal Regime of «Diia City» as a Factor for Attracting Investments]. *Foreign Trade: Economics, Finance, Law*, 120(1), 19-37. DOI: [https://doi.org/10.31617/zt.knute.2022\(120\)03](https://doi.org/10.31617/zt.knute.2022(120)03) [in Ukrainian].
- Verkhovna Rada of Ukraine (2021, July 15). *Zakon Ukrainy pro stymuliuvannia rozvytku tsyfrovoy ekonomiky v Ukraini № 1667-IX* [Law of Ukraine on Stimulating the Development of the Digital Economy in Ukraine № 1667-IX]. <https://zakon.rada.gov.ua/laws/show/1667-20> [in Ukrainian].
- Vygovska, N. G., et al. (2022a). Finansove planuvannia diialnosti pidpriemstv sfery IT [Financial Planning of Activity of IT Companies]. *Efektivna ekonomika* [Efficient Economy], 12. DOI: <https://doi.org/10.32702/2307-2105.2022.12.7> [in Ukrainian].
- Vyhovska, N. G., et al. Y. (2022b). Otsinka finansovoho potentsialu pidpriemstv IT-haluzi v Ukraini [Assessment of the Financial Potential of IT Companies in Ukraine]. *Ekonomika, upravlinnia ta administruvannia* [Economics, Management and Administration], 3(101), 81-86. DOI: [https://doi.org/10.26642/ema-2022-3\(101\)-81-86](https://doi.org/10.26642/ema-2022-3(101)-81-86) [in Ukrainian].
- Vyhovska, N. G., et al. (2023). IT-biznes yak ob'ekt finansovoho upravlinnia [IT Business as an Object of Financial Management]. *Ekonomika, upravlinnia ta administruvannia*. [Economics, Management and Administration], 3(105), 159-165. DOI: [https://doi.org/10.26642/ema-2023-3\(105\)-159-165](https://doi.org/10.26642/ema-2023-3(105)-159-165) [in Ukrainian].

Zveme vás k účasti v časopise!**EVROPSKÝ ČASOPIS EKONOMIKY A MANAGEMENTU**

Časopis vychází šestkrát ročně.

Články pro zveřejnění v prvním dílu časopisu jsou přijímány do dne **01. února** a musí být publikované do dne **28. února**.

Články pro zveřejnění v druhém dílu časopisu jsou přijímány do dne **01. dubna** a musí být publikované do dne **30. dubna**.

Články pro zveřejnění v třetím dílu časopisu jsou přijímány do dne **01. června** a musí být publikované do dne **30. června**.

Články pro zveřejnění v čtvrtém dílu časopisu jsou přijímány do dne **01. srpna** a musí být publikované do dne **31. srpna**.

Články pro zveřejnění v pátém dílu časopisu jsou přijímány do dne **01. října** a musí být publikované do dne **31. října**.

Články pro zveřejnění ve šestém dílu časopisu jsou přijímány do dne **01. prosince** a musí být publikované do dne **31. prosince**.

Požadávky k rukopisům:

Objem - 10 - 30 stránek.

Jazyk článků – česky, ukrajinský, angličtina, francouzština, němčina.

U článků podávaných v libovolném jazyce, nezbytně v angličtině musí být uvedeno :

Anotace objemem 1800-1900 znaků, název článku a úplná informace o autorovi: jméno a příjmení, titul, akademický titul, pracovní funkce, postavení, zaměstnání.

Poznámky pod čarou – na každé stránce.

Odkazy na zdroje na konci článku - volitelný.

Bibliografické popisy zdrojů a odkazy by měly být poskytovány na základě norem APA (American Psychological Association).

Ilustrace k článkům (grafické a výkresy) musí být uvedený ve formátu

TIFF nebo JPEG (každá postava v samostatném souboru/dokumentu).

Všimněte si, prosíme, při zpracování ilustraci že v časopisu není použit barevný tisk.

Rukopisy které nesplňují tyto technické požadavky redakční kolégie neregistruje a nebude probírat s účelem tisku a zveřejnění.

Adresa pro korespondenci:

E-mail: publications@eujem.cz

Web: <http://eujem.cz>

Adresa:

BEROSTAV DRUŽSTVO, Vlastislavova 562/15, 140 00, Praha 4 – Nusle

PŘÍKLADY ÚPRAVY BIBLIOGRAFICKÉHO POPISU ZDROJŮ A LITERATURY DLE POŽADAVKŮ APA-STYLE

Všeobecná pravidla:

Bibliografický popis zdrojů a literatury v odkazech na každé stránce a v transliterovaném seznamu literatury (references) musí být zpracován na základě norem APA-Style, v souladu s požadavky APA (American Psychological Association). Níže jsou uvedeny příklady zpracování nejběžnějších bibliografických zdrojů. Více informace dostanete na stránce <http://www.apastyle.org>.

Při úpravě bibliografických popisů zdrojů a literatury dejte si pozor na způsob psaní: rovně a kurzivou (*Italic*) a také na postupnost umístění prvků odkazu.

