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Ukrainian's commitment to European Union values: problems and options

Olga NOSOVA*

Abstract

The purpose of the article is to evaluate the importance and relevance of fundamental values, beliefs to Ukrainian citizens in the context of full-scale invasion of Ukraine. The research assessed the worldviews and beliefs of respondents that have changed in Ukraine regarding the European Union's values commitment. An online survey of Ukrainians' worldviews of European values perceptions was conducted for Ukrainian citizens in all regions in 2022. The assessment of Ukrainian citizens' values shows the growing tendency of Ukrainian citizens to adhere to the European Union values. The study demonstrates dissatisfaction of citizens with the pace of Ukrainian integration into the European Union. Economic values estimations show the dissatisfaction with fiscal freedom and tax burden in Ukraine. The study's findings prove how important it is to implement political and legal changes to build a civil society, democratic institutions, and a state that protects property rights and the rule of law.

Keywords: values, European Union ideals, trust, dignity, accountability

Introduction

The aim of the article is to assess the significance of basic values, beliefs, and habits for Ukrainian citizens following the onset of the large-scale war in Ukraine. The basic value concepts define the conceptions of trust, dignity, responsibility, self-realization, and democratic institutional development. Values are rational rules of behavior that determine how one should behave in certain life situations in each society. Values influence changes in political and economic behavior and motivate people in the decision-making process. Universal values include respect for human dignity, freedom, equality, respect for human rights, including the rights of minorities, pluralism, non-discrimination, tolerance, justice, solidarity, and equality between men and women.

Traditional values in Ukrainian society have been replaced by materialistic values since the country's independence in 1991. Reforms in the judiciary, administration, and decentralization have failed to lay a firm foundation for democratic institutions or spread the principles of a democratic

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society that are common in Europe. The split within society between different political party supporters represented the Orange Revolution and the Revolution of Dignity. Kuczabski and Michalski (2014) argue that the civilization split of modern Ukraine divides the country in two parts: Central Western and South-Eastern ones. The existence of internal differences confirmed by “democratically minded Central Western Ukraine and the South-Eastern part of Ukraine affected by communist regime.

The conflict history of the war is lengthy and has given rise to a variety of narratives, one of which clearly reflects and even defends Russia's imperialist aspirations and its meticulously prepared discursive preparation for its aggressive attack against Ukraine. This storyline implies that the conflict started with the supposed "expansion" of NATO by the Western Defense Alliance, but it ignores the fact that Russia invaded Crimea and eastern Ukraine in 2014, a period during which Russian forces were there on a regular and purposeful basis. Furthermore, accusations of systematic crimes committed by the Ukrainian government in Russian-occupied eastern Ukraine, for which no credible proof can be produced, and of a violation of the Minsk Agreements by Ukraine, rather than essentially by Russia, are common. This narrative is particularly evident in the way that the 2013–14 Ukrainian Revolution of Dignity is described as a "coup" rather than as a civic revolution actively backed by over 4 million Ukrainians. Although empirical studies have thoroughly discredited this narrative—which unequivocally supports and legitimizes the Russian imperialist stance towards Ukraine—it is still regarded as propagandistic in the historical and social sciences, and its popularity has only been little impacted.

Basic values in Ukraine in 2010 and 2014, based on the World Values Survey, included traditional and materialistic values in addition to the need to survive and feed the family. A lack of European values hinders the growth of democratic institutions. Since signing the free trade agreement with the EU, Ukraine has made significant progress in improving its economic institutions and implementing structural reforms. The economy is converting resources in response to market prices because of the implemented structural reforms. However, the practice of the European Union shows that it is impossible to speed up the processes of EU integration. The creation of institutions that ensure an optimal balance between European and regional values is an important task for EU integration. The results of the "Ukraine in World Values Survey" (2020) demonstrate that Ukrainians are in favor of government ownership in industry and manufacturing. These estimations are like the opinions of the people in Poland, Bulgaria, and Spain. Most people in Ukraine have a good opinion of competition. The indices of Finland, Greece, Italy, Lithuania, and Slovenia are comparable to those of Ukraine. It is unclear, nonetheless, if success is guaranteed by hard work—in 2011 50% agreed

with this assertion, compared to only 41.3% in 2020. The importance of living in a country that is governed democratically, comparison of data for Ukraine for 2011 and 2020 and some countries according to the results of wave 7, 2017-2020, average scores improve from 7.83 to 8.20. Ukraine's average score is closest to Romania and lower compared to the most EU countries.

The paper aims to evaluate the importance and relevance of fundamental values, beliefs to Ukrainian citizens in the context of full-scale invasion of Ukraine. The methodology uses the interdisciplinary approach and includes the quantitative interviews.

Section 1 presents the review of the literature focusing on democratic model of governance, institutions, beliefs, ideals, and values, and defines the research methodology. Section 2 discusses the results regarding survey estimation of how Ukrainian's commitment to European Union integration values. The analysis of the online interviews reflected the vital problems of social economic development. Section 3 presents conclusions and recommendations, and proposed policy recommendations for the dissemination of democratic values of the European Union in Ukraine.

1. Review of the literature

A person's value system is made up of the opinions and convictions they have accumulated throughout the course of their life. The problem of values becomes relevant in the period of devaluation of cultural traditions and the change of government forms in society.

Values can be viewed from two perspectives: as a notion describing the unconditional and unquestionable underpinnings of human existence and as the significance of things, phenomena, and processes for an individual, social grouping, and society at large. The concepts and standards of human existence, society, and the state that define European values are global. It is crucial that these ideals are respected and fully adhered throughout the European society.

Liberal fundamental human rights and freedoms, democratic tenets of the state system, as well as the legal and social state, form the basis of European ideals. European values are referred to be "liberal-democratic" since they combine liberal and democratic principles. The list of European values is defined in the Maastricht Treaty, a statutory legal act of 1992 that legally established the European Union. The Maastricht Treaty established institutional rules. It noted the importance of the functioning of such institutions as democracy, the rule of law, justice, a competitive market economy, and a balanced and sustainable economy. European Union legal documents, such as the Copenhagen criteria for European Union membership, the Lisbon Treaty, the treaties implementing the European Union, and the constitution enshrine European values. The European values are regulated in these normative documents.

The analysis of existing concepts of values confirms that the theoretical and practical application of the democratic values and institutions offer broad perspectives for well-being improvement, compliance with legal and economic norms in society, and democratic institutions.

Inglehart and Welzel (2005) proposed a categorization of values into postmaterialist, which includes a person's self-actualization, mutual aid, or charity, and materialist, which includes security and money. A postmaterialist approach to values strengthens the concept of the open market and promotes the further development of European values, especially by expanding qualities such as freedom, tolerance, and inclusiveness. The ability to maintain and improve the effectiveness of democratic institutions is a core objective of European values.

Dymchenko *et al.* (2022) estimate the monetary worth of any good and consider the importance of any good value and beneficial. Lee and Peterson (2000) asserted the effect of globalization on the business environment and the decision-making process. Shkalina (2020) determines the role of the system of values as a connecting link between European values and national-cultural manifestation (Shkalina, 2020). The behavior approach for value theory comprises multiple and functional values. According to Ciuk *et al.* (2018), political conduct is correlated with income level, and wealth and value choices are similar across testing groups after ideology control. The inability to use the advantages of economic, technological, and scientific changes caused the social-cultural crisis. Rabie (2013) argues that due to the dominance of consumerism and liberalism the conflict of values and ideas between various groups, represented by cultural, ethnic, and religious minorities, rapidly increased. The traditional beliefs and convictions continued to hold these groups together.

Baron (2003) compares moralistic ideals, in which people attempt to force their values on others' behavior while occasionally overtly disregarding the nature of others' good (utility). The author asserts that people are making decisions based on systematically non-utilitarian principles, and as a result, they are getting outcomes that conform to their values instead of outcomes that produce the best conclusion.

As said by Gataullin and Lebedev (2011), "the architectonics of the transformative post-ideological area determines the extent of human freedom as a consumer." Consistent with a survey of recent works and approaches to the European value evaluation, a sizeable section of the Ukrainian population changed their attitude toward post-socialist values and conceptions and turned against these postulates.

Dalevska (2017) highlights inconsistencies in the growth of civilization. Destruction of social norms that have been nationally institutionalized and the creation of international conflicts are the forces driving the evolution of the global economic and political structure. Institutional change comprises the development of new organizations for the global civil society. Rubinski (2013) stresses

the need to establish a singular civilization space and defines the place of Russia as a singular, organic, and irreplaceable part of European civilization. There are most importantly value relations of the peoples living on the vast continent of Eurasia. Kozyreva (2020) analyzed the neopartenalistic model in Russia that confirmed the legacy of the post-Soviet economic model, dominated by huge corporations and state ownership. In the modern world, where communities of people exist in isolation from one another, Fukuyama (2004) proposed few types of shared value system are simply necessary for the peaceful coexistence of civilizations.

The literature review supports the general knowledge of contemporary concepts. By developing creative and individualized surveys that cater to society's wants and preferences, the qualitative interview method increases the scientific quality of surveys in the marketplace for scientific research.

The value concepts highlight the idea of trust, dignity, responsibility, self-realization, and democratic institutional development. The dissemination of European Union values will directly provide a transition from a paternalistic model of relationships to a democratic model of governance, institutions, beliefs, ideals, and values. The formation of a new set of reciprocal relationships built on trust and shared accountability, and transparency leads to the balance of the relations between state and citizens.

