

**Europe in the World Economic System**

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**RESILIENCE  
OF THE SOCIO-ECONOMIC SYSTEM:  
STRATEGY AND TACTICS FOR MINIMIZING  
INEQUALITIES IN UKRAINIAN SOCIETY**

**Abstract**

The article is devoted to identifying the directions of state policy aimed at ensuring social sustainability and the challenges associated with the growing

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processes of inequality in the context of war. The authors revealed the substantive components of the concept of social sustainability, which is a systemic synergistic characteristic of adaptability, stress resistance, and flexibility of the social and labor sphere. The comparative analysis allowed to confirm the deepening of inequality processes in Ukrainian society in the context of a prolonged war and to prove that the solution to the problem of inequality lies in ensuring the social stability of the labor market, eliminating discrimination, and preventing exclusion from the labor market. The generalized threats to social sustainability allowed the authors to substantiate the institutional direction of ensuring the social sustainability of Ukrainian society, which includes the post-war renewal of the social contract based on the basic principles of social justice, cohesion, complementarity, social quality and inclusiveness.

### **Key Words:**

adaptability, flexibility, inequality, policy of social quality, social resilience, societal resilience, social sustainability, stress resistance.

**JEL:** J18, D63, D69, I30.

3 figures, 1 formula, 3 tables, 50 references.

### **Problem Statement**

The rise of global risks and hybrid threats significantly increases the urgency of applying the conceptual management approach of resilience, which involves ensuring the ability of the socio-economic system to maintain functionality and recover from shocks caused by various factors (Heyets et al., 2023). Since 2020, the European Commission has defined resilience as a «new compass for EU policies,» which in turn requires Ukraine, as a candidate country for EU membership, to adapt modern approaches accordingly. In the case of Ukraine, the discourse on the social resilience of the national economy has become extremely relevant (Grytsenko et al., 2024), with its development being determined by hu-

man and social capital and encompassing areas such as demography, education, health, social protection, employment, income, institutional development, and others. Social resilience is an important factor that contributes to the achievement of Ukraine's Sustainable Development Goals for the period up to 2030, one of which is to minimize inequalities in society. For this reason, it is necessary to find effective tools to ensure social resilience with regard to the minimization of inequalities in society.

## Literature Review

Inequality as a socio-economic phenomenon is a consequence and manifestation of unequal and limited access to resources. Success in minimizing inequality has a direct impact on social resilience, stability, and harmony in society. Indeed, the proliferation of social risks and increased social tensions in society are largely driven by the violation of the principle of social equality, which leads to excessive differentiation within society along social, economic, political, ethnic, cultural, and other lines.

The problem of inequality and its social consequences have been thoroughly studied and repeatedly addressed in the works of foreign researchers (Wilkinson & Pickett, 2010; Stiglitz, 2016). Thus, the phenomena of inequality and equality are inherent to any country, rich or poor, and among the main institutional actors in the reproduction of economic inequality, both the state and the economic system should be distinguished (Stiglitz, 2015), and it is economic inequality that is mediated by political inequality (Piketty, 2014). Inequality, with its newest manifestations, namely the risks of vulnerability, insecurity, etc., significantly worsens the quality of life and threatens health and life expectancy (Therborn, 2013). This justifies the methodological approach to the assessment of inequalities on the basis of subjective assessments. The feasibility of this approach has been demonstrated in the works of western researchers (Lenski, 1954; Ganzeboom et al., 1992; Sobel et al., 2004; Irwin, 2018). It was only in the early 1990s that the practice of status self-assessments developed in Ukraine, with results presented in the works of Ukrainian researchers Oksamytna (2015), Pribytkova (2006), Cherenko (2013), Libanova (2014), and Novikov (2013). Also noteworthy are studies on the comparative analysis of cross-cultural features of the main forms of social inequality (Haller et al., 2009), their perception and support of stratification orders (Edlund et al., 2017), and the impact of this factor on the development and accumulation of human capital (Novikova et al., 2023). Considering inequality in Ukraine in the context of access to resources and global instability, researchers justify the feasibility of developing a new economic platform for sustainable human development based on solidarity (Slozko/Borzenko & Pidchosa, 2017).

