

Volume: 2024 Issue: 13

**Business, Economics, Sustainability,
Leadership and Innovation**



BESLI

Joint Scientific Journal



Private Higher Educational Establishment-Institute “Ukrainian-American Concordia University” (Ukraine)

Приватний вищий навчальний заклад-інститут “Українсько-американський університет Конкордія” (Україна)



Institute for Demography and Life Quality Problems of the National Academy of Sciences of Ukraine (Ukraine)

Інститут демографії та проблем якості життя Національної академії наук України (Україна)



Concordia University, Inc. (USA)

Університет Конкордія, Інк. (США)

Business, Economics, Sustainability, Leadership and Innovation

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Бізнес, економіка, сталий розвиток, лідерство та інновації

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Ukrainian-American Scientific Journal

Українсько-американський науковий журнал

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BUSINESS, ECONOMICS, SUSTAINABILITY, LEADERSHIP AND INNOVATION

ISSN: 2663-5070 SCIENTIFIC JOURNAL № 13/2024

UDC 33.330:338.24:339.9

Founded in 2011

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Founders:	Private Higher Educational Establishment-Institute "Ukrainian-American Concordia University" (Ukraine), Institute for Demography and Life Quality Problems of the National Academy of Sciences of Ukraine (Ukraine), Concordia University, Inc. (USA)
Publisher:	Private Higher Educational Establishment-Institute "Ukrainian-American Concordia University"
Registered:	Certificate of a printed medium state registration KB № 23506-13346П issued by the Ministry of Justice of Ukraine on August 8, 2018
Approved:	By the Academic Senate of Private Higher Educational Establishment-Institute "Ukrainian-American Concordia University", meeting minutes № 6 dated June 26, 2024; by the Academic Board of the Institute for Demography and Life Quality Problems of the National Academy of Sciences of Ukraine, meeting minutes № 16 dated June 25, 2024; by the Decision of President of Concordia University, Inc., permission to publish dated June 17, 2024

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Зареєстровано:	Свідоцтво про державну реєстрацію друкованого засобу масової інформації KB № 23506 -13346ПР, видане Міністерством юстиції України 08.08.2018
Затверджено:	Вченою радою Приватного вищого навчального закладу-інституту «Українсько-американський університет Конкордія, протокол № 6 від 26.06.2024; вченою радою Інституту демографії та проблем якості життя Національної академії наук України, протокол № 16 від 25.06.2024; Рішенням Президента Університету Конкордія Вісконсин/Енн-Арбор (США), дозвіл на публікацію від 17.06.2024

Contents / Зміст

Global Problems of Economics, Management and Business

Sergei Vakarin
 Ukrainian-Russian Peace Negotiations: Hybrid Conflict Resolution and Its Economic Aspects **4**

Yevhenii Lypai, Nataliia Amalian
 Improvement of Strategic Planning of International Economic Activity **13**

Economics and sustainable development

Mykhailo Khvesyk, Lyudmila Levkovska, Valeriy Mandzyk
 Institutional Framework for Water Management System Resilience in Ukraine **20**

Problems of International, National and Regional Economy

Polina Horodetska
 Development of Technology-Oriented Small and Medium Enterprises in South American Market **29**

Andrii Kibalnikov, Oksana Hryvkivska
 Integrated Assessment of the Level of Socio-Economic Security of Food Industry Enterprises **44**

Anastasiia Skorohod
 Economics and Politics of Ukrainian War Refugees' Hosting in Poland **54**

Economics and Management of Education

Laura Hurtienne, Matthew W. Hurtienne
 Theory of Sustainable Change in Education: Leadership Perspectives **67**

Загальносвітові проблеми економіки, менеджменту та бізнесу

Вакарін С.
 Російсько-українські мирні переговори: врегулювання гібридного конфлікту та його економічні аспекти **4**

Липай Є. С., Амалян Н. Д.
 Удосконалення стратегічного планування зовнішньоекономічної діяльності **13**

Економіка та сталий розвиток

Хвесик М. А., Левковська Л. В., Мандзик В. М.
 Інституційне забезпечення резилієнтності водогосподарського комплексу України **20**

Проблеми міжнародної, національної та регіональної економіки

Городецька П. Є.
 Розвиток технологічно орієнтованих малих і середніх підприємств на ринку Південної Америки **29**

Кібальніков А., Гривківська О. В.
 Інтегральне оцінювання рівня соціально-економічної безпеки підприємств харчової промисловості **44**

Скороход А. А.
 Економіка та політика надання українським біженцям війни притулку в Польщі **54**

Економіка та менеджмент освіти

Гуртієнн Л. Е., Гуртієнн М. У.
 Теорія сталих змін в освіті: Перспектива лідерства **67**

UDC 327.56 330.4 355.013

JEL Classification D74, D81, F51, H56, I25, O52, P48

Sergei Vakarin

Ukrainian-Russian Peace Negotiations: Hybrid Conflict Resolution and Its Economic Aspects

The ongoing Russian-Ukrainian war involves the use of hybrid warfare, including economic and other elements. Each party has its own strategy for utilizing all these elements. The strategy, however, may change depending on current needs and performance indicators. The international community is trying to persuade the conflict parties to agree on an armistice or at least long-term cessation of hostilities. However, conventional diplomacy has resulted in limited progress. There is a number of ideological, social and other factors that may be treated by a conflict party as sufficient reasons to continue the war. So far no peacemaker managed to formulate any reasons to end the war that would seem more convincing to both parties simultaneously than the reasons to continue it.

The article explores alternative conflict resolution approaches. The author analyzes and evaluates the tasks, actions and challenges faced by a country in modern peace negotiations with Ukraine as a case study. Recommendations are given to the negotiators. These recommendations are intended to help them conduct effective negotiations, understand the other conflicting party and come to an agreement on a basis of bargaining, so that both parties receive some benefit simultaneously ("win-win" scenario), foregoing zero-sum approaches..

Keywords: *peace negotiations, conflict resolution, armistice, ceasefire, Russian-Ukrainian war, hybrid warfare, Ukraine, innovation, recovery*

DOI 10.37659/2663-5070-2024-13-4-12

Introduction

The ongoing Russian-Ukrainian war is a new type of war that involves the use of hybrid warfare, including economic, diplomatic, informational and other elements.

The prospect of a cease-fire/armistice in Ukraine marks a critical turning point in the ongoing conflict, which brings an opportunity of transition from active hostilities to a

period of long-term stabilization and reconstruction.

Reaching a ceasefire in such a war is a complex process that does not guarantee a quick outcome and requires an understanding of the factors that may hinder this process.

Attempts to reach peace, ceasefire, or at least cessation of hostilities are taking place in circumstances that have no parallels in the past. In addition, current politicians have much less ways to influence international events than in the recent past. Domestically, especially in dictatorships, a wide range of tools is available to the authorities for influencing the society. However, the unstable global economic situation forces politicians to resort to populism, and on the international stage, they tend to play against each other rather than collaborate. At the same time, top leaders try publicly to push through the decisions they favor. All these factors may undermine negotiations.

Trust in international organizations is also weak, partly because of their indecisiveness, superficial situation analysis, misunderstanding of local processes and the triumph of bureaucracy over efficiency. Therefore, negotiations would normally benefit if mediators are invited from third countries trusted by both parties of the conflict.

However, the real problem is not even so much in the negotiations per se. Politicians, diplomats and the military need to take into account that the modern war penetrates far beyond the traditional security and defense sector. Many other areas are affected as well, from general government and the economy to energy, food, environment, information, cyberspace etc.

Therefore, in today's highly complex world, experts from both parties (as well as from third parties trusted by the conflicting parties) with knowledge of a broad range of problem areas should be involved in negotiations, so that they can collaboratively develop a comprehensive joint solution and a plan for its implementation.

The state of Russian-Ukrainian relations makes a comprehensive peace agreement unlikely, but the experience of other wars suggests other pragmatic options such as armistice or at least cessation of hostilities.

At the same time, each conflict party has a list of goals that cannot be achieved via military means, so it formulates them as imperative demands to be met by the other party. For exam-

ple, after U.S. President Donald Trump offered both parties to negotiate mutual concessions, one party (Ukraine) showed its readiness for a compromise, while the other party (Russia) has been reluctant as it believes it can succeed on the battlefield. Such an approach is unproductive because, in reality, the situation could change in favor of the other party. Both parties must be prepared to seriously consider compromises.

However, most modern politicians are not very inclined to compromise. Politicians believe that retreating from their declared military goals will be perceived as weakness by both the opponent and their own propaganda-influenced population. As a result, deadlock situations arise, where a politician initially demands maximum concessions but then does not know how to become flexible without "losing face." At the same time, politicians demand quick results from the negotiation teams (at least for the purpose of demonstrating some success to their own people). If they cannot achieve them, they cancel negotiations altogether.

A painful military stalemate with neither of the conflict parties being able to win is a good reason to start peace negotiations. Other reasons that can trigger negotiations include economic and financial crises, natural disasters etc. In such circumstances, the adversaries may be forced to reconsider their priorities.

Negotiations may not necessarily lead to a true peace process. Even if agreements are reached on short-term/superficial issues, new conflicts may arise later. The problem may lie in deep-seated contradictions that remain unresolved or are altogether ignored during negotiations. And even if a deep analysis of the conflict is attempted, researchers often focus on issues that are painful for the parties and not easily solvable (if such solutions exist at all). Therefore, it may be advisable to shift focus to more constructive issues, particularly those related to economic and technological development.

Theoretical Frameworks

How can the parties ensure that negotiations are successful?

We start our review of the existing **theoretical frameworks** of conflict resolutions with Johan Galtung's peacebuilding theory [1], a widely applied conflict resolution and peacebuilding framework.

Galtung's conflict theory deals with the three fundamental concepts: attitudes, behavior and contradiction. These are the three elements of his conflict triangle. Conflict resolution requires altering the combination of these elements. Galtung also distinguishes the following phases of conflict resolution: peacekeeping, peacemaking and peacebuilding. Peacekeeping includes controlling the conflict actors, changing their behavior and stopping violence. Peacemaking, on the other hand, involves changing the actors' attitudes and putting them in a new formation. Finally, peacebuilding is about looking at the root of the conflict/the contradiction and overcoming it. Successful conflict intervention process (either by the conflict actors alone or by third parties) starts with peacekeeping: at this stage the behavior of aggression and destruction should go down and give place to some form of cooperation. At the stage of peacemaking the attitudes (beliefs and assumptions of the actors about themselves and one another) should become more positive, and at the same time clear, obtainable and sustainable measures should be established. Finally, peacebuilding involves changing the contradictions (incompatible goals) for the actors.

If the actors have agreed upon a border line the conflict is symmetrical. Alternatively, the conflict is asymmetrical if one of the actors claims territory controlled by the other actor who refuses to give it back. There are two other aspects to focus on in the context of conflict resolution: dissociation and association. In case of dissociation, there are two ways to keep the distance, either with geography or social distance. This can then be complemented by a peacekeeping force [1].

Galtung's violence triangle distinguishes direct violence, structural violence and cultural violence. The ways to deal with them are different: dealing with direct violence requires changing conflict behavior; dealing with structural violence requires changing structural contradictions; finally, dealing with cultural violence requires changing the attitudes in the conflict.

Galtung also distinguishes negative peace (peace with absence of violence but reached not always by peaceful means, with a pessimistic attitude and curative approach) and positive peace (peace with structural integration reached by peaceful means, with an optimistic attitude and preventive approach). He also believes state's

goals are in fact the goals of the elites projected onto the state [1].

Research on peace negotiations and mediation emphasizes the importance of including the key conflict parties in peace talks to ensure ownership and commitment from both or all stakeholders involved, so first of all, the conflict stakeholders should be identified.

Zartman and Kremenjuk [2] suggest that the negotiation process provides opportunities to address the political issues that divide the parties. These opportunities are more likely to be seized when the parties adopt a problem-solving orientation toward the discussion. They are less likely to be sought when the parties' orientations are distributive. They define problem solving as a cooperative process in which parties search for information about each other's interests and values. They also define distributive orientation as a competitive bargaining process in which the parties use tactics designed to win a contest. One path toward durable political agreements takes the following form: Cooperative (integrative) orientations → problem-solving negotiations → political agreements → cooperative regimes → supporting institutions → cooperative (integrative) orientations.

Zartman and Kremenjuk [2] argue that agreement as such is a necessary but not a sufficient condition for successful negotiation. In many cases forward-looking peace and justice have been achieved by ignoring demands for backward-looking justice, and that in other cases provisions for handling backward-looking justice have been the price paid for the establishment of forward-looking outcomes. What variables might explain this difference? In all the forward-looking cases, the decision was made ahead of time, or at the beginning of the negotiations, to shed a zero-sum mentality and look ahead rather than backward. Thus, it was a state of mind or strategic approach by the parties that allowed the construction of positive relationships, rather than these relationships growing out of the dynamics within the negotiating process itself. The parties came to a decision (or internal factions with the decision already made came to power) that peace could not be achieved through the exclusive pursuit of past grievances and that such a pursuit was counterproductive, bringing neither retributive justice nor peace.

For successful negotiations, it is useful to apply **economic categories**, particularly the practice of price negotiations between a buyer and

a seller. Such negotiations can be viewed as a bargaining process with an uncertain outcome. Accordingly, one party may make certain concessions, expecting that the other party will also make concessions. Consequently, both parties, if acting rationally, have an incentive to accept a "middle ground" approach to such concessions against the potential harm of refusal (in which case the agreement will not be reached and the conflict will continue indefinitely) [3].

According to Fisas Armengol [4], "peace process" is actually none other than a "process to bring an end to the violence and armed struggle". The signing of a ceasefire and the subsequent signing of a peace accord is no more than the start of the real "peace process", linked to a stage known as "post-war rehabilitation" or "post-armed conflict", always difficult but which is really where decisions will be taken and policies implemented which, if successful, will enable the violence (structural and cultural) to be overcome and people to truly speak of having "achieved peace".

Fisas Armengol summarizes several important aspects of the peace process [4]. **An initial exploratory phase**, also known as the pre-negotiation or exploration: agreeing the timetable and methodology to be followed, establishing a pre-agenda or initial agenda and clarifying the conflictive aspects around which there is basic disagreement or fundamental incompatibilities (the meta-conflict). This stage, in short, seeks to create confidence in the process, agrees the role to be played by third parties, rejects the imposition of plans and results in each party recognising their adversary and granting them the necessary legitimacy to negotiate. Once the exploratory work has been completed, an "agreement on what needs to be agreed" is reached and the process can now move onto "how to do it". The sum of all these steps forms what is sometimes known as a "road map" or initial framework of what needs to be done to bring the process to its successful conclusion.

Once the formal negotiations have commenced, the parties need to make sure that the **negotiators are valid**, i.e. that they do indeed represent the main players with decision-making capacity.

The main purpose of the negotiation is for opposing parties to sit down and talk with a view to achieving something of mutual benefit in what is known as a "win-win" scenario, fore-

going zero-sum approaches in which there are winners and losers.

Reaching a minimum number of points of agreement (which is probably the most that can be expected at this stage), will help in sharing a minimum "meta-peace", i.e. what each party understands as "peace".

During the **exploratory phase**, agreement needs to be reached as to whether or not the principle of "nothing is agreed until everything is agreed" is to be followed or, in contrast, whether each point agreed will be valid on its own, and may even be implemented during the course of the negotiations. An intermediary position may be agreed whereby the former principle is adopted but excluding humanitarian issues, such as a ceasefire, partial mine clearing, compliance with international humanitarian law or aspects related to human rights, as was the case in the El Salvador peace process

If the negotiations make satisfactory progress then the issues on the **substantive agenda** may be discussed (the procedure will already have been agreed in advance). The final agreement will specify how it is to be implemented and by whom. This leads us, finally, to the implementation agreements, verification methods and ways of resolving the possible disagreements that may arise in the final stages.

On commencing the stage of "formal negotiations", the parties need to ratify everything agreed in the exploratory phase, in order to avoid any doubt or new interpretations. Everything must be put in writing and, if possible, in the presence of observers/witnesses

The government therefore needs to draw up an authentic "text" on the advantages of ending the armed conflict, as do all the social sectors involved in negotiating an end to the armed conflict. It is important in this regard to enjoy the cooperation of the media.

Entering into negotiations, with all the risks this entails, means that the government should speak with just one voice and one rhetoric, favorable to the negotiations, avoiding bad experiences in which some ministers, particularly the Minister of Defence, maintain a contradictory position, probably to avoid upsetting the military. The message broadcast to the public must be clear and unified.

In negotiations between countries, in particular, unnecessary provocation should be avoid-

ed. Continued threats, of whatever kind, whether real or symbolic, are counterproductive to creating conditions favorable to the negotiations.

Given the possible difficulty of “selling” a bilateral ceasefire agreement to some sectors of public opinion, there is a possibility (which has, in fact, been tried and tested) that the parties could agree to a “de-escalation of the conflict”, with zero deaths, which would imply a “tacit bilateral ceasefire”.

It is advisable to assess whether a “buffer zone” or “separation zone” can be created, with a several kilometer-wide demilitarised area along the border in which there are no heavy weapons.

Previous Empirical Studies: Ukraine and Minsk Accords

Details of the ongoing negotiations cannot be disclosed but there is a prominent case study from the past that can serve as a lesson for any future negotiations: Minsk Accords.

Since the onset of the Russian-Ukrainian conflict in 2014, multiple truces were negotiated as part of what is known as the Minsk Process (as the talks between the parties took place in Minsk, Belarus). France, Germany, and OSCE acted as mediators in negotiations. Russia, a signatory to the agreements, positioned itself as a neutral broker, while in fact being a party of the conflict. A series of international agreements were signed including the 2014 Minsk Protocol, the **Memo-randum on fulfilment of the provisions of the Protocol** [5] and the 2015 Package of Measures for the Implementation of the Minsk Accords, which is commonly called Minsk II. Following both rounds of negotiations, referred to as Minsk I and Minsk II, ceasefires were often violated.

In 2022, Minsk Accords were declared dead. In Galtung’s terms, they could be defined as “negative peace”. What was the real reason for their failure? Many reasons were suggested but the top reason was, as many experts warned, that the negotiations of the Accords did not represent all key players with decision-making capacity. Russia was present at a low level (its Ambassador to Ukraine was the top official at the negotiations) and in a role of a neutral party while it was a clear party to a wider conflict with Ukraine since occupation of Crimea.

However, this analysis does not provide the reason of such behavior of the conflict parties.

So, based on the experience of Minsk Accords and their collapse, and in order to avoid collapse of any future agreement between Ukraine and Russia, the author conducted a thorough research into the modern international conflict resolution. Following are the conclusions of this analysis.

Discussion

Numerous researchers and analysts have published their theories and approaches on the topic of conflict resolution, and practitioners have applied them to end the Russian-Ukrainian war.

We will analyze why these efforts have not lead to the desired outcome and how negotiators could succeed in future negotiations, accounting for new technologies, innovative economic models and external relations.

Currently a major paradigm shift is underway in the economy, military and other sectors. In political and military spheres, traditional alliances (notably NATO and the EU) no longer seem as strong as before, while newer ones (such as BRICS) lack many typical features of interstate alliances (they do not have firm political, military or economic commitments). In the economic field, many previously signed agreements are being revisited. In the realm of high technology, a revolutionary transformation is underway, considering the capabilities of AI, big data, drones, nanotechnologies, and other breakthrough R&D areas.

In this context, inter-governmental and inter-company relations, as well as public-private partnerships, are also radically changing: instead of clear long-term agreements, situational alliances are emerging, where former enemies can temporarily become allies/partners or vice versa. However, these partnerships often concern only some narrow issues where the interests of the parties (temporarily) coincide. In international relations, the issue of benefit (usually economic) is increasingly coming to the forefront.

In the absence of professionals within a country capable of modeling optimal actions for the state in this new reality, and/or the will to implement them, such a country becomes a weak link in the modern world and may find itself in a state of instability (or even chaos), as well as become a target for aggression. A crisis may occur due to poor management when control is lost over too many critical sectors. However, in the

longer term, systemic crises may arise from insufficient attention to fundamental sectors such as education, healthcare and infrastructure. Severe problems in these areas can provoke serious discontent among the population.

Challenges faced in preventing renewed conflict and establishing sustainable peace include political, economic, and technological factors. Wars can be viewed as a result of mismanagement by governments, so politicians and decision makers must make sure management is fixed at all levels of the government.

In these circumstances, alternative approaches should be analyzed, including economic, technological and other approaches that are researched below.

The education system of a country also plays an important role. It should foster values such as readiness for cooperation between parties, compassion, the ability to compromise for a greater goal, and the preference for peaceful rather than military solutions to problems.

Negotiations: Identification of Key Success Factors and Pitfalls

Hybrid wars have been insufficiently studied both by military science and international law. Such uncertainty leads to actions taken blindly, which has become one of the reasons for unsuccessful attempts by each party to reach a breakthrough.

Some important practical aspects of the ongoing negotiations are discussed below.

Goals of the conflict parties are important in any peace negotiations. Often, the initial goal is to cease hostilities or, more broadly, cease violence. This is viewed as an alternative to other conflict resolution options, such as a peace agreement or military victory by one of the parties. During a ceasefire, it is possible to establish contacts and communication lines between the parties at various levels, address humanitarian issues etc.

One or both parties may commit to stopping violence. These commitments can be verbal or documented. They may have different geographical scopes and time horizons, and they can also be part of a peace process. Nevertheless, the actual goals of the parties may differ from what they declare. The real goal of a party may be to win or, at the very least, to strengthen its negotiating position, and this goal can change de-

pending on the military situation. Accordingly, the negotiation process and the ceasefire itself can be used as a step towards peace, or as part of military strategy, or as a negotiation "trick." Moreover, the real goals of the parties are not necessarily rational (for example, surprise as part of military strategy might require the party not to pursue a goal that the opponent would logically expect).

Goals of the Conflict Parties

The ideal goals of the conflict parties are incompatible. Russia aims to capture as much Ukrainian territory as possible and to force Ukraine to become a non-aligned country (at least to abandon NATO membership). In the medium term, Russia may be aiming at the annexation of Ukraine and other former Soviet Union republics. Ukraine, on the other hand, seeks to regain its 1991 borders, become a member of the EU and NATO, although Ukrainian representatives have signaled that they willing are at least to consider a ceasefire across the existing front line. However, Russia demands the complete transfer of four Ukrainian regions (in addition to Crimea and Sevastopol). However, after the breakdown of negotiations in 2022, the parties resumed a series of meetings in 2025, which may signal a readiness to abandon their maximal demands.

A ceasefire, as part of military strategy, may be used by a conflict party to consolidate its military success, or to buy time e.g. for entering into military alliances, regrouping and rearming. Moreover, a party may also initiate hostilities in order to propose negotiations at a later stage and secure a result that could not be achieved without armed conflict.

A ceasefire can also serve as a demonstration of strength, a way to consolidate victory or what will be declared as a victory by one or both parties.

If a party seeks peace, a ceasefire (even unilateral) can serve as a clear signal of such intention. A ceasefire aimed at subsequent peacebuilding traditionally involves various de-escalation and confidence-building actions, humanitarian missions and prisoner exchanges. Such a ceasefire often reveals the conflict stakeholders who oppose peace, at least at this stage (peace spoilers). They may deliberately violate the ceasefire to disrupt the peace process. Therefore, in cases where the parties are seriously committed to

a peace process, it is important to implement mechanisms that reduce the risk of violations (such as preventing military incidents and imposing strict sanctions for violations). It is also crucial to emphasize the importance of an effective monitoring procedure to ensure compliance with the ceasefire, as this will make the ceasefire more sustainable.

Finally, if the parties do not see a clear path to a full peaceful settlement or victory for one of the parties, a “frozen conflict” may become the “least evil” option. Accordingly, a ceasefire can establish this state, which could last for years or even decades. Such ceasefires may be periodically extended but they can also be violated. The parties may still decide to extend it despite the violations if they consider the losses acceptable compared to transitioning to full-scale war.

It must be noted, however, that agreements on de-escalation, even if signed by the conflict parties, are also far from being a guarantee of success. However, some signed agreement is highly desired by politicians. As a result, agreements may be signed after a short period of negotiations, only to be broken just as fast. Moreover, even if an agreement is successfully negotiated and signed, politicians tend to “forget” to specify the exact process of its implementation, and the agreement becomes vulnerable to different interpretations by the parties.

Hidden Motives of Conflict Parties: How to Identify and Treat Them

Each conflict party seeks to improve its position in the negotiations. If one party insists on certain political, economic, military or other conditions, their hidden motives and the compromise possibility should be analyzed. Negotiations may follow a standard scenario known to both parties; however, such scenario could be a cover for buying time while the other part of the negotiating team prepares a different scenario and makes arrangements for it.

Often, the beginning of negotiations is hindered by each party's fear of appearing weak if they are the first to offer negotiations. However, if they sense that the other party is also ready, they can use formulations that appear as responses to offers, e.g. “We have been informed through various channels that you are ready to start negotiations,” or “Based on the battlefield situation,

if you are ready for negotiations, we can consider such an option.” Other forms of contact include exchanges of prisoners of war etc.

Negotiations may also be hindered by other factors, e.g. belligerent statements made by a party “for internal consumption” within their country. These statements quickly become known to the other party and can be interpreted as a lack of readiness to compromise. Wisdom and diplomacy are necessary to prevent misinterpretation of such signals and overreaction to them.

Russian-Ukrainian War: Economic and Social Aspects

The economy of the future requires the modernization of traditionally strong industries (such as IT and aerospace, plus technical education) and the development of new ones (robotics, electronics, AI, nano- and biotechnology), participation in global processes of cooperation and information exchange.

Durable peace depends on Ukraine's ability to respond to these challenges. Failure to meet them would lead to lack of investment, aggravated by inefficiency in other areas (in particular, related to corruption). This will further reduce people's incomes, which will lead to social tension and protests, and, accordingly, inability of the state to maintain law and order and ever-reducing cohesiveness of the country. These processes may give a sufficient temptation to an aggressive neighbor to attack Ukraine.

In order to avoid such negative scenarios, Ukraine needs to develop a computer model that will be discussed by the author in his article in the next issue, **“Future socio-economic hypertrends: techno-centric, knowledge-centric and net-centric aspects of Russian-Ukrainian war and negotiations”**. That article suggests a solution how such model can be used in future negotiations and peacebuilding. All of the above practical aspects of negotiations should also be factored into this model.

Conclusion

The international community is trying to persuade the parties of the Russian-Ukrainian war to agree on an armistice or at least long-term cessation of hostilities. However, conventional diplomacy has resulted in limited progress so far.

Alternative conflict resolution approaches explored in the article are based on the bargaining approach. Recommendations to the negotiators are intended to help them conduct effective negotiations, understand the other conflicting party and come to an agreement on a basis of bargaining, so that both parties receive some benefit simultaneously ("win-win" scenario), foregoing zero-sum approaches.

Durable peace in Ukraine depends on its ability to respond to the current socio-economic and defense/military industry challenges.

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Вакарін С.

Російсько-українські мирні переговори: врегулювання гібридного конфлікту та його економічні аспекти

Російсько-українська війна – це війна нового типу з використанням економічних та інших гібридних засобів війни. Одночасно у сфері високих технологій відбувається революційна трансформація, в тому числі у військовій сфері, з урахуванням можливостей штучного інтелекту, „великих даних” (бігдата), дронів та інших проривних областей науки. Ця війна не має аналогів у минулому і ще недостатньо досліджена як військовою наукою, так і міжнародним правом. Така невизначеність веде до дій „всліпу”, що стало одною з причин безуспішних спроб (в тому числі за участі міжнародної спільноти) домовитися про мир чи хоча б перемир'я на достатньо довгий строк. Поки учасникам конфлікту, його дослідникам, посередникам не вдалося сформулювати такі причини для припинення війни, які б одночасно для обох сторін здавалися більш переконливими, ніж причини її продовження. Зокрема існує низка ідеологічних, соціальних та інших факторів, які одна з сторін конфлікту може вважати достатніми причинами для продовження війни.

До цього додаються й практичні перешкоди, коли сторона конфлікту має список вимог, яких не може досягнути військовим шляхом, але продовжує наполягати на виконанні їх усіх і не виявляє готовності відступати. Такий підхід є непродуктивним, бо в реальності ситуація може змінитись на користь іншої сторони. Обидві сторони мають бути готові серйозно розглядати можливість компромісу.

Але сучасна політика взагалі не дуже схильна до компромісів. В політичній та військовій сфері традиційні союзи (зокрема НАТО, ЄС) вже не виглядають такими міцними, як раніше, а новіші об'єднання (такі як БРИКС або ШОС) не мають багатьох типових ознак міждержавних союзів (в них немає твердих політичних, військових чи економічних взаємозобов'язань).

В цих умовах зв'язки як між державами, так і між компаніями, а також у державно-приватному партнерстві також змінюються і набувають якісно іншого характеру: тепер на місце чітких довгострокових домовленостей приходять ситуативні союзи.

В економічній сфері також відбувається перегляд багатьох раніше укладених угод.

Для успішності переговорів корисно використовувати економічні категорії, зокрема з практики переговорів про ціну між покупцем та продавцем.