2. Values estimation of Ukrainian's commitment to European Union ideals

Since claiming its independence, Ukraine has pursued a program intended to advance European principles to diverge from post-Soviet values. The Ukrainian state is attempting to diverge from post-Soviet ideals and ensure European values, based on the respect for fundamental human rights. By signing the Deep Comprehensive Trade Neighborhood Policy and the Ukraine-European Union Association Agreement, Ukraine set the road for a closer engagement with the European Union. The European Council officially recognized Ukraine as a European Union candidate on June 23, 2023.

Online interviews were used to conduct this poll from September 1 to October 31, 2022, in all regions of Ukraine. Its aim was to assess the importance and relevance of fundamental values, beliefs, and habits to Ukrainian citizens in the context of the large-scale war that began in the country on 24 February 2022. Utilizing an online application form for data collection, the survey deployed a structured questionnaire. The questionnaire was designed following the World Values Survey methodology. A list of the main topics of the questionnaire "The World Values Survey" (2020) was used for the study. For each group of questions, additional, clarifying questions were compiled. They determined the importance and satisfaction of respondents. The survey questionnaire was prepared in Ukrainian language. An interdisciplinary approach was adopted to explore traditional Ukrainian

beliefs, ideals, and values. The questionnaire's design incorporated an interdisciplinary approach, focusing on the distinctive characteristics of traditional Ukrainian beliefs, ideals, and values.

The survey questionnaire includes six blocks: compliance with the law, democracy, personal freedom, human freedom, value of human life, economic values, and thirty-one subcategories. The scale quantified the importance and satisfaction levels across various parameters used to gauge satisfaction levels. Respondents' answers contributed to a comprehensive multivariate analysis. The significance of responses was categorized as follows: especially important (5), moderately important (4), important (3), less important (2), and not important (1). Satisfaction levels were similarly categorized from fully satisfied (5) to not satisfied (1).

The collected data highlighted distinct groups and subgroups within the population, each with unique behaviors, beliefs, habits, and values. An analysis of the importance and satisfaction associated with different value categories provided insights into which aspects of the value system might need enhancement to align more closely with European values, as well as which aspects are deemed significant or insignificant by various population segments. Participants were invited to rate the importance of each indicator on a scale from 1 (least significant) to 5 (most important), and satisfaction with 1 being least satisfied and 5 most satisfied.

The adjusted components, or each factor's proportionate weight or "share" in the overall satisfaction score, were then determined by the survey. The survey calculated adjusted factors to reflect the relative importance of each response category in overall satisfaction. The questionnaire included six main value criteria and thirty-one subcategories. This provided a detailed perspective on how European values are interpreted and adopted in Ukraine.

The survey sought to understand which value aspects need alignment with European standards and which are viewed as significant by different population segments. The number of people in the survey made up five hundred and two respondents in Ukraine. Figure 1 shows age distribution: 29.1% were aged (41-59 years), 21.3% (28-40 years), 22.1% (18-21 years), and 9% (over 60 years). Figure 2 details the geographical distribution: 62.4% in Eastern Ukraine, 23.1% in the Central/Northern regions, 7% in the Central Ukraine, with the remainder from Western Ukraine.

Tables 1 depicts the estimation findings of the importance and satisfaction model, which reveal that there is a mismatch between importance and satisfaction for value subcategories in the respondents' responses.

Figure 1. Age of respondents

1. Please indicate your age
502 answers

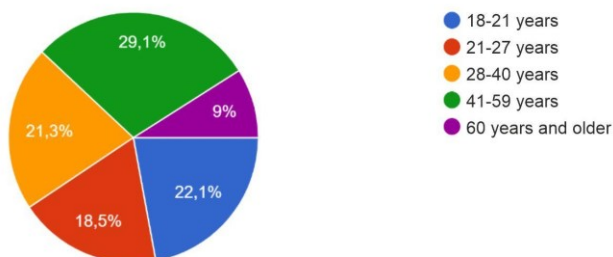
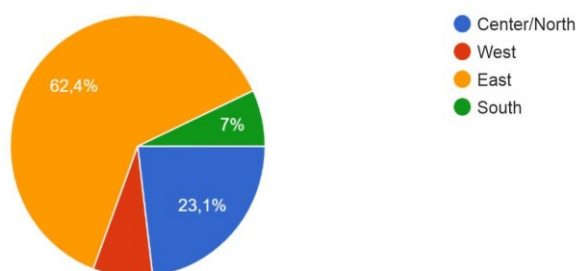


Figure 2. Regions of respondent's residence

4. In which region of Ukraine did you live before the start of hostilities?
502 answers



Respondents determined marital status: single – 44%; married - 42 %; divorced – 10 %; widowers – 4 %. By education, respondents identified 69.5% as higher education; 22.5 % - as incomplete education, 8 % - secondary education or its equivalent. According to the type of employment, the survey participants were distributed as follows: students - 29.1%, employees - 21.3%, workers - 12.5%, pensioners - 5%, businessmen - 7%, employee workers - 19.5%, entrepreneurs - 5.6%.

Additionally, each criterion's responder satisfaction was evaluated independently. Each of the variables that influence respondent satisfaction has a unique significance and meaning for everyone. Every individual has a distinctive internal view and belief of European ideals. The survey questionnaires reflect the beliefs and interests of a wider range of people and communities, which makes them representative and specific. This means that questionnaires used to gauge importance and satisfaction should indicate not only the overall level of respondents' satisfaction, but also in y subcategories of it. There were 502 respondents who resided in Ukrainian territory (apart from the occupied territories). The interview estimation was effectively analyzed and captured by the thirty-one sub-categories. It estimates the complexity of various social groupings and reflects the regional

specifics of respondents. While using criteria were set for the results of the online questionnaire estimation. Online interviews were provided using virtual communication tools for categorizing human behavior and identifying individuals who adhered to paternalistic or European ideals. When performing such research, using qualitative online interviews has the advantage of allowing you to present a more logical analysis of possible behavior scenarios.

2.1. Findings and Discussions

The basic six value categories are compliance with the law, democracy, personal freedom, human freedom, value of human life, and economic values. The selection of value categories represents the key value qualities of the European Union values and is based on generalized information collected in prior studies. We continue the value analysis with subcategories to provide an in-depth description of the obtained results.

The six value assessment blocks assess statements from 1 to 5 (where 1 entirely disagrees and 5 completely agrees) in terms of importance and satisfaction. The first block of compliance with the law contains five sub-categories business work, compliance with the law, a guarantee of rights and freedom of citizens, corruption, judiciary, and confidence in judicial institutions. These sub-categories exhibit the legal environment functioning and existing problems in providing legal services. The values' choice reflects the fundamental beliefs, ideals, traditions, and norms in society.

The first block is an assessment of compliance with the law which contents the following subcategories: business work, compliance with the law, a guarantee of rights and freedom of citizens, corruption, judiciary, and confidence in judicial institutions. The rule of law captures views of how many agents have faith in and abide by social norms. Compliance with the law characterizes legal relations in society concerning the quality of contract enforcement, property rights, the police, the courts, and the likelihood of crime and violence. For 92.6% of respondents, the issue of legal compliance is of the utmost importance. They highlight the value of a fair legal system for society. The question about the satisfaction of given aspects of life in Ukraine dealt with the estimation of the level of compliance with the rule of law in Ukraine. 38.2 % of assessed people doubt the existence of strict control over corruption at various levels of business relationships. In the discomfort zones, there marked 43.6% of respondents believe that Ukraine's legal and regulatory environment makes it easy for them to transact business. Less than 50 % of applicants are partly satisfied with the ease of doing business in Ukraine (See Table 1, Figure 3,). The population assessed that the most were involved in corruption are state authorities. 72.2% considered that all or majority of these bodies involved in

corruption in 2020. According to this indicator, Ukraine is closer to Greece (58.0%), and Romania (69.0 %) (Ukraine in World Values Survey, 2020).