In the European Union, the phenomenon of inequality is considered in four dimensions: economic inequality (income, consumption, savings); social inequality (employment or access to education); political inequality (influence on decision-making); environmental inequality (air or water pollution) and unequal access to natural and ecosystem resources (European Commission, 2024). Studies on the components of social resilience show that key determinants include the accumulated human and social capital, as measured by educational attainment (Fingleton et al., 2012; Martin & Gardiner, 2019), industrial diversification, and strong export capacity combined with low financial constraints (Di Caro & Fratesi, 2018).

Social resilience is defined by the following three dimensions: (1) coping capacities – the ability of social actors to cope with and overcome all types of adversities; (2) adaptive capacities—their ability to learn from past experiences and adapt to future challenges in everyday life; (3) transformation capacities—ability of social actors to create certain institutions that foster individual welfare and sustainable robustness of society to future crises. Given this approach, finding ways to achieve social resilience—especially in terms of ensuring the livelihoods of the poor and marginalized—is a serious challenge for public policy in the vast majority of countries (Keck & Sakdapolrak, 2013).

Societal resilience is viewed as a societal systemic and synergistic phenomenon that characterizes the stress resistance of society as a whole. Experts attribute this phenomenon to the increasing uncertainty, interconnectedness and complexity of the development processes in modern societies, which continue to face repeated and simultaneous shocks and require new adaptive and resilience skills to ensure stability. In this context, societal resilience refers to the ability of a society to withstand shocks, which involves a combination of three components: the coping capacity, the adaptive capacity to learn from adverse experiences for the future, and the transformative capacity to create institutions and implement social measures to build society's resilience to future shocks (AXA Research Fund, 2022).

This approach to resilience is well aligned with the perspective of evolutionary economics, which emphasizes the continuous transformation and adaptation of economies (Reggiani et al., 2002; Simmie & Martin, 2010; Diodato & Weterings, 2015). Thus, the solution to the problem of inequality lies in the implementation of the principle of social resilience within the national economy, understood as the ability to withstand shocks of any nature and etymology. This resilience is determined by the stability of the social system and a sufficient level of welfare, both at the individual level and within the national economy as a whole.

The **purpose of the study** was to substantiate effective directions and instruments of the state socio-economic policy aimed at ensuring social resilience in national development and minimizing the consequences of social inequalities on the basis of the principles of a renewed social contract.

## Methodology

The methodology of research is based on general scientific principles and main provisions of economic theory. The work employs the analysis of scientific and research literature, synthesis of research results, systematization of scientific data, systems analysis of the studied system's components, as well as abstract-logical and econometric research methods, which enabled us to evaluate the validity of the hypothesis that inequalities significantly impact the pace of the country's socio-economic development.

## Research Results

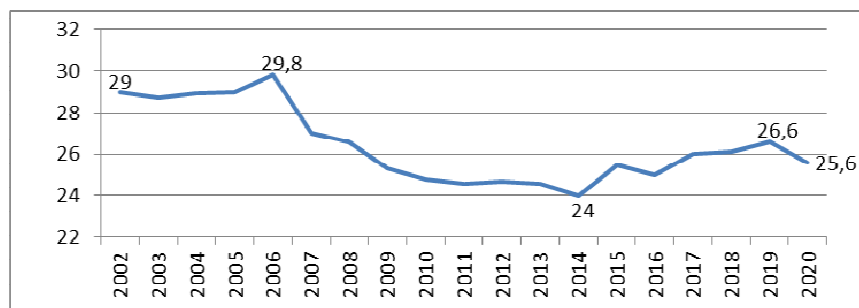
At present, the inequalities accumulated in Ukrainian society during the period of social transformation are assuming dangerous proportions in the context of the war, significantly threatening the security of human development. The diversity of inequalities in any society—including new forms and manifestations such as digital, information, leisure, network and other inequalities – is produced in one way or another by the social and labor sphere and determines the social resilience of society. Income inequality is the most pronounced of these forms. For a long time, income inequality in Ukraine has been substantially higher than in countries with moderate or weak inequality.

