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# ECONOMIC PROSPECTS OF POST-WAR RECOVERY: CHALLENGES AND OPPORTUNITIES FOR SUSTAINABLE DEVELOPMENT IN UKRAINE

## ABSTRACT

The consequences of Russian aggression against Ukraine are tangible in all sectors of the economy, but they cannot be fully predicted due to the continuation of military operations. The aim of the article is to examine the recovery of the Ukrainian economy through the analysis of key aspects of post-war reconstruction, the transformative elements of the insurance sector, and the exploration of its potential as a means of further revitalizing the economic sector. The study is based on the use of general scientific methods of analysis, synthesis, abstraction, induction, explanation, and generalization. The problem of economic losses of Ukraine against the background of global challenges of the military and post-war environment is analyzed. The prospects of recovery of the Ukrainian economy in the post-war times are also investigated, and the main directions and methods of this process are highlighted. Special attention is given to the possibilities of cooperation with foreign financial partners-donors, and harmonization of the tax and financial legislation according to the requirements of integration into the European Union. The importance of transformations in the development of human capital, social and critical infrastructure is also noted. A separate review is devoted to the problems of the insurance sector and possible ways of overcoming the economic problems in this sphere. It is determined that the decline in the solvency of enterprises and individuals may hinder the further development of the post-war economy of Ukraine (including insurance). At the same time, this problem remains understudied, since today it is impossible to determine absolutely all the consequences of the Russian-Ukrainian war.

**Keywords:** innovative model, insurance, reconstruction, social and critical infrastructure, sustainable development of the Ukrainian economy

**JEL Classification:** O16, O43

## INTRODUCTION

The Russian invasion of Ukraine has challenged the socio-political and economic stability. Military destruction, refugee flows, and the disruption of established economic ties have created a crisis that is difficult to cope with. Ukraine's experience in the functioning of the long and unprecedented military conflict of the 21st century is unique in many respects. It is relevant to European Union (EU) member states that do not have similar crisis management mechanisms, since the last time they faced a military challenge was in the form of a more localized Balkan crisis during the 1990s.

The war has actualized several crucial areas of economic sectors. The functioning of the insurance market is an important part of the financial sustainability of economic relations within Ukraine. Accordingly, emphasis on this industry should be an important part of Ukraine's post-war recovery. The industry needs special attention today, already towards the end of martial law, because ensuring timely insurance payments and providing appropriate services guarantee viability and sustainability, and predictability of economic life. For this reason, an urgent aspect of the future of the Ukrainian economy should be the transformation in the insurance sector, the introduction of innovative and modern digital models of economic development in general, taking into account political stability and overcoming the likely attempts to split the Ukrainian population, which, obviously, will be inspired by the Russian side in conditions of losing the open war.

## LITERATURE REVIEW

The phenomenon of sustainable economic development and its key aspects have been actively studied since the late 18th century.

At the global level, the UN Summit on Sustainable Development was held in New York in September 2015 as part of the 70th session of the UN General Assembly. 17 Sustainable Development Goals (SDGs) and 169 tasks were approved by the final document of the Summit "Transforming our world: an agenda in the field of sustainable development until 2030". Global development goals adopted by all UN member states were included in the SDG system. The document defined the achievement of the following goals by 2030: overcoming poverty; development of agriculture; good health; quality education; gender equality; clean water; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; reducing inequality; sustainable development of cities; responsible consumption and production; mitigating the consequences of climate change; conservation of marine resources; protection of the terrestrial ecosystem; peace, justice and strong institutions; partnership for sustainable development.

In the scientific literature, scientists use such terms as "economic growth" or "economic development" when studying stable economic processes. According to Romer (1990), economic growth occurs when people use their own resources and regroup them in more valuable ways. Thus, the term refers to the growth of real national income or national production (Pelsa & Balina, 2022). On the other hand, the term "economic development" means an improvement in the quality of life and standard of living. For this reason, economic development encompasses a very broad range of indicators than just gross domestic product (hereafter GDP) per capita. Consequently, economic development refers to the actual standard of living.