Table 1. Estimation of the significance of basic values, beliefs, and habits for Ukrainian citizens

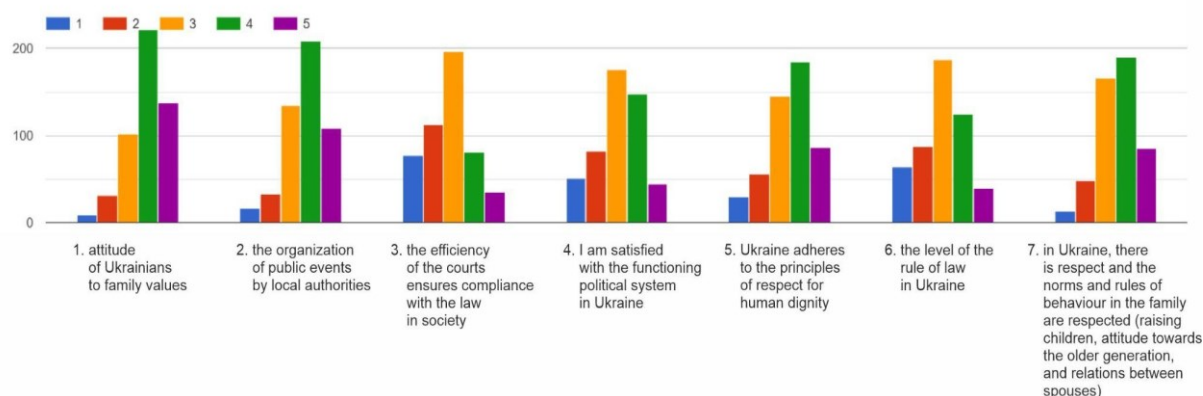
No.	Block	No. Subcategory	Subcategory	Importance	Satisfaction	Zone	Final
1	Compliance with the law	1	Business, work	4.00	2.50	Discomfort zone	-1.50
		2	Compliance with the law, a guarantee of rights and freedom of citizens	4.00	3.33	Zone of indifference	0.67
		3	Corruption	2.33	2.00	Loyalty zone	0.33
		4	Judiciary	3.33	3.33	Loyalty zone	0.00
		5	Confidence in judicial institutions	4.00	2.67	Discomfort zone	-1.33
2	Democracy	6	Participation in elections	4.00	4.00	Loyalty zone	0.00
		7	Membership in parties and public organizations	3.89	3.00	Zone of indifference	0.89
		8	The level of democracy	3.00	3.00	Loyalty zone	0.00
		9	The level of the liberality of the political regime	4.33	3.00	Discomfort zone	-1.33
		10	The level of Ukrainization of society	4.00	3.33	Zone of indifference	-0.67
3	Personal freedom	11	Political culture	3.00	4.00	Zone of overpayment	1.00
		12	Compliance with human rights	4.33	3.33	Discomfort zone	-1.00
		13	Respect for human dignity	5.00	3.00	Discomfort zone	-2.00
		14	Legal equality	4.67	3.00	Discomfort zone	-1.67
		15	Ability to migrate, freedom of movement, and choice of residence	3.33	4.00	Zone of indifference	0.67
4	Human freedom	16	Tolerance for human rights	3.00	3.00	Loyalty zone	0.00
		17	Absence of discrimination based on race, nationality, and gender	4.67	3.00	Discomfort zone	-1.67
		18	Absence of discrimination against women	4.50	3.67	Zone of indifference	-0.83
		19	LGBT rights acceptance	4.00	4.33	Zone of indifference	0.33
		20	Attitude toward people with disabilities	5.00	4.67	Loyalty zone	-0.33
		21	Ethical values and norms	5.00	4.67	Loyalty zone	-0.33
		22	The level of trust in society	2.67	3.33	Zone of indifference	0.67
5	Value of human life	23	Importance of peace	4.50	4.00	Zone of indifference	-0.50
		24	Personal life	4.50	4.33	Loyalty zone	-0.17
		25	Family values	5.00	4.50	Zone of indifference	-0.50
6	Economic values	26	Income level (salary, pension, scholarship)	3.67	3.00	Zone of indifference	-0.67
		27	Fiscal freedom and tax burden	4.67	2.33	Discomfort zone	-2.33
		28	Freedom of entrepreneurship	3.33	3.50	Loyalty zone	0.17
		29	Freedom of labor	3.67	3.00	Zone of indifference	-0.67
		30	Financial freedom	4.00	2.33	Discomfort zone	-1.67
		31	Protection of property rights	4.00	2.50	Discomfort zone	-1.50

Source: author's data of values estimation in Ukraine in 2022.

Note: The table was constructed on the data obtained from a survey of Ukrainian respondents and reflects the importance and satisfaction of assessed subcategories. The comparison data displays the personal attitude in discomfort, loyalty, indifference, and overpayment zones.

Figure 3. The assessment satisfaction of the given aspects of life in Ukraine

7. How satisfied are you with the given aspects of life in Ukraine (1 — does not satisfy at all, 5 — completely satisfies)



Thirty percent of applicants consider judicial processes in Ukraine open and accessible. The satisfaction with the level of justice of decisions made by judges corresponds to 23 %. The comparison of the survey results and previous estimations support the crucial role of political and legal reforms in establishing democratic institutions, civil society, and democratic state based on the rule of law, and property rights (Nosova, 2023). Despite having an established legal system, Ukrainians often fail to comprehend and put it into practice, failing to make use of the advantages of civil rights and freedoms, guided by ideals, or imposed by dishonest authorities or survival techniques. This establishes the concept of well-being at the individual, societal, and governmental levels and obstructs the growth of democracy and the execution of changes on the ground. As a result, it is necessary to alter the patterns of participation in enhancing public initiatives, and the execution of national programs of democratic reform.

The second block of values includes subcategories assessment of democracy defined by participation in elections, membership in parties and public organizations, the level of democracy, the level of the liberality of the political regime, and the level of Ukrainization of society (See table 1).

In Ukraine, political culture is still developing, and democratic structures are extremely fragile. There are examples of undemocratic behavior within democratic institutions, and political players are unaware of the fundamental principles of a democratic system, such as respect for opposing viewpoints. Furthermore, due to claims that they are politically biased and prone to corruption, democratic organizations are considered not as genuine. The judiciary, which encompasses the Constitutional Court, the police, and the civil service are all included in this (Bertelsmann Stiftung's Transformation Country Report, 2022). 83.2 % of respondents consider that elections and referendums in Ukraine must be transparent and based on the respect of democratic principles. 53.8 % support the

Ukrainization of society as important for the normal development of the country (Ukrainian language, history, culture). The presence of parties and public organizations in Ukraine corresponds to the basic principles of democracy considering 50% of applicants. The discomfort zone shows the level of liberality of the political regime. Most of the Ukrainians (74.4 %) assert the idea that the political regime in Ukraine should be liberal, whereas 58 % of respondents point out that they are dissatisfied with the liberality of the political system in Ukraine. The obtained results confirm that there are issues with attempts to build an open civil society and attempt to integrate it into the outside world and the relationship with the global democratization processes (See Table 1).

The estimated third block of the survey of personal freedom comprises the subcategories of political culture, compliance with human rights, respect for human dignity, legal equality, ability to migrate, freedom of movement, and choice of residence. Compliance with human rights, respect for human dignity, and legal equality are assessed as discomfort zones. Respondent answered the following statements: Rate how much you agree with the statement related to European integration having equal conditions for everyone; Personal freedom defines finding satisfaction from being content in your personal life, having the flexibility to pursue your passions professionally, and being debt-free. The survey results prove that 80 % of respondents emphasize respect for human dignity as one of the basic principles of personal freedom.

Compliance with human rights, respect for human dignity, and legal equality are assessed as discomfort zones. 41 % of applicants are not satisfied with the given aspects of life in Ukraine regardless of age, nationality, and religion. They consider the importance of respecting personal rights to allow feeling free. It mentioned that only 25.8 % of people are satisfied and support the idea that the representatives of different races, genders, and social spheres are equal at the legislative level. 36.8% of Ukrainians approve of satisfaction with the level of the rule of law in Ukraine. The estimated results confirm the deteriorating performance of personal freedom after the aggression against Ukraine (See Table 1). It led to freedom limitations due to martial law, and the ranking of the degree of freedom aggravated. Political rights received a score of 20 (40), and civil liberties received a score of 28 (60), making it a partially free nation in Ukraine in 2023 compared to 2022. The previous year's rating was 61 (100) (Freedom in the World 2023, 2023). Freedom House's group evaluated the degree of freedom in ten political rights indicators and fifteen civil liberties.

The fourth block estimation of human rights highlights the answers to the question of the importance of being tolerant, and the absence of discrimination based on race, nationality, and gender (See Table 1). The questions defining fulfillment of personal hopes include the extent of satisfaction of tolerance for human rights, absence of discrimination based on race, nationality, gender, absence of discrimination against women, LGBT rights acceptance, attitude toward people with disabilities,

ethical values, and norms. Europe is associated not only with the values that regulate society but also with completely individualistic ones. Interpretation of personal freedom is diverse in Ukraine. People perceive it as ranging from freedom of religion, freedom of speech, freedom to choose a partner (including same sex), respect for the personal space of the person, freedom of choice of the profession, and freedom of movement in the EU (How Ukrainians Perceive European Values, 2017).

Human rights define the basic rights to life and liberty, freedom of opinion and expression, and the right to work and education. These universal rights are inherent to all of us, regardless of nationality, sex, national or ethnic origin, color, religion, language, or any other status. Ukraine in World Values Survey data reveal that Ukrainians have the lowest level of trust in people they meet for the first time (28.8 %), and it has insignificantly compared to 2011 (27.4 %). The results of the prior survey assessments illustrate that the share of those who believe that most people can trust has increased from 23 % in 2011 to 30 % in 2020. (Ukraine in World Values Survey, 2020).