Among the indicators used to assess economic inequality, particularly income and consumption inequality, the Gini index is often analyzed by experts (Shumska et al., 2023) According to the World Bank methodology, the index measures the extent to which the distribution of income or consumption among individuals or households in an economy deviates from a perfectly equal distribution. A Gini index of 0 indicates perfect equality, while an index of 100 indicates perfect inequality.

The analysis of the dynamics of the Gini index for Ukraine during the pre-war period 2002-2020 (Figure 1) shows the instability of the behavior of the inequality factor throughout the selected period. At the same time, the period 2006-2014 clearly stands out, as economic inequality decreased from the maximum value of 29.8 to the minimum value of 24 due to the active social policy of the state. However, after the transformative shock to the economy in 2014, the downward trend was reversed, and the index increased to 26.6 (UNICEF, 2024). The increase in the Gini index, and consequently the increase in economic inequality, was exacerbated by the 2015-2016 crisis and the Covid-19 pandemic.

Figure 1

## Dynamics of the Gini index in Ukraine, 2002–2020



Source: developed by the authors using data from UNICEF (2024).

The trajectory of Ukraine's sustainable development and the welfare of every Ukrainian have been severely affected by the impact of Russia's military aggression. The war has imposed various challenges on different regions of Ukraine in terms of maintaining economic and social stability. The materialization of humanitarian and financial threats has led to a decline in welfare and an increase in various components of economic inequality. According to a survey on the socio-economic situation of households, in 2023 the Gini coefficient for income inequality reached 43.8%, and the share of households with per capita equivalent income below the actual subsistence level was 35.5% (UNICEF, 2024). The average level of the Gini coefficient in the EU countries was 29.6% in 2021 and 30.2% in 2022 (Eurostat, n.d.), and rates for all forms of poverty are increasing. For example, monetary poverty—measured as the share of households with an average per capita equivalent income below the actual subsistence level—increased 1.7 times from 20.6 to 35.5%.

Traditionally, urban residents have higher incomes than rural residents, and the differences in income structure are also quite typical. Among urban residents, wages account for the largest share of income, which can be attributed to the higher proportion of retirement-age people in the rural population, the lagging wage growth in the agricultural sector compared with other sectors, and the mono-functional nature of agricultural production. As before the war, households with children tend to have higher incomes than those without children, mainly due to the uninterrupted provision of social benefits and transfers to families with children during the war. In addition, this trend can be explained by the fact that families without children are often dominated by people of retirement age, whose incomes are significantly lower than those of younger cohorts (Table 1).

Table 1

**Comparison of the real income of households in Ukraine between 2021 and 2023, in UAH**

	2021	2023
Ukraine	14491	15160
Urban population	15001	16652
Rural population	13418	12310
Without children	12128	13711
With children	18386	19101

Source: UNICEF (2024).

It is worth noting that, according to the Pension Fund, at the beginning of July 2024 there were almost 10.2 million pensioners in Ukraine, of whom 63% receive a pension of up to 5,000 hryvnias and only 12% receive pensions of more than 10,000 hryvnias (Table 2). As before the full-scale war, more than 70% of pensioners receive old-age pensions; during the war, the share of disability and survivors' pensions increased slightly.

Table 2

**Distribution of pensioners by size of assigned monthly pensions in Ukraine as of July, 2024**

Pension size range, UAH	Number of pensioners, thousands	Percentage of total pensioners, %	Average pension size, UAH
Above 10,000	1281.5	12.5	15326.88
5,001 to 10,000	2614.5	25.5	6 854.13
4,001 to 5,000	1907. 6	18.6	4415.16
3,001-4,000	1777.6	17.3	3546.82
Less than 3,000	2682.5	26.1	2762.99
Total	10263.7	100	5816.62