Modern European and American researchers are actively studying the peculiarities of economic development against the background of global challenges of humanity. In particular, Pelsa and Balina (2022) analyzed and evaluated the main theories of economic growth through the lens of sustainable development. The researchers note that economic changes respectively affect the structural and qualitative transformation of the economy with technological and social progress (Pelsa et al., 2022, 100). In the scientific paper by Zhilinska (2010), her own concept of scientific and technological activity is presented, which can serve as the basis for developing an innovative policy of the state in the economic sphere. Hahnel (2017) outlined key aspects of the impact of digitalization on economic development. Dorner et al. (2020) researched the peculiarities of the functioning of modern human capital. Tkachuk et al. (2022) investigated the specifics of economic crowdfunding development against the background of the global challenges of today. At the same time, Ovcharova (2022) characterized the relationship between digitalization and the national smart economy model, which affects the achievement of innovative sustainable development strategies. Khodakivska and Martyniuk (2022) considered the key aspects of the food security of Ukraine through the prism of analysis of global challenges.

He (2022) identified how the events of the Russian-Ukrainian war affect the development of the global financial market. Ghilès (2022) also assessed this impact, considering the significance of the events in Ukraine for the development of the political, economic, and social life of mankind. Nezhyva and Mysiuk (2022) characterized the development of the global economy against the backdrop of the Russian-Ukrainian war and demonstrated how this war affects the state of the economy. Similar issues were also addressed in the study by Shah and Gedamkar (2022). At the same time, Kaflyk (2022) studied the state of the Ukrainian financial market in the context of military realities. The legal framework for regulating the financial and economic security of Ukraine is presented in Pylypyshyn et al. (2022).

Sokolova et al. (2022) describe the main financial instruments and mechanisms for improving the technological structure of the economy and the organization of production, taking into account the trend changes in the Ukrainian economy. In their paper, Cherniavskiy et al. (2022) characterized the experience of leading European countries in regulating economic security. However, the authors paid little attention to analyzing the mechanisms for using this experience in Ukrainian realities. The main transformational trends in the Ukrainian economy are presented in Schmid (2019).

Kozmenko et al. (2023) defined the problems of academic management in the conditions of war. A special issue has been prepared that examines the specifics of the changes taking place in educational institutions.

It is important to highlight research dedicated to the topic of insurance and its impact on the financial status of nations, as well as its potential as a driver of structural economic transformations. In particular, researchers have emphasized the history of insurance development, an industry that has evolved from a private initiative to become a leading sector in the economic life of many countries (Ostojic et al., 2016). Kindzerskyi (2022) examined key aspects of Ukraine's post-war industry recovery, analyzing the main challenges and policy features. The author also emphasized the need for financial system reforms, in which insurance can play an important role as a mechanism to limit inflationary processes. Plunkett

(2022) identified major trends and risks in the operations of insurance companies, highlighting the importance of the moral aspect - the confidence in receiving services of proper quality, which in turn motivates consumers to trust their money to the private sector. The moral aspect has been underestimated by many specialists, so it is necessary to consider it when forecasting the future development of the Ukrainian economy as a whole. Riabov and Riabova (2021) identified contemporary trends in the economic sphere, where insurance plays an important role as a tool for accumulating financial resources that can be utilized for current needs.

Thus, current research focuses on studying the economic impact of the Russian-Ukrainian war or analyzing the current state of the global or national economy. For this reason, the issues of further development of the Ukrainian economy through the prism of forecasting (based on the study of opportunities and directions of post-war reconstruction) remain poorly understood. A separate, little-studied issue is the innovative aspect of sustainable development of Ukraine's economy through the prism of analyzing current events. The use of insurance instruments in the post-war recovery of the Ukrainian economy should also be subject to analysis.