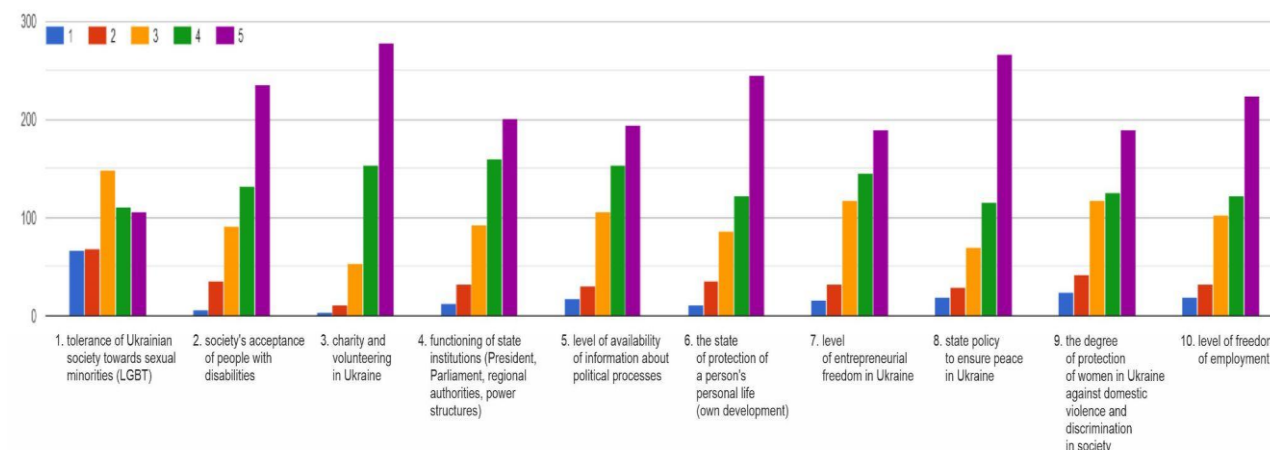
The survey estimation confirms a low level of trust in society and state institutions in Ukraine after Russian aggression. Less than half of respondents (44 %) indicate that they are satisfied and trust the functioning of state institutions (President, Parliament, regional authorities, and power structures). The subcategory of the absence of discrimination based on race, nationality, and gender appears in the discomfort zone. The result confirms the existence of inconsistencies in the importance and satisfaction in society (See Table 1). The research emphasizes the problems of ethical values and norms in society. A special policy needs to propose to disseminate European Union values toward tolerance of certain forms of behaviors (abortion, same-gender relationships, discrimination based on race, nationality, and gender). Multiculturalism, openness, and tolerance for others are challenges for corporate cultures.

The estimation of the worth of human life shows that Ukrainians respect it highly, ranking it among the most precious things in life. In the 2017 survey, majority the respondents (61.2 %) believe that for Ukrainians today the most important is “peace”, while respect for human life takes the second place (How Ukrainians Perceive European Values, 2017).

Human life is the greatest value, according to most respondents to the Gradus Research in 2022 (92% agreed). More than 80% of respondents agreed with statements relating to mutual aid, trust, freedom, and human rights. According to 76% of respondents, social peace is the most important value. Although there was a minor increase in the proportion of respondents who did not think following orders from superiors was the most important thing, they are still outnumbered by those who did (Social Trends 2023 from Gradus Research, 2023).

Figure 4. The estimation of the value of the specified concepts for your life

8. Estimate the value of the specified concepts for your life (1 - not at all, 5 - very important)

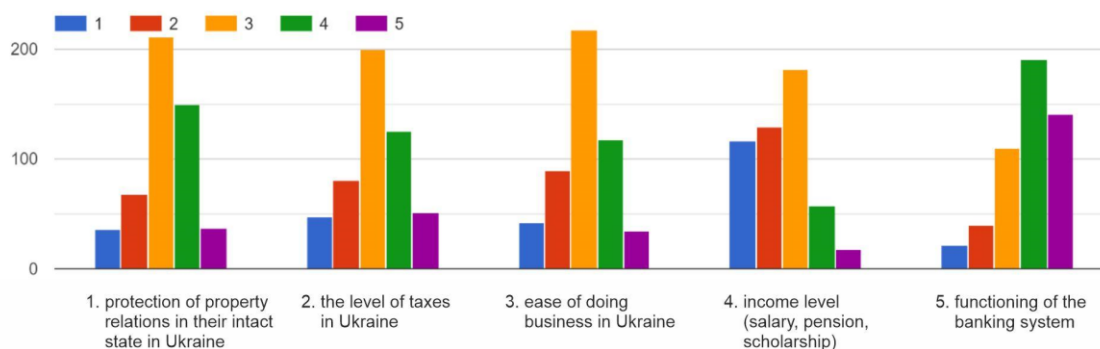


The survey estimation confirms that the value of human life remains the most sought-after and highly valued (See Figure 4, Table 1). The value of human life is at the top of the respondents' estimations. The answers to the question of how satisfied you with the given aspects of life in Ukraine are (1 - completely not satisfied, 5 - completely satisfied) on the importance of peace, personal life, and family values demonstrate that most applicants responded that they were mostly satisfied with the given aspects of life with the following subcategories.

The sixth block estimates economic values, which comprise the subcategories of income level, fiscal and tax system, entrepreneurship, labor and financial freedom, and protection of property rights. The respondents answered the questions of importance receiving income pursuing a place in society and the conditions for self-realization. The survey's analysis of economic values is underlined by responses to the questions, "How satisfied are you with the conditions of development and the degree of business protection" (1 - not at all satisfied, 5 - completely satisfied) - attitude toward work, "professional competencies," "the material well-being of workers," "enterprise freedom," "a system of remuneration," and "protection of property rights." According to the estimation results, 35.2% of respondents dissatisfied with tax burden and financial freedom, 66.2% dissatisfied with financial freedom, and 37.4% dissatisfied with the protection of property rights (See Figure 5, Table 1).

Figure 5. The estimation of satisfaction of conditions of development and the degree of business protection

9. How satisfied are you with the conditions of development and the degree of business protection (1 — does not satisfy at all, 5 — completely satisfies)



The survey, conducted by the Kyiv International Institute of Sociology (KIIS) from October 21–23 in 2022, demonstrated that ninety percent of Ukrainians think their country will be a rich member of the European Union in ten years. Eighty-eight percent of Ukrainians said they expected their country to be rich and a member of the European Union in ten years. While twenty six percent of them disagree, sixty three percent of them fully share this opinion. Only five percent of respondents have gloomy predictions (Prishlyak, 2022).

The research results reflect the specifics and complexities of estimated social groups and make the results affordable, inclusive, and representative. The study examines the changes in attitudes and beliefs concerning the implementation of European Union values in society. Most respondents are not satisfied with the speed and completion of the fundamental necessary procedures of adapting principles, rules, regulations, and the accession process to the European Union. Many citizens confirm adherence to European Union values.

Education, culture, and information policies need to foster the shift of traditional beliefs. Majority of respondents highlight to speed dissemination of fundamental principles and practices, norms, regulations procedures necessary for the application of principles, values, norms, and regulations for European Union integration. As a result of processing statistical data of online interviews, the commitment of Ukrainians to European values was revealed. The specific groups within the population identified, defined specific forms of behaviors and characteristics.

The transformation and commitment of social-political values of Ukrainians toward to European Union principles, norms define the velocity of democratization in Ukraine. Estimation of the effectiveness of democratic institutions; promoting the rule of law; human rights and the

protection of individual freedoms; economic institutions, and political institutions are directed to define the strategy for future democratic Ukrainian development.

Conclusions

The comprehensive online survey conducted across Ukraine from September 1 to October 31, 2022, has provided significant insights into the values, beliefs, and habits of Ukrainian citizens during a critical period of conflict. The methodology, grounded in the World Values Survey and tailored to the Ukrainian context through an interdisciplinary approach, has enabled a nuanced evaluation of the importance and satisfaction with core societal values amid war.

The findings indicate a nuanced landscape of value importance and satisfaction among Ukrainians, marked by disparities between the importance attributed to certain values and the satisfaction with their realization in society.

The discrepancy in legal affairs suggests an urgent need for reforms to align practice with public expectations and European standards. Democracy, as another focal value, presents a mixed picture. While electoral participation and Ukrainization are affirmed, the political culture and liberality of the political regime are areas of concern, signaling a desire for further democratic consolidation. The adaptation of the social humanitarian principles and beliefs, respect for human dignity and rights, and the rule of law will contribute to the rapid democratization of society and functioning institutions.

The assessment of human rights underscores the challenge of fostering tolerance and eradicating discrimination, which is essential to the integration of European values. In terms of the valuation of human life, the survey reiterates its paramount importance to Ukrainians, with peace and family values being highly prized. However, there remains room for improvement in satisfying these values fully. Economic assessments reflect significant discontent with the fiscal system, financial freedom, and protection of property rights, highlighting the need for economic reforms that align with the aspirations for European integration and economic stability.

While there is a clear aspiration to European values, reflected in high importance ratings, the satisfaction levels paint a picture of a society in transition, with considerable work needed to bridge the gap between values and reality toward to the European Union values. This underscores the importance of continued reforms, societal engagement, and policy-making that are responsive to the public's aspirations for a Ukraine that embodies the principles of European democracy, human rights, and economic opportunities.

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Central bank digital currencies - the future backbone of the international payment system?

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Abstract

Due to the increasing role of digital payments, demand for commercial bank money and nonbank money is expanding, while that for physical cash is sharply diminishing. The retail central bank digital currency (CBDC) is considered the only safe alternative to compensate for this decrease, as a public good complementary to cash that can be used by the general public. It is seen also as a response to the surge of private digital currencies, which could threaten national monetary sovereignty. Complementarily, in parallel to the retail public digital currency, wholesale CBDC targets large-value interbank transactions, limited to selected financial institutions, focused on efficiency, security and lowering transactions costs for cross-border transactions. Based on the extensive literature review and a qualitative synthesis, the present paper has as a key objective the interpretation of the main approaches to the retail CBDC adoption, justified by specific motivations. The research question is “in which circumstances should a retail CBDC be adopted?”. The historical perspective of failed projects, combined with current experiences, offers a clear overview of the CBDC as a potential dominant currency of the digital economy, but in the presence of a cautious approach.