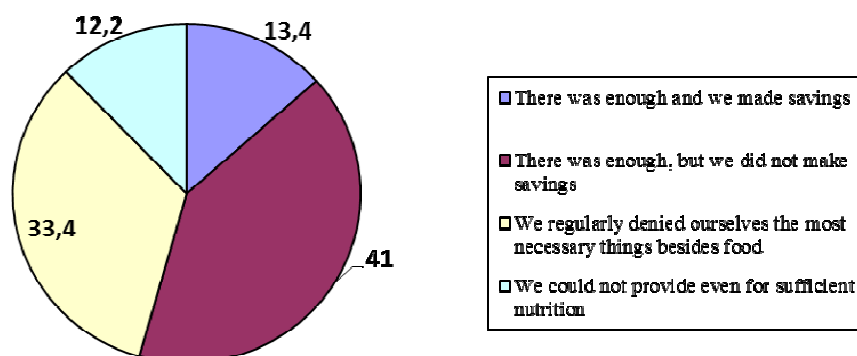
Source: compiled by the authors based on data from Pension Fund of Ukraine (2024).

During this period, the estimated actual subsistence minimum per person was UAH 7,064.62 (or UAH 8,089.28 taking into account mandatory payments; food costs accounted for more than UAH 3,700, non-food costs for UAH 1,196, utility costs for UAH 1,200, and communication costs for UAH 67) («Ministry of Social Policy: Actual size,» 2024). This means that more than 60% of pensioners in the country, almost a third of the population, live below the poverty line, suggesting a rather high level of inequality in the population's welfare, which directly depends on the level of income and is reflected in the level of its purchasing power.

According to the results of households' self-assessment of their quality of life, in 2023 only 12.7% of Ukrainian households had no financial problems and their income was sufficient to cover current consumption and allow for savings. It is noteworthy that almost a third of households (33.4%) had an income that could only provide them with food, denying themselves other necessities, while 12.2% of households could not even afford a decent level of nutrition (Figure 2).

Figure 2

**Self-evaluation by households of the purchasing power of their incomes in 2023**



Source: Compiled by the authors based on data from UNICEF, 2024.

Thus, deprivation (forced lack of opportunities to provide for one's basic needs due to a lack of access to basic material goods and social resources), defined by the EU methodology as the enforced lack of 7 out of 13 deprivation items, reached 51.6% in Ukraine as a whole, 58.8% in rural areas, 47.9% in ur-



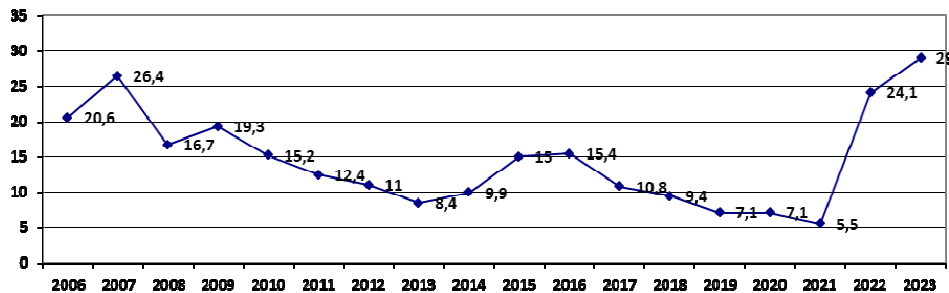
ban areas, 39.3% among households with children, and 56.2% among households without children (UNICEF, 2024).

For Ukraine's economic system, already extremely vulnerable before the war due to its weakness and considerable openness, the war has exacerbated the accumulated risks and created new ones, negatively affecting a large part of the population and triggering the spread of dangerous challenges to society, such as inequality and poverty. In the context of war, poverty has taken on a new form—sudden poverty, a condition in which individuals suddenly lose property and livelihoods as a result of hostilities, as well as the possibility of restoring them.