Paginální odkazy na zdroje a literaturu se uvádí v původním jazyce (v jazyce originálů), totiž nepřekládají se a netransliterují se. Citace jsou také uváděny v původním jazyce článku.

Seznam literatury (references) na konci článku se uvádí latinkou. Pokud se musí uvést odkaz na články v písmu cyrilici (včetně článků v ukrajinštině nebo v ruštině) otištěné dříve v časopisech a sbírkách, doporučujeme tuto variantu struktury bibliografických odkazů v sekci References:

- Jméno a příjmení autora/-ů (transliterace);
- Transliterovaný název článku a jeho překlad v angličtině, který má být umístěn v hranatých závorkách: [];
- Název zdroje (transliterace) a překlad jeho názvy v jazyce anglickém: [];
- Výchozí údaje s anglickým zápisem.

V seznamu literatury (references) místo vydání pro zdroje v jazyce anglickém a ukrajinském se uvádí v angličtině, a název nakladatelství se transliteruje.

Pro automatickou transliteraci názvů zdrojů v písmu cyrilici dá se použít další stránky:

- pro zdroje v ruštině: <http://www.translit.ru>,
- pro zdroje v ukrajinštině: <http://www.slovnyk.ua/services/translit.php>.

Odkaz na web-zdroje se má sestavit dalším způsobem: jméno autora web-stránky, název stránky, název web-stránky (píše se kurzivou (*Italic*)), adresu web-stránky oddělenou znaky < >: <URL> a pokud je možné datum poslední návštěvy/ náhledu web-stránky v zaoblených závorkách: (). Název měsíce nahlédnutí do web-stránky se uvádí v jazyce článku.

Pro vaše pohodlí jsou následující příklady uvádění zdrojů a literatury rozděleny podle typu zdroje, a každý se uvádí ve dvou variantech po sobě: první je příklad odkazu na každé stránce, druhý je příklad odkazu na stejný zdroj, jenže jak se má uvádět v seznamu literatury (references).

Monografie:

Barney, J.B. (1996). *Gaining and sustaining competitive advantage*. Boston: Addison-Wesley, 140.

Barney, J.B. (1996). *Gaining and sustaining competitive advantage*. Boston: Addison-Wesley. [in English]

Хабермас, Ю. (2003). *Философский дискурс о модерне*. Москва: Весь мир.

Habermas, Ju. (2003). *Filosofskij diskurs o moderne* [Philosophical Discourse on Modernity].

Moscow: Ves' mir. [in Russian].

Belt, B., Brummer, C., Gorfine, D. (2012). *Crowdfunding: Maximizing the promise and minimizing the peril*. Washington, DC: Milken Institute, 5.

Belt, B., Brummer, C., Gorfine, D. (2012). *Crowdfunding: Maximizing the promise and minimizing the peril*. Washington, DC: Milken Institute. [in English]

Пашута, М.Т., Шкільнюк, О.М. (2005). *Інновації: понятійно-термінологічний апарат, економічна сутність та шляхи стимулювання*: навчальний посібник. Київ: Центр навчальної літератури.

Pashuta, M.T., Shkilnyuk, O.M. (2005). *Innovaciyi: ponyatijno-terminologichnj aparat, ekonomichna sutnist ta shlyaxy stymulyuvannya*: navchanyj posibnyk [Innovations: the conceptual and terminological apparatus, the economic essence and ways of stimulation: the manual]. Kyiv: Centr navchalnoyi literatury. [in Ukrainian].

Článek v časopise:

Andries, A.M. (2015). Nexus between concentration and fragility across EU banking systems. *Procedia Economics and Finance*, 32, 1140 – 1147.

Andries, A.M. (2015). Nexus between concentration and fragility across EU banking systems. *Procedia Economics and Finance*, no. 32, 1140 – 1147. [in English].

Musilová, K. (2017). Možnosti aplikace konceptu postmateriálního štěpení na substátních úrovních. *Central European Political Studies Review*, 19(1), 55-75.

doi:<http://dx.doi.org/10.5817/CEPSR.2017.1.55>

Musilová, K. (2017). Možnosti aplikace konceptu postmateriálního štěpení na substátních úrovních. [The Possibilities and Limits of Applying the Concept of Postmaterial Cleavage on Sub-State Levels]. *Central European Political Studies Review*, 19(1), 55-75. doi:<http://dx.doi.org/10.5817/CEPSR.2017.1.55> [in Czech].

Андрощук, Г.О. (2014). Інтелектуальна власність в наукоємних виробництвах і оборонній сфері в системі національної безпеки. *Наука та наукознавство*, 4, 90-100.

Androshchuk, H.O. (2014) Intellectuaľna vlasnist' v naukojemnykh vyrobnytstvakh i oboronniy sferi v systemi natsional'noyi bezpeky [Intellectual property in knowledge based industries and the defense sector in the system of national security]. *Nauka ta naukoznavstvo*. [Science and Research], no. 4, 90-100 [in Ukrainian].

