

ENSURING FINANCIAL STABILITY OF THE UKRAINIAN ECONOMY IN THE CONTEXT OF EUROPEAN INTEGRATION

The full-scale military invasion of our northern neighbors has dealt a powerful blow to all parts of our country's economic system. The production of key products, including those that form the basis of Ukraine's export potential, has declined. In addition, ports are blocked, and thus the lion's share of foreign trade. The transport and logistics, social, marketing, and engineering infrastructure of entire regions is being destroyed. There is an outflow of personnel abroad and their partial redeployment to the west of the country, which temporarily throws hundreds of thousands or even millions of people out of active economic life. The domestic economy is increasingly becoming one of the priority fronts that will determine both the further course of the military operations and our country's ability to successfully rebuild after they end. The statements of some experts, often circulating in the media, about the allegedly inevitable post-war economic boom in Ukraine and our country's "doom" to EU membership and the rapid reconstruction of destroyed cities or modernization of infrastructure (or even about turning it into an innovative "Mecca" of the future Europe) require critical reflection. Indeed, the prerequisites for this exist [1].

The relevance in the context of European integration processes is determined by the need to form internal and external immunity to protect against destabilizing capital outflows and competitiveness in world markets, as well as the stability of the financial situation. The state, represented by its institutions of power, plays a crucial role among the security factors. The modern Ukrainian economy requires unbiased government decisions to regulate many aspects of the market economy, especially in the area of social and legislative protection of its subjects. The effectiveness of this mechanism largely determines other aspects, such as the level and quality of life, crime rate, and economic potential. Without effective functioning of state legal institutions, neither economic nor social development within a single mechanism is possible. The purpose of the state system is to support the effective functioning of the economy, identify threats and take adequate measures to prevent and neutralize them, protect the realization of economic interests of an individual, society, and family, and pursue a socially oriented economic policy.

Although the problems should be considered primarily within the framework of economic processes, deep catastrophic consequences are also manifested in the non-economic sphere. The greatest danger is posed by political upheaval in society due to the dissatisfaction of the masses with their economic situation, as well as direct large-scale destruction of production capacity, social infrastructure and the natural environment caused by economic reasons.

The NBU is doing everything necessary to ensure the continuity of both non-cash and cash payments and to maintain the smooth functioning of the banking system under martial law. The official exchange rate has been fixed and a number of temporary currency restrictions have been introduced [2]. Thus, the concept should be based on a variety of factors, including its main element - the growth of economic efficiency.

References:

1. Borshchevsky V. Economic individualism will resist the totalitarianism of the neighbor. Day. Access mode: <https://day.kyiv.ua/uk/article/ekonomika/ekonomichniy-individualizm-dast-opir-totalitarizmu-susida> // URL: <http://www.rada.gov.ua> (accessed: 20.04.2023).
2. The official website of the National Bank of Ukraine. The state of the financial sector of Ukraine and the NBU's measures to support its smooth functioning under martial law. Access mode: <https://bank.gov.ua/ua/news> // URL: <http://www.rada.gov.ua> (accessed: 20.04.2023).