The multi-vector transformations in Ukrainian society have not ensured stability and sustainable dynamics of social progress. On the contrary, socio-economic asymmetries have widened, new risks and threats have emerged, and existing ones have deepened, with a destructive impact on the welfare of a large part of the population. The spread of poverty in Ukraine has objective preconditions, as the negative trends in the socio-economic sphere in the pre-war period, caused by numerous external and internal factors and the lack of effective state mechanisms to facilitate the population's adaptation to new economic conditions, have persisted for a long time. The destructive impact of the war, according to World Bank experts, has set Ukraine back 15 years in achieving its poverty reduction goals. According to the organization, the poverty rate in Ukraine reached 29% last year (the World Bank considers the population living on less than \$5.5 per day to be poor) (Figure 3).

Figure 3

#### Dynamics of poverty rate in Ukraine, %



Source: Developed by the authors using data from the World Bank.

The level of proxy indicator for poverty (the proportion of people surveyed who reported having to save on food) (InfoSapiens, 2024) during the period of full-scale war ranges from 17.4% to 30.3%. Given that social resilience is viewed as an adaptive capacity to recover and achieve a certain level of welfare, it is necessary to assess the impact of inequality on society's ability to ensure social resilience, which can be measured by a certain level of welfare. To test this empirically, we formulated the hypothesis: «Inequality has a negative impact on social resilience», and developed one-factor linear regression models with the following basic specification:

$$Y = \text{Const} + c1 * X, \quad (1)$$

Where:

$Y$  = *dependent variable*: proxy for social resilience, represented by GDP\_PC (GDP per capita in PPP-based current international \$) and GNI\_PC (GNI per capita, in PPP-based current international \$);

$X$  = *independent variable*: GINI\_INDEX, which represents inequality as a factor that explains the trajectory of welfare changes and social resilience in society;

$c1$  = coefficient for the independent variable.

The model includes a constant (Const) that reflects the cumulative effect of all other factors that influence the dependent variable but are not included in the model. Table 3 shows the results of the regression analysis and quantitative estimates of the impact of economic inequality (Gini index) on the welfare of the Ukrainian population across different time periods.

Table 3

**Statistical characteristics of the regression models assessing the impact of the inequality factor on economic welfare in Ukraine**

Dependent Variable (Y)	Model 1		Model 2	
	GDP_PC		GNI_PC	
Variable (X)				
GINI_INDEX	-816.4457	-330.7380	-866.1573	-376.4563
Prob. t-Statistic	0.0157	0.1042	0.0177	0.0945
CONST	31264.13	17815.20	32433.04	18664.67
Prob. t-Statistic	0.0012	0.0059	0.0017	0.0075
R-squared	0.297586	0.332263	0.288774	0.348039
Durbin-Watson statistic	0.246841	1.039660	0.229308	0.899921
Sample	2002-2020	2006-2014	2002-2020	2006-2014

Source: estimated by the authors using EViews.9 based on statistical data from the World Development Indicators database and the State Statistics Service of Ukraine.

The results of the analysis confirmed the accuracy of our hypothesis: the factor of inequality is statistically significant (Prob.(t-Statistic) at the 1-10% significance level) in the period 2002-2020. *Ceteris paribus*, an increase in economic inequality (a 1-point increase in the Gini index) leads to a decrease in the welfare of Ukrainians and, accordingly, in the social resilience of society, in particular, by \$816 in terms of GDP per capita in US dollars at purchasing power parity and by \$866 in terms of GNI per capita at purchasing power parity. In the period 2006-2014, when inequality was declining, the negative effects of the factor were smaller in terms of the decline in GDP and GNI per capita at purchasing power parity: on average, the decline in welfare was \$330 and \$376, respectively. The relatively low levels of *R-squared* and *Durbin-Watson* statistics indicate that there are other important factors that explain welfare and the dynamics of GDP and GNI that are not included in the equation, which is logical since the models do not take into account fundamental factors (namely, capital and labor).

Ensuring a decent level of welfare and social resilience in society is linked to the availability of safe, high-quality, and efficient working conditions, adherence to the principles of decent work, and fair pay for equal work in different sectors and industries. On this basis, it can be argued that the solution to the problem of inequality lies in ensuring the social resilience of the labor market, eliminating discrimination and preventing exclusion from the labor market.