Dur, A., Baccini, L., Elsig, M. (2014). The Design of International Trade Agreements: Introducing a New Database. *Review of International Organizations*, vol.9(3), 353-375.

Dur, A., Baccini, L., Elsig, M. (2014). The Design of International Trade Agreements: Introducing a New Database. *Review of International Organizations*, vol.9(3), 353-375. [in English].

Teze a myšlenky konference:

Башлик, Д.О. (2015). Історичні передумови для сучасного економічного суперництва Японії та Китаю. *Політологія, філософія, соціологія: контури міждисциплінарного перетину: матеріали III Міжнародної науково-практичної конференції (м. Одеса, 15-16 жовтня 2015 р.)*, 89-91.

Bashlik, D.O. (2015). Istorichni peredumovi dlya suchasного ekonomichного supernictva Yaponiy ta Kitayu. [Historical prerequisites for the current economic rivalry of Japan and China]. *Politologiya, filosofiya, sociologiya: konturi mizhdisciplinarnogo peretinu: materialy III Mizhnarodnoї naukovo-praktichnoї konferencії (m. Odesa, 15-16 zhovtnya 2015 r.)*. [Political science, philosophy, sociology: contours of the interdisciplinary section: materials of the 3rd International Scientific and Practical Conference (Odesa, October 15-16, 2015)], 89-91. [in Ukrainian].

Давиденко, М.Л., Сірик, О.М. (2013) Сучасні проблемні питання тлумачення статті 152 Кримінального кодексу України. *Правове життя сучасної України: матеріали Міжнародної наукової конференції професорсько-викладацького та аспірантського складу (м. Одеса, 16-17 травня 2013 р.)*, 2, 284-285.

Davidenko, M.L., Sirik, O.M. (2013) Suchasni problemni pitannya tлумachennya statti 152 Kriminal'nogo kodeksu Ukraini. [Current issues of interpretation of Article 152 of the Criminal Code of Ukraine]. *Pravove zhittya suchasnoї Ukraini: materialy Mizhnarodnoї naukovoї konferencії profesorsko-vikladackogo ta aspirantskogo skladu (m. Odesa, 16-17 travnya 2013 r.)* [The Legal Life of Modern Ukraine: Materials of the International Scientific Conference of the Teaching and Postgraduate Students (Odessa, May 16-17, 2013)], 2, 284-285. [in Ukrainian].

Odkazy na web-stránky:

Nozick, R. Anarchy, State and Utopia. *Wikipedia*.

<http://en.wikipedia.org/wiki/Anarchy,_State,_and_Utopia#Equality.2C_Envy.2C_Exploitation.2C_Etc> (2017, липень, 01)

Nozick, R. Anarchy, State and Utopia. *Wikipedia*.

<http://en.wikipedia.org/wiki/Anarchy,_State,_and_Utopia#Equality.2C_Envy.2C_Exploitation.2C_Etc> (2017, July, 01) [in English].

Феєр, О. (2016). Модернізація як економічна категорія. *Науковий вісник Мукачівського державного університету*, 1(5), 70-74. <<http://www.msu.edu.ua/visn/wp-content/uploads/2016/05/1-5-1-2016-11.pdf>> (2017, липень, 03).

Feyer, O. (2016). Modernizaciya yak ekonomichna kategoriya [Modernization as an economic category]. *Naukovyj visnyk Mukachivskogo derzhavnogo universytetu* [Scientific herald of Mukachevo State University], 1(5), 70-74. <<http://www.msu.edu.ua/visn/wp-content/uploads/2016/05/1-5-1-2016-11.pdf>> (2017, July, 03). [in Ukrainian].

Horn, H., Mavroidis, P.C., Sapir, A. (2009). Beyond the WTO? An anatomy of AU and US preferential trade agreements. *Bruegel*. <http://bruegel.org/wp-content/uploads/imported/publications/bp_trade_jan09.pdf> (2017, July, 25).

Horn, H., Mavroidis, P.C., Sapir, A. (2009). Beyond the WTO? An anatomy of AU and US preferential trade agreements. *Bruegel*. <http://bruegel.org/wp-content/uploads/imported/publications/bp_trade_jan09.pdf> (2017, July, 25). [in English].

Амосов, О.Ю., Гавкалова, Н.Л. (2011). Модернізація в Україні: шлях в майбутнє. *Стратегія розвитку України. Економіка, соціологія, право*. Т.1, 4, 16-21.

<<http://ecobio.nau.edu.ua/index.php/SR/article/view/4383/4515>> (2017, липень, 05).

Amosov, O.Yu., Gavkalova, N.L. (2011). Modernizaciya v Ukrayini: shlyah v majbutnye [Modernization in Ukraine: the way to the future]. *Strategiya rozvytku Ukrayiny. Ekonomika, sociologiya, pravo* [Strategy of development of Ukraine. Economics, sociology, law]. Т.1, 4, 16-21.

<<http://ecobio.nau.edu.ua/index.php/SR/article/view/4383/4515>> [in Ukrainian].