## AIMS AND OBJECTIVES

The aim of the article is to analyze potential scenarios for the recovery of the Ukrainian economy, taking into account an innovative model of post-war reconstruction, the opportunities of the insurance sector, and its effective utilization in economic regeneration processes. Achieving this goal requires addressing the following issues:

- 1. Defining the main challenges posed by global and wartime crises and the potential economic losses incurred; outlining the prospects for the recovery of the Ukrainian economy in post-war times.
- 2. Prospects for the recovery of the Ukrainian economy in post-war times: key directions and methods.
- 3. Analyzing the role of insurance in the possibilities for post-war economic recovery in Ukraine.

## METHODS

To achieve the main goal, two types of research methods were used: general scientific and special scientific methods. General scientific methods include analysis, synthesis, abstraction, induction, explanation, and generalization. The abstraction method was used to move from analyzing general global challenges to studying specific problems and prospects for the development of the Ukrainian insurance system in the context of post-war challenges. The method of concretization allowed us to consider in detail the problem of the main challenges of the functioning of the post-war reconstruction of the Ukrainian economy in the context of globalization and military post-aggression. In addition, using the principles of forecasting, the author formed certain own judgments about the future development of the economy, characterized probable prospects, and identified the main ways to overcome the current negative trends in this area. The modelling method was also employed to create a model of the role of insurance companies in economic recovery.

## RESULTS

### *The problem of Ukraine's economic losses amid global challenges.*

The military conflict taking place within Europe has had a serious impact on the global economy, especially on the EU countries. It has led to a shock to regional stability, trade, the geopolitical order, and new risks to GDP growth, inflation, and monetary policy (He, 2022). There was also an increase in Brent crude oil prices due to the imposition of sanctions against the aggressor country, which also changed the balance of global commodity markets (Ghilès, 2022). A slight recession may be observed in the United States of America (hereinafter referred to as the US) in late 2022 or early 2023 (He, 2022). This period will be characterized by stagflationary characteristics with below-trend growth and above-trend inflation, weighing on the global economy through weak demand and tightening financial conditions. Growth in Europe has slowed due to rising natural gas prices and deteriorating supply dynamics. In the Eurozone, growth will be below the trend starting in the third quarter of 2022, but there will probably be no direct recession. Over the next 10 years, the global economy will grow by an average of 2.5% per year (He, 2022), which is significantly less than the average before the COVID-19 pandemic.

The Russian aggression has led to a waste of Ukraine's potential, which is losing resources, capacity, infrastructure, human capital, finance, and competitiveness in the context of dynamic globalization processes. Nevertheless, the war may create some opportunities for Ukraine, including reorientation to new markets, search for more reliable allies and trading partners

in the global economic space, and reducing dependence on the Russian aggressor country, particularly in the energy sector (Kaflyk, 2022). However, the main consequence of war, regardless of its determination, is losses. The losses include financial and human losses, destroyed infrastructure and production facilities, suspended investment projects, neutralized natural potential, reduced population demand, destroyed transport infrastructure, blocked ports, restrictions on cross-border foreign exchange payments, and a narrowing of the range of domestic goods, a shortage of energy imports.

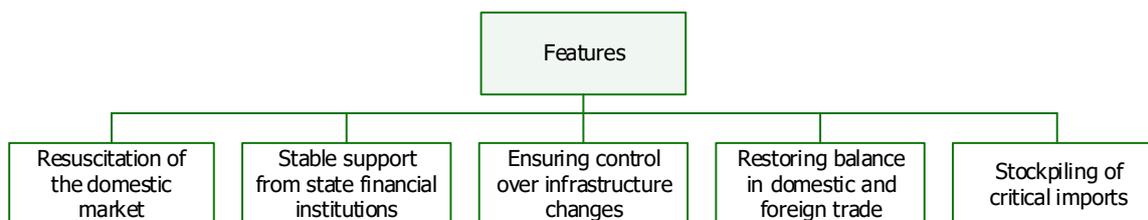
In the context of financial support for Ukraine's economic recovery, there are limited sources that can be used (Nezhyva et al., 2022). This limitation was predictable in the context of a brutal war. The world economy is in a destabilized state, and a significant number of countries are in a state that indicates the inevitable approach to a global socio-economic crisis. With regard to the use of domestic sources to finance the recovery of the Ukrainian economy, one should take into account not only the losses incurred by the business sector but also the decline in bank activity, freezing of investment projects, full or partial cessation of commercial companies, etc.