To minimize the impacts of inequality and ensure social resilience, comprehensive measures are needed in the following areas: building a robust economic platform to preserve existing and create new high-quality jobs; creating a legal, economic, and institutional framework to enhance employment efficiency (decisions in the areas of structural policy, design and implementation of investment programs, income policy, education system development, etc. should be systematic and considerate of their impact on employment); rethinking the role and increasing the efficiency of state institutions to improve the regulation of socio-labor relations and social protection systems; developing a regulatory framework to meet the demands of labor relations of a new quality; creating a competitive market for vocational and educational services in Ukraine in order to align this market with the needs of the labor market; increasing the value of labor in order to promote the reproduction of labor, provide opportunities to meet the needs of the population, enable the realization of labor potential, and encourage high-productivity work and self-improvement; strengthening the role and responsibility of the state in fulfilling social guarantees.

There is no doubt that ensuring the social resilience of the national economy requires legislative harmonization between the social and labor spheres of Ukraine and those of the EU. This process involves the adaptation of legislation, lawmaking, unification of legal techniques and law enforcement practices. Although Ukraine has taken successful steps to harmonize its labor and social legislation with EU legislation, the process remains challenging. The integration of European norms into the domestic legislation must be carried out systematically,

taking into account the specific socio-political and socio-economic context of our country, as well as the urgent need to institutionalize inclusiveness in the Ukrainian national labor market (Blyzniuk, 2020).

The main drawbacks of the current regulatory framework in Ukraine include instability, inconsistency, and duplication of regulations on certain labor issues or, conversely, complications in resolving certain issues due to the lack of relevant legislation. When ratifying international conventions, it is important to ensure equal treatment of all individuals without discrimination. **Labor legislation** should be improved based on a *systematic, comprehensive, and moderate* approach. The future Labor Code of Ukraine should not be «overloaded» with regulations and should contain a legal structure that is easy to understand for ordinary employees—something that is unfortunately lacking in the existing drafts of the Labor Code of Ukraine. It is necessary to radically revise those provisions of legislation that no longer align with the current socio-economic context, in particular, with respect to modern forms of employment, labor and professional mobility, working conditions, and labor protection, etc.

According to the European Commission's analytical report on Ukraine's application for membership in the European Union (European Commission, 2023), Ukraine is at an early stage of preparation in the field of social policy and employment. The problems such as informal and undeclared employment, wage arrears, and ensuring the effectiveness of social dialogue need to be addressed as a matter of priority. Drawing on the legislative experience of foreign countries, it is advisable to supplement the Labor Code of Ukraine with a dedicated chapter on «Social Dialogue in the Labor Sphere», which would establish the fundamental provisions governing social dialogue in the labor sphere. Legal provisions regarding the enforcement of decisions and agreements, as well as penalties for violations of social dialogue legislation should be specified (Article 19 of the Law of Ukraine «On Social Dialogue in Ukraine»). In our opinion, the legislator should prioritize the regulation of labor protection, measures to prevent mass layoffs, the alignment of social standards with the standards of social legislation in those EU countries that joined between 2004 and 2013, and the promotion of decent work that balances the rights and interests of both employees and employers.

It is clear that once the war is over, the generous financial support to Ukraine from foreign partners will gradually decrease and the country will need to transition towards financial self-sufficiency. Given the significant losses it has suffered, this could lead to an unsustainable demo-economic burden. Ensuring the financial resilience of domestic social security and social protection systems will therefore be an urgent task in the post-war period. In this regard, ILO Recommendation No. 202 on social protection floors (ILO, 2012) is highly relevant for post-war Ukraine. This Recommendation emphasizes that (i) effective social security systems provide citizens with income security and health care, thereby contributing to the prevention and reduction of poverty and social inequality, and (ii)

social protection strengthens social cohesion, contributes to the development of social space and inclusive societies, and ensures decent living conditions for all.

In order to justify the minimum wage (MW), it is advisable to refer to the provisions of ILO Convention No. 131 Concerning Minimum Wage Fixing, with Particular Reference to Developing Countries, which was ratified by Ukraine in October 2005 (Verkhovna Rada of Ukraine, 2005). According to Article 3 of the Convention, the following factors should be taken into account in determining the level of the minimum wage: (a) the needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits and the relative living standards of other social groups; (b) economic factors, including the requirements for economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment.