Definition of modernization. *Merriam-Webster, Inc. Dictionary*. <<http://www.merriam-webster.com/dictionary/modernization>> (03 березня 2017).

Definition of modernization. *Merriam-Webster, Inc. Dictionary*. <<http://www.merriam-webster.com/dictionary/modernization>> (03 березня 2017). [in English]. (2017, March, 03).

Odkazy na právní předpisy a právní dokumentaci:

Закони а нарізєні:

Закон про виконавче провадження ст. 24. 1999 (Верховна Рада України). *Офіційний вісник України*, 19, 194.

Zakon pro vykonavche provadzhennya 1999 (Verkhovna Rada Ukrainy). [Law on Enforcement 1999 (Verkhovna Rada of Ukraine)]. *Oficijnyj visnik Ukrainy* [Official Bulletin of Ukraine], 19, 194. [in Ukrainian].

Цивільний кодекс, ст. 56, гл. 6. 2003 (Верховна Рада України). *Офіційний сайт Верховної Ради України*. <<http://zakon2.rada.gov.ua/laws/show/435-15/page5>> (2013, листопад, 21)

Tsyvil'nyy kodeks 2003 (Verkhovna Rada Ukrainy). [Civil Code 2003 (Verkhovna Rada of Ukraine)].

Ofitsiyyny sayt Verkhovnoyi Rady Ukrainy. [The official website of the Verkhovna Rada of Ukraine].

<<http://zakon2.rada.gov.ua/laws/show/435-15/page5>> [in Ukrainian]. (2013, листопад, 21)

Директива о развитии двусторонних отношений Республики Беларусь с Китайской Народной Республикой 2015 (Президент Республики Беларусь). *Национальный правовой Интернет-портал Республики Беларусь*. <http://www.pravo.by/upload/docs/op/P01500005_1441141200.pdf> (05 мая 2017)

Direktiva o razvitii dvustoronnih otnoshenij Respubliki Belarus' s Kitajskoj Narodnoj Respublikoj 2015

(Prezident Respubliki Belarus'). [The Directive of the bilateral relations development of the Republic of Belarus with People's Republic of China 2015 (The President of the Republic of Belarus)].

Nacional'nyj pravovoj Internet-portal Respubliki Belarus'. [National legal Internet-portal of the Republic of Belarus].

<http://www.pravo.by/upload/docs/op/P01500005_1441141200.pdf> [in Russian]. (2017, May, 05)

Проект Закону про виставкову діяльність в Україні 2005 (Верховна Рада України). *Офіційний сайт Верховної Ради України*. <http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=25190> (01 грудня 2005).

Proekt Zakonu pro vystavkovu dijal'nist' v Ukraini 2005 (Verkhovna Rada Ukrainy). [The Draft Law

on Exhibition Activity in Ukraine (Verkhovna Rada of Ukraine)]. *Oficijnyj sayt Verkhovnoyi Rady Ukrainy*

[The official site of the Verkhovna Rada of Ukraine]. <http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=25190> [in Ukrainian]. (2005, December, 01)

Dohody, konvence, doporučení:

International Covenant on Civil and Political Rights 1966 art 2. (General Assembly of the United Nations)
<<https://treaties.un.org/doc/Publication/UNTS/Volume%20999/volume-999-I-14668-English.pdf>>
(21 листопада 2016)

International Covenant on Civil and Political Rights 1966 art 2. (General Assembly of the United Nations)
<<https://treaties.un.org/doc/Publication/UNTS/Volume%20999/volume-999-I-14668-English.pdf>>
[in English]. (2016, November, 21)

Рекомендация о развитии людских ресурсов: образование, подготовка кадров и непрерывное обучение 2004 (Международная организация труда). *Офіційний сайт Верховної Ради України*.
<http://zakon4.rada.gov.ua/laws/show/993_532> (21 листопада 2013).

Rekomendacija o razvitii ljudskih resursov: obrazovanie, podgotovka kadrov i nepreryvnoe obuchenie 2004 (Mezhdunarodnaja organizacija truda) [Recommendation on human resources development: education, training and continuing education 2004 (International Labor Organization)]. *Ofitsiynyy sayt Verkhovnoyi Rady Ukrayiny* [The official website of the Verkhovna Rada of Ukraine].
<http://zakon4.rada.gov.ua/laws/show/993_532> [in English]. (2013, November, 21)

Dvoustranné dohody:

Угода про співробітництво в галузі авіаційного пошуку і рятування 2012 (Кабінет Міністрів України та Уряд Російської Федерації) *Офіційний вісник України*, 29, 130.

Ugoda pro spivrobitnytstvo v galuzi aviatsynogo poshuku i ryatuvannya 2012 (Kabinet Ministriv Ukrayiny ta Uryad Rosiys'koyi Federatsiyi) [Agreement on cooperation in the field of aviation search and rescue 2012 (Cabinet of Ministers of Ukraine and Government of the Russian Federation)]. *Oficijnyj visnik Ukrayiny* [Official Bulletin of Ukraine], 29, 130. [in Ukrainian].