Ukraine's crisis context is accompanied by several additional challenges related to the structure of human capital. In particular, there is a large number of unemployed people, a massive outflow of skilled professionals abroad, and the risk of losing a significant number of citizens who have left the country in search of temporary asylum. There has also been an unprecedented imbalance in the labour force between regions. According to open research, 2022 was the most difficult year for the Ukrainian economy (Shah et al., 2022; Nezhyva et al., 2022). The scale of losses and the dynamics of industrial decline are unprecedented. The biggest shock from a full-scale war occurred in March 2022. Experts using indirect calculation methods and modelling tools estimated the GDP decline in March 2022 at 47-50% (compared to March 2021), which led to a 15.1% drop in the first quarter according to the State Statistics Service of Ukraine. Changes in the structure of Ukraine's economy are reflected in key indicators such as real GDP, consumer price index, current account balance, international reserves, etc.

*Prospects for the Recovery of the Ukrainian Economy in the Postwar Period: Main Directions and Methods.*

After the end of active hostilities and in the period following the official end of the war, restoring the devastating consequences and rebuilding infrastructure become a top priority for the Ukrainian economy. Researchers estimate that 30 to 50% of Ukraine's production capacity, estimated at more than USD 110 billion, was lost as a result of the war. First of all, these are enterprises located in Chernihiv, Donetsk, Luhansk, Kharkiv, Kyiv, and Zaporizhzhia regions (Okhrimenko et al., 2022). Transportation, industrial, and social infrastructures have also suffered extensive damage. The losses are enormous and growing daily as the hostilities continue.

Another important area is the restoration of critical infrastructure, which includes the restoration of facilities that ensure the functioning and provision of services in the fields of energy, transport, water supply, sewage, heat, hot water, electricity and gas, food production, and healthcare. This is necessary for the full functioning of cities and towns in all regions of Ukraine, as well as for the elimination of restrictions on the supply of oil products and the restoration of transportation infrastructure. The restoration of other critical infrastructure, including public life support facilities, should be coordinated with the restoration of social infrastructure in the destroyed cities and territorial communities. To restore social infrastructure, there is a need to develop projects for the reconstruction of destroyed villages and cities, taking into account modern environmental standards, including waste and recycling (Hutsul et al., 2022). For territorial communities, it is necessary to develop an optimal and maximally unified set and location of social (transport, environmental, medical, educational, etc.) infrastructure facilities, taking into account the devastating effects of Russian aggression and the mandatory availability of shelter for each territorial community. For large cities, it is also necessary to envisage ways to improve and optimize transportation networks (Figure 1).



**Figure 1. Main capabilities of rapid response to military challenges of the Ukrainian economy.**

Ukraine has some opportunities to finance its post-war reconstruction (Pylypyshyn et al., 2022). First of all, we are talking about such mechanisms as grants and credit lines from the US government, the International Monetary Fund (IMF),

and the EU, as well as support from international financial institutions, including the World Bank, the European Bank for Reconstruction and Development, the European Investment Bank, and others. In addition, private investment and reparations are possible sources. Reparations include the freezing and confiscation of Russian assets to compensate Ukraine for losses, the introduction of a compensation mechanism based on a register of losses, and the creation of a separate compensation mechanism by intermediary states (Table 1).