Keywords: central bank money, fiat money, central bank digital currency, retail, wholesale, payment innovations

Introduction

The consequences of the Covid-19 pandemic, combined with the new crisis of the war in Ukraine are sending shock waves through the world economy. The current crisis “on top of a crisis” generates not only a painful increase in energy costs, persistent inflation, high debt and fiscal deficits, but causes also “another growing risk: fragmentation of the world economy into geopolitical blocs - with different trade and technology standards, payment systems, and reserve currencies” (Georgieva, 2022).

Beyond these challenges is another one, present in our day-to-day life: the payments revolution. The Covid-19 crisis determined an unprecedented acceleration of digital payments (Auer *et al.*, 2020). Payment innovations (such as decentralized finance DeFi platforms, cryptocurrencies, stablecoins,

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embedded payments within specific applications), and innovators (especially non-traditional players such as financial technology companies FinTechs and BigTechs¹) surpass the regulatory speed, posing inherent risks to the financial system stability. The payment innovations are considered by their creators as fast, cheap and safe instruments, while regulators have an opposite opinion, urging caution.

According to the Bank of International Settlements (BIS), the DeFi ecosystem “is geared predominantly towards speculation, arbitrage and investment in cryptoassets” (BIS, 2022). “Due to their volatile growth cycles, and as long as relevant regulatory provisions do not apply, crypto-assets entail numerous risks which may in future become relevant for financial stability” (ESMA, 2022). At the same time, “in case of rapid adoption, the emergence of a closed ecosystem around a global stablecoin would reinforce the loop between data, network externalities and activities (DNA) that underpins big techs’ growth” (BIS, 2022).

As a consequence, the *non-bank money* is increasing its role, to the detriment of the central bank money and commercial bank money. Non-bank money includes payments through large e-commerce platforms, payment applications (such as WeChat, WhatsApp, Grab, Gojek, M-Pesa) and DeFi platforms.

In other words, money has entered a new period of transformation (the era of electronic or digital money), in the direction of shaping a cashless society. This could reshape not only the financial sector, but also the economy and society as a whole, marking a new round of *competition* between official and private money, both domestically and internationally (Cerna, 2022a; 2022b).

The alternative to these challenges would be the *retail* Central Bank Digital Currency (CBDC) (open to citizens and businesses), as free of liquidity risk, credit risk and market risk, resembling cash (House of Lords of the United Kingdom, 2022). The second form of CBDC is *wholesale* digital currency. In the literature is underscored that “not surprisingly, the interest in wholesale CBDCs is driven predominantly by the potential of payment system efficiency and stability and cost efficiency gains, while interest in retail CBDCs is usually driven by the demand for digital payments” (Jahan *et al.*, 2022).

As a digital fiat currency, it has to accomplish a set of principles and requirements, including: “ease of use, low cost, convertibility, instant settlement, continuous availability and a high degree of security, resilience, flexibility and safety” (BIS, 2020). It also needs to be carefully designed to ensure

¹ Conglomerates with extensive customer networks and core businesses in social media, telecommunications, internet search engines and e-commerce. Relevant examples include the following: the American companies Amazon, Google-Alphabet, Apple, Meta (Facebook), Microsoft and the Chinese Alibaba and Tencent (with WeChat, one of the most popular super-apps with over 1.2 billion users).

the effective implementation of the framework related to anti-money laundering and countering the financing of terrorism AML/CFT (BIS, 2020; ECB, 2020; G7, 2021).

Starting from a benefit-risk evaluation, this paper has as a main objective the interpretation of approaches to the retail CBDC adoption. The research question is “in which circumstances should a retail CBDC be adopted?”. The methodology is based on empirical research (regarding the current context and also the historical perspective), using the tools of synthesis and analysis. Besides the critical overview of the already rich literature, the novelty effect is ensured by three axioms regarding CBDC, synthesized in the section of conclusions. This brings elements of novelty to the current theoretical framework.

Motivations for adopting a CBDC

The CBDC is a new form of fiat currency that can be issued by the central bank as a liability. It is on par with the physical currency. CBDC is new only from the perspective of retail users (individuals and companies in the non-financial sector), as central banks already offer digital money in the form of reserves or settlement account balances held by commercial banks and other financial institutions at the central bank (CPMI-MC, 2018; Bank of England, 2020; BIS, 2021).

It is a way to ensure that central bank money remains at the core of the financial system. In other words, it is a reflection of the fulfilment of the central bank’s key task, namely money creation, thus accomplishing “public interest objectives such as inflation control and the cyclical stabilisation of the economy”. It is a complement to cash, not its replacement (Panetta, 2021a; 2021b; 2021c; 2021d; 2022).

Starting with the BIS studies and analyses of the BIS, the International Monetary Fund (IMF) and the main central banks around the world, a set of *arguments* in favour of adopting the CBDC has been outlined since 2018. Among these, the most relevant are the following:

- Addressing the consequences of a pronounced decrease in demand for cash;
- Offering an alternative to private crypto-assets, in order to avoid the risks associated with them;
- Meeting future payment needs in a digital economy (efficiency, stability and safety);
- Reducing the illicit use of money;
- Facilitating cross-border payments;
- Stimulating financial inclusion;

- All the motivations mentioned before are associated with supporting central banks' objectives of maintaining monetary and financial stability, but without jeopardizing competition, efficiency and innovation.

In addition to these motivations, monetary authorities around the world realize that the international payments system is dominated by private actors, and the key currency remains the dollar. In this context, the acceleration of the internationalization of currencies such as the euro and Chinese yuan (CNY/RMB), but also recovering lost ground to non-state players are two other major motivations for the adoption of CBDCs.

To these arguments must be added the specific justifications of small island states. The experience reflected by central banks of Bahamas (with Sand Dollar) and Eastern Caribbean (with DCash) underscores that on the one side, population is skilled and adapted to the digital economy and, besides, a digital currency controlled by the state is the best and safest way to connect people living in low density regions. The Sand Dollar addresses both the geographical and infrastructural challenges of providing digital financial services, taking into account that Bahamas is an archipelago of 700 islands in the Caribbean, of which 30% are inhabited.

Wright *et al.* (2022) and CBDC WG (2020) underline that CBDC:

- Provides a safe and liquid government backed means of completing payments without the necessity of getting or maintaining a bank account;
- Advances more inclusive access to regulated payments and other financial services for underserved communities and socio-economic groups, reduces service delivery costs and increases transactional efficiency for financial services at national level.

In the Digital Age, cash use is drastically decreasing. For instance, in the United States, it fell from 40% of transactions in 2012 to 19% in 2020, while in Sweden the percentage decreased from 33% to less than 10% in the same time frame. In China, 50% of point-of-sale payments are made with a mobile wallet or app, while cash accounts for 13% of POS payments (Board of Governors of the Federal Reserve System, 2022). In China, two tech giants, namely the private actors (the Ant Group Co.'s Alipay and Tencent Holdings Ltd.'s WeChat Pay) control more than 90% of the mobile payments market. This a strong motivation for the Chinese central bank to finish the testing phase and push for a nationwide adoption of the e-CNY, the paperless version of its fiat currency (Mukherjee, 2022). China banned all transactions with cryptocurrencies in 2021, having in mind their inherent risks and is one of the leading countries in testing CBDC.

The following Table synthesizes the main characteristics and goals of CBDCs, as seen by various monetary authorities. It includes central banks that have already adopted a CBDC (Bahamas

nationwide, China, Sweden and the eight members of the Eastern Caribbean Currency Union as pilot projects); European Central Bank as an active explorer; the United States and Canada as cautious observers/sceptics.

Table 1. CBDC: Characteristics and goals

Monetary authority of	CBDC
United States	<i>A digital liability of a central bank that is widely available to the general public. It is analogous to a digital form of paper money and maintains the centrality of safe and trusted central bank money in the digital economy. It should be: free from credit risk and liquidity risk; privacy-protected; intermediated (through commercial banks and regulated nonbank financial service providers); widely transferable and identity-verified (in order to combat money laundering and the financing of terrorism) (Board of Governors of the Federal Reserve System, 2022).</i>
Canada	<i>“CBDC - as a digital version of cash – can serve the public policy objective of maintaining competition in payments in digital markets” (Usher et al. 2021).</i>
European Central Bank	<i>A digital euro could be issued:</i> <i>(i) to support the digitalisation and strategic independence of the EU;</i> <i>(ii) in response to a significant decline in the role of cash as a means of payment,</i> <i>(iii) if there is a significant potential for foreign CBDCs or private digital payments to become widely used in the euro area,</i> <i>(iv) as a new instrument of monetary policy,</i> <i>(v) to mitigate current risks to the normal provision of payment services,</i> <i>(vi) to stimulate the internationalisation of euro, and</i> <i>(vii) to reduce the costs and to green the monetary/payment systems (ECB, 2020).</i>
Sweden	<i>Physical cash and digital cash - "e-kronor" - shall coexist and complement each other. The Swedish central bank (Riksbank) shall have the exclusive right to issue e-kronor and regulate its circulation. It is mainly intermediaries that will connect end users, distribute e-kronor to end users and enable transactions between end users (Sveriges Riksbank, 2022).</i>
China	<i>e-CNY would be “traceable and programmable” and would allow financial authorities “to track and monitor how CBDC circulates after issuance,” something not plausible with cash. It will be cheaper for the government to manage and will remove the cryptocurrencies’ volatility and anonymity of use. It will stimulate financial inclusion by enabling digital transactions in remote rural areas (Fanusie and Jin, 2021).</i>
Bahamas	<i>The Sand Dollar has four key functions: Increase the efficiency of the Bahamian payments systems through more secure transactions and faster settlement speed; Provide non-discriminatory access to payment systems without regard for age, immigration or residency status; Achieve greater financial inclusion, cost-effectiveness, and provide greater access to financial services across all of The Bahamas; Strengthen protection against money laundering, counterfeiting, and other illicit ends by reducing the ill effects of cash usage (Central Bank of the Bahamas, n.d.).</i>
Eastern Caribbean Central Bank	<i>DCash is considered as a safer, faster and cheaper way to transfer funds and process payments (ECCB, 2022).</i>

Source: Based on literature review

The characteristics mentioned above reflect some arguments in favour of adopting a CBDC. But all these potential advantages can only be translated into practice by a high rate of CBDC adoption by consumers and the business environment. Besides, there have been already individualised numerous risks associated to retail CBDC, as reflected in the following section.