Стан російсько-українських відносин не дає підстав сподіватися на всеосяжну мирну угоду, проте досвід інших воєн дозволяє розглядати такі прагматичні варіанти як угода про завершення війни чи принаймні припинення бойових дій.

Одна сторона може зробити певні поступки, очікуючи, що й друга сторона одночасно піде на поступки. Відповідно, обидві сторони, діючи раціонально, мають стимул прийняти „серединний варіант” з урахуванням цих поступок, враховуючи потенційну шкоду від відмови (у випадку чого угоди не буде й війна продовжиться на невизначений термін).

Перемир'я можна використати для заходів укріплення довіри та/або „цементування” режиму припинення вогню.

У статті надані рекомендації для переговорників. Ці рекомендації спрямовані на те, щоб допомогти переговорникам бути ефективними, зрозуміти іншу сторону конфлікту та дійти згоди на основі торгу, щоб обидві сторони отримали якусь вигоду одночасно („виграш-виграш”), відмовившись від підходів із нульовою сумою, коли насправді програють всі, бо загальна економічна та гуманітарна ситуація погіршується.

Тому завдання переговорів – шукати раціональний компроміс замість небезпечної ставки на те, що противник впаде першим.

При цьому справжні цілі сторін можуть відрізнятися від заявлених. Сторона може прагнути не тільки (і навіть не стільки) миру, а (скільки) перемоги чи принаймні підсилення своєї переговорної позиції, і ця мета може змінюватися залежно від воєнної ситуації. Відповідно, переговорний процес і саме перемир'я може використовуватися як крок на шляху до миру, як частина військової стратегії та/або як переговорний „трюк”.

Проте якщо сторона дійсно бажає миру, то (навіть одностороннє) перемир'я може стати явним сигналом про таке бажання. Перемир'я, яке має стати шляхом до миру, традиційно передбачає й багато заходів з деескалації та укріплення довіри, гуманітарних заходів, обмінів полоненими, які покращують шанси на мирне врегулювання.

Щоб не йти вже пройденими шляхами і не повторювати старих помилок, можна запропонувати підхід, при якому нові покоління з обох сторін залишають минуле в минулому і намагаються знайти модель майбутнього співіснування.

Завершення війни або її гарячої фази відбувається шляхом переговорів, які не завжди можна назвати „мирним процесом”, бо зацікавлені сторони не завжди хочуть миру, не завжди враховують причини конфлікту та інтереси всіх чи хоча б впливових груп. Якщо сторони не бачать однозначного шляху до повноцінного мирного врегулювання або перемоги одної з сторін, „найменшим злом” може стати заморожений конфлікт.

Хто може бути посередником на переговорах? Це залежить від миротворчого досвіду потенційного посередника та його сприйняття обома сторонами як нейтрального учасника.

Сторони можуть припинити чи призупинити конфлікт, якщо дійдуть висновку, що спільний бізнес, торгові зв'язки, участь у глобалізації приносять більше вигоди, ніж зиск (часто ілюзорний), пов'язаний з війною.

Ключові слова: мирні переговори, врегулювання конфлікту, перемир'я, припинення вогню, російсько-українська війна, гібридна війна, Україна, інновації, відновлення

UDC 339.54:339.97
JEL Classification O21

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Improvement of Strategic Planning of International Economic Activity

The article examines methods and approaches to improving strategic planning in international economic activity. Key aspects affecting the effectiveness of strategic management are revealed, including the impact of globalization, digitalization, and growing competition. The main issues of strategic planning, such as the uncertainty of the external environment and the instability of international markets, are outlined. Based on the analysis, a set of recommendations is proposed to enhance the adaptability and competitiveness of enterprises through the implementation of innovative approaches, data analysis, and forecasting.

Keywords: strategic planning, international economic activity, globalization, digitalization, competition, innovation, adaptability

DOI 10.37659/2663-5070-2024-13-13-19

Introduction

In an era defined by accelerating globalization and dynamic economic landscapes, the tactical mapping of international financial action has become a critical factor in organizational success and longevity. As businesses expand past national borders, they face multitudes of challenges and opportunities that necessitate sophisticated and adaptive strategic approaches. The intricacy of performing in diverse markets, characterized by fluctuating regulatory environments, cultural nuances, and competitive dynamics, underscores the imperative for effective

strategic planning to navigate the complexities of international economic involvements. OKKO GROUP, a prominent Ukrainian holding company, exemplifies effective strategic planning in navigating the complexities of international economic involvement. Established in 1997 with a few gas stations in Western Ukraine, OKKO has expanded into various sectors, including retail, construction, energy, agriculture, and insurance. This diversification strategy has enabled OKKO to mitigate risks associated with fluctuating regulatory environments and competitive dynamics

across different markets. In the energy sector, OKKO has invested over USD 1 billion in the national economy and created more than 10,000 jobs, operating in all regions of Ukraine. The company adheres to the highest international standards of quality, service, corporate management, and sustainable development, which is crucial for maintaining competitiveness in diverse markets. OKKO's commitment to sustainable development is evident in its adherence to international standards, which not only enhances its corporate reputation but also ensures compliance with varying environmental regulations across different markets. This approach demonstrates OKKO's adaptability and responsiveness to global economic landscapes. By strategically diversifying its business operations and adhering to international standards, OKKO GROUP effectively navigates the complexities of international economic involvement, serving as a model for organizations aiming for success and longevity in the global market.

Strategic planning serves as the outline for organizations to achieve their long-term aims, allocate assets productively, and react proactively to external and internal shifts. In the context of international financial activity, strategic planning incorporates the formulation of strategies that align with global market trends, leverage international opportunities, and mitigate potential risks related to cross-border operations. The globalization of markets has not only expanded the scope for business growth but also intensified competition, making the refinement of strategic planning processes indispensable for maintaining a competitive advantage.

Aims and Objectives

The objective of this study is to analyze the current state of strategic planning in international economic activity and identify the key challenges businesses face in this area. The study aims to assess the impact of globalization, digital technologies, and competition on the strategic decisions of international businesses.

Methodology and Research Methods

The research employs a mixed-methods approach, combining both qualitative and quantitative techniques to provide a comprehensive

analysis of the strategic planning processes in international economic activity.

Literature Review

Strategic planning in international economic activity is a fundamental aspect of global business expansion. The effectiveness of strategic planning directly influences an organization's ability to navigate regulatory environments, economic fluctuations, and competitive pressures. Scholars have extensively studied various strategic frameworks, emphasizing adaptability, risk management, and long-term sustainability. This literature review examines existing research on improving strategic planning for international economic activities, focusing on globalization, risk mitigation, regulatory compliance, and competitive strategy. Strategic planning in international business is rooted in classical strategic management theories. Porter's [1] Competitive Advantage Theory suggests that firms must develop unique capabilities to sustain their position in global markets. Similarly, Barney's Resource-Based View (RBV) highlights that firms must leverage internal resources to create strategic advantages [2]. Contemporary scholars [3] argue that firms engaging in international markets require dynamic capabilities to respond to rapidly changing business environments. The acceleration of globalization has reshaped how firms approach strategic planning. According to Ghemawat [4], businesses must balance global integration and local responsiveness to succeed internationally. Rugman & Verbeke [5] argue that multinational enterprises (MNEs) must develop regional strategies instead of purely global strategies due to market fragmentation and economic disparities. Digital transformation and technological advancements have also redefined global economic activities [6], making data-driven decision-making a critical element of modern strategic planning.

Competitive analysis, essential for strategy formulation, demands evaluating responses to strategic changes. However, obtaining the necessary data makes the process intricate and expensive. Identifying goals, assumptions, current strategies, and future outlooks enhances the ability to anticipate reactions.

Objectives indicate contentment with market position and performance, shaping expectations

regarding stability or change. Assumptions encompass internal evaluations and perceptions of competitors. Actions reflect self-perceptions, such as market leadership, cost efficiency, or sales superiority. These estimations significantly impact responses. A comprehensive analysis must consider diverse factors to predict strategic shifts effectively.

Companies adopt various strategic approaches. Some implement distinct operational programs for each division, while others pursue closer coordination across units. Regardless of structure, every competitor follows a strategy — whether explicit or concealed.

Assessing rivals uncovers exploitable strengths. Their objectives, values, and tactics provide insights into future actions. Examining their capabilities, weaknesses, opportunities, and threats aids in forecasting strategies and anticipating responses under different circumstances.

To develop a robust strategy, one must understand the competitive dynamics shaping an industry and its attractiveness. The objective is to influence conditions favorably.

Analyzing competitive forces allows for a realistic assessment of industry conditions and facilitates the selection of appropriate strategic responses. As markets and environments evolve, firms with substantial influence drive competitive shifts. Thus, strategic adjustments, like other economic activities, function as both components and catalysts of competitiveness, depending on their impact.

Simultaneously, the drivers and determinants of competition objectively shape market intensity, varying based on the degree to which influences and actions affect outcomes.

Over the past decade, management experts have increasingly linked corporate success with globalization. While some argue international expansion offers critical advantages, others highlight the accompanying risks. A multinational presence provides access to broader markets, yet coordinating operations across borders remains a formidable challenge. Whether capitalizing on cost efficiencies abroad or adapting to local preferences, global firms must balance localized responsiveness with global consistency. As trade tensions fluctuate, the calculus of international strategy shifts daily, yet many view a global footprint as vital to sustaining competitiveness in the future.

Results

In an increasingly interconnected global economy, evaluating business competitiveness within both global and regional markets remains crucial for strategic decision-making and sustainable growth. OKKO, a leading entity in the energy and fuel retail sector, operates across diverse geographic regions. This section assesses OKKO's competitive position by examining key factors shaping its performance in global and regional contexts.

Marketing functions as an internal management system designed to analyze and accommodate market demand, ensuring that enterprises align their production activities with competitive product development. This involves manufacturing predetermined volumes of goods that meet specific technical and economic standards. Simultaneously, implementing an optimal product assortment structure can secure either maximum profitability or a stable market position for a company.

Over time, participants in the exchange process gain experience, refining marketing practices and shaping management concepts that guide decision-making in this domain.

Marketing management encompasses the analysis, planning, execution, and control of activities aimed at establishing, strengthening, and maintaining profitable exchanges with customers. The ultimate objectives include expanding market share, increasing sales volume, and maximizing profits.

The strategic management system emerged in Japanese companies significantly earlier than in their American and Western European counterparts and remains more extensively applied. Japanese firms widely employ several strategic approaches, including product-market, marketing, competition, innovation, foreign production, export, and license exchange strategies. Many Japanese corporations prioritize export expansion and foreign investment strategies, primarily due to the perceived risks associated with capital investments abroad. The model outlining the success factors of Japanese companies' operations includes:

- A high technological standard within the parent company, alongside a well-defined foreign operations strategy.

- A stable financial position of the parent company.
- The competence of top management in establishing and managing foreign subsidiaries.

Innovation strategy focuses on directing the company toward manufacturing products that require cutting-edge technology. The pursuit of new product development represents a critical area of decision-making for Japanese firms. By introducing innovative products with unique functions and applications, companies enhance their competitiveness, distinguishing their offerings from previously produced goods.

The UK's approach to developing and implementing strategic management focuses on enhancing the population's quality of life by expanding economic opportunities. Among the priorities of strategic management is fostering a supportive business environment. While these goals encompass the entire business sector, some specifically address small and medium-sized enterprises. The UK's entrepreneurship support strategies aim to ensure long-term, sustainable economic growth through both financial aid and non-financial assistance for new and existing businesses.

The management structure must be designed to facilitate timely decision-making at all levels. Several prerequisites influence this process:

- A. Monitoring task execution (without forward-looking analysis).
- B. Projecting past trends into the future.
- C. Anticipating changes (while some shifts occur unexpectedly, broader trends and reactions remain predictable).

Decision-making requires consideration of novelty, complexity, dynamics, and the predictability of various factors spanning political, economic, social, and market domains. Effective management relies on a comprehensive enterprise analysis. Decisions may be classified by content, complexity, form, and degree of automation. Notably, management decisions function both as individual choices regarding goals, actions, and means, and as collective deliberations.

Given the unpredictability of external conditions and internal organizational shifts, managers must ensure flexibility and adaptability within the management system. Behavioral theory

emphasizes the decision-making process, structuring it into interconnected stages, phases, and procedures that follow a logical sequence, facilitating problem analysis and resolution.

In developing a marketing strategy, input and output elements must be distinguished. Input elements involve factors analyzed before formulating a marketing strategy, including the marketing environment and company objectives. Output elements consist of strategic decisions concerning the marketing mix, which incorporates four key components: product, price, distribution, and promotion.

The primary objective of a marketing strategy is to align a company's marketing goals with its capabilities while addressing consumer demands, leveraging competitors' weaknesses, and capitalizing on competitive advantages. A marketing strategy outlines specific approaches for target markets, marketing mix configurations, and budget allocations. Strategies for each market segment must account for both new and existing products, pricing models, promotional activities, and distribution channels. Additionally, they should clarify how the strategy responds to market threats and opportunities.

Conclusion

Strategic planning serves as a fundamental pillar of strategic management, encompassing multi-level, intricate processes and numerous managerial decisions. A well-structured strategic plan for foreign economic activities must adhere to several key criteria: it should be based on extensive research and empirical data.

Competing successfully in today's global business landscape requires the systematic collection and thorough analysis of industry trends, foreign market conditions, competitive environments, and related factors. Additionally, the strategic plan must ensure organizational clarity and differentiation. A comprehensive strategic plan should be developed as a long-term initiative, maintaining both flexibility and consistency throughout its execution. Given the ever-evolving external environment, continuous adjustments to the plan are necessary. Effective strategic planning for foreign economic activities hinges on the interaction between internal and external factors. Internally, the priority should be maximizing the enterprise's resource potential,

while externally, the focus should remain on sustaining competitiveness in international markets and securing a stable market position.

The imposition of economic sanctions on Russia created significant challenges, including geopolitical realignment and a shift towards import substitution. The rapid transition from Western markets to Eastern partnerships resulted in a substantial increase in trade turnover in recent years.

A detailed analysis of the OKKO filling station network was conducted, identifying key issues and inefficiencies. Notable challenges included the reliance on outdated marketing tools, the underperformance of the marketing department, and a low percentage of the budget allocated to marketing activities. Several priority areas for improving OKKO's marketing operations were outlined, including expanding sales volumes, attracting new customers, and integrating advanced marketing tools and strategies. A deep market penetration strategy for branded fuel products, Pulls 95 and Pulls Diesel, was proposed, emphasizing intensified product distribution, active promotional campaigns, and competitive pricing strategies.

Personal selling was identified as the most effective communication method, with positive results supporting its effectiveness. The need for broader advertising efforts, enhanced PR activities, and increased sales incentives was highlighted to strengthen marketing impact. It was also recommended to reduce reliance on outsourcing services and instead recruit qualified specialists for the full-time marketing department. This approach would enhance efficiency while mitigating risks associated with the leakage of commercial information.

The implementation of benchmarking for systematically comparing marketing strategies with best market practices will facilitate the continuous improvement of the enterprise's operations. The introduction of a bonus system for achieving high results in competitions between gas stations has proven effective in enhancing staff motivation and increasing sales of branded fuel.

Applying the proposed measures will significantly enhance the effectiveness of the OKKO gas station network's marketing activities, boosting sales volumes, strengthening the company's market image, and improving its overall competitiveness.

Simultaneously, economic and production restructuring efforts are in progress. However, a complete shift away from dependence on key resource-based industries remains impractical in the short term. Over the past decades, Ukraine has made considerable advancements in technological innovation, particularly in sectors such as IT, defense, and renewable energy, securing a strong position in these industries. Additionally, Ukraine has the potential to attract strategic technological investments by leveraging capital that was previously underutilized due to economic constraints, thereby reinforcing its economic resilience and technological capabilities.

Overall, the work conducted has not only identified existing challenges in the enterprise's marketing activities but has also developed targeted measures to address them. These initiatives will contribute to the long-term growth and success of the OKKO gas station network.

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Удосконалення стратегічного планування зовнішньоекономічної діяльності

У статті досліджено методи та підходи до вдосконалення стратегічного планування зовнішньоекономічної діяльності в умовах глобалізації та динамічних змін економічного середовища. У сучасних умовах підприємства, що розширюють свою діяльність за межі національних кордонів, стикаються з множинними викликами та можливостями, які потребують складних та адаптивних стратегічних підходів. Як приклад ефективного стратегічного планування розглядається діяльність OKKO GROUP — провідної української холдингової компанії, заснованої у 1997 році. Компанія демонструє успішну стратегію диверсифікації, розширивши свою діяльність від кількох автозаправних станцій у Західній Україні до багатогалузевого концерну, що охоплює роздрібну торгівлю, будівництво, енергетику, сільське господарство та страхування. Така стратегія диверсифікації дозволила OKKO мінімізувати ризики, пов'язані з мінливими регуляторними середовищами та конкурентною динамікою на різних ринках.

Розкрито ключові аспекти, що впливають на ефективність стратегічного управління, зокрема вплив глобалізації, цифровізації та зростаючої конкуренції. Стратегічне планування розглядається як фундаментальний елемент стратегічного менеджменту, що охоплює багаторівневі, складні процеси та численні управлінські рішення. Глобалізація ринків не лише розширила можливості для бізнес-зростання, але й посилила конкуренцію, роблячи вдосконалення процесів стратегічного планування незамінним для підтримання конкурентних переваг. Багатонаціональна присутність забезпечує доступ до ширших ринків, проте координація операцій через кордони залишається значним викликом. Окреслено основні проблеми стратегічного планування, серед яких невизначеність зовнішнього середовища та нестабільність міжнародних ринків.

На основі проведеного аналізу запропоновано комплекс рекомендацій, спрямованих на підвищення адаптивності та конкурентоспроможності підприємств через впровадження інноваційних підходів, аналіз даних та прогнозування. Запропоновані заходи включають розширення обсягів продажів, залучення нових клієнтів та інтеграцію передових маркетингових інструментів. Особистий продаж визначено як найефективніший метод комунікації. Рекомендується впровадження бонусної системи для досягнення високих результатів у конкуренції між автозаправними станціями. Застосування запропонованих заходів значно підвищить ефективність маркетингової діяльності мережі, збільшить обсяги продажів та покращить загальну конкурентоспроможність підприємства.

Ключові слова: стратегічне планування, міжнародна економічна діяльність, глобалізація, цифровізація, конкуренція, інновації, адаптивність

УДК 338.2:504.75
 JEL Q25; O17

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Інституційне забезпечення резилієнтності водогосподарського комплексу України

Стаття присвячена дослідженню інституційного середовища водокористування з метою посилення резилієнтності водогосподарської сфери в умовах зовнішніх ризиків і загроз, виявленню недоліків та прогалин в існуючих інститутах водокористування та розробці науково обґрунтованих рекомендацій щодо їх удосконалення. Проаналізовано роль та особливості взаємодії формальних і неформальних інститутів, що регулюють доступ, розподіл та використання водних ресурсів. Особлива увага приділена виявленню ключових бар'єрів та можливостей для підвищення адаптивності системи управління водними ресурсами, зокрема шляхом подальшого впровадження інтегрованого підходу, який забезпечує збалансування інтересів різних водокористувачів.

Розглянуто механізми удосконалення інституційного забезпечення водокористування, які спрямовані на підвищення стійкості, адаптивності та здатності до трансформації водогосподарського комплексу України. Запропоновано комплекс науково обґрунтованих рекомендацій щодо реформування як формальних, так і неформальних інституцій, розвитку механізмів міжвідомчої координації, залучення зацікавлених сторін та впровадження інноваційних технологій, що сприятиме посиленню резилієнтності водного сектору.

Ключові слова: водокористування, ризики та загрози, інституційне середовище, резилієнтність, адаптивність, стійкість, інтегроване управління

DOI 10.37659/2663-5070-2024-13-20-28

Вступ

Постановка задачі. В умовах сучасних глобальних викликів, зокрема зміни клімату, забруднення довкілля, нестачі водних ресурсів та зростаючої потреби в забезпеченні водної

безпеки, дослідження інституційного середовища у водогосподарській сфері набуває особливої актуальності та важливості. Сьогодні наша держава стикається з численними вій-

ськово-політичними викликами, соціально-економічними та екологічними проблемами тому оптимізація інституційної структури водного сектору є ключовою для посилення її резилієнтності та адаптивності перед обличчям зовнішніх ризиків та загроз. Враховуючи зазначене, потрібно підкреслити, що інституціональні механізми та політики можуть сприяти або перешкоджати ефективному управлінню водними ресурсами, впливаючи на стійкість систем водозабезпечення, якість води та загальну водну безпеку країни.

Забезпечення сталого використання водних ресурсів вимагає застосування комплексного підходу і передбачає наукове обґрунтування стратегій розвитку водогосподарської сфери, використання інноваційних технологій та адаптивних інституціональних механізмів. Вивчення та аналіз інституціонального середовища дозволяють ідентифікувати ключові бар'єри та можливості для покращення управління водними ресурсами, а також розробляти інструменти, які сприяють підвищенню резилієнтності та адаптації до змінних умов. Особливу увагу при цьому слід зосередити на інтеграції міжсекторальних зусиль, залученні широкого кола зацікавлених сторін, зокрема, органів державної влади, приватного сектору, наукових установ та громадських об'єднань для формування ефективної та гнучкої системи управління водними ресурсами. Тому одним із завдань дослідження є формування нового погляду на роль інституціональних механізмів у забезпеченні водної безпеки, стійкості водопостачання та адаптації до кліматичних змін і зовнішніх ризиків та загроз.

Постановка завдання. Враховуючи зазначене метою дослідження інституційного середовища водокористування є посилення резилієнтності водогосподарської сфери в умовах зовнішніх ризиків і загроз, виявлення недоліків та прогалин в існуючих інститутах водокористування, а також розробка науково обґрунтованих рекомендацій щодо їх удосконалення за для підвищення здатності системи протистояти негативним впливам і швидко трансформуватися у відповідності до змін умов функціонування. Особливу увагу слід приділити пошуку шляхів розв'язання завдання покращення координації та взаємодії між органами державної влади, місцевого самоврядування, військово-цивільними адмі-

ністраціями, водокористувачами та інститутами громадянського суспільства задля запобігання кризовим явищам у водогосподарській сфері.

Аналіз останніх досліджень і публікацій

Дослідження інституційного середовища розвитку системи сталого водокористування тривалий час перебуває в центрі уваги наукової спільноти. Наукові роботи зарубіжних дослідників, зокрема Д. Норта, Е. Остром та О. Е. Вільямсона надають теоретичну базу для розуміння важливості інституцій в економіці та їх впливу на ефективність управління природними ресурсами. Зазначені дослідження доводять та обґрунтовують гіпотезу про те, що наявність ефективних інституційних структур сприяє мінімізації невизначеності у економічних відносинах, забезпеченню стабільності очікувань серед учасників ринку, а також відіграє ключову роль у ефективному розподілі та використанні природних ресурсів [1–3].

Також важливою є роль інституцій у забезпеченні адаптації та гнучкості систем управління водними ресурсами в умовах змін клімату та інших екологічних викликів. Дослідження Ніла Еджера та Карла Фольке акцентують на необхідності розвитку інституціональної адаптивності, яка дозволить ефективно реагувати на екологічні зміни, забезпечуючи при цьому стійкість та резилієнтність водних екосистем [4; 5].

Українські вчені і дослідники, зокрема М. А. Хвесик, І. К. Бистряков, В. К. Хільчевський, В. А. Сташук, В. В. Гребінь, М. І. Ромащенко, В. А. Голан, Л. В. Левковська та інші присвятили значну кількість своїх робіт проблемі формування інституційного середовища забезпечення сталого водокористування, що вказує на значну наукову зацікавленість та потенціал для подальших досліджень у даному напрямі [6–11]. Зокрема, українські науковці аналізують ефективність існуючих формальних та неформальних інститутів у сфері регулювання доступу до водних ресурсів, їх розподілу та використання. У своїх дослідженнях вони акцентують увагу не тільки на складності та багатогранності проблематики інституційного забезпечення управління водними ресурсами, але й наголо-

шують на необхідності постійного оновлення та адаптації правових та управлінських рамок, щоб відповідати сучасним викликам з якими стикається наша держава.

Тому сьогодні, у зв'язку із зростанням зовнішніх ризиків і загроз, що в першу чергу пов'язано з російсько-українською війною, перед вченими, політиками та практиками у сфері водокористування постають нові виклики. Зокрема, необхідно знайти шляхи, як зробити сферу водозабезпечення населення більш стійкою та резиліентною до негативних впливів зовнішніх факторів. Вирішення цього завдання потребує розробки пропозицій щодо трансформації системи інституційного забезпечення водокористування з урахуванням наявних загроз.

Результати

Резиліентність водогосподарського комплексу України визначається його здатністю протистояти та адаптуватися до зовнішніх потрясінь і стресів, таких як: стихійні лиха, зміна клімату, економічні рецесії, наслідки воєнних атак, а також відновлюватися після них, надаючи при цьому якісні послуги водозабезпечення. За таких умов відновлення функціональності резиліентних систем відбувається завдяки їх гнучкості та диверсифікації зв'язків [12].

Резиліентні системи характеризуються трьома властивостями — стійкістю, адаптивністю й здатністю до трансформацій. Стійкість — це здатність природної системи бути функціональною в мінливих умовах, не змінюючи при цьому своєї ідентичності. Адаптивність означає спроможність функціонувати, змінюючи власну ідентичність для пристосування до нових умов. Адаптивність передбачає постійне коригування реакцій, інновації та реорганізацію частин системи і взаємозв'язків залежно від мінливих зовнішніх умов та внутрішніх взаємодій. Адаптивність дає змогу системі розвиватися й трансформуватися в рамках поточного стану та зберігати поточні функції.

Трансформативність означає здатність системи змінювати свою ідентичність і набувати нових функцій в умовах нового стану (нової рівноваги). Більше того, це здатність переходити від одного типу системи до іншого — на додачу до зміни структури та функцій [13].

Стійкість та резиліентність мають стати метою й основними векторами розвитку водогосподарського комплексу України в нинішніх умовах та на повоєнний період. При цьому слід зауважити, що діяльність, спрямована на забезпечення резиліентності, може суперечити цілям сталого розвитку. Наприклад, посилення резиліентності водного сектору може означати зростання вартості послуг, що призведе до фінансової нестабільності водоканалів або підвищення цін на воду. Тому стратегія забезпечення резиліентності водного сектору має враховувати часові й просторові наслідки відповідних заходів, які реалізуються, а також взаємовплив концепцій сталого та резиліентного розвитку, щоб сприяти їх синергії [12].

Загальна резиліентність водогосподарського комплексу безпосередньо залежить від особливостей функціонування відповідного інституційного середовища, яке розглядається як сукупність формальних та неформальних правил, норм і традицій, що регулюють відносини між суб'єктами водогосподарської діяльності щодо доступу до водних ресурсів, їх розподілу та використання. Воно визначає права власності та правила користування водними об'єктами, порядок отримання дозволів на спеціальне водокористування, умови плати за використання та забруднення води, обов'язки із забезпечення якості води тощо [14].

Інституційне середовище формується під впливом природних, економічних, соціальних і політичних чинників і має багаторівневу структуру та складається з формальних інститутів (законів, підзаконних актів, державних органів регулювання) і неформальних інститутів (соціальних норм, домовленостей, традицій). Ефективне інституційне середовище забезпечує збалансування економічних інтересів водокористувачів, мінімізує трансакційні витрати та запобігає виснаженню водних ресурсів шляхом застосування відповідних інструментів та механізмів, які дозволяють уникнути та зменшити вплив інституційних розривів, пасток та інших обмежень (рис. 1).

Необхідною умовою розвитку інституційного середовища водокористування є власне наявність та ефективне функціонування відповідних інститутів, тобто правил і норм, а також, організацій та механізмів, що регулюють взаємодію та поведінку економічних агентів у сфері водозабезпечення.