**Table 1. Main areas of international support.**

Crediting	Ukraine's economic losses can be partially offset by external borrowing. European and American governments are aware of the problems of official Kyiv and provide financial support in the form of direct aid or grants.
Military and technical assistance	This area is very important for the military support of Ukraine, providing the Ukrainian army with the necessary equipment in the future.
Investments	Gradual revival of the Ukrainian economy may improve investment attractiveness.
Guarantees of further protection and reparations	The provision of such guarantees to Ukraine will affect its investment attractiveness, and reparations paid by the official Kremlin will improve macro financial indicators.

An important component of Ukraine's recovery and development is the potential for full integration into the EU as a full member and the establishment of ties with the G7 countries, which are not only a model of advanced economic development processes but also can become powerful donors of reconstruction projects (Yehorov&Bazhal, 2018). The main directions of future development are further digitalization of production and business processes, a green course aimed at decarbonizing the economy, and preventing negative climate change (Okhrimenko et al., 2022). Harmonization with the EU economic structures may lead to fundamental changes in the structure of the economy, including the development, production, and export of high-tech products with high added value, the adjustment of tax legislation, and the fight against the shadow economy (Nezhyvaet al., 2022).

At the current stage, the situation is being improved by a program to relocate businesses to safe locations to continue production. As of April 2022, alone, nearly five hundred companies from the war-torn areas (Eastern Ukraine, Kyiv, Dnipro, Kharkiv, Zaporizhzhia, etc.) were relocated to mostly Western Ukrainian regions, where they set up production facilities and partially started operating. If other companies (about 1,000 in total) follow suit and organize production on a permanent basis, this will help restore production figures at least partially. In addition, the displaced Ukrainians hired by these enterprises will continue to need permanent residence, which should also be taken into account in projects to rebuild social infrastructure. This will also indirectly affect the further development of human capital indicators. In Ukraine, this requires creating additional conditions to attract IDPs and return them to Ukraine much more quickly. To achieve this goal, it is important to begin active reconstruction of war-torn cities or towns by building modular one- and two-story buildings in the suburbs. People will be able to return to these satellite areas and build a normal life (Okhrimenko et al., 2022). It is equally important to build mobile housing complexes, where people affected by Russian aggression can wait for the reconstruction of their damaged homes or at least temporary relocation to modular structures. This will allow to attract the maximum number of IDPs and provide them with the opportunity to work full-time or remotely. Potentially, this should also support the Ukrainian economy and taxation. In general, military events should change Ukraine's state policy on the use of human capital. Improvements in the education system, the introduction of innovative educational technologies, and the close integration of production and research should contribute to a radical transformation of economic processes.