Soudní dokumentace

Dokumentace Mezinárodního soudu:

Case concerning pulp mills on the river Uruguay. Argentina v. Uruguay [2007]. ICJ
<<http://www.icj-cij.org/files/case-related/135/15427.pdf>> (12 вересня 2017)

Case concerning pulp mills on the river Uruguay. Argentina v. Uruguay [2007]. ICJ
<<http://www.icj-cij.org/files/case-related/135/15427.pdf>> [in English]. (2017, September 12)

The Vienna Convention on Consular Relations. Germany v. USA. (Request for the Indication of Provisional Measures: Order) General List No 104 [1999] ICJ 1.

The Vienna Convention on Consular Relations. Germany v. USA. (Request for the Indication of Provisional Measures: Order) General List No 104 [1999] ICJ 1. [in English].

Kauzy [soudní jednání] ECHR (do 31. října 1998):

Delta v. France (Article 50), 30 January 1990, § 38, Series A no. 191-A.

Delta v. France (Article 50), 30 January 1990, § 38, Series A no. 191-A. [in English].

Kauzy [soudní jednání] ECHR (od 1. listopadu 1998):

Campbell v. Ireland, no. 45678/98, § 24, ECHR 1999-II.

Campbell v. Ireland, no. 45678/98, § 24, ECHR 1999-II. [in English].

Soudní rozhodnutí soukromých zemí:

Постановление по делу № 16-П [2013] КС РФ.

<http://www.consultant.ru/document/cons_doc_LAW_148711/> (21 июня 2016).

Postanovlenie po delu № 16-P [2013] KS RF. [Resolution in the case No. 16-P [2013] of the Constitutional Court of the Russian Federation]. <http://www.consultant.ru/document/cons_doc_LAW_148711/> [in Russian] (2016, June 21).

Become a Contributor for the Journal

EUROPEAN JOURNAL OF ECONOMICS AND MANAGEMENT

The Journal is issued 6 times per year.

Articles for publication in the first issue of the journal are accepted until **February, 1** and will be published until **February, 28**.

Articles for publication in the second issue of the journal are accepted until **April, 1** and will be published until **April, 30**.

Articles for publication in the third issue of the journal are accepted until **June, 1** and will be published until **June, 30**.

Articles for publication in the fourth issue of the journal are accepted until **August, 1** and will be published until **August, 31**.

Articles for publication in the fifth issue of the journal are accepted until **October, 1** and will be published until **October, 31**.

Articles for publication in the sixth issue of the journal are accepted until **December, 1** and will be published until **December, 31**.

Requirements to manuscripts

Page Limit is 10 – 30 pages.

The language of articles is Czech, Ukrainian, English, Polish, French and German.

For an article in any language, the following is required in English:
an abstract (1800-1900 characters), a title of the article and complete data
of an author – full first and last name, academic title,
academic degree, position, and place of employment.

Footnotes are allowed, no endnotes.

Bibliography after the article is optional.

Bibliography should be arranged in accordance with the agreements of the American Psychological Association (APA).

Illustrations to articles (graphics and images) should be submitted in the TIFF or JPEG format (each image in a separate file). While preparing illustrations authors should take into account that colour printing is not available in the Journal.

The editorial board do not register and do not review for publication manuscripts that do not comply with the aforementioned requirements.

Address for service:

E-mail: publications@eujem.cz

Web: <http://eujem.cz>

Mailing Address:

BEROSTAV DRUŽSTVO, Vlastislavova 562/15, 140 00, Praha 4 – Nusle

RULES AND EXAMPLES OF REFERENCING ACCORDING TO APA-STYLE REQUIREMENTS

General rules:

Bibliographic descriptions of sources and literature in footnotes and transliterated list of sources (references) should be arranged in accordance with the agreements of the American Psychological Association (APA). Below are examples of how to arrange the most common bibliographic sources. For more information see: <http://www.apastyle.org>

When arranging bibliographic descriptions of sources and literature it is necessary to consider regular and cursive (*Italic*) text fonts, as well as the sequence of elements in a reference.

Footnotes should be provided in the original language of a source to which you refer, that is, they are not translated or transliterated. Quotes within the article should be provided in the language of the article.

References at the end of the article should be Latinized. When making bibliographic references to Cyrillic (including Ukrainian and Russian) articles, published in journals and almanacs, we strongly recommend the following structure of references:

- Name of author/authors (transliterated);
- original title of the article transliterated by Latin symbols and its English translation in square brackets [];
- original title of the source transliterated by Latin symbols and its English translation in square brackets [];
- publisher's imprint information in English.

In References, when indicating a city of publication both in English and Cyrillic sources, the name of the city should be given in English, while the name of the publishing house should be transliterated.

For automatic transliteration of Cyrillic sources, you can use the following resources <http://www.translit.ru> – for sources in Russian; and <http://www.slovnyk.ua/services/translit.php> — for sources in Ukrainian.