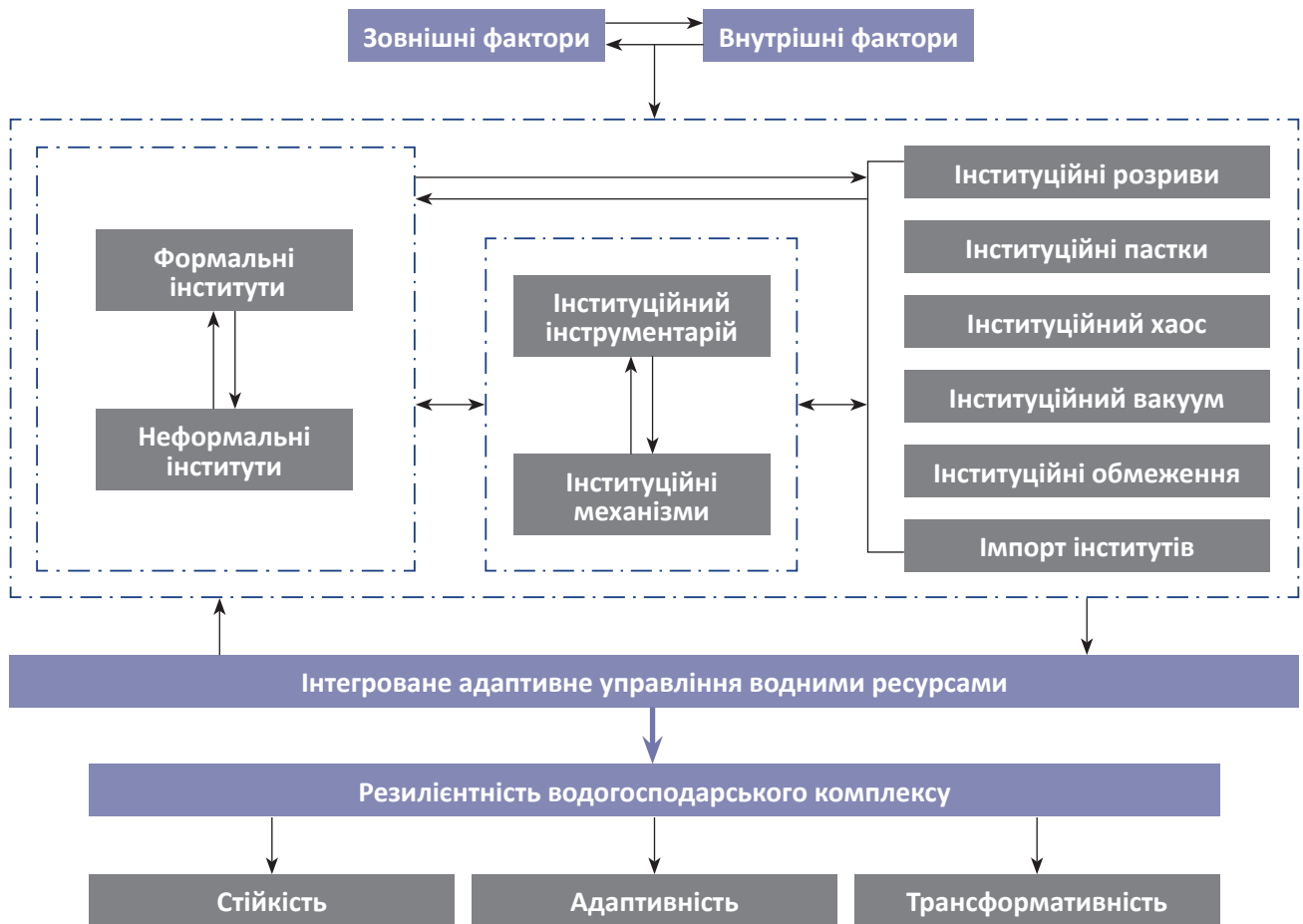


Рис. 1. Структура інституційного середовища забезпечення стійкого та адаптивного розвитку водогосподарського комплексу України.

Джерело: сформовано на основі [6; 12]

Інститути встановлюють правила гри в економіці та суспільстві, визначаючи права власності, процедури укладання контрактів, порядок вирішення спорів, обмеження діяльності тощо. Вони знижують невизначеність, зменшують транзакційні витрати, створюють стимули для економічної діяльності. Саме інститути, на думку Д. Норта, визначають ефективність економічного процесу шляхом впливу на обсяг транзакційних і трансформаційних витрат під час обміну товарів та їх виробництва [1].

Метою діяльності інститутів еколого-економічної системи водокористування є необхідність задоволення зростаючих потреб суспільства шляхом вирішення триєдиного завдання: раціонального водокористування та відтворення водно-ресурсного потенціалу при збереженні якості навколишнього природного середовища. Специфіка функціонування інститутів у межах цієї системи полягає в тому, що вони повинні регулювати водо-

ресурсні відносини між господарюючими суб'єктами та узгоджувати їх різні інтереси шляхом трансформації формальних інститутів раціонального водокористування в неформальні та забезпечувати збалансованість розвитку [14].

Аналіз інституційного середовища, що формує основу водного сектору України, передбачає розгляд широкого спектру зовнішніх та внутрішніх впливів, котрі визначають його стійкість та адаптивність. Виокремлення та оцінка критичних факторів передбачає вивчення та розуміння комплексності інституційних взаємозалежностей, що, у свою чергу, сприяє формуванню ефективних стратегій управління водними ресурсами (табл. 1).

Вплив зазначених зовнішніх та внутрішніх факторів визначає особливості функціонування національної системи інституційного забезпечення водокористування, яка включає широкий спектр формальних і неформаль-

них інститутів, орієнтованих на регулювання, управління та збереження водних ресурсів.

До формальних інститутів належать офіційно встановлені та юридично закріплені структури та процедури, зокрема це: закони, правила, нормативно-правові акти, державні та місцеві управлінські органи, що відповідають за водні ресурси [14]. До них також можуть належати міжнародні угоди та протоколи, які регулюють використання транскордонних водних ресурсів. Таким чином, формальні інститути забезпечують:

- встановлення правил водокористування та стандартів якості води;
- регулювання розподілу водних ресурсів між користувачами;
- захист прав на воду та встановлення механізмів їх виконання;
- контроль за дотриманням водозахисних заходів та екологічних норм.

На верхньому рівні інституційної ієрархії формальних інститутів водокористування знаходяться законодавчі акти, які формують правову основу для регулювання відносин у сфері водокористування та захисту водних ресурсів такі. Водний кодекс України, Водна

стратегія України на період до 2050 року, Закони України «Про питну воду та питне водопостачання», «Про охорону навколишнього природного середовища» встановлюють основні принципи використання, охорони та відтворення водних ресурсів, а також визначають права та обов'язки суб'єктів водокористування.

На виконавчому рівні діяльність з управління водними ресурсами координується через центральні органи виконавчої влади, зокрема Міністерство захисту довкілля та природних ресурсів України, яке відповідає за розробку та впровадження державної політики у сфері охорони, використання та відтворення водних ресурсів. До компетенції Міністерства належить розробка нормативно-правових актів, що регламентують водокористування, контроль за їх дотриманням, а також моніторинг стану водних об'єктів. Спеціалізовані державні установи, такі як Державне агентство водних ресурсів України, відіграють ключову роль у реалізації державної політики у сфері водного господарства, здійснюючи комплексне управління водними ресурсами, забезпечення їх раціонального використання та охорони.

Таблиця 1. Зовнішні та внутрішні фактори формування інституційного середовища водокористування

Фактори		Вплив на водогосподарський комплекс
Зовнішні	Військові дії	Посилення ризиків для водної інфраструктури, необхідність її відновлення та реконструкції, обмеження доступу до водних ресурсів, збільшення екологічного навантаження.
	Зміни клімату	Зміна гідрологічних режимів, посилення екстремальних погодних явищ, необхідність адаптації управлінських стратегій.
	Глобалізація та інтеграційні процеси	Збільшення взаємозалежності та впливу світових ринків, що може впливати на місцеве управління та особливості використання водних ресурсів. Відкриття доступу до передових практик, інновацій та фінансування.
	Транскордонне співробітництво	Встановлення міжнародних норм та стандартів, які вимагають гармонізації національного законодавства.
Внутрішні	Політична стабільність	Визначає стабільність управлінських процесів і впливає на здатність до впровадження довгострокових стратегій.
	Економічний розвиток	Впливає на інвестиційну привабливість сектору, забезпечення фінансування для водогосподарських проєктів.
	Технологічні інновації	Сприяють вдосконаленню методів управління, ефективності водокористування та захисту водних ресурсів.
	Екологічна культура	Формує відповідальне ставлення до водних ресурсів. Підвищує рівень обізнаності та залучення громадськості до процесів управління та збереження водних ресурсів.

Джерело: розроблено авторами.

Важливу роль на регіональному та басейновому рівнях у системі управління водами відіграють місцеві державні адміністрації та басейнові управління водними ресурсами, які забезпечують виконання водоохоронної політики, контролюючи водокористування та водозахисні заходи в межах своєї території.

Розглядаючи інституційну структуру водокористування в Україні, слід зазначити, що вона характеризується складною взаємодією різноманітних формальних інститутів, які в сукупності формують умови для сталого управління водними ресурсами. Ефективність цієї системи залежить не тільки від наявності відповідного законодавства та інституціональних механізмів, але й від їх адекватного впровадження та взаємодії з неформальними інститутами, такими як місцеві традиції та практики водокористування. Таким чином, комплексний підхід до управління водними ресурсами, який поєднує формальні та неформальні інститути, є ключовим фактором забезпечення водної безпеки та сталого розвитку водного сектору в Україні.

Неформальні інститути охоплюють широкий спектр традицій, звичаїв, соціальних норм та практик, які історично склалися суспільстві та впливають на використання, розподіл та охорону водних ресурсів. Вони не є закріпленими в законодавчих чи нормативних документах, але мають значний вплив на поведінку громад та індивідів у контексті водокористування [2].

Неформальні інститути важливі тим, що:

- дозволяють адаптуватися до місцевих умов та потреб спільноти;
- підтримують традиційні знання та практики використання водних ресурсів;
- сприяють мирному вирішенню конфліктів і розподілу ресурсів за відсутності офіційних механізмів регулювання.

Неформальні інститути тісно взаємодіють з формальними структурами, заповнюючи прогалини в законодавстві та управлінських процесах, що дозволяє забезпечити більшу соціальну прийнятність та ефективність політик водного господарства, адже неформальні інститути відображають місцеві цінності, інтереси та очікування. Водночас, вони можуть як сприяти, так і ускладнювати впровадження формальних регуляцій, залежно від ступеня їх відповідності місцевим умовам та традиціям.

Обидва типи інститутів взаємодіють між собою, формуючи комплексну систему управління водними ресурсами. Успішне управління водними ресурсами вимагає гармонійного поєднання формальних та неформальних інститутів, оскільки це забезпечує баланс між офіційними регуляторними рамками та гнучкістю, необхідною для адаптації до місцевих умов та потреб. Водночас, взаємодія між формальними та неформальними інститутами під впливом різноманітних зовнішніх та внутрішніх факторів може бути джерелом конфліктів, особливо у випадках, коли офіційні правила суперечать місцевим традиціям або коли неформальні практики не відповідають національним чи міжнародним стандартам управління водними ресурсами. Внаслідок цього у процесах інституційного забезпечення водокористування можуть виникати такі явища як: інституційні розриви, пастки, хаос, вакуум та інші обмеження [14].

Формування та впровадження інструментів та механізмів для подолання інституційних розривів, пасток, хаосу та інших обмежень у сфері водокористування є визначальним для забезпечення резилієнтного розвитку водного сектору України. Розуміння різниці між інструментами та механізмами допомагає у виборі найефективніших засобів для вирішення конкретних інституційних викликів. До інструментів, як правило, відносять методи, процедури та техніки, використовувані для досягнення певних цілей, тоді як механізми описують систему дій або процесів, що забезпечують впровадження та функціонування цих інструментів.

Для подолання інституційних розривів, зокрема відсутності необхідних інституційних рамок або норм для адекватного регулювання водокористування, важливим стає розроблення інтегрованих стратегій управління, які враховують усі аспекти водного циклу та потреби різних користувачів води. Подолання інституційних пасток, коли застарілі норми та процедури перешкоджають інноваціям і адаптації, може бути досягнуте шляхом запровадження гнучких правових механізмів, які дозволяють швидко адаптуватися до змінюваних умов та викликів. Щодо інституційного хаосу, який характеризується відсутністю координації та узгодженості між інституціями, ефективним інструментом стає розроблен-

ня міжінституційних платформ для діалогу та співпраці. Для подолання існуючих інституційних обмежень у сфері ефективного водокористування, зокрема нормативних та процедурних бар'єрів, важливим є впровадження інноваційних технологій та практик стимулювання інвестицій в наукові дослідження та розробки нових методів раціонального використання і збереження водних ресурсів.

Таким чином, забезпечення резилієнтного розвитку водного сектору України вимагає комплексного підходу до реформування інституційного середовища, що передбачає удосконалення як формальних, так і неформальних інститутів. Зосередження уваги на розробці та впровадженні ефективних інструментів та механізмів, здатних подолати існуючі виклики, є важливим етапом формування стійкої та адаптивної системи інтегрованого управління водними ресурсами.

Сьогодні розвиток системи інтегрованого управління водними ресурсами є тим фундаментальним інститутом, який лежить в основі сучасного підходу до сталого водокористування і передбачає комплексний підхід до управління на основі гідрографічних меж басейну річки, враховуючи всі пов'язані з водокористуванням аспекти — від екологічних до економічних та соціальних. Такий підхід дозволяє оптимізувати використання водних ресурсів, забезпечуючи їхню охорону та раціональне використання, а також зниження конфліктів між різними користувачами води [6].

Розвиток системи інтегрованого управління водними ресурсами унікальним чином сприяє узгодженню інтересів між формальними та неформальними інститутами. Зокрема, створення басейнових управління водними ресурсами сприяє інтеграції цих двох видів інститутів через розвиток платформ для діалогу та участі всіх зацікавлених сторін у процесі прийняття рішень. Таким чином розвиток системи інтегрованого управління відіграє ключову роль у забезпеченні сталого водокористування, оскільки воно спрямоване на збалансування різноманітних інтересів та потреб у водних ресурсах басейну. Досягається це за рахунок:

- оцінки та моніторингу стану водних ресурсів — використання наукових даних для інформування політики та управлінських рішень;

- інтеграції політик — координація між різними секторальними політиками, що впливають на водні ресурси, для запобігання конфліктам та дублюванню зусиль.
- участі громадськості — залучення громад, місцевих організацій та інших зацікавлених сторін до процесу управління сприяє підвищенню прозорості, відповідальності та прийняття рішень на основі ширшого спектру інформації.
- адаптивного управління — здатність управлінських практик та політик адаптуватися до змінних умов та нової інформації про стан водних ресурсів.

Висновки

З метою забезпечення резилієнтності водного сектору України, необхідним є застосування комплексного підходу до реформування та розвитку як формальних, так і неформальних інститутів водокористування, що передбачає глибоке переосмислення існуючих практик і стандартів управління. Початковим кроком у цьому процесі є ревізія чинного законодавства у сфері водних ресурсів з акцентом на адаптацію до зовнішніх загроз, змін клімату, забезпечення ефективного водокористування та врахування потреб майбутніх поколінь. Потрібно розвивати інституційне середовище управління водними ресурсами шляхом створення механізмів для більш тісної взаємодії між державними органами, науковими інститутами та громадськістю за допомогою відповідного інструментарію посилення резилієнтності водогосподарського комплексу України.

В контексті зазначеного подальший розвиток системи інтегрованого управління водними ресурсами, що враховує всі водозбірні території та їх взаємозалежності, стає ключовим для забезпечення сталого використання водних ресурсів. Особливу увагу необхідно приділити посиленню адаптивності системи управління водними ресурсами шляхом розробки гнучких механізмів реагування на воєнні загрози та зміни клімату, інтеграцію передових наукових досліджень та інноваційних технологій у сферу водокористування. Необхідно посилити систематичний моніторинг водних ресурсів для забезпечення оперативного ви-

явлення та управління ризиками, пов'язаними з водозабезпеченням. Вагоме значення у підвищенні резиліентності водного сектору відіграє також розширення та удосконалення механізмів фінансування проєктів, спрямованих на охорону та відновлення водних ресурсів, які охоплюють не лише інвестиції у передові технології очищення води, але й зусилля зі зменшення водоспоживання за допомогою впровадження інноваційних методів та практик. Ключовим аспектом тут є розробка ефективних стимулів для залучення приватного сектору до інвестування в екологічно стійкі технології, що сприятиме збереженню водних ресурсів та забезпечить довгострокову економічну вигоду. Ініціативи мають передбачати розвиток партнерства між державою, приватним сектором та громадянським суспільством, створюючи комплексну систему, що підтримує інновації та стале використання водних ресурсів.

Таким чином, зміцнення резиліентності водного сектору вимагає комплексного підходу до переосмислення та адаптації інституційного інструментарію, що охоплює законодавчі, політичні та управлінські механізми. Успішність цього процесу залежить від впровадження інноваційних рішень, які відповідають сучасним викликам і загрозам, забезпечуючи при цьому сталий розвиток та ефективне адаптивне інтегроване управління водними ресурсами.

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Mykhailo Khvesyk, Lyudmila Levkovska, Valeriy Mandzyk

Institutional Framework for Water Management System Resilience in Ukraine

The article is devoted to the study of the institutional environment of water use in Ukraine in order to increase the resilience of the water sector in the face of growing external risks and threats. The role and interaction of formal and informal institutions that regulate access, distribution and use of water are analysed, identifying key obstacles and opportunities for increasing the adaptability of the water management system.

The necessity of applying a comprehensive approach to the rethinking and adaptation of the institutional framework, including legislative, political and managerial mechanisms, is proved. The crucial role of both formal and informal institutions in shaping the sustainability of the water sector is substantiated, arguing that an effective institutional environment should balance the economic interests of users, minimize transaction costs and prevent water depletion.

The article identifies key external and internal factors in the formation of the institutional framework of the water sector and provides scientifically based recommendations for improving the institutional framework to increase the stability, adaptability and transformability of the water sector of Ukraine. Particular emphasis is placed on the importance of integrated water resources management as a fundamental institution that balances the interests of different water users.

The advantages of an integrated approach, including the use of scientific data, coordination of sectoral policies, involvement of communities and stakeholders, and the ability to adapt management practices to changing conditions, are explored. It is proved that the success of the institutional reform process depends on the implementation of innovative solutions that counteract current challenges and threats, while ensuring sustainable development and effective adaptive integrated water resources management.

The article considers the directions of improvement of institutional support for water use aimed at increasing the sustainability, adaptability and transformability of the water sector of Ukraine in the context of climate change, military threats and other challenges of our time. A set of scientifically based recommendations for reforming both formal and informal institutions, developing mechanisms for interagency coordination, stakeholder engagement and the introduction of innovative technologies that will help strengthen the resilience of the water sector is proposed.

Keywords: **water** use, risks and threats, institutional environment, resilience, adaptability, sustainability, integrated management

UDC 330.341:658.11(8)
JEL Classification O54, O30

Polina Horodetska

Development of Technology-Oriented Small and Medium Enterprises in South American Market

This study critically examines the relevance and dynamics of the South American market for technology-oriented Small and Medium Enterprises (SMEs). With an ever-expanding global economy, understanding the peculiarities of regional markets is highly important for businesses aiming to thrive and innovate. Through a blend of literature review and market analysis, this research investigates the unique challenges and opportunities inherent in the South American landscape for SMEs in the technology sector. Employing a comprehensive mixed-methods approach, the study focuses on the regulatory frameworks, market entry strategies, and growth trajectories shaping the SMEs in this dynamic region. The implications of these findings extend to policy-makers, entrepreneurs, and investors, offering actionable insights for driving innovation, fostering entrepreneurship, and facilitating sustainable growth in the technology sector across South America. Ultimately, this study contributes valuable insights and practical recommendations to the existing literature, empowering stakeholders to capitalize on the region's economic potential and contribute to the advancement of the technology ecosystem in South America.

Keywords: digitalization, SMEs (Small and Medium Enterprises), revenue growth, South America market, regulatory environment

DOI 10.37659/2663-5070-2024-13-29-43

Introduction

In an era characterized by rapid globalization and technological advancement, the strategic importance of regional markets cannot be overstated. For Small and Medium Enterprises (SMEs) operating in the technology sector, understanding and effectively navigating regional markets are essential for sustained growth and competitive-

ness. Among the diverse array of regions worldwide, South America emerges as a compelling and dynamic market landscape, full of opportunities and challenges for technology-oriented SMEs.

The micro, small, and medium-sized businesses (MSMEs) that make up Latin America and the Caribbean's socioeconomic environment are funda-

mental. SMEs account for 90% of Latin American enterprises; they create more than 50% of jobs, as indicated in a Figure 1, and represent one fourth of the GDP. In 2020, only mobile technologies and services accounted for 7.1% of GDP in Latin America — a contribution that amounted to more than USD 340 billion of economic value added [1]. SMEs have a high profile in all productive sectors and a big clout on the social network. Data of CAF show that near 60% of Latin Americans work in enterprises of five or less employees [2].

Digital tools and technologies have become central to MSMEs' ability to trade. Close to 80% of MSMEs surveyed in Argentina, Brazil, and Mexico claim to sell products online, and 63% of MSMEs in Colombia claim to do so [3-4].

They are complex, contradictory, true to their Latin American origins. On the one hand, they account for 90% of currently operating enterprises and employ more than half of Latin Americans. However, their contribution to the regional GDP is just 25% (as opposed to the 50% that MSMEs make in OECD nations).

The significance of South America as a market for SMEs in the technology sector stems from its

unique blend of economic, social, and regulatory factors. Latin America has approximately 12.9 million SMEs, apportioned among 17 countries, including 91.2% of micro-enterprises, 6.3% of small enterprises and 1.6% of medium-sized enterprises. According to ECLAC, 2.7 million businesses shut down in 2020, amounting to 19% on aggregate in the region. As regards micro-enterprises, such a percentage could be as low as 21% [2].

A study about the pandemic effect was also conducted by the Journal of Open Innovation. It supported the idea that the Covid-19 pandemic has made digital transformation no longer an option but a necessity for small and medium-sized enterprises (SMEs) to succeed in a highly globalized market. The hypothesis of the study aims to determine which factors out of the three (commitment to digital maturity, training and digital skills and digital maturity experience) has the most influence on SMEs development level [6].

With a population exceeding 430 million and a burgeoning middle class, the region offers a sizable consumer base in need of innovative technological solutions, indicated in a Figure 2. Moreover, South America boasts a rich reser-

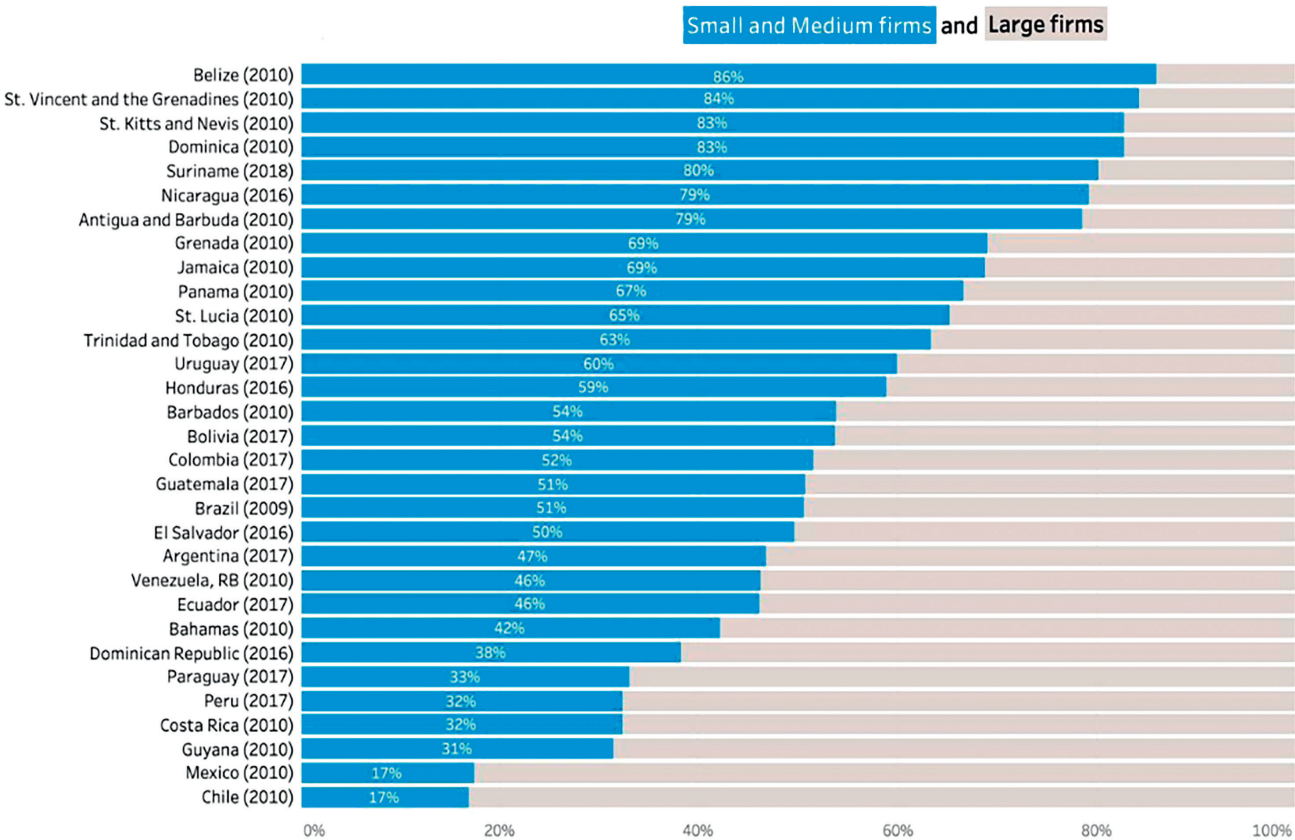
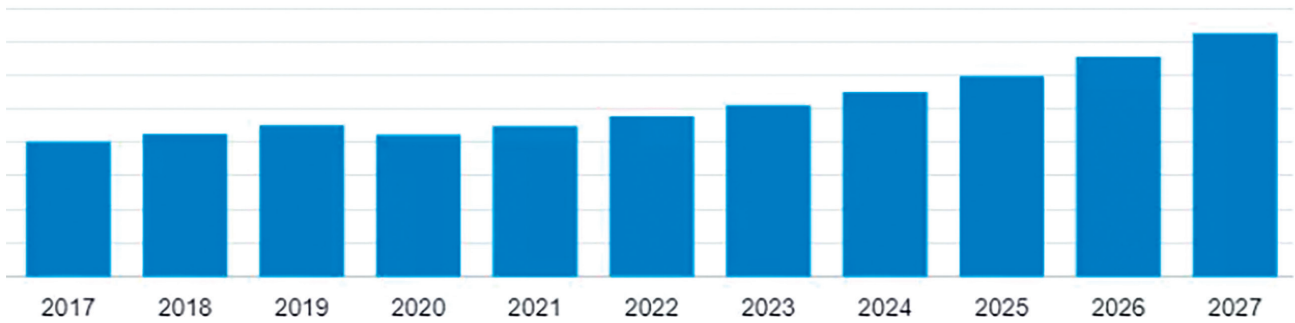


Fig. 1. Share of Total Aggregate Stock of Permanent Full-Time Employment in SMEs and Large Firms [5]

Market Size Outlook (USD Million)



2017 : USD **80,118.05**



Fig. 2. Forecast of the Size of the IT Services Market in Latin America [7]

voir of natural resources, diverse industries, and a growing need for digital transformation, presenting high opportunities. Some of these are: growing digital economy, emerging startup ecosystems, rapid expansion of the e-commerce, demand for digital transformation, focus on sustainability.

However, alongside these opportunities, South America presents its own set of complexities and challenges. From diverse regulatory frameworks and cultural nuances to infrastructural constraints and market fragmentation, SMEs must navigate many obstacles to establish themselves and sustain growth in the region. Moreover, the competitive landscape is evolving rapidly, with both domestic and international players vying for market share and relevance.

Literature Review

The literature surrounding the South American market for technology-oriented Small and Medium Enterprises (SMEs) reflects a growing interest in understanding the region's unique economic, regulatory, and cultural landscape. Studies have emphasized the importance of

regional markets for SMEs in the technology sector, with South America emerging as a focal point for innovation and growth.

One recurring theme in the literature is the significance of South America's economic diversity and market potential. Researchers highlight the region's vast consumer base, expanding middle class, and increasing digital adoption as key drivers of market growth for technology-oriented SMEs [8]. Moreover, South America's abundance of natural resources and diverse industries offer ample opportunities for SMEs to develop and deploy innovative solutions across various sectors [9], such as agribusiness, IT business, infrastructure and construction, renewable energy, etc.

However, alongside these opportunities, scholars have also identified challenges and complexities inherent in the South American market. Regulatory frameworks vary widely across countries, posing compliance challenges for SMEs seeking to operate across borders [10]. Cultural differences and language barriers further compound the challenges, necessitating a nuanced approach to market entry and localization strategies [11].

Studies have also examined the role of government policies and initiatives in shaping the technology landscape in South America. Research suggests that proactive government support, including incentives for innovation and entrepreneurship, can stimulate growth and foster a conducive ecosystem for SMEs [12]. Conversely, regulatory uncertainty and bureaucratic hurdles have been identified as barriers to SME growth and innovation [13].

In addition to regulatory and economic factors, the literature underscores the importance of strategic decision-making and market intelligence for SMEs operating in South America. Case studies highlight the significance of market research, competitive analysis, and localization strategies in achieving success and mitigating risks in the region [14].

Latin America offers a competitive advantage over other outsourcing destinations, with a large pool of skilled IT professionals and cost-effective rates. Additionally, time zone proximity to the North American market, cultural affinity, and English fluency make communication and collaboration easier for the US and Canadian companies seeking nearshore outsourcing options [15].

Overall, the literature on the South American market provides valuable insights into the opportunities and challenges facing businesses in the region. By synthesizing existing research and identifying gaps in knowledge, this study aims to contribute to a deeper understanding of regional market dynamics and provide practical recommendations for SMEs and stakeholders seeking to navigate the complexities of the South American landscape.