#### *Insurance sector in the recovery of the Ukrainian economy.*

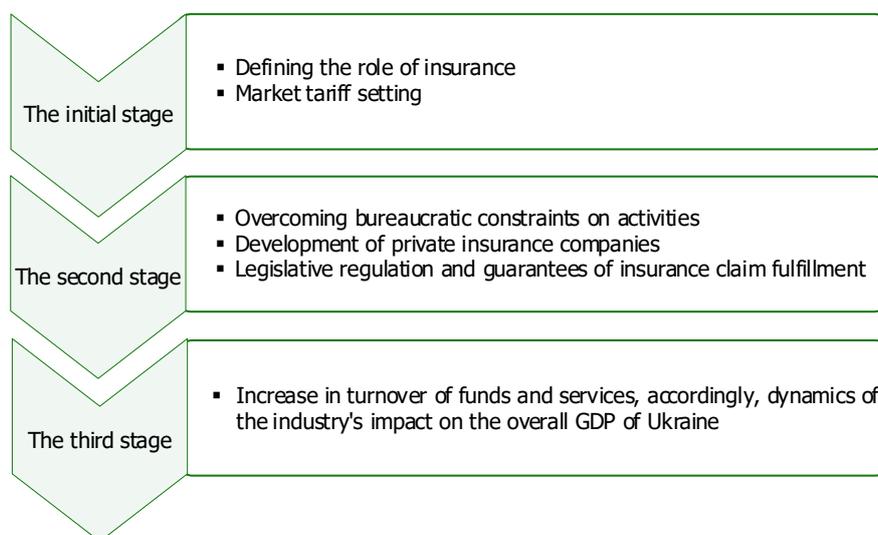
Studies conducted under martial law have shown that 132 companies continue to operate in the non-bank insurance market in Ukraine. Surveys conducted by representatives of the National Bank of Ukraine (hereinafter referred to as the NBU) showed that 25 of them did not provide answers about their activities during the war, which is 9% of the total market volume (Survey Findings, 2022). Another 17 companies (less than 2% of the market) reported that they had not yet established the process of paying insurance claims at the time of providing answers. The remaining insurance companies, which account for 89% of the market in terms of business, stated that they continue to operate, fulfilling their obligations under insurance contracts in a timely manner and in full, and even entering into new contracts. According to insurers' responses, 42% of them have problems with full and timely reporting (Survey Findings, 2022). In terms of compliance with regulations, 25 insurance companies (10.5% of the market) report problems, including the seven largest companies by volume of business (8.9% of the market) that had problems with compliance even before the war began in 2021 (Survey Findings, 2022). The financial sustainability of insurance companies in wartime depends on the quality and structure of their assets and capital reserves in the pre-war period (Plunkett, 2022). At the same time, the survey found that for all companies, the military challenge has become the most stressful in recent history. In particular, sales of insurance

products, especially those sold through retail channels, fell significantly (Survey Findings, 2022). Also, many customers have requested the postponement of regular payments or the complete cancellation of insurance contracts.

Due to the displacement of the population, temporary seizure of territories, and physical destruction of property, the number of customer service centres of insurance companies is decreasing. In the regions where military operations are taking place, the organization of insurance claims settlement, vehicle inspections, obtaining and properly executing documents for submission to the insurance company to receive insurance payments, and calling the police to the scene of a traffic accident are problematic. According to the NBU, there are currently 13 insurance companies operating in the life insurance market (Survey Findings, 2022). All of them serve their clients responsibly and make insurance payments. However, the companies report a significant decrease in insurance payments, which leads to restrictions on their activities. Such restrictions may be related to difficulties in communication and staff work, as well as difficult access to offices and original documents. This complicates insurance payments, especially in case of the death of insured persons in the occupied territories. Nevertheless, the insurance market continues to operate even in times of war (Ostojic et al., 2016). The NBU will do its best to keep this trend going, in particular by maintaining a constant dialogue with market participants and responding promptly to their needs (Holubova, 2022).

The continuation of hostilities has a negative impact on economic processes in Ukraine, so it is not easy to determine the future development of the insurance industry. This industry will depend on many elements, including the state of economic relations, macro-financial indicators, stability of the political situation, and the overall demographic situation. Increased losses among citizens and a decline in their incomes will have a clear negative impact on the situation (Kaswan et al., 2022). This may be most noticeable in such areas as life and property insurance. Risks and premiums for certain types of insurance, including health insurance, will also increase. On the other hand, after the end of hostilities, new opportunities for the development of the insurance market will be created, especially in the field of oil production and infrastructure insurance. The current policy of the NBU also has a certain negative impact on the development of the insurance market. In particular, since the beginning of the Russian military invasion, the pressure on insurance companies has been unreasonably increased and their work has become more difficult (Sukach & Kozlovska, 2021). Additional requirements were introduced for the property status of insurance company owners, expanded requirements for licensing conditions, and disproportionately high requirements for corporate governance of insurers. This forced companies to increase their staff, which became too much for small and medium-sized businesses. Owners of insurance companies have noticed a decline in profits, increased risks, and reduced dividends.