When arranging references on website materials, a reference should include author's name, title of the page, name of the site (*typed in Italic font*), site address <URL>, marked by <> symbols, and, if possible, the date when this page was last browsed (in round brackets). The month is provided in the language of the article.

For your convenience, below you can see examples of arranging bibliographic descriptions of sources and literature organized by source type; each one is given in two formats sequentially: the first one is the footnote example; the second is the example of arranging the same source in References.

Monograph:

Barney, J.B. (1996). *Gaining and sustaining competitive advantage*. Boston: Addison-Wesley, 140.

Barney, J.B. (1996). *Gaining and sustaining competitive advantage*. Boston: Addison-Wesley. [in English]

Хабермас, Ю. (2003). *Философский дискурс о модерне*. Москва: Весь мир.

Habermas, Ju. (2003). *Filosofskij diskurs o moderne* [Philosophical Discourse on Modernity]. Moscow: Ves' mir. [in Russian].

Belt, B., Brummer, C., Gorfine, D. (2012). *Crowdfunding: Maximizing the promise and minimizing the peril*. Washington, DC: Milken Institute, 5.

Belt, B., Brummer, C., Gorfine, D. (2012). *Crowdfunding: Maximizing the promise and minimizing the peril*. Washington, DC: Milken Institute. [in English]

Пашута, М.Т., Шкільнюк, О.М. (2005). *Інновації: понятійно-термінологічний апарат, економічна сутність та шляхи стимулювання*: навчальний посібник. Київ: Центр навчальної літератури.

Pashuta, M.T., Shkilnyuk, O.M. (2005). *Innovaciyi: ponyatijno-terminologichnj aparat, ekonomichna sutnist ta shlyaxy stymulyvannya*: navchanyj posibnyk [Innovations: the conceptual and terminological apparatus, the economic essence and ways of stimulation: the manual]. Kyiv: Centr navchalnoyi literatury. [in Ukrainian].

Journal article:

Andries, A.M. (2015). Nexus between concentration and fragility across EU banking systems. *Procedia Economics and Finance*, 32, 1140 – 1147.

Andries, A.M. (2015). Nexus between concentration and fragility across EU banking systems. *Procedia Economics and Finance*, no. 32, 1140 – 1147. [in English].

Musilová, K. (2017). Možnosti aplikace konceptu postmateriálního štěpení na substatních úrovních. *Central European Political Studies Review*, 19(1), 55-75.

doi:<http://dx.doi.org/10.5817/CEPSR.2017.1.55>

Musilová, K. (2017). Možnosti aplikace konceptu postmateriálního štěpení na substatních úrovních. [The Possibilities and Limits of Applying the Concept of Postmaterial Cleavage on Sub-State Levels]. *Central European Political Studies Review*, 19(1), 55-75. doi:<http://dx.doi.org/10.5817/CEPSR.2017.1.55> [in Czech].

Андрощук, Г.О. (2014). Інтелектуальна власність в наукоємних виробництвах і оборонній сфері в системі національної безпеки. *Наука та наукознавство*, 4, 90-100.

Androshchuk, H.O. (2014) Intellectuaľna vlasnist' v naukojemnykh vyrobnytstvakh i oboronniy sferi v systemi natsional'noyi bezpeky [Intellectual property in knowledge based industries and the defense sector in the system of national security]. *Nauka ta naukoznavstvo*. [Science and Research], no. 4, 90-100 [in Ukrainian].

Dur, A., Baccini, L., Elsig, M. (2014). The Design of International Trade Agreements: Introducing a New Database. *Review of International Organizations*, vol.9(3), 353-375.

Dur, A., Baccini, L., Elsig, M. (2014). The Design of International Trade Agreements: Introducing a New Database. *Review of International Organizations*, vol.9(3), 353-375. [in English].

Conference paper:

Башлик, Д.О. (2015). Історичні передумови для сучасного економічного суперництва Японії та Китаю. *Політологія, філософія, соціологія: контури міждисциплінарного перетину: матеріали III Міжнародної науково-практичної конференції (м. Одеса, 15-16 жовтня 2015 р.)*, 89-91.

Bashlik, D.O. (2015). Istorichni peredumovi dlya suchasного ekonomichного supernictva Yaponiy ta Kitayu. [Historical prerequisites for the current economic rivalry of Japan and China]. *Politologiya, filosofiya, sociologiya: konturi mizhdisciplinarnogo peretinu: materialy III Mizhnarodnoy naukovo-praktichnoy konferenciy (m. Odesa, 15-16 zhovtnya 2015 r.)*. [Political science, philosophy, sociology: contours of the interdisciplinary section: materials of the 3rd International Scientific and Practical Conference (Odesa, October 15-16, 2015)], 89-91. [in Ukrainian].

Давиденко, М.Л., Сірик, О.М. (2013) Сучасні проблемні питання тлумачення статті 152 Кримінального кодексу України. *Правове життя сучасної України: матеріали Міжнародної наукової конференції професорсько-викладацького та аспірантського складу (м. Одеса, 16-17 травня 2013 р.)*, 2, 284-285.