Another study was conducted by Sergio Diaz under CAF, which investigated how Latin American MSMEs can join the value chains of climate change mitigation and adaptation [16]. It was focused mainly on the cooperation of the local governments with SMEs towards sustainability. Study shows that among the most effective measures that have been implemented are fiscal, financial, and regulatory incentives to encourage the creation, formalization, and expansion of businesses; improving connectivity and public services to facilitate market access; promoting internationalization; supporting the transition to a green and circular economy; and strengthening human and social capital.

Methodology

Using many online secondary data sources was the main method of data collecting. Academic journals, industry papers, government publications, statistical databases, and reliable websites that focused on economic analysis and market research were among the sources used. A lot of knowledge on market trends, legislative frameworks, industry dynamics, and economic indicators relevant to South American SMEs focused on technology was made available by these secondary sources.

The way the study was set up made it easier to conduct a thorough analysis and synthesis of the body of knowledge and internet data that already existed. A sequential exploratory approach was chosen because of the wealth of internet resources available, enabling iterative refining of the research questions and adaptation to new information. This strategy allowed for a thorough analysis of the South American market environment while maintaining adaptability to changing trends and advancements.

The process of qualitative analysis of web sources entailed combining data from several sources to find recurring themes, new trends, and important revelations that were pertinent to the study's goals. To provide a more sophisticated knowledge of market dynamics and regulatory settings, material from government publications, industry reports, and academic papers was distilled and organized using thematic analysis approaches.

Even though there is a lot of data and insight available while conducting research online, there are certain things to be aware of. Biases present in the original research or publications may result from the use of secondary data sources. Additionally, because internet material is dynamic, it must be carefully interpreted, and its relevance and veracity confirmed. Notwithstanding these drawbacks, conducting research online offers a useful way to gain access to a wide range of data and viewpoints, which makes it easier to conduct a thorough study of the South American market for technology-focused SMEs.

To summarize, this study's approach makes extensive use of internet research techniques to investigate the South American market environment for technology-focused SMEs. This research intends to provide significant insights

into the knowledge of regional market dynamics and educate strategic decision-making for SMEs and stakeholders operating in South America by utilizing the abundance of information accessible online and abiding by ethical principles.

To support the study, a correlation analysis was conducted to examine the relationship between company development level (dependent variable) and two independent variables: training and digital skills, and company digitalization level. The analysis aimed to establish whether higher digital skills training and greater digitalization positively influence company growth, productivity, and market reach.

The numerical data used in this research was derived from three primary sources:

1. OECD Report [17]: This report highlights that digitally advanced SMEs in Latin America experience an average revenue growth rate of 10%, whereas less digitalized counterparts report only 5% growth.
2. European DIGITAL SME Alliance Report [18]: It states that 60% of SMEs in the European Union that invest in digital skills training observe improvements in productivity and efficiency.
3. APEC Report [19]: It indicates that SMEs with robust digital skills programs experience a 15% increase in market reach.

To integrate this data into the analysis, we made certain assumptions to standardize the numerical values. A sample of 1,000 SMEs was assumed for calculations, allowing for consistent comparison.

To illustrate the effect of digitalization on revenue growth [17], we assume:

1. 500 SMEs in the sample are digitally advanced, and 500 are less digitalized.
2. Each SME has an initial baseline revenue of \$1,000,000.
3. Using the OECD growth rates.
 - Digitally advanced SMEs:
 - › Total initial revenue: $500 \times \$1,000,000 = \$500,000,000$.
 - › Revenue after 10% growth: $\$500,000,000 \times 1.10 = \$550,000,000$.
 - Less digitalized SMEs:
 - › Total initial revenue: $500 \times \$1,000,000 = \$500,000,000$.
 - › Revenue after 5% growth: $\$500,000,000 \times 1.05 = \$525,000,000$.

This calculation demonstrates a significant revenue advantage for digitally advanced SMEs. The next step examines how digital skills training impacts productivity.

According to the European DIGITAL SME Alliance Report, 60% of SMEs investing in digital skills training see productivity improvements. Assuming that 600 out of 1,000 SMEs invest in such training:

- Number of SMEs seeing productivity improvements: $60\% \text{ of } 600 = 360 \text{ SMEs}$.

This suggests a direct link between training and productivity, reinforcing the need for investment in digital skills. We now analyze the impact of digital skills programs on market reach.

While the APEC report states that SMEs with strong digital skills programs increase their market reach by 15%. If each of the 1,000 SMEs originally serves an average of 1,000 customers:

- Total initial market reach: $1,000 \text{ SMEs} \times 1,000 \text{ customers} = 1,000,000 \text{ customers}$.
- Expanded market reach after 15% growth: $1,000,000 \times 1.15 = 1,150,000 \text{ customers}$.
- Increase in customer base: $1,150,000 - 1,000,000 = 150,000 \text{ additional customers}$.

So, as the interpretation of findings, the correlation analysis confirms that higher levels of digitalization and investment in digital skills training positively impact SMEs by increasing revenue, improving productivity, and expanding market reach. Each calculation aligns with real-world data and strengthens the argument for prioritizing digital transformation among SMEs. The next section will present visual illustrations (Figures 3–6) that further clarify these relationships.

Research Results

To conduct Pearson's correlation analysis, the data preparation process involved defining key variables, collecting sample data, and structuring it for statistical evaluation.

The study examines the relationship between digital training, technological adoption, and company development using three key variables. Training and digital skills (X1) represent the number of employees who have received digital skills training within an SME. The company digitalization level (X2) measures the extent of digital technology adoption on a numerical

scale, such as from 1 to 10. The company development level (Y) is assessed through business growth indicators, including revenue growth rate, market reach expansion, or innovation capacity.

For data collection, a sample size of 1,000 SMEs was assumed to ensure structured and reliable results. Each SME's data included the number of employees trained in digital skills, the company's level of digitalization, and key development indicators such as revenue growth or market expansion. These variables were collected and organized into a structured dataset, making it suitable for statistical evaluation.

For simplicity, it was assumed that each SME had baseline data points corresponding to these variables. This dataset formed the basis for computing Pearson's correlation coefficients, allowing the analysis to determine the strength and direction of the relationships between digitalization efforts and business growth outcomes.

A sample dataset for 10 SMEs is shown in Table 1.

This is a perfect positive relation reflected on this graph. In this analysis, the correlation coefficient R is very close to 1, indicating a very strong positive correlation between the number of employees trained (X1) and the revenue growth rate (Y1). This implies that as the number of employees trained increases, the revenue growth rate also increases almost perfectly. Since R is positive, the direction of the relationship is pos-

Pearson's correlation calculation

Source:
X1_Y1 calculation result:
The value of R is 0.9984.

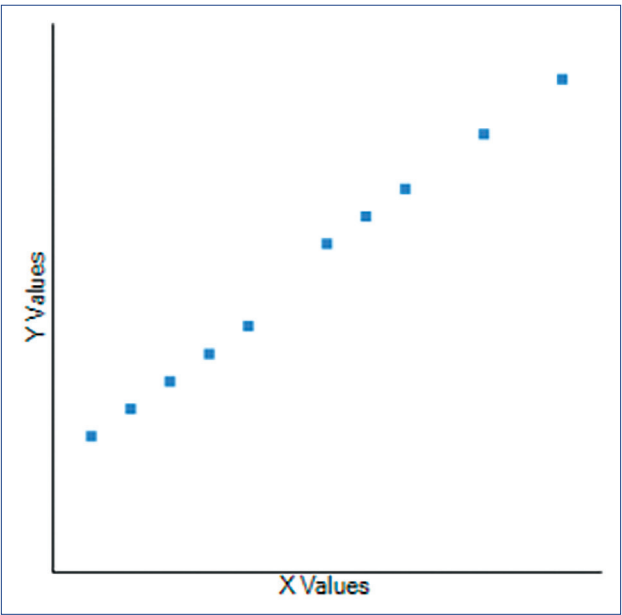


Fig. 3. X1_Y1 Analysis Result

itive. This means that both variables move in the same direction.

The high R value suggests that training employees could be a significant factor in driving revenue growth. Companies may assume investing in employee training programs is highly beneficial for enhancing revenue.

Table 1. Sample Dataset

SME	Employees trained (X1)	Digitalization level (X2)	Revenue growth rate (Y1)	Market reach increase (Y2)
1	50	7	12 %	18 %
2	40	6	9 %	15 %
3	60	8	14 %	20 %
4	30	5	7 %	12 %
5	70	9	16 %	22 %
6	20	4	5 %	10 %
7	80	10	18 %	25 %
8	25	3	6 %	11 %
9	55	7	13 %	19 %
10	35	6	8 %	14 %

Source: Created by the author

X2_Y1 correlation result:
The value of R is 0.9669.

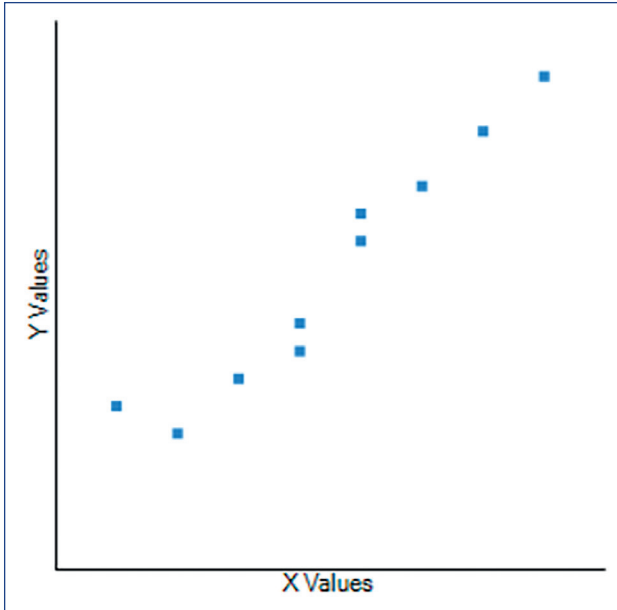


Fig. 4. X2_Y1 Correlation Result

X1_Y2 correlation result:
The value of R is 0.9979.

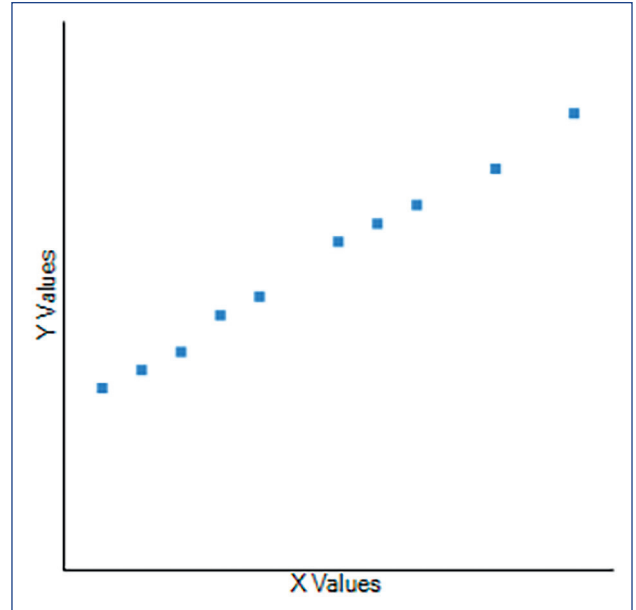


Fig. 5. X1_Y2 Correlation Result

This is a strong positive correlation, which means that high X variable scores go with high Y variable scores (and vice versa). The R value is very close to 1, indicating a strong positive correlation between the digitalization level (X2) and the revenue growth rate (Y1). This implies that as the level of digitalization increases, the revenue growth rate also increases significantly. Since R is positive, the direction of the relationship is positive, both variables move in the same direction.

The high R value suggests that increasing the level of digitalization could be a significant factor in driving revenue growth. Businesses might consider that investing in digital technologies and processes is highly beneficial for increasing revenue.

This is a fairly strong positive correlation, which means that high X variable scores go with high Y variable scores (and vice versa).

Compared to the previous point, this relation is not that high, but both variables can still be affected. The high R value suggests that training employees could be a significant factor in expanding market reach. Businesses can consider investing in employee training programs, as it can be highly beneficial for increasing their market reach.

This is another example of a strong positive relationship, which means that market reach in-

X2_Y2 correlation result:
The value of R is 0.9728.

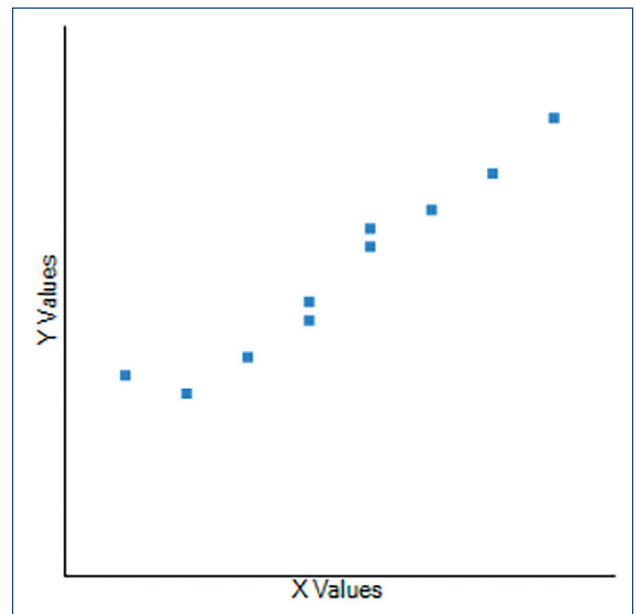


Fig. 6. X2_Y2 Correlation Result

crease can be directly affected by the level of digitalization. The greater the level of digitalization, the greater the market reach increase.

The high R value suggests that increasing the level of digitalization could be a significant factor in expanding market reach. Businesses might

infer that investing in digital technologies and processes is highly beneficial for increasing their market reach.

South American Technological Market Overview

There are many different types of economies in South America, from developed industrial states to developing markets. This variation in the state of economic development has a significant impact on the rate and kind of adoption of smart technologies. While some nations are only beginning to undergo a technological revolution, others, like Brazil, Argentina, and Chile, have thriving technology industries. Comprehending the socio-economic disparities is vital to comprehend the intricate terrain of intelligent technologies inside the area.

There is a noticeable tendency toward urbanization, with a large percentage of people living in cities. Nonetheless, stakeholders and policymakers continue to focus on the digital gap between urban and rural communities in their efforts to provide fair access to smart technology.

With a large percentage of its population under 30, almost 20% [20], South America has a young population. Youth with a strong tech background have a chance to spearhead innovation and technology adoption thanks to this demographic dividend. The necessity of education and skill development in producing a workforce capable of utilizing smart technology for social and economic prosperity is further highlighted by youthful demography.

Renewable energy resources abound in South America, including hydropower, wind, and solar energy. Several nations, including Uruguay, Chile, Ecuador, Colombia and Costa Rica, in the area are making the most of these resources to sustainably satisfy their energy demands. The implementation of smart grid technology aims to improve energy distribution and minimize losses. Energy resilience is being strengthened in addition to lowering carbon emissions through initiatives to encourage the use of smart networks and renewable energy.

South American governments are actively digitizing their services to increase accessibility, transparency, and efficiency. Citizens may now access government services online thanks to the growing number of e-government projects. Digital platforms help with tax filing, administra-

tive processes, and citizen participation. As an example, a recently elected president of Ecuador, Daniel Noboa, has already negotiated with the president of Ukraine, Volodymyr Zelenskyi to help with the implementation of a DIYA-like technology in Ecuador, based on Ukrainian experience [21].

Simultaneously, many individuals, which make up 77 million people, in small towns and rural areas still have low rates of digitization [22]. Most nations, including Ecuador, still rely heavily on cash for daily transactions, and people there have little faith in credit cards and online money transfers. The average credit card ownership for 2021, based on 10 countries of the region, was 20.55 %, which means that many of their transactions heavily rely on cash.

In South America, efforts to close the digital gap are a top priority. An estimated 45% of Latin Americans lack access to the internet. The disparity between those who have internet access and those who don't is even greater: 80% of students from wealthy backgrounds have internet access while only 14% of those from impoverished backgrounds have access [23]. To increase internet access in underserved and rural regions, governments and private organizations are working together. To reach rural populations, initiatives include installing fiber-optic connections, setting up satellite internet, and using wireless technology. Digital inclusion is thought to provide economic possibilities, improve education, and empower citizens — especially in areas where access has historically been patchy.

Market Entry Strategies

Market research is the first step for organizations looking to grow in South America. Businesses must comprehend the political, economic, and cultural aspects of the nations they are targeting. This includes investigating the target market, the business climate locally, and the legal system. For example, familiarizing oneself with local laws governing import fees, customs, and taxes is essential to avoiding legal problems that might harm a company's reputation.

South American SMEs are becoming more aware of the advantages of incorporating smart technology into their operations as the world's adoption of these solutions picks up speed. However, the horizon still brings a distinct set of difficulties in addition to a bright future.

The first one of these difficulties to be considered is localized content marketing, as indicated in a Figure 7. To effectively market smart technology solutions to South American SMEs, it's essential to create content that resonates with the local audience. This involves not only translating content into Spanish but also adapting it to address the specific challenges, needs, and cultural context of the region.

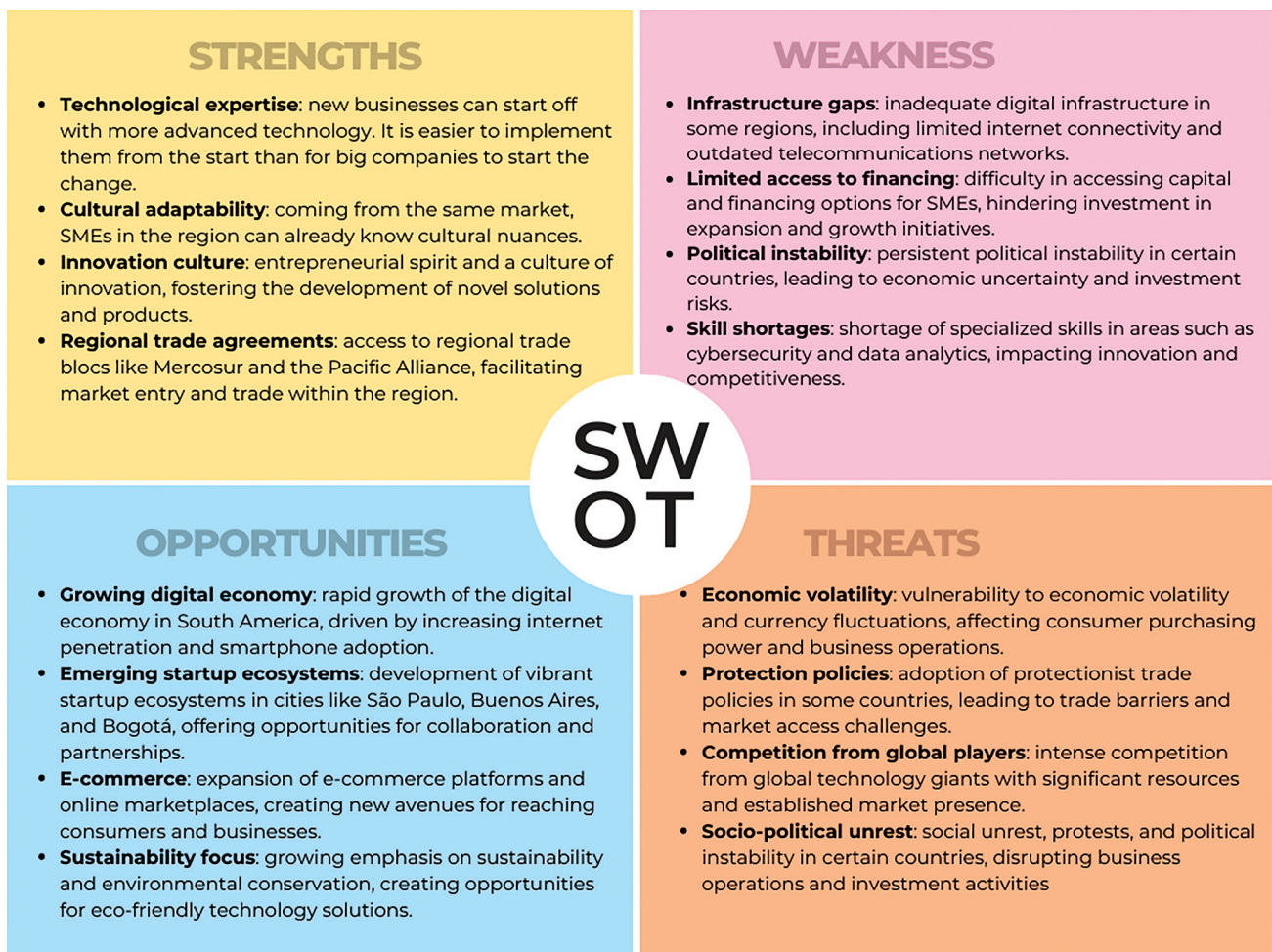
While Spanish is the primary language in the region, there are regional variations and idiomatic expressions that vary across the region. For example, in Ecuador, there are 17 indigenous languages throughout the country, which are highly spread and mixed with Spanish, implementing local expressions, speech figures and much more. Also, Latin American Spanish differs quite much from original Spanish (Castellano), so that it must be considered. It is important to familiarize with the linguistic preferences of the target audience, especially

if it is planned to reach different regions within Ecuador.

Next are South American's region's industry insights: it is essential to conduct in-depth research into region's various industries and sectors. Understand the pain points, opportunities, and market dynamics unique to each sector. Craft content that demonstrates how smart technology solutions can directly address these sector-specific challenges.

By using these strategies, many SMEs in the technological sphere can reach out better to their audience and create awareness about the product, thus here are some examples for operating in this market:

First of all, it is important to participate in industry-specific events, conferences, and trade shows where can be showcased the smart technology solutions, as indicated in a Figure 8. These events provide invaluable opportunities to network with potential clients and industry



■ Fig. 7. SWOT Analysis



■ Fig. 8. TOWS Analysis

peers, demonstrate the products, and gain insights into local market trends and challenges. Also, as marketing through social media is not greatly developed and integrated yet, such events are highly used among entrepreneurs. However, getting back to the previous point, it is important to customize the marketing materials and presentations to align with the expectations and preferences of the South American market.

Collaboration with local chambers of commerce is another point to consider. Establishing partnerships or collaborations with local chambers of commerce or industry associations can help the development, as these organizations often have extensive networks within the South American business community and can help connect with SME decision-makers.

One bright example here would be a company that implemented e-commerce in the region — MercadoLibre. This Argentine company is one of the largest e-commerce platforms in

Latin America, often dubbed as the “eBay of Latin America.” It operates in several South American countries and provides online marketplace services for local businesses, as well as individual entrepreneurs that can list their products and services on the platform, reaching millions of potential customers.

Effectively leveraging networking opportunities and participating in local events can significantly enhance company’s presence in the South American market. It allows building relationships, gaining firsthand market insights, and establishing the company as a trusted partner for smart technology solutions tailored to the needs of SMEs in the region.

A good example for it would be Konfío, which is a Mexican fintech company that offers online lending services to SMEs. While primarily focused on the Mexican market, it has also expanded its operations to other countries in South America.

Thorough research and identification of government programs and incentives in the region that promote technology adoption among SMEs also can help the development. These initiatives may include grants, subsidies, tax incentives, or partnerships with government agencies. Some of the organizations which cover technological advancement: National Secretariat of Planning and Development (SENPLADES), National Institute of Advanced Studies (IAEN), Ecuadorian Institute of Intellectual Property (IEPI). The Brazilian government provides incentives through the Regime Especial de Tributação do Programa Nacional de Banda Larga (REPNBL) program, which includes incentives for purchasing infrastructure that help improve colocation services in the country [1].

In conclusion, thorough preparation and study are essential when expanding a company into Latin America. To avoid potential issues that could damage reputation, businesses must understand the local business environment, target market, and regulatory landscape. While e-commerce can be a useful way to test the market, partnering with local businesses can speed up the process of establishing a presence in the market. Succeeding in South America's competitive business climate requires building a loyal customer base and providing excellent customer support. A company that can overcome these challenges and grow in Latin America will be well-placed to benefit from this expansion.

An extremely important point to consider, for SMEs with employees in South America, is the adherence to labor laws and employment regulations — including those pertaining to minimum wage requirements, employee perks, and labor contracts — is crucial. Technology-based

SMEs may find it difficult to comply with these laws while controlling operating expenses and preserving worker flexibility. Some points that might differ from western business carrying — implementation of 13th salary (not only in governmental business), payment of utilities.

Utilities ("utilidades") — the obligatory, by law, payment which the company needs to provide to its workers by April 15th each year. They consist of 15 % of net income divided between all the legally employed workers. It is practiced in: Mexico, Ecuador, Chile, Brazil, Colombia, Peru, Venezuela. Other regions: Spain.

Despite these challenges, SMEs can leverage opportunities for growth and innovation in the dynamic South American market with strategic planning and compliance efforts.

However, entering a new market always brings some challenges to companies, as indicated in Table 2, especially if we consider SMEs, which might not have an international presence or simply are on the stage of startup or at the point of growth, which are the first ones in business cycle. Thus, it is better to analyze the possible threats and opportunities the market presents to be able to face the challenges.

Digital inclusion in rural and remote areas remains a significant challenge due to limited infrastructure, affordability concerns, and low digital literacy. However, by fostering collaboration between stakeholders such as governments, private companies, and NGOs, investments in connectivity expansion can transform these regions, improving economic opportunities, access to education, and healthcare services.

Similarly, the environmental impact of smart technology adoption requires careful consid-

Table 2. Challenges and Opportunities of Market Entry

Name	Challenge	Opportunity
Digital inclusion in rural and remote areas	Limited infrastructure, high costs, low digital literacy.	Expanding connectivity boosts economy, education, and healthcare.
Environmental sustainability and smart technology	High energy use, e-waste, impact on biodiversity.	Green tech, circular economy, eco-friendly manufacturing.
Data privacy and sovereignty	Data security risks, unauthorized access, privacy concerns.	Implementing strong regulations, secure cloud infrastructure, cybersecurity awareness.
Cultural sensitivity and indigenous rights	Risk of cultural erosion, lack of inclusive tech solutions.	Culturally adapted tech, indigenous content, community-driven initiatives.

Source: Created by the author

eration. While infrastructure development can strain energy resources and generate electronic waste, integrating sustainability measures such as green infrastructure, eco-friendly manufacturing, and circular economy practices can mitigate these effects and position the region as a leader in sustainable technology.

Data privacy and sovereignty are also pressing concerns, given the vast amounts of data generated by smart technologies. Addressing these challenges through strong data protection regulations and cybersecurity frameworks ensures that personal and sensitive data remain secure. Developing secure cloud infrastructures and promoting cybersecurity awareness further strengthens digital resilience.

Finally, cultural sensitivity and indigenous rights must be prioritized when introducing smart technologies. Inappropriate technological interventions risk undermining indigenous traditions and social structures. Governments and technology developers can work together to create culturally appropriate solutions, including support for indigenous content creation, language preservation, and community-driven technology initiatives, ensuring that technological advancements align with cultural values and needs.

In summary, South America's unique challenges and opportunities in the smart technology and communications sphere stem from its diverse landscape, cultural richness, and economic dynamics. Overcoming these challenges while harnessing the potential of smart technology requires proactive policies, innovative solutions, and a commitment to inclusivity, sustainability, and privacy. South America is poised to shape its technological future by striking a balance between tradition and transformation and by leveraging its distinct advantages in the global tech arena.

Conclusions

In addition to these internal factors, the external market environment in South America presents both opportunities and challenges for SMEs. The region's market is characterized by a dynamic economic landscape, with a growing middle class and increasing rates of digital adoption. These trends provide fertile ground for technology-oriented SMEs to expand their

operations and capture new market segments. However, the diversity and complexity of the regulatory frameworks across different South American countries pose significant challenges. SMEs aiming to operate in multiple countries must navigate these intricate regulations, which can be both time-consuming and costly. The regulatory environment, while designed to ensure fair competition and consumer protection, often becomes a barrier for SMEs due to the lack of harmonization across borders. This lack of uniformity can hinder SMEs' ability to scale their operations and exploit regional market potential fully.

Government programs and initiatives have emerged as vital support mechanisms for SMEs in the region. The research identified various government-led efforts aimed at promoting technology adoption among SMEs. These include grants, subsidies, tax incentives, and public-private partnerships that are designed to ease the financial burden on SMEs and encourage innovation. Such programs are particularly important in a region where access to capital can be limited, and where SMEs often struggle to fund the necessary investments in technology and infrastructure. The availability of government support plays a crucial role in enabling SMEs to overcome the initial barriers to digitalization and to sustain their growth in a competitive market environment.

Drawing conclusions from these findings, it becomes evident that digitalization and the development of digital skills are paramount for the growth and success of SMEs in South America. The data indicates that companies that invest in digital transformation are more likely to experience significant revenue growth and expand their market reach. This emphasizes the need for SMEs to prioritize digital skills training for their workforce and to integrate digital technologies into their business operations. Digitalization not only enhances operational efficiency but also opens up new avenues for customer engagement, product innovation, and market expansion. As the global economy becomes increasingly digital, SMEs that fail to embrace these changes risk being left behind.