To normalize the situation and facilitate the recovery of the industry from the crisis, it is suggested to utilize a model of the impact of insurance companies on the overall economic recovery of Ukraine. Undoubtedly, fully accounting for all possible changes in Ukraine's post-war situation is extremely challenging, as there is a lack of similar experiences in other countries. It is evident that the role of insurance should not be overstated; however, this economic sector can play a significant role in the growth of GDP. Therefore, the proposed model will look as follows (Figure 2):



**Figure 2. Model of the impact of insurance companies on post-war economic recovery in Ukraine.**

The proposed model for the recovery of the Ukrainian economy and its transition to sustainable development enables the resolution of several important issues through the active utilization of the insurance sector. This model primarily focuses

on generating new ideas, concepts, products, services, and systems that promote a balanced integration of economic growth, social development, and environmental protection. Its implementation will facilitate the activation of related industries, particularly those associated with modern information technologies, thereby positioning the insurance sector as a powerful driver of financial transformation in Ukraine. Therefore, it is necessary to explain each stage of this model.

The definition of the role of insurance is a theoretical aspect that is associated with the demand for the service ( $Y$ ), which directly influences the establishment of market tariffs ( $P$ ) regulated by the supply and demand relationship. It is important at this stage to prevent cartel agreements or violations of antimonopoly laws.

The second stage involves reducing administrative pressure on the industry. We believe that in the post-war period, it is expected to see a reduction in the "bureaucratic" burden on insurance companies, which would be a logical step towards stabilizing their operations. Similarly, efforts to impose additional burdens on businesses through unsubstantiated requests for information in various formats, duplication of primary documents, and other procedures, including the identification of reserves and assets structure, should be eliminated. Such transformations would generally facilitate the work of companies and optimize the functions of the NBU regulator. Thus, by marking them ( $R$ , determined by the expert environment), we obtain an indicator that combines overcoming bureaucratic procedures and tools for preventing future violations, legislative guarantees for the establishment and fulfilment of insurance claims, and so on.

The final stage determines the potential growth of funds and services turnover ( $O$ ) resulting from the utilization of the insurance industry. Thus, the main proposed formula can be defined as:

$$E = (Y/R*O)/100\% \quad (1)$$

where  $E$  represents the defined economic effect, the role of insurance companies in economic recovery.

## DISCUSSION

The potential use of insurance in the recovery of economic processes and financial life points to successful experiences. For instance, Plunkett (2022) noted that insurance has a significant moral effect. The ability to receive compensation contributes to the formation of trust, which is a valuable resource for reputation, even on a national economic scale. Trust encourages investment, as demonstrated by Shah and Gedamkar (2022). The presence of insurance coverage can stimulate investment, especially in sectors of the Ukrainian economy where significant risks exist. Investors may be more inclined to invest in projects that have insurance protection, as it reduces the risk of resource loss. Overall, this process, as noted by other researchers (Hutsul et al., 2022), promotes capital inflow into the economy and the financial market. From this perspective, insurance is an effective mechanism, and its moral potential requires further exploration.

Researchers have also highlighted that insurance provides financial protection against risks and unexpected losses (Sukach & Kozlovska, 2021). For example, property and casualty insurance can help businesses recover from natural disasters, fires, or other events that may cause material damage. This allows businesses to quickly restore productivity and maintain employment, as emphasized by He (2022).

The research results identify key directions for the recovery of the Ukrainian economy. Among them, researchers rightfully emphasize the revitalization of the domestic market (Pylypyshyn et al., 2022). The influence of insurance should also be considered among the factors affecting the domestic market. Although this aspect receives less attention, the introduction of new insurance models will normalize the circulation of goods, services, and financial resources within the domestic market. This will be facilitated, in part, by the restoration of trust, which was discussed earlier.