Taking into account the unwavering course of Ukraine's European integration, the objectives outlined in its Association Agreement with the EU (2014), as well as the obligations arising from the country's acquisition (in 2022) of the official candidate status for EU accession, it seems advisable to harmonize the legal framework in the field of social resilience. In our opinion, there is a need to create information dashboards for monitoring the social and economic stress resistance of Ukraine's development, with the definition of the powers of the Ministry of Economy, the Ministry of Social Policy, the State Statistical Service and the National Academy of Sciences of Ukraine to develop a methodology for the formation of these information dashboards, as well as a list of central executive authorities responsible for the creation of specific monitoring indicators, and the legal grounds, timing and frequency of reporting the necessary data.

In the context of societal development under the shocks of war and post-war recovery, the quality of institutions and the institutional capacity of the state play an important role (Burlay et al., 2023), which requires overcoming key institutional destructions and ensuring the social resilience of Ukrainian society through the post-war renewal of the social contract. This issue is currently being actively discussed in expert circles, and the main topic of these discussions is the substantiation of the key principles on which the new social contract of Ukrainians will be formed. The renewal of the social contract should be based on the following basic principles:

- **The principle of social justice.** Even in the pre-war period, Ukraine had a significant deficit of social justice, and destructive institutions such as widespread corruption, the informal economy, informal employment, precarization, etc. were entrenched. This has led to the erosion of the social contract and may slow or even prevent recovery in the post-war period.
- **The principle of social cohesion,** which involves the inclusion and participation of members of society in political, economic, and cultural life; a sense of solidarity and belonging to society based on the effec-

tive exercise of civil rights and other achievements of a democratic society. Trust is central to social cohesion. The components of social cohesion include the processes of social integration, inclusion and solidarity, while its manifestation is the welfare of the vast majority of citizens, the minimization of social isolation and social disintegration, harmonious and stable relations, and favorable conditions for achieving social goals. Social cohesion should serve as a guarantee of stability and tolerant relations between labor market actors amid turbulence in the economic system, major organizational, structural, and political transformations, and external influences, particularly in the context of intensifying integration and globalization processes. At the same time, social cohesion should help to minimize the risks of mistrust between social partners and reduce social tensions in the face of labor market instability.

- **The principle of complementarity of management decisions in the social sphere**, which is a cornerstone in the formation of social partnership and an effective mechanism for the functioning of social dialogue to address current economic and social problems, overcome crises, promote effective governance and stimulate socio-economic progress. According to Ukrainian experts (Kostrytzia et al., 2024), overcoming the long-standing deformations of the institution of social dialogue in Ukraine is one of the most influential factors in ensuring social resilience.
- The principle of **social quality of life** is a component of the scientific concept of social quality, which is used to improve the social parameters of EU development. Introducing the concept of social quality, adapted to domestic conditions, into the public administration of post-war Ukraine should promote a social contract aimed at gradually finding a reasonable balance between two priorities: (i) systematically eliminating the threats of external aggression, and (ii) accelerating the reconstruction and restoration of the national socio-economic space based on the principles of sustainable, inclusive development (Burlay et al., 2022; Heyets et al., 2022).
- The **principle of social inclusiveness**. According to Heyets et al. (2023), ensuring the inclusiveness of Ukrainian society is crucial both in wartime and in the postwar period for the preservation of the Ukrainian nation in the context of the modern global hybrid peace-war system.