The regulatory challenges identified in the study cannot be overlooked. While South America offers a promising market for technology-oriented SMEs, the complexity of its reg-

ulatory landscape can be a major impediment. SMEs need to develop strategies to navigate these challenges effectively. This may involve investing in legal expertise, forming strategic partnerships with local businesses, or engaging in advocacy efforts to promote regulatory reforms that facilitate cross-border trade and investment. Understanding the nuances of local regulations and building relationships with regulatory authorities can also help SMEs mitigate risks and avoid costly legal disputes. Furthermore, SMEs should be proactive in staying informed about regulatory changes that may impact their operations and in adapting their business models accordingly.

For SMEs considering entering the South American market, strategic market entry is crucial. The region's diversity means that a one-size-fits-all approach is unlikely to succeed. Instead, SMEs should conduct thorough market research to gain a deep understanding of the specific conditions, consumer behaviors, and competitive dynamics in each target country. This research should inform the development of tailored market entry strategies that align with local preferences and regulatory requirements. In many cases, forming partnerships with local companies can provide valuable insights into the market and help SMEs establish a foothold more quickly. Such partnerships can also reduce the risks associated with market entry by leveraging the local partner's knowledge, networks, and resources.

The recommendations arising from this study suggest several actionable strategies for SMEs aiming to thrive in the South American market. First, enhancing digital capabilities should be a top priority. SMEs must invest in training programs that equip their employees with the necessary digital skills to navigate the challenges of the modern business environment. This includes not only technical skills related to specific technologies but also broader competencies such as digital marketing, data analysis, and cybersecurity. By building a digitally savvy workforce, SMEs can drive innovation, improve operational efficiency, and better meet the needs of their customers.

Moreover, SMEs should actively seek to leverage government programs and incentives designed to support technology adoption and innovation. These programs can provide critical fi-

nancial support, reduce the cost of digitalization, and offer access to valuable resources such as research and development facilities, networking opportunities, and expert advice. By participating in these initiatives, SMEs can accelerate their growth and enhance their competitive position in the market. It is also important for SMEs to advocate for the continuation and expansion of such programs, as they play a vital role in fostering a supportive ecosystem for innovation and entrepreneurship.

Strategic planning is another key recommendation for SMEs operating or planning to enter the South American market. Given the region's regulatory complexity and market diversity, SMEs must approach their expansion with careful planning and a clear understanding of the risks and opportunities involved. This includes conducting comprehensive due diligence on potential markets, developing robust business plans, and establishing contingency plans to address potential challenges such as regulatory changes, economic fluctuations, or political instability. SMEs should also consider the long-term sustainability of their business models and ensure that they are adaptable to changing market conditions.

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Городецька П. Є.

Розвиток технологічно орієнтованих малих і середніх підприємств на ринку Південної Америки

У статті розглядаються особливості розвитку технологічно орієнтованих малих і середніх підприємств (МСП) на ринку Південної Америки. У сучасних умовах глобалізації та цифрової трансформації МСП відіграють ключову роль у розвитку економік регіону, забезпечуючи робочі місця та сприяючи інноваціям. Дослідження зосереджено на основних викликах та можливостях, з якими стикаються МСП у сфері цифровізації, зокрема на питаннях регуляторного середовища, ринкових стратегій та тенденцій зростання.

Аналіз проводиться на основі комплексного підходу, що поєднує огляд літератури, аналіз ринку та кореляційний аналіз взаємозв'язку рівня цифрових навичок, рівня цифровізації компаній та їхнього розвитку. Зокрема, використані дані OECD (2021), European DIGITAL SME Alliance (2023) та APEC (2023), що дозволяють оцінити вплив цифрових навичок та технологічного рівня компаній на їхні фінансові результати та ринкові позиції.

Результати дослідження показують, що МСП, які активно інвестують у цифрові навички співробітників та технологічну модернізацію, демонструють вищі темпи зростання доходів, продуктивності та розширення ринкових можливостей. Також підкреслено важливість стратегій виходу на ринок, що враховують культурні особливості регіону, різноманітність регуляторних норм та економічну неоднорідність країн Південної Америки. Практичне значення дослідження полягає у наданні рекомендацій для підприємців, інвесторів та політиків щодо ефективного впровадження цифрових технологій та адаптації до специфіки південноамериканського ринку. Основні висновки можуть бути використані як основа для розробки стратегій розвитку технологічних МСП та формування відповідної політики цифрової підтримки.

Ключові слова: малі та середні підприємства (МСП), ринок Південної Америки, технології, стратегії розвитку

UDC 338.439(477):005.334

JEL Classification L66, D24, R11

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Integrated Assessment of the Level of Socio-Economic Security of Food Industry Enterprises

This article presents a comprehensive study of the level of socio-economic security of food industry enterprises in Ukraine over the period 2020–2024. Based on an in-depth analysis of academic literature, official statistics, and practical challenges of wartime management, the author proposes a methodology for integral assessment of enterprise security that combines financial, social, and production-related factors. The core indicators include: the share of unprofitable enterprises in the industry, the average monthly wages of employees, and the industrial production index in the food sector. The methodological foundation relies on min-max normalization and integral index calculation using equal-weight aggregation.

Using statistical data from the State Statistics Service of Ukraine along with expert estimations, the article outlines the dynamics of the security index over five years. It was revealed that in 2022, the integral index reached a critically low level (0.167), driven by the destructive consequences of full-scale war, including a sharp rise in the number of unprofitable enterprises and a significant decline in production volumes. However, the period of 2023–2024 demonstrated a clear positive trend: a reduction in enterprise losses, rising wages, and recovery in industrial output. The integral index in 2024 rose to 0.978, indicating substantial sectoral resilience and the ability to adapt to exogenous shocks.

The study proves the effectiveness of the proposed method as a quantitative tool for monitoring enterprise security and supporting decisions in public policy, strategic planning, risk management, and investment evaluation. The article emphasizes the importance of integrating social indicators into security monitoring frameworks, particularly in crisis and post-crisis contexts. The developed model has both scientific and practical significance, making it applicable at both macroeconomic and enterprise levels.

Keywords: socio-economic security, integral assessment, food industry, indicators, normalization, resilience, risk

DOI 10.37659/2663-5070-2024-13-44-53

Problem Statement

In the current context of economic instability, increasing competition, and strengthened regulatory requirements, the issue of ensuring the socio-economic security of food industry enterprises has become particularly relevant. The food industry plays a key role in ensuring the country's food security and the stability of the national economy. However, enterprises in this sector face numerous challenges, such as the volatility of raw material markets, fluctuations in energy prices, social tensions among employees, and growing environmental demands from both the state and consumers.

Traditional approaches to assessing the economic security of enterprises often fail to take into account the complex influence of social and economic factors, which limits their effectiveness. Therefore, there is a need to develop integrated assessment methodologies that combine various aspects of enterprise activity and provide an objective picture of its socio-economic security.

Studies by domestic scholars indicate growing attention to the assessment of enterprise economic security. In particular, the work of Yaroshevykh N. and Dubravskiy A. presents an approbation of a methodology for assessing the level of economic security of a bank based on a resource-functional approach, highlighting the importance of a comprehensive evaluation of the security of financial institutions [1].

The development of an integrated methodology for assessing the socio-economic security of food industry enterprises is a pressing scientific task, the solution to which will contribute to enhancing the resilience and competitiveness of enterprises under modern economic conditions.

Task Statement

The purpose of this study is to develop and apply an integral methodology for assessing the socio-economic security level of food industry enterprises in Ukraine, with the aim of identifying risks and enhancing their stability. To achieve this goal, the following research tasks were set:

1. To define the conceptual basis of socio-economic security in the food industry context.

2. To review existing assessment approaches and select relevant indicators.
3. To develop and apply a model for integral evaluation using normalized and weighted indicators.
4. To interpret results and provide recommendations for strengthening enterprise security.

Literature Review

In the current conditions of dynamic economic development and growing challenges faced by food industry enterprises, the issue of assessing their socio-economic security is gaining particular relevance. Various scholars propose different methodological approaches to this issue.

Bespalko O.V. et al., in their textbook, address current issues in the practice of decision-making related to the socio-economic security of enterprises [2]. They stress the need to implement active learning methodologies to apply acquired knowledge in practice, which contributes to the development of analytical and calculation skills and prepares future professionals for independent decision-making in matters of socio-economic security.

Zubko T.L., in her monograph, explores the theoretical and practical foundations of enterprise economic security formation and identifies the main influencing factors. Special attention is given to the fundamental principles of forming an enterprise's economic security strategy [3].

Ovcharenko O.V. analyzed existing approaches and methods for assessing regional economic security [4]. Certain features were identified in the assessment process, particularly the existence of diverse definitions of "regional economic security" and the lack of a unified methodology for its evaluation. As a result of the analysis, a comprehensive approach to assessing regional economic security was proposed. This approach includes several stages, such as clustering Ukrainian regions using cluster analysis methods and calculating an integral indicator of regional economic security through a fuzzy logic-based approach.

The method proposed by Ovcharenko is valuable in terms of its adaptability to the enterprise level. The combination of cluster analysis with fuzzy logic interpretation allows not only for formalizing the security level but also for accounting for the uncertainties typical of transi-

tional economies. This method is especially relevant under conditions of high market parameter volatility, unstable inflation, limited access to resources, and external threats related to the geopolitical situation.

Moreover, contemporary academic literature increasingly focuses on integrated and adaptive approaches to assessing economic security. There is an opinion that it is advisable to apply multifactor models that include both financial-economic and socio-organizational parameters. The author notes that integral indices should consider the influence of internal management decisions, the external environment, the level of technological development, and the human resource potential of the enterprise, rather than being limited solely to traditional profitability indicators.

Additionally, mention should be made of the approach proposed by Cherniak O.I., which emphasizes scenario modeling of the security level [5]. This method enables the forecasting of changes in the integral index depending on shifts in key risk factors. This, in turn, enhances the practical value of economic security assessments, as it allows enterprises not only to register their current state but also to develop preventive threat management strategies in the short- and medium-term perspective.

Research Methodology

The research methodology is based on an integral approach to assessing the socio-economic security of food industry enterprises. It is grounded on the consideration of three groups of indicators: economic (the share of unprofitable enterprises), social (average monthly wage level), and production (index of industrial production volumes in the sector). All data were obtained from open sources provided by the State Statistics Service of Ukraine for the period 2020–2024 [6].

This system of indicators aligns with the concepts of other authors regarding the assessment of economic security of enterprises and allows for a comprehensive measurement of the integral level of socio-economic security. To calculate the integral indicator, all selected indicators were normalized to a dimensionless comparative scale using the min–max normalization method. This approach transforms the values of

each indicator x_{ij} (where i is the indicator and j is the year or evaluation object) into normalized scores Z_{ij} ranging from 0 to 1. The best value of the indicator corresponds to 1, while the worst corresponds to 0. Depending on the nature of the indicator (stimulator or de-stimulator), the corresponding mathematical formulas are used (1)(2). Stimulators are indicators whose increase reflects an improvement in the state of security (e.g., average wage).

Formally, for stimulators (indicators for which an increase positively affects security), normalization is performed using the formula:

$$Z_{ij} = (x_{ij} - \min(x_j)) / (\max(x_j) - \min(x_j)) \quad (1) [7]$$

For de-stimulators (2) (indicators whose increase deteriorates the state of security), the following formula is used:

$$Z_{ij} = (\max(x_j) - x_{ij}) / (\max(x_j) - \min(x_j)) \quad (2) [7]$$

De-stimulators are indicators whose increase indicates a worsening situation (e.g., the share of unprofitable enterprises). After the normalization of each of the three indicators, their average value is calculated, which serves as the integral index of the socio-economic security of enterprises for the corresponding year. The resulting integral indicator makes it possible to compare security levels over time, as well as to perform interregional or intersectoral comparisons.

Results

In the current environment, marked by external threats, macroeconomic instability, war, and structural transformations of the economy, the development of effective tools for monitoring and assessing the level of socio-economic security of enterprises becomes particularly urgent. Given the strategic importance of the food industry as a component of national food security, the analysis of its security dynamics is critical for both public economic policy and managerial decision-making at the business level.

The results of security assessments for food industry enterprises should not only capture the current state but also identify risks, forecast destabilization trends, and support the formation of well-founded development strategies. In this context, integral approaches are preferable, as

they enable the combination of heterogeneous indicators — financial, social, and production-related — into a unified measurement system. Therefore, within the framework of this study, an original methodology for assessing the level of socio-economic security has been developed based on min–max normalization of indicators and the construction of a weighted integral index.

For a comprehensive assessment of the socio-economic security of food industry enterprises, a system of indicators has been formed, encompassing both economic and social aspects. The selection of indicators is based on scientific approaches and previous research. In particular, many scholars distinguish three key groups of security indicators: technical-technological (reflecting production potential), financial-economic (characterizing solvency, financial stability, profitability), and social (describing labor potential, age, and qualification structure of personnel). In this study, the primary focus is placed on financial-economic and social indicators, as they most directly reflect the level of enterprise protection from internal and external threats.

The following key indicators were taken into account:

- Share of unprofitable enterprises, % — a financial de-stimulator indicator that reflects the risk of losing financial stability (the lower the share of unprofitable enterprises in the industry, the higher the level of its economic security). During crisis periods, this indicator rises sharply: for example, in 2020 (COVID-19 crisis), the share of unprofitable food industry enterprises exceeded 30%, while in the pre-crisis year 2019, it was about 20%.
- Average monthly wage of industry employees, UAH — a social stimulator indicator characterizing the level of employees' material well-being. A higher average wage contributes to greater social security and reduces staff turnover. According to official data, in October 2021 the average wage in food production amounted to 13.055 UAH, which is 14.4% higher than the previous year. This indicates a positive income trend among industry workers prior to the war.
- Industrial production index of the food industry, % compared to the previous year — an economic stimulator indicator

reflecting the dynamics of output volumes. Growth in this index signals improved economic resilience of enterprises, while a decline indicates emerging threats (e.g., reduced demand, and disrupted production chains). For instance, in 2020, food industry output slightly declined (index ~99.2% compared to 2019) due to the pandemic, but by 2021, a modest recovery was expected (over 100%). During the full-scale war in 2022, this indicator sharply declined, but in 2023 the industry demonstrated rapid recovery.

The next stage involved determining the weighting coefficients for each indicator in the integral assessment. The scientific literature offers various methods of weight factor calculation. One objective approach is the application of the Principal Component Analysis (PCA) method or factor analysis. For example, in the study by M. Z. Pikh, the weights of enterprise economic security indicators were calculated based on the PCA model using the Statistica software package [9].

The proposed system of indicators provides a holistic coverage of the key aspects of socio-economic security in food industry enterprises. It reflects the interrelationship between economic resilience, social stability, and production potential — all of which are critically important for a comprehensive security assessment under crisis conditions and external threats.

The integration of indicators of various types (economic, social, and production-related) within a single methodology is carried out by converting them to a dimensionless comparative scale. Due to min–max normalization, each indicator value is assigned a standardized score within the range of 0 to 1, ensuring comparability across different measures. These values are then aggregated into an integral index that represents the overall level of socio-economic security of an enterprise or sector over a given period.

Importantly, all indicators in their normalized form are interpreted according to a unified logic: the higher the value, the higher the level of security. This eliminates conflicts between stimulators and de-stimulators and allows for objective ranking of the analyzed entities. Therefore, the proposed methodology provides a reliable foundation for quantitative analysis, strategic planning, and the development of crisis-re-

sponse solutions in the management of food industry enterprises.

Below is a summary of the indicators used in the calculation of the integral index of socio-economic security, along with their classification by impact type and orientation.

To test the proposed methodology, an integral index of socio-economic security for the sector was calculated for the period 2020–2024 based on actual data from the State Statistics Service of Ukraine, analytical reports, and expert estimations. Table 1 presents the values of the selected indicators for each year and their corresponding normalized scores. The year 2020 was chosen as the baseline for determining minimum and maximum benchmarks, while the years 2022–2024 are characterized by the impact of wartime conditions.

As shown in Table 1, the pre-crisis year 2021 demonstrated an improvement in most security indicators compared to 2020: the share of unprofitable enterprises decreased (approximately from 30.6% to 25%), while the average wage increased from ~11,000 to ~13,000 UAH. This resulted in an increase of the integral index from 0.375 to 0.667, indicating a transition from an unsatisfactory to a satisfactory level of security (on a scale from 0 to 1, values ≥ 0.6 can be conditionally interpreted as sufficient).

The most critical year was 2022 when full-scale military aggression caused a sharp deterioration in the situation. Food production declined significantly (the estimated index was ~85%, indicating a drop of ~15% or more), and businesses experienced considerable losses, which was reflected in a spike in the share of unprofitable enterprises (up to ~40%). Despite wage indexation amid inflation and wartime risks, the real incomes of industry workers may have also

declined. The combined effect of these negative factors led to a drop in the integral index to its lowest value of 0.167 in 2022 — indicating a crisis state of socio-economic security.

However, in 2023 the situation improved significantly. The food industry became one of the leading sectors in recovery among manufacturing industries due to the demand for essential goods. According to data from the State Statistics Service, production volumes began to grow rapidly in 2023 (the index returned to ~100% of the previous year's level) and accelerated notably in the first quarter of 2024.

The share of unprofitable enterprises, according to preliminary estimates, decreased to ~28% in 2023, approaching pre-war levels. The average nominal wage continued to grow (~17,000 UAH in 2023, roughly in line with inflation). As a result, the integral index rose to ~0.683 in 2023, exceeding the 2021 level and reaching a sufficient security threshold. A continued positive trend is projected for early 2024, with the integral security index approaching 0.98 — nearly the maximum level — driven by further industry growth and improvements in social indicators (see Figure 1).

The analysis of the obtained results allows for several important conclusions. First, Ukraine's food industry demonstrates significant resilience and the ability to recover under crisis conditions. Following the shock of 2020, the industry had already restored its security level by 2021. The most destructive factor was the military aggression in 2022, which simultaneously affected both the economic and social components: production volumes declined, supply chains were disrupted, producers' costs rose, and some enterprises were located in occupied territories or suffered destruction. This

Table 1. Key Indicators of Socio-Economic Security of Ukraine's Food Industry in 2020–2024

Year	Share of Unprofitable Enterprises, %	Norm.	Average Wage in the Industry, UAH/month	Norm.	Industrial Production Index (Food Industry, % of Previous Year)	Norm.	Integral index I
2020	30.6	0.626	11,000	0.000	99.2	0.500	0.375
2021	25.0	1.000	13,100	0.250	103.3	0.750	0.667
2022	~40.0 (estimated)	0.000	~15,000 (estimated)	0.500	~85.0 (estimated)	0.000	0.167
2023	~28.0 (estimated)	0.800	~17,000 (estimated)	0.750	~100.0 (estimated)	0.500	0.683
2024	~26.0 (estimated)	0.933	~19,000 (estimated)	1.000	~110.0 (estimated)	1.000	0.978

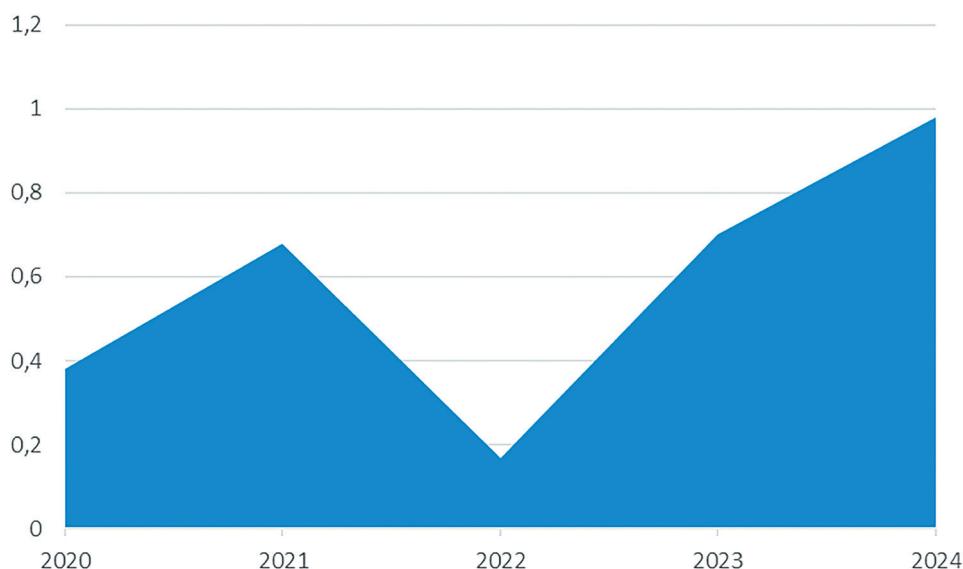


Fig. 1. Dynamics of the Integral Indicator of Socio-Economic Security of Food Industry Enterprises in Ukraine in 2020–2024

Note. Constructed by the author based on statistical data from the State Statistics Service and expert estimations.

is confirmed by official data: in 2022, Ukraine's real GDP fell by approximately 29% [8], while industrial production declined by nearly 37%. Against this backdrop, the food sector performed slightly better than the overall industrial average, as demand for food products remained stable. Nevertheless, the integral index for 2022 indicated an extremely low level of security, close to the critical threshold.

Within the structure of the index decline, the production component suffered the most. Many enterprises in regions affected by active combat halted operations or lost production capacities. In addition to direct destruction, critical disruptions included logistics failures, rising energy costs, and raw material shortages. At the same time, enterprises that retained control over their assets had to operate under conditions of limited demand, a transformed consumer environment, and frequent supply interruptions. All of this negatively impacted production volumes and economic outcomes.

The social component was also affected, though its changes were less drastic, partly due to existing mechanisms of state support, such as employment retention programs, compensation schemes, and subsidies. Some enterprises implemented internal strategies to retain personnel despite declining revenues, recognizing the importance of preserving labor potential. Still, 2022 witnessed a decline in real wages, which impacted the overall security index.

Despite these negative trends, gradual stabilization was observed by the end of 2022 and throughout 2023. Some enterprises resumed operations in the western regions, relocation processes intensified, and several targeted support programs for critical infrastructure were launched. In 2023, trends such as a decrease in the share of unprofitable enterprises, wage indexation, and increased production volumes became evident. As a result, the integral security index improved, approaching the level recorded in 2020.

It is important to emphasize that the pace of the industry's recovery largely depended on domestic demand. Food remains a basic necessity, providing inherent stability to the sector even amid deep crises. Coupled with the adaptive capacity of enterprises and systematic state support, this allowed the food industry not only to preserve core production and workforce capacity but also to lay the foundation for transitioning to post-crisis development strategies.

The prompt response and adaptation of food industry enterprises in 2022–2023 enabled a swift return to growth. As noted in the analytical report by the Institute for Economic Research and Policy Consulting (IER), the food industry was among the first to recover production after the onset of the war. Enterprises were able to reconfigure logistics, partially compensate for the loss of export markets through domestic demand, and utilize government support pro-

grams for critically important production. This was reflected in improved economic indicators in 2023.

The social subsystem also benefited from relative stabilization and income indexation: despite some labor migration abroad, a severe labor shortage was avoided. Nevertheless, labor shortages still pose a challenge — the government has introduced training and reskilling programs to strengthen the sector's human capital. In 2023, the industry entered the year with a significantly higher level of socio-economic security than immediately after the outbreak of war.

The growth of the integral index in 2024 reflects the further strengthening of the resilience of food industry enterprises. This was facilitated by several factors: macroeconomic stabilization, active investment in production modernization, expansion of the domestic market, and a reduction in the share of unprofitable enterprises through cost optimization and increased operational efficiency. At this stage, the role of state policy in supporting food security proved crucial, encompassing tax incentives and preferential loan programs for industry enterprises.

Particular attention should be paid to the growing importance of human capital as a factor of long-term stability. In 2024, average wages increased, employee turnover decreased, and worker motivation improved. Enterprises are increasingly adopting elements of corporate social responsibility, investing in labor safety, internal training, and digital transformation. This creates the foundation for building a sustainable development model based not only on financial but also social and organizational security parameters.

The findings confirm that the social component is no less important than the economic one for ensuring enterprise resilience. Even in cases of production decline, the security index can be maintained at a certain level if labor potential is preserved and critical wage or social standard cuts are avoided. In the case of 2022, nominal wages continued to grow (by an average of +7% across the economy), which partially softened the blow to the integral index (the social indicator did not fall to zero). This aligns with approaches that treat social security as an essential component of a company's economic security. Thus, supporting employees in difficult times is an investment in faster operational recovery.

Overall, the conducted assessment enabled the quantitative measurement of the socio-economic security level of food industry enterprises and tracking its dynamics over the past five years. Based on the integral index, the industry's security levels can be classified as follows: 2020 — risk zone (around 0.4), 2021 — satisfactory level (~0.67), 2022 — crisis level (~0.17), 2023 — return to satisfactory (~0.68), early 2024 — transition to a high-security level (~0.98). The conclusions confirm the hypothesis about the high adaptive capacity of the food industry and highlight the importance of timely monitoring of relevant indicators.

Going forward, efforts to strengthen socio-economic security should focus on reducing the share of unprofitable enterprises (through financial recovery and investment support) and enhancing worker social guarantees. Key issues such as stable energy supply, cost containment, and workforce development remain highly relevant — solving these will determine the future security level of the sector.

Additionally, the study's findings highlight the need to enhance systemic government support for the industry, particularly in the areas of technical modernization and innovation-driven transformation. Enterprises that quickly implemented digital solutions, automation, logistics planning, and predictive analytics showed higher levels of resilience and adaptability. Therefore, a key task in the coming years will be the development of digital infrastructure and information security as part of a broader socio-economic security paradigm.

It is also important to consider the external economic context, which will increasingly influence the functioning of the food industry. The recovery of export potential, diversification of external sales markets, and import substitution of critical raw materials will all play a significant role in shaping the future security landscape of the sector. The effectiveness of these efforts will determine not only the industry's stability but also the overall level of national food security.

Thus, under conditions of multidimensional challenges, the socio-economic security of Ukraine's food industry should be seen as a dynamic category requiring constant monitoring, updates to the indicator framework, and adaptive management. The approach to assessing the integral index developed in this study can

be used not only as a diagnostic tool but also as an analytical foundation for making strategic managerial decisions.

Discussion and Conclusions

The results of the integral assessment have made it possible to identify key trends in the transformation of the socio-economic security of Ukraine's food industry enterprises over five crisis and post-crisis years. The analysis showed that the sector undergoes clearly defined phases — from heightened vulnerability to gradual recovery and increasing stability. During the period from 2020 to 2022, a critical decline in the integral security index was recorded — a consequence of the pandemic-induced downturn, disrupted supply chains, and the impact of full-scale military aggression. At the same time, a notable improvement was observed in 2023–2024, indicating the industry's significant adaptive capacity in response to destructive factors.

The study confirms the effectiveness of using a comprehensive approach to security assessment, which incorporates economic (profitability, share of unprofitable enterprises, solvency), social (wages, workforce stability), and production (industrial output index) indicators. This approach allows for a more complete picture of enterprise security compared to unidimensional financial assessments, which often overlook structural imbalances or the social vulnerability of enterprises. This aligns fully with the views of leading researchers (such as Zharkova L. V., Pikh M. Z., and Bespalko O. V.), who emphasize the necessity of an interdisciplinary approach to assessing economic security as a systemic category.

The resulting dynamics reveal three main phases in the transformation of security levels:

- Deterioration phase (2020–2022): Characterized by the active influence of external shocks — the COVID-19 pandemic, global economic instability, logistical disruptions, and the onset of full-scale war. The integral index experienced a significant decline due to a surge in unprofitable enterprises and decreased production volumes.
- Stabilization phase (2023): Marked by gradual recovery of operations, wage indexation, partial restructuring of production, and adaptation to new conditions. The in-

tegral index rose to a satisfactory level, indicating the beginning of crisis recovery.

- Recovery phase (2024): Demonstrates a substantial increase in all security indicators to levels close to or exceeding pre-war benchmarks. This reflects a transition to active development and the restoration of enterprise resilience.

The findings confirm the hypothesis that Ukraine's food industry possesses built-in mechanisms of crisis resilience. This adaptive capacity can be explained by several factors: consistent domestic demand for food products, the sector's social importance, and lower dependence on imported raw materials compared to other manufacturing sectors.

It is important to highlight that in 2022, the economic subsystem of enterprises proved to be the most vulnerable: profitability and production volumes experienced the sharpest decline. At the same time, social parameters (primarily wages and employment levels) showed relative resilience, indicating the effectiveness of state support programs, social protection measures, and enterprise-driven efforts to retain personnel as a foundation for rapid post-crisis recovery.

In 2023, the food industry demonstrated signs of structural recovery, particularly due to adaptation to new economic realities. This included rethinking logistics routes, diversifying raw material suppliers, and increasing the share of locally produced auxiliary components. These changes reduced vulnerability to external shocks and ensured continuity of production processes even in an unstable environment. Alongside technological adaptation, enterprises also enhanced internal risk management, built inventories, strengthened distribution channels, and accelerated the digitalization of their marketing strategies.

Social stability in the sector was largely driven by steady product demand and high labor market engagement. Workers in the food industry remained among the least mobile segments of the labor force, allowing enterprises to retain skilled staff. At the same time, there is a growing trend toward enhancing internal motivation and non-material incentives for personnel. In 2023–2024, more enterprises adopted flexible work schedules, internal upskilling programs, and tools to engage employees in decision-making processes.