Therefore, while the expected effects in real GDP terms, as proposed in the research, may play a supportive role in the recovery of the Ukrainian economy, it is essential to focus primarily on the opportunities for restoring trust in the Ukrainian economy as a significant contribution to the post-war reconstruction efforts.

## CONCLUSIONS

Thus, the consequences of Russia's armed aggression against Ukraine are devastating for Ukrainian economic processes. The decline in production, direct and indirect demographic losses, and financial instability have led to negative forecasts for the recovery process. The depth of the decline in production and financial performance peaked in 2022, while economic indicators are expected to grow slightly in 2023. Key transformations in the economic structure have affected all macroeconomic indicators: real GDP, consumer price index, current account balance, and international reserves.

Thus, the Ukrainian authorities are now facing an important task: to formulate an optimal strategy for post-war economic recovery that will ensure the country's gradual recovery from the crisis and take into account the scale of military losses. Important aspects of the post-war recovery of the Ukrainian economy should include the restoration of critical infrastructure, public life support facilities, reconstruction of social infrastructure (development of projects for the reconstruction of settlements with attention to modern standards), the transport network, and the relocation of production facilities. The main focus should be on the development of human capital, the improvement of education and healthcare. Opportunities for implementing such a policy include harmonization of the legislative sphere with EU requirements, established cooperation with international financial organizations, grant and technological support, etc.

At the same time, the insurance sector deserves special attention. It is difficult to predict its development because it is impossible to take into account all the consequences of the war (which is also true for other forecasts). In the post-war period, it is expected that administrative and bureaucratic pressure on the industry will decrease, but a drop in the solvency of companies and individuals may hinder further development. However, due to the ongoing military operations in Ukraine, it is difficult to predict their exact consequences. Obviously, the situation will change, so taking into account the new challenges that the Ukrainian economy will face will require further research, especially through the prism of further innovative development of this sector, taking into account new trend opportunities. If we consider the GDP perspective, the insurance industry may not have a decisive impact compared to capital investments in infrastructure reconstruction, for example. However, it plays a crucial role in restoring trust in the Ukrainian economy as a whole.

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## ADDITIONAL INFORMATION

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## **ЕКОНОМІЧНІ ПЕРСПЕКТИВИ ПОВОЄННОЇ ВІДБУДОВИ: ВИКЛИКИ ТА МОЖЛИВОСТІ ДЛЯ СТАЛОГО РОЗВИТКУ УКРАЇНИ**

Наслідки російської агресії для України є відчутними в усіх галузях економіки, але їх неможливо повністю спрогнозувати через продовження воєнних дій. Мета статті – дослідження відновлення української економіки крізь призму аналізу головних аспектів повоєнної відбудови, ключових елементів трансформації сфери страхування й звернення до її потенціалу як до шляху подальшого відновлення економічного сектора. Дослідження побудоване на підставі використання загальнонаукових методів аналізу, синтезу, абстрагування, індукції, пояснення та узагальнення. Проаналізовано проблему економічних утрат України на тлі глобальних викликів воєнного та повоєнного середовищ. Досліджено також перспективи відновлення української економіки в повоєнні часи, виділено основні напрями цього процесу. Окрему увагу звернено на можливості співпраці з іноземними фінансовими партнерами-донорами, гармонізацію податкового та фінансового законодавства відповідно до вимог інтеграції в Європейський Союз. Зауважено також на важливості трансформацій у розвитку людського капіталу, соціальної та критичної інфраструктури. Окрему увагу присвячено проблемам галузі страхування та ймовірним шляхам подолання економічних негараздів у цій царині. Визначено, що падіння платоспроможності підприємств і фізичних осіб може стати на заваді подальшому розвитку повоєнної економіки України (зокрема й страхування). Водночас, ця проблема залишається малодослідженою, оскільки сьогодні визначити абсолютно всі наслідки російсько-української війни неможливо.

**Ключові слова:** інноваційна модель, страхування, реконструкція, соціальна та критична інфраструктура, сталий розвиток економіки України

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