Davidenko, M.L., Sirik, O.M. (2013) Suchasni problemni pitannya tлумachennya statti 152 Kriminal'nogo kodeksu Ukraini. [Current issues of interpretation of Article 152 of the Criminal Code of Ukraine]. *Pravove zhittya suchasnoy Ukraini: materialy Mizhnarodnoy naukovo-y konferenciy profesorsko-vkladackogo ta aspirantskogo skladu (m. Odesa, 16-17 travnya 2013 r.)* [The Legal Life of Modern Ukraine: Materials of the International Scientific Conference of the Teaching and Postgraduate Students (Odessa, May 16-17, 2013)], 2, 284-285. [in Ukrainian].

Web-link:

Nozick, R. Anarchy, State and Utopia. *Wikipedia*. <http://en.wikipedia.org/wiki/Anarchy,_State,_and_Utopia#Equality.2C_Envy.2C_Exploitation.2C_Etc> (2017, липень, 01)

Nozick, R. Anarchy, State and Utopia. *Wikipedia*.

<http://en.wikipedia.org/wiki/Anarchy,_State,_and_Utopia#Equality.2C_Envy.2C_Exploitation.2C_Etc> (2017, July, 01) [in English].

Феєр, О. (2016). Модернізація як економічна категорія. *Науковий вісник Мукачівського державного університету*, 1(5), 70-74. <<http://www.msu.edu.ua/visn/wp-content/uploads/2016/05/1-5-1-2016-11.pdf>> (2017, липень, 03).

Feyer, O. (2016). Modernizaciya yak ekonomichna kategoriya [Modernization as an economic category]. *Naukovyj visnyk Mukachivs'kogo derzhavnogo universy tetu* [Scientific herald of Mukachevo State University], 1(5), 70-74. <<http://www.msu.edu.ua/visn/wp-content/uploads/2016/05/1-5-1-2016-11.pdf>> (2017, July, 03). [in Ukrainian].

Horn, H., Mavroidis, P.C., Sapir, A. (2009). Beyond the WTO? An anatomy of AU and US preferential trade agreements. *Bruegel*. <http://bruegel.org/wp-content/uploads/imported/publications/bp_trade_jan09.pdf> (2017, July, 25).

Horn, H., Mavroidis, P.C., Sapir, A. (2009). Beyond the WTO? An anatomy of AU and US preferential trade agreements. *Bruegel*. <http://bruegel.org/wp-content/uploads/imported/publications/bp_trade_jan09.pdf> (2017, July, 25). [in English].

Амосов, О.Ю., Гавкалова, Н.Л. (2011). Модернізація в Україні: шлях в майбутнє. *Стратегія розвитку України. Економіка, соціологія, право*. Т.1, 4, 16-21. <<http://ecobio.nau.edu.ua/index.php/SR/article/view/4383/4515>> (2017, липень, 05).

Amosov, O.Yu., Gavkalova, N.L. (2011). Modernizaciya v Ukrayini: shlyax v majbutnye [Modernization in Ukraine: the way to the future]. *Strategiya rozvytku Ukrayiny. Ekonomika, sociologiya, pravo* [Strategy of development of Ukraine. Economics, sociology, law]. Т.1, 4, 16-21. <<http://ecobio.nau.edu.ua/index.php/SR/article/view/4383/4515>> [in Ukrainian].

Definition of modernization. *Merriam-Webster, Inc. Dictionary*. <<http://www.merriam-webster.com/dictionary/modernization>> (03 березня 2017).

Definition of modernization. *Merriam-Webster, Inc. Dictionary*. <<http://www.merriam-webster.com/dictionary/modernization>> (03 березня 2017). [in English]. (2017, March, 03).

References to legislative acts and legal documents

Laws and regulations

Закон про виконавче провадження ст. 24. 1999 (Верховна Рада України). *Офіційний вісник України*, 19, 194.

Закон про виконавче провадження 1999 (Verkhovna Rada Ukrainy). [Law on Enforcement 1999 (Verkhovna Rada of Ukraine)]. *Oficijnyj visnik Ukrainy* [Official Bulletin of Ukraine], 19, 194. [in Ukrainian].

Цивільний кодекс, ст. 56, гл. 6. 2003 (Верховна Рада України). *Офіційний сайт Верховної Ради України*. <<http://zakon2.rada.gov.ua/laws/show/435-15/page5>> (2013, листопад, 21)

Tsyvil'nyy kodeks 2003 (Verkhovna Rada Ukrainy). [Civil Code 2003 (Verkhovna Rada of Ukraine)]. *Ofitsynnyy sayt Verkhovnoyi Rady Ukrainy*. [The official website of the Verkhovna Rada of Ukraine]. <<http://zakon2.rada.gov.ua/laws/show/435-15/page5>> [in Ukrainian]. (2013, листопад, 21)

Директива о развитии двусторонних отношений Республики Беларусь с Китайской Народной Республикой 2015 (Президент Республики Беларусь). *Национальный правовой Интернет-портал Республики Беларусь*. <http://www.pravo.by/upload/docs/op/P01500005_1441141200.pdf> (05 мая 2017)