Risks associated with the CBDC

Some scholars, especially in the United States and the United Kingdom underline that CBDC adoption, apparently demanded by market failures and inefficiency is rather “a solution in search of a problem”. Other initiatives can better address the existing problems than the CBDC (Waller, 2021). CBDC can cause banking sector disintermediation, with negative consequences for credit allocation and financial stability. It can lead to the undesirable situation of state surveillance of people’s spending choices (risks to individual privacy). Financial instability can be exacerbated as people convert bank deposits to CBDC during periods of economic stress, but also when is recorded an increase in central bank power without sufficient scrutiny (also through unconventional monetary policy). It is possible to generate centralised point of failure (namely the centralised CBDC ledger) that would be a target for hostile state and non-state actors (House of Lords of the United Kingdom, 2022).

There are also technical issues, most of them unanticipated, as indicated by DCash. The IMF presents briefly the problem as follows: “Between January and March 2022 DCash experienced an extended outage on account of a problem with the system’s operational management processes of digital certificates. While leaving the Distributed Ledger Technology and existing data and transactions intact, the outage disrupted new transactions and on-boarding of new users” (IMF, 2022). Besides, DCash represents less than 1% of cash in circulation, which makes this initiative still a pilot project (IMF, 2022).

Soderberg *et al.* (2022) point to the following risks:

- Reputational risk may occur in the situation where there is not a wide acceptance and circulation of CBDC.
- If the central bank charges intermediaries for using the CBDC system, there is a risk that intermediaries will in turn pass the cost downstream and raise the price of payments, which may counter initial policy goals.
- “CBDC projects are resource-intensive and become even more so as their scale increases”.
- As technology is still developing, with multiple alternatives possible, it is evident that “choosing the best technology is deemed a challenge”.

Table 2. Potential benefits and risks associated to a CBDC

Benefits	Risks
Levelling the playing field in payment innovation for private-sector firms of all sizes	Banking sector disintermediation, with negative consequences for credit allocation and financial stability
Improvement to cross-border payments	Potential state surveillance of people's spending choices
Support the internationalisation of currencies	CBDC, a possible target for hostile state and non-state actors
Preserve the dominant international role of the USD (from the US perspective)	Technical issues
Promote financial inclusion (particularly for economically vulnerable households and communities)	Reputational risks
Extend public access to safe central bank money	Potential higher costs for consumers
Increase the prevention of financial crimes	High costs for monetary authorities

Source: Based on literature review

A look into the past, at the Finnish and Ecuadorian experiences, reveals two important lessons. First, the Bank of Finland launched the Avant project in the 1990s, a digital prepaid card intended to be used in a single national electronic payment system. However, the customers were charged for loading/using their cards, in contrast to the automated teller machines, where withdrawals were free. Debit and credit cards had become more and more efficient, therefore the Avant card was not at all attractive for customers. Consequently, it was discontinued in 2003 (Grym, 2020).

In its turn, the Ecuadorian experience underscores another relevant lesson. Ecuador implemented its digital currency, Dinero Electrónico in 2014. The digital fiat currency was active until 2018. In the absence of a critical mass of users and amid the position of private banks that considered Dinero Electrónico a threat to their intermediation activities, the Ecuadorian central bank abandoned its digital currency. If there are fears that there is not enough trust or support for a CBDC, the initiative of launching a CBDC should be cancelled.

Status of adopting retail CBDCs worldwide

More than 100 countries, representing over 95% of global GDP, are exploring a retail CBDC (The Atlantic Council, 2022). A handful have already launched a CBDC, either nationwide or as pilot projects (Table 3). Most of them are active explorers, starting from the European Central Bank and continuing with Brazil, India, Russia, Turkey and so on. Some are cautious observers, including the United States, the United Kingdom and Singapore. There are also sceptics (Denmark) and countries who abandoned tests for the time being (Japan). It is worth mentioning that all the cautious observers and sceptics in the field of retail CBDC support testing the wholesale CBDC, as reflected by various

projects such as: Ubin (Singapore), Jasper (Canada), Inthanon (Thailand), LionRock (Hong Kong-China), Helvetia (Switzerland), Stella (European Central Bank-Japan), the mBridge multi-CBDC arrangement project (monetary authorities of China, Hong Kong-China, Thailand, and the UAE).

Table 3. Categories of central banks according to their attitude towards *retail CBDC adoption* – several examples for each category

Early adopters, either universally or as pilot projects	Active explorers	Cautious observers/sceptics/countries which abandoned tests
<i>Nationwide CBDCs</i> - Bahamas, 20 October 2020; - * Cambodia (Bakong), 29 October 2020; - Nigeria (eNaira), 25 October 2021; - Jamaica (JAM-DEX), 11 July 2022; <i>Ongoing pilot projects</i> - China, since 2019-2020; - Sweden, since February 2020; - Eastern Caribbean Central Bank: Antigua and Barbuda, Grenada, St Kitts and Nevis and St Lucia 31 March 2021; St Vincent and Grenadines August 2021; Dominica and Montserrat December 2021; Anguilla 29 June 2022;	- European Central Bank; - Turkey; - Russia; - India; - South Korea; - Indonesia; - Vietnam; - Malaysia; - Thailand; - Bangladesh; - Ghana; - Uruguay; - Brazil;	- United States; - United Kingdom; - Singapore; - Denmark; - Japan.

* Bakong is different from other CBDCs, as it is not issued by the central bank, but by partner financial institutions, under its supervision.

Source: Based on literature review

Singapore is more focused on projects on wholesale CBDC, involving only financial institutions, not the business sector and citizens as a whole. It is a case worthy consideration. According to the Monetary Authority of Singapore (MAS), which has not yet decided on issuing a retail CBDC: “Further in-depth analyses on the implications of a retail CBDC for MAS’ regulatory frameworks, operational and legal considerations and its impact on the financial sector among others, still need to be undertaken in parallel. MAS’ decision to proceed with further technological and policy explorations of a retail CBDC should not be taken as a commitment to its issuance. There are broader considerations for CBDC issuance, such as whether the public expects direct access to central bank money as part of the social contract in Singapore. At the same time, while there is general consensus that money and payments are public goods whose provision should not be left entirely to the private sector, the appropriate “division of labour” between the public and private sector ultimately also involves some normative judgement” (MAS, 2021).

One alternative taken into account is the support for Singapore dollar-denominated stablecoins, including by allowing issuers to back their tokens fully using central bank reserves. In this situation,

MAS “would play a more indirect back-end role in the provision of money and payments to households and firms in Singapore” (MAS, 2021).

A retail CBDC in Singapore “is not compelling” for the time being, due to the broad financial inclusion and well-functioning payment systems (fast, efficient and at zero cost retail electronic payments), while “a residual amount of cash remains in circulation and is unlikely to disappear” (Menon, 2022).

Another similar case is **Denmark**, among the most digitalised countries in the world. In 2021, just under 90% of payments made in physical trade were digital, and the average number of card transactions per citizen was about twice as high as the EU average. However, Denmark rejects the necessity of CBDC: “At present, and with the associated costs and possible risks, it is not clear how retail CBDCs will create significant added value relative to the existing solutions in Denmark” (Danmarks Nationalbank, 2022).

The **Federal Reserve and Bank of England** are latecomers in the group of monetary authorities launching consultations and debates with the general public and key stakeholders regarding the potential risks and benefits of a CBDC. The **US** have a cautious approach, taking into account that the USD is the key currency of the international financial system. It considers that broad consultation with the general public and key stakeholders is necessary. It has decided it would proceed with the issuance of a CBDC only with a clear support from the national executive and legislative powers (Board of Governors of the Federal Reserve System, 2022).

After carrying out experiments in 2021 and the first part of 2022, the Bank of **Japan** (BoJ) abandoned its tests on CBDC. There are three main determinants: (1) a reported lack of public interest; (2) universal access to the banking system, the prevalence of internet banking services, credit card usage and e-money payment tools, accompanied by tangible benefits (points that can be gained which can be accumulated and used for shopping or payment for other services) and (3) a still high demand for cash, in spite of its declining use (Shirai, 2022).