At the same time, greater attention should be paid to existing threats to the social resilience of Ukrainian society, including the following:

- Further aggravation of the **acute demographic crisis**. The military upheaval is expected to exacerbate existing threats to Ukraine's demographic security. Even based on pre-war estimates, UN population ex-

perts classified Ukraine as one of the countries with the highest relative rates of population decline—over 20%—between 2022 and 2050 (United Nations, 2022). This objective assessment is supported by official statistics: in January 2022, before the war, the mortality rate in Ukraine was more than three times higher than the birth rate—there were only 32 live births per 100 deaths. Given the national dynamics of birth rates, migration, morbidity, and demographic aging (at the beginning of pre-war 2022, the share of Ukrainians aged 60 and over was 24.8%), this catastrophic trend will deepen as a result of the war. According to the adopted Strategy of Demographic Development of Ukraine until 2040 (Cabinet of Ministers of Ukraine, 2024), the population, estimated at 35.8 million people in July 2024, is projected to decline to 28.9 million in 2041 and 25.2 million in 2051. Accordingly, the domestic labor force of Ukraine will decrease, which in the post-war period will slow down the reconstruction and social resilience of the national economy.

- ***Threat to the financial resilience of the national social protection system and the ability of the state to meet its social obligations.*** The war-induced trend of increasing vulnerable population groups is occurring against the backdrop of a decrease in the state's ability to fulfill its social obligations. Despite the increase in social expenditures in the state budget of Ukraine in 2024, the available sources of funding are currently unable to cover all needs, and the corresponding deficit is planned to be financed by international donors, which is not a reliable source (Sysak, 2023). This situation, in turn, causes a significant deterioration of social and living conditions for a large number of citizens, an increase in the number of people in need of social security, and delayed social and psychological consequences of the war. As a result, there is a tendency toward a decline in the birth rate and, consequently, an aging of the population, which is aggravated by unfavorable conditions for the birth and upbringing of children. Taking into account a number of factors—a significant outflow of labor resources from the national labor market due to the intensive migration of Ukrainians abroad in search of asylum and protection from war, the difficulty of finding employment for internally displaced persons (IDPs) in host communities, and the challenges Ukraine faces as a rapidly «ageing nation», coupled with the depletion of the Pension Fund's reserves due to the persistence of huge disparities in the level of pension payments for certain categories of pensioners—all increase the risks to the financial resilience of the national social security system, including pension insurance (Kostrysia & Burlay, 2024).
- ***Destruction of social infrastructure.*** The full-scale war has dealt, and continues to deal, devastating blows to Ukraine's social security system, and the country's housing sector and social infrastructure have

been significantly damaged by the fighting. Experts estimate that Ukraine's social sector will require the most reconstruction funds over the next ten years—nearly \$162 billion, half of which will be needed to rebuild housing (World Bank, 2024). The destruction of infrastructure and institutions in areas that were or remain under occupation or near the front line has led to internal displacement, not only of the regions' inhabitants but also of professionals (utility workers, transport workers, doctors, educators) who were employed in the institutions destroyed by the aggressor. As a result, the burden on these institutions and the overall infrastructure is increasing in the regions that host a significant number of internally displaced persons.

- ***The lack of an effective system for the adaptation of war veterans to civilian life in Ukraine***, which can lead to problems with their post-war income, employment, social support, complications in family relationships (divorce), and treatment of post-traumatic stress disorder (PTSD) for those who need it. Today, 1.2 million people in Ukraine have the official status of war veterans. The Ministry of Veterans Affairs of Ukraine estimates that, after the end of the war, the total number of veterans, their families and the families of the deceased (all of whom are entitled to appropriate social guarantees and benefits) will increase to 4-5 million people (Ministry of Veterans Affairs of Ukraine, 2022).

## Conclusions

Summarizing the above, we note that the directions for ensuring the social resilience of the national economy are at the forefront of European socio-economic policy and should form the cornerstone of the post-war recovery policy. The institutional destructions in the societal development of modern Ukrainian society, identified by the authors, and the research-based tools proposed to minimize them, will ensure the post-war renewal of the social contract and establish a foundation for the social resilience of Ukrainian society. Ukraine's European integration course and its obligations arising from its official status as an EU candidate country determine the need and expediency of introducing the concepts of comprehensive resilience and human centeredness into the system of public administration.

During the post-war recovery period, particular attention should be paid to the existing societal risks, the materialization of which may render the system incapable of ensuring adaptation, flexibility and social resilience. Further research should focus on studying these risks and finding ways to minimize them.



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