Looking ahead, maintaining a high level of socio-economic security will depend on striking a balance between economic efficiency and social responsibility. This requires not only continued government support but also the active implementation of innovations in production and management processes. This includes expanding digital services for resource management, demand forecasting, and risk monitoring, as well as attracting investment in "green" technologies to reduce reliance on critical resources.

As a result of the conducted study, the research objective has been achieved — an integral methodology for assessing the level of socio-economic security of food industry enterprises in Ukraine has been developed and tested. This methodology is based on objective statistical indicators and can be applied to evaluate security dynamics under unstable environmental conditions. The proposed approach enables a comprehensive consideration of financial, social, and production components, while the use of the min-max normalization method ensures comparability of indicators and allows for aggregation into a single integral index.

The methodology was tested using official data from 2020 to 2024, which confirmed its effectiveness and its ability to reflect not only the current state of security but also its changes under the influence of exogenous shocks. In particular, a critical decline in the integral index to a level of 0.167 was recorded in 2022, reflecting a deep socio-economic crisis caused by military aggression. At the same time, the following years showed a gradual recovery in indicators, and by 2024 the index reached 0.978, indicating a high level of adaptability and recovery capacity among enterprises in the sector.

The study paid special attention to the role of the social factor in maintaining the overall level of security. It was found that preserving labor potential, indexing wages, and minimizing personnel losses were key elements of resilience under crisis conditions. This confirms the need to expand the understanding of socio-economic security as a multidimensional phenomenon, in which the social component is no less important than financial parameters.

The proposed model has not only scientific but also high practical value: it can be used for risk monitoring, evaluation of managerial decision effectiveness, internal audits, and strategic

planning at the level of enterprises, sectors, and regions. The methodology also shows promise for application in the system of public administration of food security.

Further research should focus on improving the indicator system, particularly by including environmental, logistical, and technological factors, as well as applying more complex models of weight ranking and forecasting. This will enable the creation of more accurate and flexible security assessment tools, which are especially relevant in a period of multifaceted socio-economic transformations. Moreover, the integral index developed in this study provides a reliable analytical tool for identifying vulnerabilities and setting priorities in policy and managerial decision-making. Its dynamic nature allows for regular updates and adaptation to the evolving economic environment, making it particularly useful in times of uncertainty. The ability to track changes in the security level over time provides a solid foundation for proactive risk management and strategic foresight, both at the enterprise and national levels.

Importantly, the approach outlined in this research may be adapted for use in other sectors of the economy, especially those that are strategically significant and sensitive to external shocks. By adjusting the set of indicators to reflect the sectoral specifics, the methodology can serve as a universal model for evaluating socio-economic security in diverse contexts. Its interdisciplinary nature, integrating financial, social, and production metrics, aligns with the modern requirements of sustainable development and holistic governance in crisis-prone environments.

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Кібальніков А., Гривківська О. В.

Інтегральне оцінювання рівня соціально-економічної безпеки підприємств харчової промисловості

У статті здійснено ґрунтовне дослідження рівня соціально-економічної безпеки підприємств харчової промисловості України у 2020–2024 роках. На основі аналізу наукових джерел, офіційної статистики та практики управління в умовах воєнного стану автором запропоновано методику інтегрального оцінювання рівня безпеки, яка враховує фінансові, соціальні та виробничі чинники. Основними індикаторами виступають: частка збиткових підприємств галузі, середньомісячна заробітна плата працівників, а також індекс промислового виробництва у харчовому секторі. Методологічною основою оцінки обрано нормалізацію показників за допомогою методу мінімаксного перетворення та обчислення інтегрального індексу на основі рівноважного вагового підходу.

У статті на прикладі реальних статистичних даних Держстату України та експертних оцінок показано динаміку змін у рівні безпеки протягом досліджуваного періоду. Встановлено, що у 2022 році інтегральний індекс сягнув критично низького рівня (0,167), що зумовлено деструктивним впливом повномасштабної військової агресії, різким зростанням частки збиткових підприємств і скороченням обсягів виробництва. Разом із тим, у 2023–2024 роках виявлено позитивну динаміку: зниження частки збиткових підприємств, підвищення заробітної плати, стабілізація виробничої активності. Показник інтегрального індексу у 2024 році досягнув рівня 0,978, що свідчить про суттєве відновлення галузі та її здатність до адаптації в умовах екзогенних загроз.

У роботі доведено ефективність запропонованого підходу до кількісного вимірювання безпеки як аналітичного інструменту для державної політики, стратегічного планування, управління ризиками та інвестиційного аналізу. Обґрунтовано важливість інтеграції соціальних індикаторів у системи моніторингу безпеки, зокрема у кризових і посткризових періодах. Стаття має значну наукову і прикладну цінність, результати можуть бути використані у практиці управління як на макро-, так і на мікрорівнях.

Ключові слова: соціально-економічна безпека, інтегральна оцінка, харчова промисловість, індикатори, нормалізація, відновлення, ризики

UDC 325.1, 338.2

JEL Classification F22, E20, E24, J61

Anastasiia Skorohod

Economics and Politics of Ukrainian War Refugees' Hosting in Poland

Following full-scale Russia's invasion of Ukraine, the European Union initiated the Temporary Protection Directive, granting war refugees immediate access to basic rights in all member states. Under the Directive, Poland has amended its national law and provided our refugees with shelter and immediate access to the local labor market. Since then, for almost three years, about one million Ukrainian refugees (mainly women and children) have been staying in Poland. As per Article 4 of the Directive, the duration of temporary protection cannot exceed three years. This implies that the current regime will be terminated on 4 March 2025.

As a means to speculate about the future evolution of Ukrainian-Polish relations in general, and in the sphere of the refugee problem in particular, this article focuses on the cost-benefit analyses of refugees' hosting in Poland. For this purpose, the research is based on an interdisciplinary approach, combining a review of the legal framework and data collection with policy and economic analysis. The article is structured as follows: after a brief review of recent publications on the theoretical aspects of the problems of refugees and practical issues of Ukrainian refugees' hosting in Poland, the legal regime enabling our citizens to stay in Poland is explored. The next section presents a description of specific features of Ukrainian war refugees, preceding an analysis of the expenses of the Polish authorities on granting shelter. The final section offers insights into the cost-benefit analysis of hosting refugees (migrants) in different countries.

Keywords: *Ukraine, Poland, war refugees, cost-benefit analysis, Temporary Protection Directive, labor market*

DOI 10.37659/2663-5070-2024-13-54-66

Problem Statement

Full-scale Russia's aggression against Ukraine has forced millions of Ukrainians to flee their native country. Neighboring countries, predominantly members of the European Union, opened their borders, welcoming our refugees and providing them with financial and humanitarian assistance. Poland became the primary recipient of Ukrainian refugees: by May 2022, 3.5 million Ukrainians — or 53% of all people who fled the country — had crossed the border into Poland. The government and people of this country have provided our compatriots with temporary, but immediate protection, allowing them immediate access to the labor market, free public education, health care, and social assistance.

Since March 2022, the number of Ukrainians staying in Poland has been almost constant (about 1 million). Among the main problems of countries hosting refugees are refugees' competition with native populations for scarce financial and material resources (food, water, employment, housing, medical services), increased demand for educational and medical services, transportation, etc. All of them could not help but create economic, political, and social consequences for the host country, which in turn, will be one of the factors determining future Ukrainian-Polish relations. As for now, a holistic view on the Ukrainian war refugees' impact on the economy of Poland is missing.

Task Statement

The paper aims to inquire into the economics and politics of Ukrainian war refugees staying in Poland in order to reveal some of the factors that can influence future Ukrainian-Polish relations. To accomplish the stated aim, the following phases of the research were set: after a short acquaintance with the latest publication on the discussed topic, the legal framework enabling Ukrainian refugees to stay and work in Poland has to be explored, and privileges granted to them have to be examined. The benefits awarded to our compatriots have to be analyzed against the background of their contribution to the Polish GDP.

Literature Review

The issue of refugee hosting in foreign countries has been examined by different theorists and practitioners from different angles. The first of them is the distinction of refugees from migrants, which was most profoundly explored by Gina Taylor [1]. General problems of refugees as a distinct type of migration were explored by Caroline B. Brettell and James F. Hollifield [2], who underscored that both types should be examined from the points of view of anthropology, demography, economics, geography, law, political science, and sociology.

Examining grand theories of European integration in the twenty-first century, Liesbet Hooghe and Gary Marks [3] evaluated three theories — neo-functionalism, intergovernmentalism, and post-functionalism — that were designed with European integration in mind. Their conclusion was: "none of these theories is fundamentally wrong-headed However, they do so from contrasting perspectives, using different bodies of evidence to shed light on distinct puzzles" [3, p. 1128].

Alexander Betts [4] addressed one of the most serious gaps in the international refugee regime: a disjuncture between a strongly institutionalized norm of *asylum* and a weakly institutionalized norm of *responsibility sharing*. He noted that while States' obligations towards refugees staying within their territory were relatively clearly defined, States' obligations to support refugees who were on the territory of another State were much weaker. This had led to a major power asymmetry within the refugee system in which geography and proximity to the crisis de facto defined State responsibility.

Michaela Hynie [5] discussed how policies shape refugee identities, stereotypes, and interactions in ways that then affect community welcome, arguing that integration is not just about the skills and efforts of refugees themselves, but rather the interaction between refugees and their social environments. Policies, theories and actions, supporting the inclusion of refugees are analyzed by Stephen Dobson, Gabriella Agrusti and Marta Pinto [6], who denoted two risks: (i) if refugees are unexpected and undesired arrivals, there is a risk that they will be regarded as grit in the smooth functioning of existing society, institutional arrangements and culture; (ii) when refugees are considered the *surplus population* to be

disciplined into the host society, the risk is that well-meaning inclusion can result in the reverse and what has been termed *inclusive exclusion*.

In spite of the availability of a considerable quantity of research papers, some researchers noted that the economic impact of refugees on the host countries is controversial and not quite understood [7], insufficiently researched, and difficult to be unambiguously evaluated [8]. According to Alix-Garcia et al., who combined official statistics, data on nighttime lights, and household survey data from northern Kenya, refugees may also have a positive effect on the economy and the society in the host regions, demonstrating local entrepreneurial activity [9].

The best review of 49 empirical studies, published before Russia's full-scale invasion of Ukraine, is presented by Paolo Verme and Kirsten Schuettler [10]. The authors differentiate the literature on the basis of their interpretation of two types of economic shocks: a *population shock* with a sudden increase in population generated by an inflow in a particular geographical area and an *expenditure shock* determined by the increased financial flows that a forced displacement crisis may attract.

Since 2022, the papers on the problems of Ukrainian refugees have been quickly growing in numbers. Nicolo Bird and Neree Noumon [11], in particular, argue that the higher proportion of women and children among them leads to more spending in host countries on education, child-care, and health services. The same is denoted by other numerous recent publications of the International Monetary Fund (IMF), World Bank and the Office of the United Nations High Commissioner for Refugees (UNHCR) — all of them pointing out that managing the significant influx of refugees from Ukraine will remain a challenge as long as the war continues, requiring growing government funding of social services, education, and healthcare.

Karolina Sobczak-Szelc et al. [12] examined Polish system of admitting asylum seekers developed after 1989 from a broader perspective than simply the state level: the authors proceed on the assumption that asylum-seeking is not only about crossing borders and asking for protection but also about commitments accepted or denied by the states in the area of providing various kinds of assistance to persons who flee war.

Oleksandra Kapinus et al. [13] are discussing migration problems on the European continent related to the war in Ukraine as a special case of migration issues being the most controversial on the European continent. Elzbieta Ociepa-Kicińska and Małgorzata Gorzałczyńska-Koczkodaj [14] provide detailed examination of the forms of aid provided to Ukrainian refugees, stating that the economic impact of refugees is predicated on a number of additional variables, including reaction of the host countries, the level of social welfare for refugees, and on the human capital the refugees are contributing.

Atanas Dimitrov and Vasil Pavlov [15], based on the usual perception of refugee inflows as a burden to the host country, at least in the short term, substantiate the thesis that employment is often regarded as one of the most essential factors of refugee and generally migrant integration. Mobility and labor market trajectories of Ukrainian migrants to Poland in the context of the 2014 Russian invasion of Ukraine were disclosed by Agata Górny and Roos van der Zwan [16].

Mateusz Błaszczuk et al. [17] analyzed the agility of local policy responses — the authors focused on the reception of refugees during the first period of the war in Ukraine in Wrocław, indicating the actors involved in the organization of aid rendered to newcomers from Ukraine, the range of resources mobilized, the way in which tasks were divided, and the relations between the cooperating stakeholders.

Factual material is retrieved from the data set Ukraine Support Tracker Data, compiled by Kiel Institute for the World Economy [18] and routine publications of UNHCR, International Organization for Migration (IOM), IMF and, World Bank.

Results

Legal Framework Enabling Staying of Ukrainian Refugees

The term *refugee* derives from the root word *refuge*, from an Old French word meaning "hiding place". This term was first applied to French Protestant Huguenots looking for a safe place against Catholic persecution (started in 1540). In international law, the term *refugee* appeared only after the First World War.

With time going on and with the constant expansion of regional and global armed conflicts,

mankind called for specification of the term and detailed regulation of the legal status of refugees, as well as the creation of specialized international bodies dealing with the problem. Thus, in 1947, the United Nations founded the International Refugee Organization (IRO), which in 1952 was replaced by the Office of the United Nations High Commissioner for Refugees (UNHCR). The main mission of the newly founded organization was to deal with the refugee crisis that resulted from World War II. Initially, the UNHCR was intended to operate only for 3 years. But later on, humanitarian crises caused by numerous conflicts spread out the scope of UNHCR's operations. Currently, this agency is mandated to lead and co-ordinate international action to protect and assist refugees worldwide. According to data published on its website, it operates in 136 countries.

The in-house budget of the UNHCR does not provide for rendering financial assistance to Ukrainian refugees, as UNHCR is one of the few UN agencies almost entirely (by 98%) dependent on voluntary contributions to fund their operations. Two percent of UNHCR's annual budget, covered by a subsidy from the UN regular budget, is used to fund about 200 administrative posts at Headquarters. Therefore, with a modern global refugee system built on the voluntary cooperation of states, with no binding obligation to share the costs of providing asylum, UNHCR can implement its solutions only with the approval and active contribution of states.

In order to present organization's requirements in a more structured and transparent way and in an attempt to tap into new funding sources, UNHCR structures its budget on the basis of four pillars, each of which represent the needs of particular population groups within each operation/program: refugees, stateless persons, reintegration activities and internally displaced persons.

Specifically for Ukraine, in 2022 UNHCR launched the inter-agency 2022 Regional Refugee Response Plan (RRP) for the Ukraine Situation and coordinated its implementation. The RRP brought together the activities of 142 partners across seven countries (Bulgaria, the Czech Republic, Hungary, the Republic of Moldova, Poland, Romania, and Slovakia).

In 2024, UNHCR is appealing for \$993.3 million to support the needs of affected popula-

tions in Ukraine, as well as Ukrainian refugees in other countries in the Europe region. UNHCR 2024 budget for Ukraine is \$598,939,099 (Pillar 1 — \$10,491,461, Pillar 2 — \$3,464,509, Pillar 3 — \$108,006,578, Pillar 4 — \$476,976,550), the rest is designed for European countries, hosting Ukrainian refugees. Of that sum, the biggest beneficiary is the Republic of Moldova (\$102.8 M), followed by Poland (\$85 M) [19].

In 2023, of \$10.929 billion UNHCR's total expenditure, \$1.371 billion was implemented through 1,266 funded partners working in 108 operations. The contribution of the European Union to UNHCR in 2023 was \$261.5 million.

Simultaneously with donating funds to UNHCR, the EU is realizing its own cost-intensive assistance program for Ukrainian refugees. First of all, EU countries bordering Ukraine immediately allowed entry to all Ukrainian refugees. Simultaneously the legal framework of hosting refugees was redefined: acknowledging risk that the asylum systems of EU countries would be unable to process applications timely, thus negatively affecting the efficiency of national asylum processes, on 4 March 2022 the Council unanimously adopted the Decision to activate for the first time the Temporary Protection Directive (TPD).

The purpose of Council Directive 2001/55/EC (Document 32001L0055 with full title "Council Directive 2001/55/EC of 20 July 2001 on minimum standards for giving temporary protection in the event of a mass influx of displaced persons and on measures promoting a balance of efforts between Member States in receiving such persons and bearing the consequences thereof") was to establish minimum standards for giving temporary protection in the event of a mass influx of displaced persons and on measures promoting a balance of efforts between Member States in receiving such persons and bearing the consequences thereof. The directive was initially introduced for one year, until 4 March 2023; however, in September 2023, it was extended for a second time to remain active until 4 March 2025.

Alongside the TPD, in 2022, the European Commission launched the *EU solidarity with Ukraine* platform (https://commission.europa.eu/topics/eu-solidarity-ukraine_en), aimed at the facilitation of coordination of activities on the ground, in cooperation with the Ukrainian

authorities and relevant entities. The Solidarity Platform brings together EU countries, associated Schengen countries, EU agencies (including the EU Asylum Agency, Frontex, and Europol), UNHCR, IOM, as well as Ukrainian authorities.

Funds for assistance to Ukrainian war refugees can be received from different sources, including the Asylum, Migration and Integration Fund, founded in 2021 (Regulation (EU) 2021/1147) [20]. The Fund aims to reinforce national capacities and improve procedures for migration management. Four specific objectives of the Fund are the following: to strengthen and develop all aspects of the common European asylum system; to support legal migration to the Member States; to contribute to countering irregular migration; and to enhance solidarity and responsibility sharing between the Member States, in particular towards those most affected by migration and asylum challenges.

The financial envelope for the implementation of the Fund for the period from 1 January 2021 to 31 December 2027 is determined to be EUR 9,882,000,000 [20], of which 63.5% will be allocated to programs that are jointly managed by the EU and the Member States, whose entitlements are varying subject to, among other factors, the number of third-country nationals residing in the country, the asylum claims received, the return decisions taken, and the effective returns carried out.

The decision to activate the TPD, setting up of the Asylum, Migration and Integration Fund, and establishment of the Solidarity Platform provided war refugees with temporary, but immediate protection, allowing them immediate access to the labor market, education, health care, or social assistance. At the same time, EU countries were, to varying degrees, to implement additional specific instruments for dealing with war refugees.

Within the bounds of the common European Union's policy on Ukrainian refugees, each EU member country prescribed its own rules of hosting our compatriots. First of all, all EU countries bordering Ukraine have allowed entry to all Ukrainian refugees. Simultaneously, the national legal framework of countries hosting refugees was redefined. In Poland, in particular, on 12 March 2022, the Polish parliament passed the act amending the act on assistance to citizens of Ukraine in connection with the armed conflict on

the territory of that country, which immediately entered into force [21]. In conformity with that Act Ukrainian citizens who left their homeland as a result of Russian aggression were provided with the possibility to obtain a Polish personal identification number (PESEL), enabling them not only to carry out economic activity on the territory of Poland on the same principles as Polish citizens, but also provides access to all kinds of social welfare, healthcare, and education.

Specific Features of Ukrainian War Refugees

By the time of full-scale Russia's invasion of Ukraine, Polish society was well acquainted with Ukrainian economic migrants. Starting from the early 1990s, Ukrainian economic migration to various Central European countries, especially Poland, was quite intensive. It was intensified in 2008, when seasonal workers from Ukraine were given the right to work in certain agricultural and hotel services in Poland without restrictions, and the process of obtaining a work permit was simplified. The first wave of economic migrants was characterized by a prevalence of short-term seasonal mobility of Ukrainian citizens earning their primary living in Ukraine. Such a *modus vivendi* was rather common, notwithstanding the expansion of the European Union to the east.

Many more Ukrainians started coming to Poland in search of work since 2014 — after the annexation of Crimea and the Russian-sponsored separatist conflict in the Donbas region. This was stimulated by a liberal model of access to the Polish labor market for our citizens after introduction in Poland in May 2014 of a uniform temporary residence/work permit for Ukrainians; this novelty was triggered mainly by high demand for workers in the booming Polish economy — a country with an ageing and shrinking workforce.

An influx of Ukrainian citizens to work in Poland was accelerated in June 2017, when a visa-free regime between Poland and Ukraine was introduced. As a result, according to the Central Statistical Office, in February 2020, just before the beginning of the COVID-19 pandemic, there were more than 1.3 million Ukrainians in Poland, constituting a majority of the total foreign population estimated at 2.1 million persons [22]. This period was marked by a growing diversity of sectors for employment, as Ukrainians became engaged in trade, hospitality, industry, and services. Flexible regulations regarding short-term

stays and employment against the background of restrictive rules regarding long-term employment and settlement provided grounds for the temporary migration regime in Poland, which came to an end only with the COVID-19 pandemic regulations [16].

The recent wave of Ukrainian refugees took its rise at the end of February 2022. By the end of that month, about 2.3 million Ukrainian refugees had entered neighboring EU countries (predominantly Poland). As of the end of December 2023, 956,633 individuals from Ukraine were either active PESEL holders, recognized refugees, or asylum-seekers [23].

Relative to other refugees, Ukrainian war refugees have some characteristics that distinguish them from the typical portrait of the previous influxes of refugees:

- By gender, age and race structure: while the “average” refugee in the context of previous waves (in 1981 and 2000 — from Afghanistan, in 1991 — from Iraq, in 2012–2017 — from Syria, South Sudan and Myanmar) was a relatively low-educated young man, in the case of the 2022 refugees from Ukraine it was a woman, in the majority of cases accompanied by children: as demonstrated by PESEL data, over 90 per cent of refugees are women, children and older persons, with 37% being children under 18, and 63% — females [24]. In general, Ukrainian war refugees drastically differ both from our economic migrants entering Poland before 2022 (mainly young men who had come to Poland to earn money) and from the refugees from MENA countries with a predominantly Muslim population. The changes in the age and structure of Ukrainian citizens currently staying in Poland mean that our compatriots are generally younger than the Polish population.
- By the level of education: a relatively high share of Ukrainian refugees have a tertiary level of education. For instance, more than half of the Ukrainians who were staying in Warsaw in 2023 had a higher or unfinished higher education, and 32% of them had a professional and technical education [25]. In addition, slightly more than a third know the Polish language at a good or very good level.
- By the availability of already existing social networks (diaspora): at the end of 2021, 1.57 million Ukrainian citizens were officially authorized to stay in the EU, representing the third biggest non-EU citizen group [26]. The largest groups lived in Poland, where the share of Ukrainian citizens has risen to 1.7% of the total host population [15].
- By immediate access to employment, granted by the Temporary Protection Directive since 2022.
- By spontaneous and enforced character of migration: as Ukrainian war refugees were not planning in advance to migrate, they generally had no opportunity to prepare for their life in the new country, at least by learning the language; their qualifications, gained in a different education system and work experience in different labor market conditions were accompanied by weak, if any, relation to the host country. In many cases, Ukrainian refugees were not able to prepare in advance proper documentation certifying their level of education or skills. Such forced migration often causes difficult situations — legally, socially, professionally, and emotionally.
- By the diametrically different attitude towards refugees from Ukraine compared to migrants from MENA countries: according to the Public Opinion Research Center CBOS (a publicly funded independent research center) data from the end of 2021, only 33% of respondents to a nationwide survey believed Polish authorities should allow migrants storming the Belarus-Poland border to apply for asylum. Contrary to that, in March 2022, Poles almost unanimously (94%) believed that Poland should accept the refugees from Ukraine [17].

Costs of Granting Shelter

According to *Article 13* of the Council Directive 2001/55/EC of 20 July 2001, the Government of Poland:

- Ensured that persons enjoying temporary protection had access to suitable accommodation or received, if necessary, the means to obtain housing. Alongside granting collective accommodation for free, for more than two years, the government paid

financial compensation for individuals offering accommodation and food to people displaced from Ukraine in private homes. Also, Ukrainian citizens could receive financial assistance for renting housing in Poland through the Step Home program, implemented by the Habitat for Humanity Poland charitable foundation.

- Made provision for persons enjoying temporary protection to receive necessary assistance in terms of social welfare and means of subsistence, if they did not have sufficient resources, as well as for medical care. First of all, the Government of Poland provides one-time financial assistance in the amount of 300 zlotys to citizens of Ukraine to meet their primary needs upon arrival in the country. In 2022, assistance was provided to families whose income does not exceed the minimum established by law: PLN 776 per month for a person living alone and PLN 660 for a person living in a family. As of January 2023, cash assistance was being received by 293,073 (out of 1,563,386) Ukrainian refugees — more than all refugees registered for temporary protection in neighboring countries.
- Provided necessary medical or other assistance to persons enjoying temporary protection who had special needs, such as unaccompanied minors or persons who have undergone torture, rape or other serious forms of psychological, physical or sexual violence.

In implementing this Directive Polish government provided Ukrainian war refugees with access to benefits on the same basis as Polish citizens, including, in particular: family benefits, child benefit (PLN 500–120 Euro per month per child), Good Start benefit, family care capital, subsidized reduction of the parent's fee for the child's stay in a crèche, children's club or day-care center.

Regarding access to education for Ukrainian war refugees, Poland is unique in Europe. Due to the enormous influx of Ukrainian children, the Polish government chose to create two parallel systems: one involving the integration of Ukrainian children into the Polish school system and the second — allowing Ukrainian children to study remotely following the Ukrainian cur-

riculum. No fees are charged from Ukrainian students of public tertiary education institutions; moreover, they may apply for maintenance grants and student loans.

Even this short summary, far from being complete, gives grounds to state that solutions implemented in Poland are among the most extensive and beneficial for war refugees.

In sum, during first three months after the Russia's full scale invasion estimated total value of annual spending by the Polish government and of Poles' private spending in connection with helping Ukrainian refugees was PLN 25.4 billion (EUR 5.45 billion) or almost 0.97% of Poland's GDP [27], of which estimated value of total annual spending by the public authorities on helping refugees at the same period was PLN 15.9 billion (EUR 3.41 billion), and minimum value of Poles' private spending was PLN 5.5 billion (EUR 1.18 billion). 77 % of adult Poles have gotten involved in helping refugees from Ukraine in March–June 2022. This help has taken a variety of forms: from financial and material support, to various types of voluntary work, and to inviting people deprived of homes into one's own house or flat. The Polish government in 2023 spent about PLN 5 billion.

One of the most valuable forms of assistance for Ukrainian refugees in Poland was access to the Polish labor market. It was granted by Article 12 of the Council Directive 2001/55/EC, stating that Member States shall authorize, for a period not exceeding that of temporary protection, persons enjoying temporary protection to engage in employed or self-employed activities, subject to rules applicable to the profession [28].

The abovementioned and other specific characteristics of Ukrainian war refugees facilitate their integration prospects (e.g., educational profile, existing social networks, immediate access to employment), while others may, on the contrary, hinder successful integration into the labor market (age and gender structure). Some of those characteristics, distinguishing them from other refugees, have an ambivalent character. For instance, a high level of education against the background of language problems is unlikely to guarantee a well-paid job corresponding to their qualifications; but, on the other hand, such highly educated refugees may be better equipped to learn the language of their host country than low-educated or illiterate refugees.

Contrary to the pre-war segments of the Polish economy, preoccupied by male population, employed mainly in construction and industry, since 2022, the following segments of the labor market in Poland have become more available for Ukrainian war refugees:

- **Low-Skilled Labor:** Many refugees have taken up jobs in sectors that require low-skilled labor, such as agriculture, construction, and hospitality. This has helped fill labor shortages in these industries. Statistics of structure by occupational group demonstrate that while of all employed persons only 5% were engaged in elementary occupation, for Ukrainian refugees this share was 49%; at the same time the ratio for professionals was 22% vs 8% [29]. In total, only 35% of Ukrainians who work in Poland do jobs appropriate to their qualifications.
- **Service Sector:** Many refugees have found work in retail, restaurants, and other service-oriented jobs, helping to sustain these businesses amid labor shortages.
- **Manufacturing:** Ukrainian refugees contributed to the manufacturing sector, particularly in industries like textiles, food processing, and logistics, where there has been a need for additional labor.
- **In Education and Healthcare,** more and more often Ukrainian qualified teachers, doctors, and nurses become sought after due to the rising demand of war refugees for the services in this sphere.
- **Entrepreneurship:** Some refugees have started (or transferred from Ukraine) their own businesses, contributing to the local economy and creating additional job opportunities both for Ukrainians and Poles. By 30th September 2023, more than 10 thousand Ukrainians ran their own businesses according to the administrative social security ZUS data [29].

Overall, due to the prevalence of women with children, the most sought-after labor market segments were those that were characterized by less scale of manual labor, and more service-related jobs, including those that required higher levels of literacy, or occupations allowing part-time work with fewer night and weekend shifts [23].

In terms of the labor force, for all European countries together, the estimated impact is an increase of about 0.5%, or more than 1.2 million workers. For Poland, the largest labor force increase is found to be 2.1%.

Results for employment show a relative positive change in Poland by 1.9% while the overall impact across all host countries is estimated to be 0.4%, with most countries below that mark [23].