Direktiva o razvitii dvustoronnih otnoshenij Respubliki Belarus' s Kitajskoj Narodnoj Respublikoj 2015 (Prezident Respubliki Belarus'). [The Directive of the bilateral relations development of the Republic of Belarus with People's Republic of China 2015 (The President of the Republic of Belarus)]. *Nacional'nyy pravovoj Internet-portal Respubliki Belarus'*. [National legal Internet-portal of the Republic of Belarus]. <http://www.pravo.by/upload/docs/op/P01500005_1441141200.pdf> [in Russian]. (2017, May, 05)

Проект Закону про виставкову діяльність в Україні 2005 (Верховна Рада України). *Офіційний сайт Верховної Ради України*. <http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=25190> (01 грудня 2005).

Proekt Zakonu pro vystavkovu dijal'nist' v Ukraini 2005 (Verkhovna Rada Ukrainy). [The Draft Law on Exhibition Activity in Ukraine (Verkhovna Rada of Ukraine)]. *Oficijnyj sayt Verkhovnoyi Rady Ukrainy* [The official site of the Verkhovna Rada of Ukraine].

<http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=25190> [in Ukrainian]. (2005, December, 01)

Agreements, conventions, recommendations

International Covenant on Civil and Political Rights 1966 art 2. (General Assembly of the United Nations) <<https://treaties.un.org/doc/Publication/UNTS/Volume%20999/volume-999-I-14668-English.pdf>> (21 листопада 2016)

International Covenant on Civil and Political Rights 1966 art 2. (General Assembly of the United Nations) <<https://treaties.un.org/doc/Publication/UNTS/Volume%20999/volume-999-I-14668-English.pdf>> [in English]. (2016, November, 21)

Рекомендация о развитии людских ресурсов: образование, подготовка кадров и непрерывное обучение 2004 (Международная организация труда). *Офіційний сайт Верховної Ради України*. <http://zakon4.rada.gov.ua/laws/show/993_532> (21 листопада 2013).

Rekomendacija o razvitii ljudskih resursov: obrazovanie, podgotovka kadrov i nepreryvnoe obuchenie 2004 (Mezhdunarodnaja organizacija truda) [Recommendation on human resources development: education, training and continuing education 2004 (International Labor Organization)]. *Ofitsiynyy sayt Verkhovnoyi Rady Ukrayiny* [The official website of the Verkhovna Rada of Ukraine]. <http://zakon4.rada.gov.ua/laws/show/993_532> [in English]. (2013, November, 21)

Bilateral agreements

Угода про співробітництво в галузі авіаційного пошуку і рятування 2012 (Кабінет Міністрів України та Уряд Російської Федерації) *Офіційний вісник України*, 29, 130.

Ugoda pro spivrobitnytstvo v galuzi aviatsiynogo poshuku i ryatuvannya 2012 (Kabinet Ministriv Ukrayiny ta Uryad Rosiys'koyi Federatsiyi) [Agreement on cooperation in the field of aviation search and rescue 2012 (Cabinet of Ministers of Ukraine and Government of the Russian Federation)]. *Oficijnyj visnik Ukrayiny* [Official Bulletin of Ukraine], 29, 130. [in Ukrainian].

Judicial documents

Documents of the International Court of Justice

Case concerning pulp mills on the river Uruguay. Argentina v. Uruguay [2007]. ICJ <<http://www.icj-cij.org/files/case-related/135/15427.pdf>> (12 вересня 2017)

Case concerning pulp mills on the river Uruguay. Argentina v. Uruguay [2007]. ICJ <<http://www.icj-cij.org/files/case-related/135/15427.pdf>> [in English]. (2017, September 12)

The Vienna Convention on Consular Relations. Germany v. USA. (Request for the Indication of Provisional Measures: Order) General List No 104 [1999] ICJ 1.

The Vienna Convention on Consular Relations. Germany v. USA. (Request for the Indication of Provisional Measures: Order) General List No 104 [1999] ICJ 1. [in English].

ECHR cases (until October 31, 1998)

Delta v. France (Article 50), 30 January 1990, § 38, Series A no. 191-A.

Delta v. France (Article 50), 30 January 1990, § 38, Series A no. 191-A. [in English].

ECHR cases (after November 1, 1998)

Campbell v. Ireland, no. 45678/98, § 24, ECHR 1999-II.

Campbell v. Ireland, no. 45678/98, § 24, ECHR 1999-II. [in English].

Judicial decisions of individual countries

Постановление по делу № 16-П [2013] КС РФ.

<http://www.consultant.ru/document/cons_doc_LAW_148711/> (21 июня 2016).

Postanovlenie po delu № 16-P [2013] KS RF. [Resolution in the case No. 16-P [2013] of the Constitutional Court of the Russian Federation]. <http://www.consultant.ru/document/cons_doc_LAW_148711/> [in Russian] (2016, June 21).