In antithesis, Bahamas was the first country worldwide to launch a CBDC. It is prepared for adopting a CBDC nationwide and besides, it needs such a digital currency, given its geographical conditions.

The Bahamas has a population of nearly 400,000 inhabitants, a GDP of approximately \$12 billion, and a GDP per capita of nearly \$30,000. The Bahamas is therefore a high-income country. It has a digitized economy and a mobile phone penetration rate of 90%, so the population is ready to adopt MDBC (Bharathan, 2022). However approximately 20 percent of the adult population does not have access to a bank account and also cash and cheques still dominate the payments market (IMF, 2019).

The Bahamas is located in a region in the path of hurricanes, and the low population density means that all the costs of connecting the population, physically and virtually, are high. Therefore, the digital system of the Bahamian dollar is considered to be the optimal solution, adapted to the specific geographical and meteorological conditions. The digital Bahamian dollar can be used in a hybrid wireless network (WIFI), online and offline, with e-wallets synchronizing when the connection is reactivated (Bharathan, 2022). The digital Bahamian dollar is also intended to improve financial inclusion, reduce all transaction costs and increase transaction efficiency (Central Bank of the Bahamas, 2019).

Conclusions and future research directions

The retail CBDC, issued and guaranteed by state, complementary to cash, is seen by many experts and central banks as a safe instrument able to accomplish the functions of fiat money: a means of payment, a store of value and a unit of account. In contrast to cryptocurrencies, the digital state-issued money is considered free of any risk, either market risk, credit risk, or liquidity risk.

There are various approaches towards CBDC adoption, underlining different key motivations for implementing a CBDC, as well as inherent risks and opportunities.

The acceleration of efforts towards the CBDC exploring and testing is evident worldwide. For most developing/emerging countries, increasing financial inclusion is among the major objectives. The adoption of digital currencies by tiny states such as Bahamas and the eight members of the Eastern Caribbean Currency Union is considered the best solution to connect the population to the payment system, given the geographical position in the path of hurricanes, with devastating effects on the transport, communication and electricity supply networks. “Faster, cheaper and safer” is their motto, similar to the Decentralized Finance ecosystem. Therefore, for island countries, such as those in the Caribbean, CBDC is considered a mean to counter their vulnerability to natural disasters.

On the contrary, the United States, whose USD remains the key currency of the international financial system, is among the most cautious countries worldwide as regards a CBDC. In the category of “cautious observers and sceptics” are also: the United Kingdom, Singapore, Denmark and so on. Bank of Japan abandoned its tests on a retail CBDC, as demand for cash is still at a high level.

Referring to Ecuador's experience and the discard of Dinero Electrónico in 2018, the key lesson learned is that no matter how attractive they may seem, retail CBDC initiatives can only be successful if they meet two conditions: (1) they are intensely publicized, explained and understood, (2) they are supported and trusted by all economic actors, including consumers, bank and nonbank actors.

The main limitation of this paper is the lack of statistics, which is due to the low number of countries that have already adopted a CBDC, while the other current projects are in various testing phases. In order to compensate for this weakness, the research presents a set of novelty elements.

In this paper there have been identified several categories of countries according to their current attitudes towards CBDC: (1) early adopters, (2) active explorers, (3) cautious observers; (4) sceptics and (5) countries which abandoned tests (Japan). Monetary authorities already know that the attitude of the general public and the business sector, as well as the balance between benefits and threats are crucial for any CBDC project. Whether CBDCs are “a solution in search of a problem”, as suggested by American and British experts, or a real solution to the current challenges faced by the international payments system, remains to be seen in the years to come. As a first action to be taken by regulatory authorities, it is recommendable to impose strict rules regarding private digital currencies in particular and non-bank money in general.

This investigation underscored that there are various reasons for the CBDC receiving more and more attention, not only addressing the consequences of a decline in cash payments. Another axiom is that there are countries with a very low share of cash in offline payment transactions which reject the necessity of CBDC, while others with still a high share consider it a means of financial inclusion and discouraging illicit activities. Not all the countries with a low share of cash in offline payment transactions at points-of-sale are willing to adopt a retail CBDC. Evident examples are the United States, the United Kingdom, Singapore, Denmark. Third, it is not enough that the central bank decides the retail CBDC adoption. Only payment instruments which are attractive for consumers (competitive as compared to the others) will survive in the competitive market. Participation and support of the private sector and citizens in the development process, as well as cooperation between different jurisdictions are crucial.

This paper focused on retail projects, as it involves the general public and the business sector, which generates more risks as compared to the wholesale CBDC. This topic has a high relevance in various fields of world economy, the initiatives regarding CBDC should be further analysed and interpreted from a benefit-risk perspective, both as regards retail and wholesale projects.

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The relevance of an eco-industrial cluster in promoting Ukraine's post-war reconstruction and sustainable development

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Abstract

The study explores the relevance of eco-industrial clusters in promoting Ukraine's post-war reconstruction and sustainable development. To this aim, the paper carries out a comprehensive literature review of academic articles, reports, and case studies on eco-industrial clusters and sustainable development, collect data on Ukraine's post-war reconstruction efforts and the current state of its industrial sector, and analyze relevant legislation and policies. The results show that the success of eco-industrial clusters can be attributed to several critical factors, including robust collaboration between companies, a supportive regulatory framework, and a long-term vision for sustainable development. In the context of Ukraine's post-war reconstruction, an eco-industrial cluster offers an opportunity to build back better by creating new jobs, promoting sustainable economic growth, and enhancing environmental protection. This suggests that an effective eco-industrial cluster in Ukraine should align with the country's long-term vision for sustainable development, identify industries and companies that can benefit from collaboration and resource sharing, and prioritize stakeholder engagement and public awareness. The involvement of research institutions, a supportive regulatory framework, and financial resources from international donors and investors are also critical for the success of an eco-industrial cluster in Ukraine. By adopting a collaborative, innovative, and sustainable approach to economic development, Ukraine can build a more resilient, inclusive, and prosperous future for its people.

Keywords: eco-industrial cluster (EIC), post-war reconstruction, Ukraine, sustainable development

Introduction

Industrial clusters (IC) are a relatively new form of economic organization. In many developed countries, they have proven their significant role in shaping and ensuring the economic security of the country and its territories, improving the welfare and safety of people (Behrendt and Nguyen, 2018; Bashynska *et al.*, 2021; Bashynska *et al.*, 2024). Effective long-term functioning of industrial clusters is possible only if the strategy is based on the principles of sustainable development, namely

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greening, circular economy, resource management, renewable resources, smartization of business processes and more (Bashynska, 2020; Kurbatova *et al.*, 2023; Sala *et al.*, 2023).

However, amidst the undeniable economic benefits, the trajectory of industrialization and urbanization often interconnects, posing challenges to global sustainability. In the case of Ukraine, the Russia's war has not only inflicted devastating consequences on the nation but has also exacerbated environmental concerns due to various disruptions and damages caused by the conflict.

Green industrial growth is one of the most critical issues for sustainable development (Bashynska *et al.*, 2024); in particular, industrialization and urbanization usually interact. It is well known that the industrial sector is the engine of the growth of the national economy. At the same time, it also contributes to most global environmental impacts, such as carbon and resource emissions, as well as emissions of critical pollutants (Hu *et al.*, 2005). It is essential that neglecting preventive means of ecological safety management of individual entrepreneurs can lead to irreparable damage to human health and life. Thus, given the increasing environmental challenges faced globally, the contemporary scenario demands a shift towards a new economic model that prioritizes sustainability and environmental conservation - an ecological industrial cluster (EIS).

The main goal of this research is to examine the relevance of eco-industrial clusters in promoting Ukraine's post-war reconstruction and sustainable development. The study aims to provide insights into how eco-industrial clusters can be leveraged to promote economic growth, improve environmental sustainability, and foster social development after the war.

The central hypothesis is that the eco-industrial cluster is an effective tool for sustainable development and prosperity of the country and people. The results (Zheng and Peng, 2019) show that the eco-efficiency of energy-intensive industry, energy-intensive industry chains, and energy-intensive industrial clusters are all on the rise. Eco-industrial parks, serving as catalysts for industrial ecology development, promote sustainable practices, resource optimization, and symbiotic inter-industrial relationships (Negesa *et al.*, 2023). It provides companies with significant benefits from participating in it, namely the synergy effect, saving resources, primarily financial (Park *et al.*, 2016). The formation and development of clusters is an effective mechanism for attracting foreign direct investment and intensifying the process of integration into global value chains. Inclusion in such chains allows companies to increase their technological level, expand innovation to gain more significant competitive advantages, and increase the depth of product processing and added value. Such factors facilitate this as acquiring and implementing the latest equipment and technologies, gaining access to modern methods of management and organization of production and special knowledge, and gaining adequate opportunities to enter international markets. The study (Hu *et al.*,

2005) demonstrate that overall eco-efficiency of the cluster following eco-industrialization could result in increases of up to 30~40% over the pre-eco-industrialized level.