Discussion

Cost-Benefit Analysis of Sanctuary Provision

Currently, the overall impact of refugees on the economy of the host country is next to impossible to calculate more or less precisely. Comparable studies indirectly related to refugees — addressing the impacts of migration on the economy of host countries — provide the following results:

- J. Edward Taylor, Mateusz J. Filipskib, Mo-hamad Allousha, Anubhab Guptaa, Ruben Irvin Rojas Valdesa, and Ernesto Gonzalez-Estradac [30] examined the impacts of three Congolese refugee camps in Rwanda on the surrounding host-country economy using an *in silico* approach informed by microsurvey data gathered inside and outside of camps. The simulations found that an additional refugee increased total real (inflation-adjusted) income within a 10-km radius around the two cash camps by US\$205 and \$253 annually. These were equivalent to 63% and 96% of the average host-country per-capita income around the camps, and they exceed the value of per-refugee WFP assistance (\$126 and \$120, respectively). Most of the difference (\$70 and \$126) consisted of income spillovers resulting from market interactions between refugees and host-country businesses and households. Other transfers to refugees, including private remittances, accounted for the rest (\$10 and \$7). The authors conclude that Congolese refugees in Rwanda, given the opportunity to interact with the economy around them, appear to generate considerably more income than the cash aid they receive. However, spillovers are smaller when refugee aid is in the

form of food instead of cash, which they were reselling at prices discounted by 20%. With regard to the labor market, the influx of refugees exogenously increases labor supply, but this process depends on the structure of the host country's economy and the rules governing interactions between refugees and the host community.

- Aziz Atamanov, Johannes Hoogeveen, and Benjamin Reese [31] explored the issue of why donors should invest more in refugee autonomy through the case study of Uganda, the country that has established a legal framework allowing refugees (1.56 million in 2023) to be economically active and offering access to land and housing. The authors state that when a development approach to hosting refugees is followed and refugees get the opportunity to earn incomes, there are two key beneficiaries: refugees themselves, who gain dignity, financial autonomy, and pathways to self-reliance, and the international community, providing less humanitarian aid. A third potential beneficiary, named by the researchers, is "the Government of Uganda, which might be rewarded by the international community with additional financing in return for its inclusive refugee policies" [31, Footnote 9].
- Jennifer Alix-Garcia and David Saah [32] examined the economic impact of refugees on host communities on the basis of the 1993 and 1994 refugee flows to western Tanzania from Burundi and Rwanda. The authors identified a significant increase in non-humanitarian food prices and a smaller impact on aid-related food prices. The study also demonstrated a positive impact of refugee camps on the assets of neighboring rural households. However, the authors also detected a negative impact on household wealth in urban areas.
- Semih Tumen examined the impact of refugee migration from Syria to Turkey on labor markets, consumer prices, and housing rents. Tumen pointed out a moderate loss of employment among local informal workers, indicating that they were partially replaced by refugees. Also, the author detected a decline in the prices for goods produced in labor-intensive informal sec-

tors, caused by the labor cost advantages that have been reduced by refugee flows. Semih Tumen concluded "that the labor market is the key mechanism driving the impact of refugees on the socioeconomic outcomes in host countries. The effect of refugees on labor market outcomes in host countries also has important impacts on various outcomes such as education, prices, crime, fertility, productivity, international trade, and political preferences" [33].

- In the course of the theoretical examination of the macroeconomic effects of large immigration waves, carried out by Philipp Engler, Ms. Margaux MacDonald, Mr. Roberto Piazza, and Galen Sher [34], the authors have found positive and sizable effects of large waves of immigration in OECD countries on domestic total factor productivity. These findings allowed the authors to declare that immigration does not have negative consequences on domestic employment, thanks to the rapid and vigorous positive response of investment.

The abovementioned papers provide a general idea of the possible impact of refugees on the economy of host countries. But, as it was mentioned by Taylor et al, the results of the evaluation of the influence of migrants cannot be treated as comprehensive when dealing with refugees due to notable difference between migrants and refugees: (i) while refugees' migration is involuntary and in a majority of cases temporary, most migrants choose their destination and duration in the host economy; (ii) while certain rights of refugees are guaranteed by international conventions and national laws, migrants have no such rights, being subjected to a host country's immigration laws [30].

Of relatable use can be some papers, either dealing with specific issues of the problem or indirectly related to the overall macroeconomic effect of Ukrainian war refugees in Poland. In the first group of sources one should mention the research of the experts of the service portal *About Ukraine 24/7* [35], according to which spending from Ukrainian banks' cards abroad in April 2022 compared to 2021 increased by about 3–4 times; thus, as experts counted, since the beginning of

the war every Ukrainian, stimulating consumer demand, invested in the economy of European countries \$400 per month. On another page of the same organization [36], we can find a more detailed description of the factors conditioning the input of Ukrainian refugees into the economy of the EU countries:

- Spending on purchases — up to \$2 billion per month abroad.
- Legal employment: IMF economists concluded that when immigrants (or refugees) enter the labor market, natives move into new occupations that in many cases require higher language and communication skills or more complex tasks. As they improve their skills, the economy gains productivity.
- Payment of taxes: the corresponding data for the Czech Republic, in particular, testify that the receipts of taxes and other contributions of Ukrainian refugees to the Czech budget almost doubled the expenditures on them. The Centre for Migration Studies at the University of Warsaw reported that employed refugees paid about \$2.4 billion (PLN 10 billion) in taxes in 2022. This amount alone is higher than the financial assistance provided to Ukraine (excluding the costs of education and healthcare). In 2023, Ukrainians paid in taxes PLN 15-20 billion.
- Use of bank cards and transactions with ATMs — in March 2022 alone, about \$10 billion was withdrawn by Ukrainians abroad.
- Rental housing: a quarter of refugees can pay for housing. This factor both strengthens the economy and drives up property prices. The money paid to people who provided housing is received by the locals.

As of September 2024, according to the IMF, the EU has spent €30-37 billion to support refugees from Ukraine (0.2% of the EU's GDP). Meanwhile, the contribution of migrants is quite visible in host countries: according to OECD, refugees contribute to annual GDP growth by 1.2% in Poland as well as in the Czech Republic and Estonia. Directly for the Czech Republic the ratio between expenditures and revenues from welcoming Ukrainian refugees changed in 2023 from 7 to 5.4 in the first quarter to 3.9 to 5.8 in the last quarter [37].

As early as May 2022, Oxford Economics [38] predicted that if 650,000 Ukrainians remained in Poland, the GDP of this country could grow by 1.2% by 2030, and if 1 million Ukrainians remained — by 2%, compared to the scenario without forced Ukrainian migrants. Similar forecasts were made by the National Bank of Ukraine, which estimated that, thanks to refugees from Ukraine, by 2026, the GDP of Poland would increase by 2.2–2.3% compared to the baseline scenario [39].

Conclusion

Ukrainians were, are, and will be grateful to Poland, its government and people for the assistance rendered to them since the war started. But today, as the third year of the ongoing war is approaching its end, rather serious changes in the policy and attitude towards war refugees are becoming evident.

Speaking about the latter, it should be noted that on state support for Ukrainian refugees the Polish government spent PLN 15 billion (approximately EUR 3 billion) in 2022, and about PLN 5 billion in 2023. The scale of the assistance has already caused significant budgetary implications, impacting other areas of public spending. Partial funding received from the European Union amounted to €248 million (over PLN 1 billion), which was considered to be insufficient, and in June 2024 Poland, alongside Germany and Czechia, formally requested financial assistance from the European Union due to the prolonged and large-scale assistance requirements.

The reaction of Poles to the diversion of funds from the Polish budget for refugees' assistance is being modified over time. According to surveys, currently 60.4% of Poles think that help from the state, in the form of benefits, is better for refugees than for Poles themselves [25]. Only 31% of respondents now strongly believe Poland should assist Ukraine, a steep decline from 62% in January 2023.

Anti-Ukrainian sentiment in Poland under the slogan of preventing "Ukrainization of Poland" is actively fueled by the pro-Russian far-right Confederation party, which initiates the blockage of checkpoints on the Polish-Ukrainian border and advocates for a reduction in refugee payments. The most popular myths, propagated by the representatives of this party, are that refugees

take the jobs of locals, do not pay taxes, and do not help the economy to develop, increasing the burden on the healthcare system, education system, and housing market. As a result, at present, 72 % think Poland should prioritize its own interests, especially concerning food exports. Reports indicate that among those least willing to accept refugees from Ukraine are young women aged 18–24 (47 % in favor) and Poles who assess their own financial situation negatively (50 %).

The abovementioned changes can be detected not only on the national level, but also on the supranational. One of the recent examples is the resolution supporting financial assistance to Ukrainian refugees for their return home following the conclusion of the war, adopted by the Parliamentary Assembly of the Council of Europe on June 27th, 2024.

Based on the analysis of the latest events, some experts have already announced the forthcoming end of a pan-European *Willkommen-skultur*.

In conclusion, the ongoing processes in Poland are of vital importance for Ukraine, facing the threat of losing its citizens and, thus, its future. Therefore, it is imperative, without further delay, to develop a national state policy of repatriation of our refugees.

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Скороход А. А.

Економіка та політика надання українським біженцям війни притулку в Польщі

Після повномасштабного вторгнення Росії в Україну Європейський Союз ініціював Директиву про тимчасовий захист, забезпечуючи біженців війни негайним доступом до основних прав у всіх державах-членах. Відповідно до Директиви Польща внесла зміни до національного законодавства та надала нашим біженцям притулок і негайний доступ до місцевого ринку праці. Відтоді протягом майже трьох років у Польщі перебуває близько мільйона українських біженців (переважно жінок і дітей). Відповідно до статті 4 Директиви тривалість тимчасового захисту не може перевищувати трьох років. Це означає, що дія чинного режиму буде припинена 4 березня 2025 року.

З метою створення базису для прогнозування подальшої еволюції українсько-польських відносин загалом, і у сфері проблеми біженців зокрема, ця стаття сфокусована на аналізі витрат і виграшу від прийому біженців у Польщі. З урахуванням поставленої мети дослідження ґрунтується на міждисциплінарному підході, що поєднує аналіз законодавчої бази та збір даних із політичним та економічним аналізом. Стаття структурована таким чином: після короткого огляду останніх публікацій з теоретичних аспектів проблеми біженців та практичних питань розміщення українських біженців у Польщі досліджується правовий режим перебування наших громадян у Польщі. У наступному розділі подано характеристику українських біженців війни, що передуює аналізу витрат польської влади на надання притулку. Останній розділ пропонує аналіз витрат і виграшу від прийому біженців (мігрантів) у різних країнах. Насамкінець, автор згадує зміни в ставленні Польщі до українських біженців на третьому році війни й наголошує на необхідності терміново розробити державну політику репатріації українських біженців, оскільки Україна ризикує втратити своїх громадян і, відповідно, своє майбутнє.

Ключові слова: Україна, Польща, біженці війни, аналіз витрат і вигод, Директива про тимчасовий захист, ринок праці

UDC 37.014.5:[37.07:005.95]

JEL Classification A21, Q01

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Theory of Sustainable Change in Education: Leadership Perspectives

A variety of change models are used in business and education, yet there seems to be a gap in models constructed specifically to attend to the nuances of educational change. This study investigated change in the K-12 education system. Data were collected from 12 participants who were in leadership positions for at least 5 years. Three themes (and 10 subthemes) emerged: fostering a culture of trusting relationships, barriers to educational change, and common ground for sustainable change. The data led to the development of the theory of sustainable change in education: leadership perspectives. This article aims to provide an overview of the theory.

Keywords: educational change, leadership, leadership theory, resistance to change

DOI 10.37659/2663-5070-2024-13-67-82

Introduction

A variety of sources have noted the resistance to change in schools; yet those sources also indicate a need for change in a system that notoriously rejects it [1–5]. While there are many models available relating to change, they do not attend to the specificities involved in educational change. This study sought to develop an understanding of sustainable change focused solely on education, as “No model yet exists that is scalable and replicable” [6, p. 46]. The research question for this constructivist grounded theory [7] study is; How can K-12 schools engage in sustainable change?

Resistance to Educational Change

K-12 education's reluctance to change has been an ongoing problem in the United States [1]. For over one hundred years, the American educational system has relied on traditional practices, born of a generation where students were prepared for working in a factory [4]. Although the needs of the workforce have changed, educational practices have remained quite stagnant, with many stakeholders portraying an aversion to change and seemingly content with past practices. It is not for lack of trying to make modifications to the system; education has certainly seen its share of change initiatives. Unfortunately,

it seems many of the attempts for educational change have often been met with great resistance, ultimately causing them to fail [2; 4; 5; 8; 9].

According to Meyer-Looze et al., vast research posits “school communities must change their structures and their policies and practices to adequately prepare all students to succeed in postsecondary education and careers” [3, p. 180]. Dolph [8] suggests there is a current heightened concern and desire for educational reform in the United States that has never been so intense. This identified need increases the urgency of understanding how to implement transformational, sustainable change, and one that needs to be solved to meet the needs of the evolving system.

Herein lies the problem; finding a way to implement change in a system that is resistant to it. Reinventing schools “requires reform to be implemented over time and managed strategically to evaluate the strengths and weaknesses of a given comprehensive school improvement plan” [10, p. 41]. Principals, the direct leaders of schools, have a responsibility to discover how to navigate the resistance and successfully implement sustainable change [8]. Unfortunately, “System reforms pose particular challenges because of their complexity, the complexity of existing systems that they are integrated into, and the dynamics with the local policy context” [11, p. 19]. As a possible solution to the problem, Meyer-Looze et al. [3] posits that schools should rely on a change model to improve practices and outcomes.

The Need for Change in Education

21st Century Learning

When looking at the history of education in the U.S., there is much contention [2], and for good reason. Teachers and students alike, are bored and unsatisfied with the current system of education [2]. The current “dominant form of education today is ‘one size fits all’” [12, p.1189], and students are underprepared for the workforce they are going into [8]. Instead, the workforce is calling for education to develop skills that prepare students for a variety of 21st Century career opportunities.

Robles identified ten skills business executives recognize as needed in today’s workforce: integrity, communication, courtesy, responsibili-

ty, social skills, positive attitude, professionalism, flexibility, teamwork, and work ethic [13]. Sarlin et al. notes critical thinking, communication, creativity, and collaborative problem solving as necessary workforce skills [14]. While some of these skills are evident in a traditional classroom, not all of them are a priority. The system is in need of change in order to focus on the skills students should be learning to become productive members of society. While this expectation might be daunting, a learning organization has to learn how to become great at what it does [4]. In order to be great, transformational changes are likely needed.

Failing Schools

Kutash et al. states, “The severe impact of school failure on students and on the nation is well documented” [6, p. 10]. The United States has attempted to implement multiple reform efforts in the hopes of improving schools, including the No Child Left Behind Act in 2001. “Since 2009, an estimated \$8.5 billion dollars in federal funds have been allotted for initiatives to address school improvement” [15, p. 42]. More recently, the School Improvement Grants was an effort to attend to the Obama administration’s plan to turn over 5,000 of the poorest performing schools.

The School Turnaround Field Guide [6] produced one example of failed change efforts. In the guide, turnaround was defined as a “dramatic and comprehensive intervention in a low-performing school that: a) produces significant gains in achievement within two years; and b) readies the school for the longer process of transformation into a high-performance organization” [6, p. 4]. The turnaround process was described as, “Replace the principal, take steps to increase teacher and school leader effectiveness, institute comprehensive instructional reforms, increase learning time, create community-oriented schools, and provide operational flexibility and sustained support” [6, p. 5]. Unfortunately, the concept of “turnaround” did not produce the anticipated success for the deficits in education [15]. While this is just one example of failed change efforts, there are many more; therefore, the U.S. continues to seek ways in which schools might sustainably transform.

COVID

The year 2020 challenged schools' abilities to rapidly implement change. With the world unexpectedly closing down due to the COVID-19 pandemic, schools needed to make immediate adjustments to continue providing students' support. In an educational culture with a general aversion to change, this was perhaps the ultimate challenge. Some schools met the obstacle by allowing students to take home computers or packets of worksheets, and others just shut down unclear of what direction to go. The larger the district, the more difficult the task seemed.

Adding to the numerous difficulties facing education, Kuhfeld et al. warns the time lost due to the pandemic "will almost certainly affect student achievement, and that impact is hard to estimate given all the unique aspects of COVID-19 on schooling and society" [16, p. 549]. While we might not adequately predict the long-term effects the pandemic had on student learning, we can make the assumption that students suffered at least a year of significant learning barriers.

Administrators and Change

The need for change in education is evident; the task at hand is moving organizations that are averse to change. According to Kotter [17], when an organization is resistant to change, and leaders are not aware of how to implement change, the results are detrimental to the organization. This calls for a careful approach to change. Wong [11] notes, principals play an integral part in the change process and are responsible for making changes to their own practices when planning change. Additionally, superintendents, teacher leaders, and other educational leaders, with or without titles, carry the same responsibility.

Kotter states, "Leadership defines what the future should look like, aligns people with that

vision, and inspires them to make it happen despite the obstacles" [17, p. 25]. With this responsibility, educational leaders should be cognizant of how they can affect change through their strategies and methods of implementation [9; 18]. "The call to improve education requires educational leaders to transform schools into learning organizations that produce high-level results for all children" [1, p. 33]. Burke [19] notes that it only takes a few individuals to spread change; in schools, the principal will most likely be one of them. This study, therefore, focused on the perspectives of school leaders in order to better understand change in education.

Theoretical Framework

Burke-Litwin Causal Model of Organizational Performance and Change

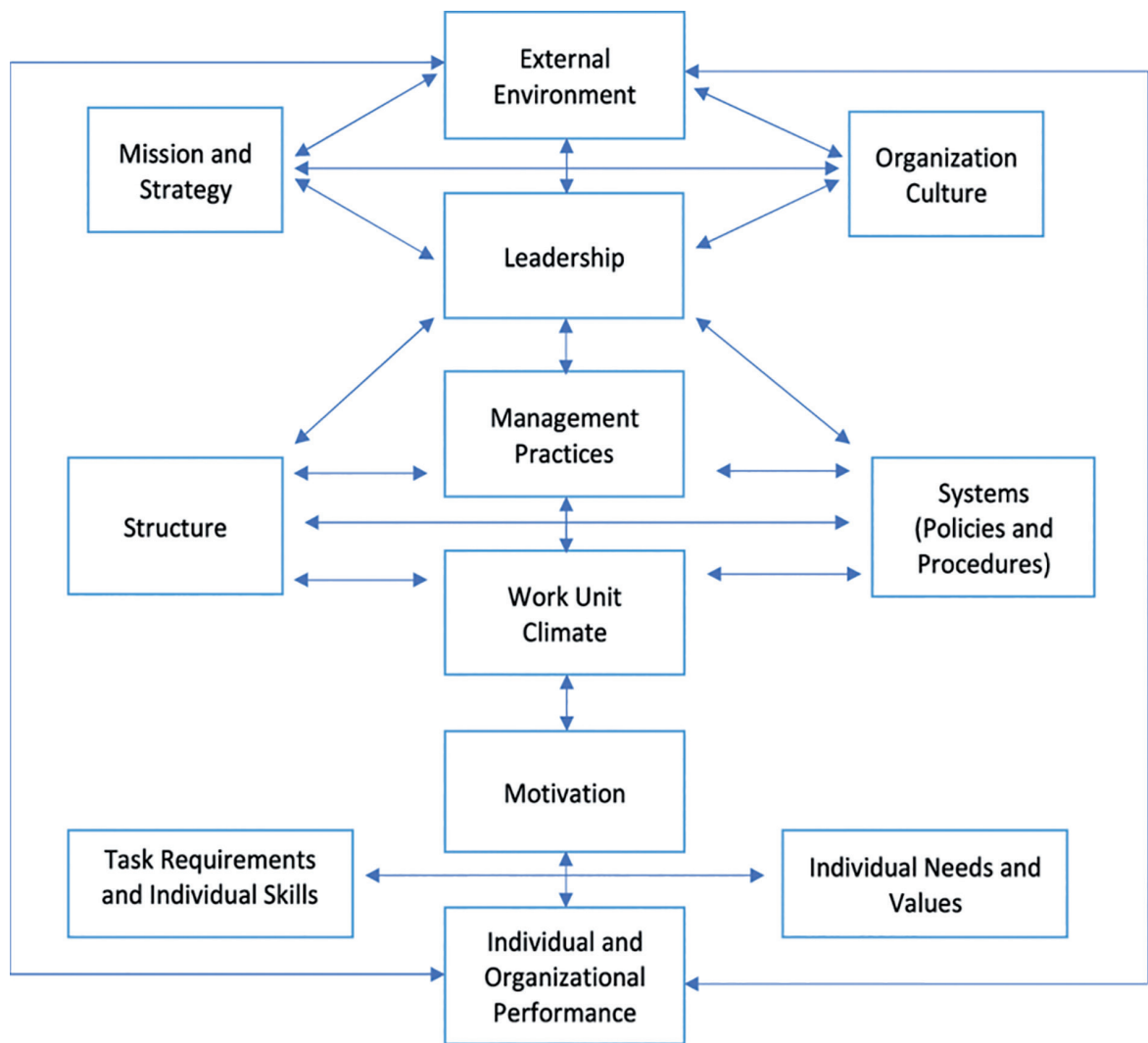
The Burke-Litwin model [19] is considered a "complex" depiction of organizational change [20, p. 324]. The complexities are understandable given the multifaceted nature of organizational change. The model (Figure 1) identifies both transactional and transformational components of change, recognizing transactional change is closely related to management; whereas, transformational change aligns with leadership. The relationships between both transactional and transformational factors are shown as they interact to evoke change. "Furthermore, the model portrays the primary variables or subsystems which predict and explain performance in an organization, and how those subsystems affect change" [20, p. 324].

While Figure 1 depicts the model as a whole, Table 1 outlines the components that Burke [19] identifies as transactional and transformational factors.

The Burke-Litwin model [19] is appropriate for many organizations and serves as a strong foundation for organizational performance and change. While the Burke-Litwin model identifies

Table 1. Burke-Litwin Model Transactional & Transformational Components

Transactional	Transformational
• Structure • Work Unit Climate • Systems (Policies and Procedures) • Task Requirements & Individual Skills/Abilities • Individual Needs & Values • Individual & Organizational Performance	• External Environment • Mission and Strategy • Organization Culture • Individual & Organizational Performance



■ Fig. 1. Burke-Litwin Causal Model of Organizational Performance and Change
Note. From [21]. CC BY-NC-ND.

factors that are evident in education, this study seeks to identify the innately unique factors, and relationships between factors, that should be considered for sustainable change to occur in educational settings.

Methodology

Constructivist Grounded Theory

Charmaz's [7] constructivist grounded theory provided the structure to further investigate the concept of change in education. The methodology is representative of a qualitative research design where the researcher uses participant data to create a theory of a concept [22]. In this case, the researcher relied on educational leaders' experiences to generate a theory to explain

the process of change in education. Charmaz presents grounded theory from a constructivist point of view. "We *construct* our grounded theories through our past and present involvements and interactions with people, perspectives, and research practices" [7, p. 17].

The primary researcher in this study has twenty-three years of experience in a variety of educational roles, including K-8 public, private, and Christian. The secondary researcher has served on K-12 school boards for Christian and public institutions. The researcher has experienced and played an integral role in several change initiatives in schools, some that were sustainable and others that did not last. The data, coupled with this perspective, assisted with the construction of an understanding of the change process in K-12 schools. Charmaz's belief indicates that if "we start with the assumption

that social reality is multiple, processual, and constructed, then we must take the researcher’s position, privileges, perspective, and interactions into account as an inherent part of the research reality. It, too, is a construction” [7, p. 13]. Therefore, the participants’ voices provided data to inform theory development, while the researcher used her previous experiences to make sense of the data.

Participants

Participants were recruited through convenience and snowball sampling and were required to have at least five years in K-12 school leadership. The pool of participants included principals, superintendents, and consultants who served in a number of different grade bands, including elementary, middle, and high school. Participants also emerged from a number of different educational environments, including public, private, charter, and international schools. Participants expressed the need for change in education and

were willing leaders of educational change. Although saturation [22] was reached with nine participants, a total of 12 school leaders were interviewed. Table 2 provides an overview of the participants.

Data Collection

Charmaz recommends the use of intensive interviews in grounded theory, because both are “open-ended yet directed, shaped yet emergent, and paced yet unrestricted” [7, p. 85]. Semi-structured interviews, of approximately one hour in length, allowed the researcher to ask open-ended questions and collect in-depth data [7]. With this in mind, the researcher identified the primary interview questions as:

- 1. Could you describe your experiences with change in education?
- 2. How is change in education unique?
- 3. What are your experiences with change initiatives that lasted?

Table 2. Study Participants

Participant Number	Professional Experiences	Location(s)	Gender
1	• 5 Years Classroom • 17 Years Administration	USA — Midwest	Male
2	• 11 Years Classroom • 8 Years Administration	USA — Midwest	Female
3	• 12 Years Classroom • 13 Years Administration	USA — South West	Male
4	• 6 Years Classroom • 15 Years Administration	USA — West Coast Overseas — Asia	Male
5	• 7 Years Classroom • 9 Years Administration	USA — West Coast	Male
6	• 15 Years Classroom • 10 Years Administration	USA — West Coast, South West Overseas — Asia	Male
7	• 11 Years Classroom • 10 Years Administration	USA — South West, East Coast Overseas — Sweden, Finland	Female
8	• 10 Years Classroom • 7 Years Administration	USA — West Coast Overseas — Asia	Female
9	• 5 Years Classroom • 12 Years Administration	USA — South	Female
10	• 6 Years Classroom • 14 Years Administration	USA — West Coast	Male
11	• 4 Years Classroom • 16 Years Administration	USA — South	Male
12	• 12 Years Classroom • 8 Years Administration	USA — Midwest	Male

4. What are your experiences with change initiatives that failed to last?

To construct theory, Charmaz [7] identifies 4 concepts that shape data collection: 1) theoretical plausibility, which occurs as themes begin to emerge, 2) theoretical direction, as patterns occur and provide insight as to whether some questions are irrelevant or new questions need to be asked, 3) theoretical centrality, where categories emerge, and 4) theoretical adequacy, where interview questions help to assess the categories for accuracy. Each of these “concerns” [7, p. 87] can identify areas that need more information, and areas that are irrelevant to the theory development. In other words, in constructivist grounded theory, the interview questions start out broad and become more focused as the theory develops. The researcher used open-ended questions as a basis for initial interviews and continued to develop more concentrated questions to fill in theoretical gaps throughout the research.

Data Analysis

Following data collection, interviews were transcribed using Zoom and reviewed for accuracy prior to analyzing the data. After each transcription review, the researcher coded the data. Researchers use coding to “define what is happening in the data and begin to grapple with what it means” [7, p. 113]. In this study, coding started with the first interview. The process began with initial coding, where each line was coded, followed by focused coding, then identifying themes [7; 22; 23]. The constant-comparative method of data analysis was used, so that as the researcher collected interview data, analysis also took place [22] allowing the researcher to determine if there were gaps in understanding that needed further investigation [7].

Throughout data collection and analysis, the researcher used memoing to note the researcher’s thoughts in relation to the data [7; 24; 25]. The researcher continued to develop the theory via theoretical sampling to pursue additional data to fill in any gaps in the theory [7; 22]. As new categories were identified, the researcher continued to move forward with analyzing until each category was theoretically saturated [25].

Reliability

Throughout the data analysis, verification was used to “process with continual checks on the credibility, plausibility, and trustworthiness of the findings” [24, p. 285]. A focus group session (external audit), peer debriefing, and member checking provided validity for the study [22; 26; 27].

Limitations

Participants spoke of their experiences from their perspectives. The researcher relied on participants’ honesty and memories for accurate data. Additionally, the theory was developed from the leadership perspectives, which negated other stakeholder perspectives.

Results

Data analysis elicited three main themes that emerged from the data, as well as a total of 10 subthemes, as shown in Table 3.

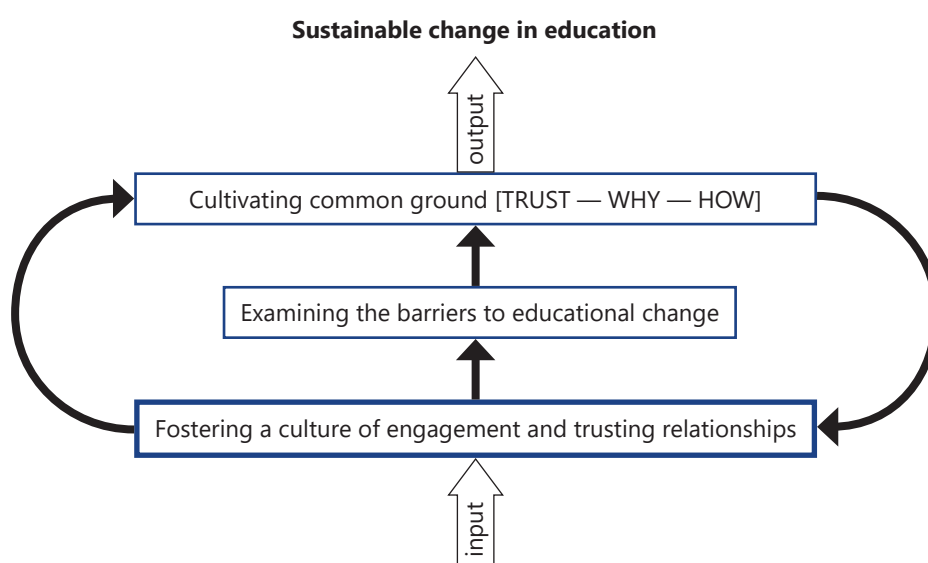
Theory

While the discovery of themes and subthemes is one component to a grounded theory study, the additional goal is to consider possible theories that might be developed. In analyzing the data in this study, a theory was developed to synthesize the research findings. The Theory of Sustainable Change in Education: Leadership Perspectives, states, fostering a culture of engagement and trusting relationships is the foundation for examining the barriers to educational change and cultivating common ground in preparation for sustainable change in education. Figure 2 presents a model of the theory to depict the interaction of the theory’s themes and subthemes.

Theme 1: Fostering a culture of engagement and trusting relationships. Participants identified fostering a culture of engagement and trusting relationships as the foundation for change in education. This theme radiates through everything the organization does, and should be continually cultivated. Participant 12 stated, “it has to start with a culture of trust and the ability for people to truly be willing to take risks and have that support if they don’t have immediate success.”

Table 3. Theory of Sustainable Change in Education: Leadership Perspectives, Themes & Subthemes

Theory of Sustainable Change in Education: Leadership Perspectives, Themes & Subthemes	
Themes	Subthemes
Fostering a Culture of Engagement & Trusting Relationships	• Continuous Conversations • Developing Trust • Building & Nurturing Relationships • All Around Support
Barriers to Education	• Stakeholders • Time • Metrics, Funding, Policy
Common Ground for Sustainable Change	• Trust • Why • How

**Fig. 2.** Theory of Sustainable Change in Education: Leadership Perspectives Model

Participants acknowledged that in order for change to occur, all educational stakeholders should build and nurture relationships through continuous conversations. Participant 6 stated, “you start with the teachers and you build their trust and their knowledge, and then you have to make them the change agents; you can’t necessarily just force it on them.” Through continuous conversations, leaders should develop trust with stakeholders, so individuals can feel confident their best interests are taken into consideration. Participant 12 recognized,

the culture of trust extends beyond just the actual school people; it goes to the stakeholders. We have to have a community, leaders who are willing to stand up to the naysayers and say, no, this is what we’re doing, this

is why we’re doing it, and you need to come with us...to me, that’s where it would really start is having people willing to make those changes in a safe environment.

This trusting relationship should be nurtured and supported from peers, parents, leaders, and community members. Participant 2 stated, because once you have those relationships, now that you know me, as a person, and I know you, as a person, you don’t get offend...we can truly have a conversation based off of what we see, because you trust that I’m coming to you in a way that’s really let’s figure this out.

Although this is the foundation for change, the expectation is that relationships are perpetually attended to in order to build a culture that

is ready for change to occur. Participants 8 and 1 noted the importance of valuing the team you expect to engage in change.

Participant 2 mentioned the concept of “hero chats,” a tactic the participant used in communicating with faculty and staff. Time was set aside for each employee to speak with Participant 2, as their leader, and provided times for employees to discuss successes, concerns, and anything else that was on their minds. Likewise, Participants 4 and 10 discussed meetings that allowed for continuous conversations providing support from above and below. Participant 8 mentioned the importance of asking questions and learning more about what was happening in classrooms.

Even in times of conflict and disagreement, communication is paramount. According to Participant 11, “there is an element of being comfortable with leaving a room when not everybody always agrees on everything” and “finding ways to understand the disagreement and move forward.” Through this process, Participant 3 mentioned, “they learn to trust and understand the way I work.” While speaking can be a valuable piece of communication, listening was recognized as an imperative component of communication. Leaders recognized listening as something that can help leaders learn how to support those who engage in change. Participant 8 discussed the importance of listening to parents, while Participant 2 recognized the value in letting teachers’ voices be heard through restorative circles in weekly staff meetings.

Sometimes communication leads to employees recognizing they are no longer a good fit. Several participants (2, 3, 6, 10) noted that in building relationships they found there were employees who needed to be let go. The participants noted their efforts, as leaders, to support, encourage, teach, and provide professional development to struggling employees, only to find that there was little to no growth. The leaders continued to have open, honest communication with the employees and eventually felt it was evident those teachers needed to move on to different employment. Participant 2 stated, “there were people that I did everything I could do to support them, some people are just not meant to do that [teach]... I had to do what I needed to do to help those people to find a profession that was better for them”.

Theme 2: Examining the barriers to educational change. As relationships are built and continuously nurtured, the educational community should note and attend to the barriers to educational change. Participants identified three main barriers: (1) stakeholders, (2) time, and (3) metrics, funding, and policy. While participants took note of these barriers, they recognized that being aware of these barriers can help to inform how to work through them to engage in the change process.

Stakeholders. Perhaps the largest, most significantly discussed barrier participants identified were the stakeholders, from educators to parents and students, to the larger community and politicians, and even textbook companies. Participant 5, 6, 8, and 12 noted how individual’s personal experiences with school tend to shape their opinions of current education topics, which can cause problems. Participant 7 stated, “unless we educate the parents, we’re putting ourselves in a spot where we’re educating kids and they’re going home and teaching their parents, but we still have this gap.”

Teachers were the stakeholders recognized as presenting a substantial barrier for a variety of reasons. Participants 2 and 10 noted the fear behind change, which can lead to resistance. Participant 5 recognized, “if we look at the role of the teacher 25 years ago versus now, I think one of the biggest distinctives you’ll see is that we bolted on a thousand new responsibilities while we’ve tried to hold on to what this old role is supposed to be.” Participant 4 stated,

people have assembled themselves around their tribe, and if you’re in my tribe, you’re in my tribe, and if you’re not, you’re not. So we’ve politicized things so anytime any topic comes up, the first thing that has to pass is okay, whose agenda is this? Whose political thing is this? Do I agree or disagree?

Participant 6 noted that teachers are averse to change, yet Participant 8 noted teachers having change fatigue.

Participant 10 noted the times in which it is important to take note of teacher’s resistance; “if a change is coming down and they [teachers] don’t think it’ll be good for students, they’re going to speak up and they’re going to fight it.” On the other hand, Participant 2 recognized individuals whose resistance to change was hindering positive organizational outcomes.

Stakeholders that create barriers to change also included public office and government. Participant 7 warned education, “has become such a huge mass of conglomerates of companies... all the fingers that are working in education right now, and you think, we can’t rock the cart, we can’t make waves here.” Participant 5 stated,

Government has taken on the primary role of educating our people, and so they’ve sort of drawn in the expertise...and slowly over time taken away from parents. So parents, in general, again, speaking in general, don’t have a clear sense of what it takes to educate a child anymore.

Participant 9 agreed, stating, “there’s a lot of people that want their hands in education. It seems like no matter what the office they had, there’s some reason why they need to have their thumb on education.” The overwhelming number of stakeholders were recognized by all participants as creating a great hinderance to educational change efforts; therefore, highlighting the importance of gaining stakeholder support.

Time. Participants 2, 6, and 10 identified time as the biggest barrier to change in education. Some participants indicated how long changes take, while others indicated the slow speed of change in education. Participant 6 described change as “baby steps.” Participant 2 noted it took four years of building relationships, seeing where changes were needed, and implementing change to see sustainable changes. Participants 3 and 5 discussed the challenges of the nine-month school calendar as a challenge, creating an urgency that was often a barrier. Participant 12 noted that the lag time caused people to revert to what has been done in the past because they don’t see the change working quickly enough.

While change was described as slow, it was also discussed as rushing change too quickly. Participants 8 and 9 noted that teachers need time to explore and implement changes to do it right. When change was implemented too quickly, teachers often became angry (P. 3). Participant 9 said, “the pendulum swings so quickly in education, we get somebody new in office and boom, we want it implemented.” Participant 8 stated, “deep change, you know things have to have time to take root. You can’t really rush that process.” Change requires time, yet time is something that is in high demand during the

school year, often causing change to take a back seat to other priorities.

Metrics, Funding, and Policy. Participants found it challenging to obtain clear measuring tools as a means for identifying the need for change in education or the effectiveness of implemented changes. Funding was an additional problem noted by participants, particularly due to being at the mercy of governmental decisions. Also noted were the policies, which were seemingly beyond school leaders’ control.

Multiple Participants explained how difficult it was to obtain clear data that informed what changes might need to take place and described the lag time education is faced with (P. 11). Participants 6 and 9 identified the difficulty in clear, strong metrics in education as compared to what businesses typically use. They described the ease in which business obtain data and react to it, whereas the data collected in schools was not clear enough to make decisions.

Participants also described funding and policy as barriers. Participants described spending billions of dollars on mandates made by people who have not recently been in classrooms. Participant 6 stated,

You’ve got to figure out who holds the purse strings and convince them to spend on something different or to stop spending on something that isn’t working anymore, which is very, very difficult in schools; the finances are closely guarded and rarely change very much.

Participant 7 indicated that education is not valued; therefore, not adequately funded. Also expressed was how government determines funding, which does not promote innovation or improvement (P. 5).

Participants also discussed how policy influenced change, or the lack of change, in education. They described having to quickly implement mandated changes that were out of their control and noted that many leaders don’t have the stamina to argue mandated changes (P. 9, 10, 12). Participant 4 described superintendents as “getting pushed at every level on every topic in every imaginable way, and then some that you couldn’t even imagine.” The barriers were noted by each participant and were factors that all leaders considered when implementing change.

Theme 3: Common ground for sustainable change. The third theme identified in this research study distinguishes what it looks like to

put change into action. Common ground for sustainable change means having the foundation of trust in place, communicating why the change is needed and how the change will be implemented. Participant 8 called change “a we process, not just an I process.” Common ground for sustainable change means taking steps toward change as a collaborative, cohesive organization.

Trust. Trust was identified as the starting point for implementing change. With trust in place, people who are asked to implement change feel confident they are being led in the best interest of the organization. Participant 10 said, “if I want to do something new, there’s already an established trust there that people would go along with it and at least be open to it.” The trusting culture allows for open communication to support change efforts.

Building trust can mean encouraging autonomy and watching people grow through the process (P. 4, P. 8). Trust also provides room for failure and learning to occur in the change process. Participant 3 encouraged teachers to “just try your stuff and fail... you’re not damaging the kids, right, if you try a lesson, and it doesn’t work, that’s okay. Keep trying.” While change might be possible without trust, it is likely that change will be much easier and more sustainable with trust in place.

Why. The subtheme why means communicating the need for change. Participant 4 stated, “you really have to intellectually help people see why this change is needed,” and continued, “But you need to be able to provide those answers to them and not make them feel stupid for having a point of view that may or may not be different than yours.” Participant 8 said,

because education is involving human beings there is never 100% certainty, and so there will always be that voice of, is this the right thing...why do I need to change? So, I think being able to say why...and to be able to show people and not just tell people.

Participant 8 recognized the importance of explaining changes to parents and listening to their feedback to understand different perspectives. Participant 11 recommended sitting down and listening and empathizing with those who the change might affect. Communicating can help those involved to collaborate for a common purpose (P. 2).

While metrics were seen as a barrier to change, the need to discover clear data points to support

change was evident. Participants recommended using data to show the need for growth, setting goals, and always staying true to the organizational purpose and vision. This allows stakeholders to see there is validity to change. Participant 9 recognized that data is not shared often enough, especially beyond the scope of leadership, and recommended putting the data in the hands of all stakeholders to build trust.

Participant 1 identified multiple qualitative (coaching perspectives) and quantitative (testing) data points that were continuously monitored while engaging in changes to the district’s math program, recognizing how the data points supported the need for change. Participant 2 noted,

I started off with data. I didn’t come in talking about what I think or what I feel, it was truthfully, here’s what our data is showing...it took away my judgment...we’re looking at what it is. We can’t argue with what our academic scores are looking like.

Participant 3 even used external data to identify a need for a pilot program in the high school; “I read this fact that we’re going to be hundreds of thousands of pilots short.” Using data, the school obtained funding to offer a flight program for high school students.

Participants recognized the value in having a clear, unified vision when engaging in change. Participant 3 stated,

You have to have a vision in your brain or you have to have somebody else who has a vision that you subscribe to, and then you need to invite people consistently into that vision...you are led by a vision and that vision is one hundred percent dependent on good people being on board.

Participant 1 recommended talking people through the change indicating the vision and goal. Participant 2 stated, “once all of those pieces started coming together, and we got a school where people, teachers, actually wanted to be there and shared a common vision, then that’s when we started seeing things turn around.”

How. After communicating evidence of the need for change, participants relayed the next steps in implementing change; indicating how it will occur. First, they recognized how systems/structures can help with implementing change by setting clear expectations. Participants 1 and 4 noted that it is necessary to understand in order to achieve the desired outcomes. Participant 12 stated,

start with what is it about your system that says that they're ready for a change or they need to change... why are we making this change? We have to be intentional and have a purpose for this change. What's our intended outcome. And then, we need to backtrack from there and say, okay, if the change is truly needed, what do we have to do to get the system ready for this change?

Participant 8 added the importance of consistently revisiting plans and continuing to progress on plans that have been made. Participant 4 described how reflection supported the change process because it provided the opportunity to look at what was learned and modify plans as needed.

Buy-in was discussed at length, noting that it didn't mean every stakeholder had to agree with the change immediately, but that some needed more time and communication to fully understand the need for change. Change can be challenging because people feel they have lost control, but having a plan to rely on can provide comfort in uncertain circumstances. Participant 11 stated, "sustaining that change is giving voice to those at the center of who we're trying to serve in the first place. And then saying, listen, it hasn't changed who we are." When the barriers became increasingly difficult it was important to encourage perseverance (P. 11). Participant 1 said, "understand there are going to be problems that occur that you couldn't predict... we have to understand how it is we're going to come together to problem solve."

Consistency is another tool that participants identified to try and help change agents know what to expect during the unexpectedness of change. Participants 3 and 4 noted the importance of communicating the vision repeatedly and consistently to all stakeholders. Participant 12 stated, "we have to stick with it. We can't jump to another change. We have to get it firmly embedded and ingrained."

Engaging in change can be intimidating and overwhelming; however, using a structured foundation for change can help ease some of the burdens that emerge in times of change. As education seeks new ways of providing student support and learning, the theory of sustainable change in education can assist educational entities in slowing down to ensure changes are necessary and sustainable.

Discussion

Education is at a dire turning point; yet, navigating changes due to lack of student academic growth and failing schools can be complex. Educational entities should rely on the foundation of a change model to encourage a thriving academic community. The argument might be made that suitable change models already exist; however, the intricacies of education call for a model that is solely focused on educational organizations. The theory of sustainable change in education provides the foundation for lasting educational changes to occur.

Relationship to Previous Theory

While there are factors of the Burke-Litwin model for organizational performance and change evident in this research, the nuances to educational change are accounted for and prevalent in The theory of sustainable change in education (TSCE). Table 4 depicts the alignment of the factors from the TSCE: Leadership Perspectives with the Burke-Litwin (BL) model, noting a considerable gap between the two.

Components of the BL model came up in two of the three categories in TSCE. Culture is present throughout the TSCE model; therefore, cultural components of the BL model aligned with the themes of 1.) Fostering a Culture of Engagement & Trusting Relationships and 3.) Common

Table 4. Alignment of Change Models

TSCE Themes	Burke-Litwin Alignment
Fostering a Culture of Engagement & Trusting Relationships	• Work Unit Climate • Individual Needs & Values • Organization Culture • Individual & Organizational Performance
Barriers to Educational Change	
Common Ground for Sustainable Change	• Structure • Work Unit Climate • Systems (Policies and Procedures) • Task Requirements & Individual Skills/Abilities • Individual & Organizational Performance • External Environment • Mission and Strategy • Individual & Organizational Performance

Ground for Sustainable Change. Culture is a vital component to change. With a strong cultural foundation, organizations can rely on trusting relationships to provide a sense of comfort and confidence for employees when implementing change. Notably missing from the BL model is the communication component found within the TSCE cultural theme. While communication could be assumed within the BL model, participants in this study identified continuous conversations as a theme necessary to support educational change.

The structural elements of change, with attention to organizational missions, are also identified in both models. These elements are vital to identifying why change is necessary and planning for change. TSCE identifies the need for structure in theme 3.) common ground for sustainable change, under the subtheme how.

Barriers to education are, understandably, missing from BL model. This is not to say that there are not barriers considered in the BL model, but that the barriers to education are factors participants relayed as prevalent. In the Burke-Litwin causal model of organizational performance and change [19], the barriers might present themselves in the culture and climate components of the model, such as in the internal and external factors; however, the TSCE accounts for the most prevalent barriers in educational change, making the theme the unique factor in this change model.

While the factors are something to consider when looking at different change models, the arrangement of the factors is yet another topic to consider. Models are built to show relationships between concepts. The BL model shows the relationship between transformational and transactional factors [19]; whereas, the TSCE reflects the need for culture as a constant component of supporting change in education. Additionally, the TSCE depicts working through barriers prior to being able to implement change.

Although there are a variety of available change models that contain similar factors necessary for change implementation, the TSCE has identified those factors which attend to education's unique qualities of change. Additionally, the model highlights how the factors work together to support sustainable change in education, something that has been difficult to obtain in years past. The TSCE can be a foundation for

easing the stress and difficulties associated with change in education and provide support for sustainable change.

Relationship to Practice

The world is ever evolving; yet, for over one hundred years, education has relied on the many of the same, traditional practices. As needs, opportunities, and expectations of businesses and organizations change, education has to adapt as well. Meyer-Looze et al. notes, "Successful schools are able to describe a theory of change, or change model, which drives their school improvement process to close the gaps between their current reality and their desired future state or vision" [3, p. 170]. Holmes & Maiers note,

Schools showing early signs of success from the first year of implementation of a comprehensive school reform plan share several factors in common: collaboration, data, increased skills, increased expectations, changes in beliefs and dispositions, development of meaningful partnership and wraparound services, and increased parent engagement [10, p. 43].

Many of the factors identified by Holmes and Maiers are embedded in the TSCE, which provides foundational support for the educational community to embrace sustainable change.

When utilizing the TSCE model, schools can begin building a cultural foundation where relationships, engagement, and trust are fostered through continuous conversations and support. Meyer-Looze et al. acknowledge "developing a positive culture is an important factor to the success of any initiative" [3, p. 184]. Additionally, Fullan [28] recommends, "if you want to challenge people to change, develop a relationship with them first" [28, p. 64]. Identifying a culture of engagement and trust as the foundation for sustainable change is not profound or new; however, the idea permeates as the heart of educational change.

Hurtienne et al. [29] found that the leader who works most closely with an employee has the most influence on the employee's engagement in the organization; therefore, it is vital for those in leadership positions to support individuals who directly report to them. May and Sanders [15] note that transformational leaders, in particular, promote cultures where staff feel recognized and valued for their contributions.

This supportive culture, grounded in open, honest communication, can foster a sense of camaraderie, resulting in trust and engagement.

The most notable nuance to the TSCE, when compared with other change models, is the identification of barriers to change in education. While barriers cannot be eliminated, they can be considered in preparing for change in an effort to overcome the challenges. Every participant identified stakeholders as a key barrier. The list of stakeholders alone appears to be overwhelming — parents, students, educators, administrators, community members, policy makers, politicians, textbook publishers, etc. When coupled with the vast array of educational experiences stakeholders bring, this barrier can appear incredibly daunting; however, the cultural aspect of the model should permeate through the barriers to overcome the challenges. In other words, when schools create a culture of trust with all stakeholders, even individuals with the most adverse educational experiences should be willing to explore something new.

Starr [5] identified resistance to change as expected and looked at negatively. Changing the narrative could move resistance from something negative to an opportunity for conversations to strengthen change efforts. Additionally, stakeholders should know the why when change is introduced [3]. Continuing to communicate with honesty nurtures those relationships and bolsters a community of support throughout an educational system.

Time is a barrier that can diminish the momentum of educational change; either in going too fast or too slow. Participants indicated the typical 9-month school year also to be accounted for. Is an initiative going to span over multiple years? If so, how will the gap in time affect the change efforts? Will the change occur within the 9 months? If so, does that time-frame appear too short? Will the change be able to resume in the next school year and be sustainable? While time can be a barrier to educational change, recognizing the potential hurdles and planning for them can ease the looming burdens.

Metrics, funding, and policies also play a role in creating barriers to educational change. Metrics don't necessarily provide the best, most accurate data. Measuring student learning is often difficult to rely on for providing substantial data; instead, it is often a snapshot in time. The data

are often lacking, not taking into consideration students not sleeping well, lack of food, and the endless student variables that can happen when testing.

Participants recognized using a variety of qualitative and quantitative data can help ease the difficulties in utilizing metrics. Meyer-Looze et al. identifies additional data points as, "attendance rates, enrollment trends, behavioral data; achievement or outcome data, which should include both standardized as well as classroom assessment data, and perception data" [3, p. 172]. Schools should seek opportunities for collecting a variety of data to accurately monitor progress when change is implemented.

Money can be a barrier in many organizations, so it is not surprising that education experiences roadblocks with funding, as well. Rather than solely relying on tax dollars or tuition money, schools can find unique ways to gain financial support. While schools often indicate they are underfunded, they also can muster community and even business support to supplement funds. This barrier can be easier to navigate if done thoughtfully and creatively. Participants noted the connections they made with other businesses and organizations, along with fundraising and grants, often provided additional financial support for their schools.

Almost every participant noted the barrier of policies, which participants indicated are generally created by individuals who were not well-versed in educational practices. Too often leaders felt they had to implement changes just to adhere to a policy pushed down to them without explanation, research, data, or a reasonable consideration for how it might affect schools. This is perhaps the most challenging barrier to navigate, as it is so deeply imbedded in governmental red-tape. Policy is widely seen as a significant cause of resistance in educational change due to the high-stakes and fast-moving expectations that accompany policy [5]. While participants did not have a strong means of solutions for this barrier, they did note the importance of having open, honest conversations with stakeholders to communicate where changes were coming from. Identifying the reasons for change were helpful in continuing to foster relationships and trust.

The final component of the change model is common ground for sustainable change, which identifies the steps for implementing

change. Holmes & Maiers note, “The implementation stage is the most difficult of all, and it is the stage where a majority of serious improvement efforts fail” [10, p. 41]; therefore, it is vital to develop trust and explain the why and how change will be implemented. Using the trust that has been developed and continuous conversations, schools can work on getting individuals and groups to buy-in to the idea that change is necessary. “Emotions and ideas are contagious” [28, p. 89], for better or for worse. When buy-in is present, the change can be smoother, but where there is strong resistance, it often comes as a group mentality.

Leaders have to recognize not everyone will be ready at the same time, and there should be continuous attempts to gain support from stakeholders. Starr [5] recognizes that those expected to engage in change efforts are more resistant to change if they are not involved in planning for change; therefore, stakeholders should be encouraged to collaborate to evoke change [3]. Stakeholders should have the opportunity and access to research as change is planned [3], which will allow them to discover best practices and contribute to the change efforts. Working as a team across many disciplines encourages looking at change from a variety of perspectives and continues efforts to foster relationships. With the trusting culture in place and careful attention to barriers, the common ground for sustainable change can be laid.

From trust, organizations move to defining why change is necessary; a step identified as necessary for sustainable change [3]. Schools can explain why using quantitative and qualitative data to identify areas for growth that align with organizational goals, purposes, and visions. Earlier, the metrics of data were acknowledged as a barrier to change; yet, here, it is necessary for identifying the need for change. This is why it is vital to recognize the barrier metrics can present, and work through how to break down the barrier. The why should also connect to the mission and vision of the organization, so the purpose supports who the organization is, being that “Shared vision fosters risk taking and experimentation” [30, p. 195].

Organizations can then move into how change is implemented. Schools can rely upon organizational systems and structures so those who engage in change have some guidelines. Participant

4 also recognized the importance of “really stopping and looking and saying, does your system allow for this level of change to happen?” When systems seem out of sync with the intended change, they may have to be modified or even eliminated to pave a clearer path for change.

Change often constitutes new learning, which requires time to consider what worked and what didn’t. With a plan in place, training is vital for employees to fully understand what is expected in the change. Too often, organizations fail to implement training that supports the learning needed for change to occur, or trainings are only provided for a limited time that doesn’t thoroughly develop employee’s understanding. “Training is, indeed, capable of helping organizational members learn and develop, but training targeted at supporting and enhancing organization change can have considerable payoff” [31, p. 374]. Leaders need to ensure training is done intentionally and regularly to reach the goal of sustainable change.

Along with training comes reflecting, which also requires time. Employees need time to process what they are learning and the changes that are happening so adjustments to change efforts can be made. Participants recognized the value that came in collaboratively considering the road to change and modifying the plans or celebrating the successes. Reflecting on change efforts is vital for learning from the past and moving forward with change implementation. As change is implemented, it should continue with consistency, where people are aware of what to expect. Leaders also need to communicate any detours and why they are necessary.

Throughout change, leaders can encourage perseverance. As Fullan states, “when you are on a crucial mission, stay the course against all odds” [28, p. 30]. There will inevitably be challenges and barriers throughout the change process, but if the change is truly needed, the organization has to come together to work through the difficulties to reach sustainable change.

Conclusion

Change in education can be complicated, time consuming, and overwhelming. According to Participant 1, “change is a term that can frighten people. And sometimes, if not frighten, put people off in a way that it’s difficult to capture their

hearts.” The complexities of the TSCE depict how challenging sustainable change can be. When schools recognize the commitment required for change to occur, conceivably, there will be greater consideration for whether a change is warranted. If a change is not worth the commitment needed to engage in the theory of sustainable change in education, then perhaps the change is not necessary for reaching organizational goals.

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Теорія сталих змін в освіті: Перспектива лідерства

У бізнесі та освіті використовуються різноманітні моделі змін, однак, очевидно, в існуючих моделях існує прогалина, призначена саме для нюансів освітніх змін. Автори досліджують причини, з яких більшість змін у шкільній освіті США (K-12) не призводять до бажаних результатів, і акцентують на необхідності трансформаційного лідерства для впровадження довготривалих змін у сфері освіти. Спираючись на конструктивістську обґрунтовану теорію та модель Берка-Літвіна, яка дозволяє окреслити взаємодію між управлінськими та лідерськими факторами змін в унікальному контексті шкільної освіти, автори приділяють основну увагу ролі керівників шкіл як ключових агентів змін у подоланні опору та побудові системи, здатної до навчання й адаптації.

Методика дослідження передбачала вивчення процесів змін в освіті через призму досвіду шкільного керівництва. Дані були отримані від 12 учасників, які обіймали керівні посади у школах різних типів впродовж щонайменше 5 років. Було виділено три ключові теми та десять підтем, які лягли в основу запропонованої авторами теоретичної моделі сталих змін. Перша тема — формування культури довірливих стосунків. Учасники наголосили, що довірливе середовище та підтримка є передумовою для будь-яких трансформацій, а це вимагає постійного діалогу й побудови взаємин. Друга тема — аналіз бар'єрів на шляху освітніх змін, як-от: опір з боку стейкхолдерів, часові обмеження, неефективні або неузгоджені метрики, недостатнє фінансування та надмірне регулювання. Третя тема — досягнення спільного бачення, або спільне підґрунтя для сталих змін, — передбачає формування довіри, розуміння причин змін і наявність чіткої мотивації ("чому"), а також створення зрозумілої структури їх впровадження ("як"). Результатом стала концептуалізація теорії, яка описує динамічну взаємодію цих компонентів у процесі освітніх трансформацій з позицій шкільного керівництва — теорії сталих змін в освіті (*Theory of Sustainable Change in Education*, або TSCE).

У висновках наголошено, що впровадження змін в освіті потребує унікального підходу і створення окремої моделі для освітнього середовища, в основі якої лежать побудова довіри, системна комунікація, врахування бар'єрів і залучення всіх учасників освітнього процесу. Модель TSCE пропонує послідовні кроки до сталих змін, інтегруючи дані, спільне бачення та культурні чинники. Вона не лише розширює наявні моделі змін, а й пристосовує їх до реалій освітньої практики, зокрема роль міжособистісних стосунків, часового ресурсу та політичного тиску. Лідери освітніх організацій можуть використовувати TSCE для планування, реалізації та підтримки ефективних і довготривалих змін.

Ключові слова: освітні зміни, лідерство, теорія лідерства, опір змінам

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Business, Economics, Sustainability, Leadership and Innovation

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Ukrainian-American Scientific Journal

Українсько-американський науковий журнал

№ 13/2024

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Дизайн обкладинки: Університет Конкордія, Інк. (США)

Cover design: Concordia University, Inc. (USA)

Редактор С. І. Мазур

Комп'ютерна верстка О. С. Парфенюк

Підписано до друку 23.12.2024. Формат 60×84/8. Папір офсетний.

Гарнітура Segoe UI. Друк офсетний. Ум. друк. арк. 8,87.

Наклад 200 прим. Зам. № 2521.

ПП «Нова Книга»,

21029, м. Вінниця, вул. М. Ващука, 20.

Свідоцтво про внесення суб'єкта видавничої справи до Державного реєстру видавців, виготівників і розповсюджувачів видавничої продукції

ДК № 2646 від 11.10.2006 р.

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