While ample methodological resources exist for decision-making under uncertainty and risk, emerging scenarios present distinct patterns that necessitate understanding decision-making amidst less-explored conditions – specifically, decision-making in conflict situations. These conditions demand further study and analysis to develop comprehensive frameworks for effective decision-making. Thus, the study is dedicated to developing the concept of eco-industrial cluster and provide practical recommendations for managing the companies' participation in EIC based on the principles of risk resilience, sustainable development, cooperation and smartization, as well as the principles of synergy, reasonable sufficiency, conservation, recirculation, lean manufacturing, economics and science.

1. Literature review

Clusters are a relatively new form of economic organization. The increased interest of scientists was formed after the publication of the works of Michael Porter (Porter, 1998) and which is given a leading role of clusters in shaping the competitiveness of states and regions.

Sufficiently in-depth IC studies are available from foreign scientists. A group of authors from Japan (Tsujimotoa *et al.*, 2018) reviewed 90 previous studies using the ecosystem concept and identified four main research approaches, through which researchers and influential groups are examining and studying industrial clusters. The first approach is the perspective of industrial ecology, which is based on industrial ecosystems. The second approach is considered in terms of business ecosystems. This approach is based on the theory of organizational boundaries. Some other influential scientists are paying attention to platform management, which is the third approach. The fourth approach is a multi-stakeholder network that facilitates dynamic analysis of behavioural relationships based on social media theory. A publication (World Bank, 2021a), which is the result of cooperation between the United Nations Industrial Development Organization (UNIDO), the World Bank Group and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, outlines a rethinking of industrial eco-parks based on the experience gained since the start of the framework project in 2017, as the creation of industrial smart eco-parks has proven to be an effective way to combine industrial activity with commercial and infrastructure services.

A group of scientists from Finland (Halonen and Seppänen, 2019) define the industrial eco-park as a business community of enterprises in the real economy sector and services that seek to improve environmental and economic performance through cooperation in solving ecological and

resource problems. Emphasis is placed on the pursuit of collective benefits, which outweigh the number of individual benefits, which each realizes only by optimizing the activities of each participant. Recent studies are increasingly concerned with greening eco-clusters as a tool for introducing a circular economy (Li and Xiangyun, 2022) or developing eco-industrial parks (Genc *et al.*, 2019; Ong *et al.*, 2021). In turn, such issues as the participation of companies in the IC and the calculation of the feasibility of making management decisions are not paid attention to, except in terms of the impact of COVID-19 (Mengistu *et al.*, 2020).

It is essential to distinguish clusters from other business associations, particularly from industry business associations. Most industry business associations aim to lobby for the common business interests of their members, such as fiscal and other industry preferences. With rare exceptions, they do not have on the agenda and strategies provisions for increasing competitiveness through better production cooperation, international cooperation, exports, innovation and digitalization. All of the above distinguishes clusters from other business associations. However, effective long-term functioning of industrial clusters is possible only if the strategy is based on the principles of sustainable development, namely greening, circular economy, resource management, renewable resources, smartization of business processes and more (Dudek *et al.*, 2023; Bashynska *et al.*, 2023). Green industrial growth is one of the most critical issues for sustainable development; in particular, industrialization and urbanization usually interact. It is well known that the industrial sector is the engine of the growth of the national economy. At the same time, it also contributes to most global environmental impacts, such as carbon and resource emissions, as well as emissions of critical pollutants. It is essential that neglecting the preventive means of ecological safety management of individual entrepreneurs can lead to irreparable damage to human health and life. Thus, creating a new economic system - an ecological industrial cluster – would be helpful.

2. Materials and Methods

This article explores the relevance of eco-industrial clusters in promoting Ukraine's post-war reconstruction and sustainable development. To achieve this objective, the following materials will be utilized: academic articles and reports on eco-industrial clusters and sustainable development; official statistics; Reports and data on Ukraine's post-war reconstruction efforts; national and regional laws, regulations, and policies; case studies of successful eco-industrial clusters in other countries.

Based on the materials available, the following methods will be utilized: Literature Review (conduct a comprehensive literature review of academic articles, reports, and case studies on eco-

industrial clusters and sustainable development. The review will provide an understanding of the key concepts, principles, and benefits of eco-industrial clusters in promoting sustainable development); Data Collection (collect data on Ukraine's post-war reconstruction efforts and the current state of its industrial sector. The data will include economic indicators, environmental impact assessments, and government policies related to sustainable development); Relevant Legislation and Policies (this review will focus on identifying the legal and regulatory framework for the implementation of eco-industrial clusters in Ukraine, including environmental regulations, tax incentives, and government policies that support sustainable development and post-war reconstruction. The analysis of legislation and policies will provide insights into the opportunities and challenges of implementing eco-industrial clusters in Ukraine, as well as potential barriers that may need to be addressed to facilitate their successful implementation) and Case Study Analysis: Analyze successful eco-industrial cluster case studies from other countries to identify best practices and lessons learned. This analysis will inform the design and implementation of an eco-industrial cluster in Ukraine. Data Analysis (analyze the collected data and expert insights to assess an eco-industrial cluster's feasibility and potential impact in promoting Ukraine's post-war reconstruction and sustainable development).

3. Data Collection, Legislation Analysis and Case Study Analysis

3.1. Clusters and industrial parks overview

There are about 2,950 clusters in Europe, i.e. defined as regional concentrations of participants in the relevant industries. Economic activities related to European clusters cover up to 39% of jobs and up to 55% of EU wage funds. In contrast to the relationship of industrial cooperation in traditional industries, which was practised long before the emergence of clusters, clusters are much more innovative – 87% of all EU patents are produced by companies that are members of clusters. In addition, the contribution of clusters to foreign economic activity is significant - 50% of export industries also belong to clusters (Merkelbach and Hollanders, 2020). According to the European Cluster Panorama 2021 (Franco *et al.*, 2021), for the period 2010-2013, in some sectors and regions of the EU, 33.3% of cluster firms showed employment growth of more than 10%, while outside the clusters, such results were achieved only in 18.2% of firms.

In China, the first industrial parks were established in the 1980s (United Nations Industrial Development Organization, 2020). There are currently 375 of them, and about 25% of all foreign direct investment accumulates there. In turn, parks provide China with about 15% of merchandise exports and more than 4 million jobs.

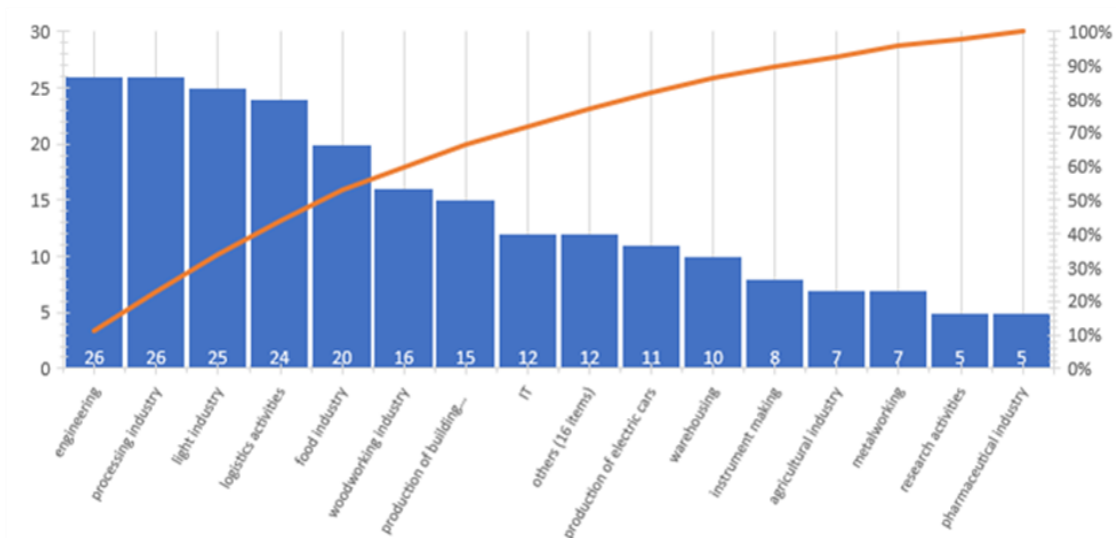
There are 1,200 industrial parks in South Korea. They provide 80% of national exports, 70% of industrial production and 50% of employment in the industry (Park *et al.*, 2008).

In Turkey, 346 industrial parks have been established in the last 30 years, and more than 80% of foreign direct investment is concentrated in them. The *development of Smart Eco-Industrial Parks is an emerging concept that is being spread in Turkey as a sustainable development model* (Dolgen and Alpaslan, 2020). There are more than 50,000 resident companies in Turkey's industrial parks. According to expert estimates, they created more than 1 million jobs and provided GDP growth and exports more than 3 times for the last few years. As a result, in 2013, Turkey, which had been a debt to the IMF for decades, returned the last tranche to the organization, fully repaying its debt.

Poland also has 77 industrial and technology parks in 14 special economic zones. Almost all of them were founded in the second half of the 1990s (KPMG, 2009). Over the next 10 years, the country's real GDP grew by 50%, and exports almost tripled. The total number of jobs created in the SEZ reached 186 thousand. At the same time, more than 20 billion euros were invested in parks.

According to the European Observatory for Clusters and Industrial Change (World Bank, 2021a) on cluster support in 29 European countries, which includes an in-depth analysis of 30 national and 55 regional programs, tailor-made cluster support policies and strategies are widespread worldwide.

Figure 1. Branch distribution of industrial parks

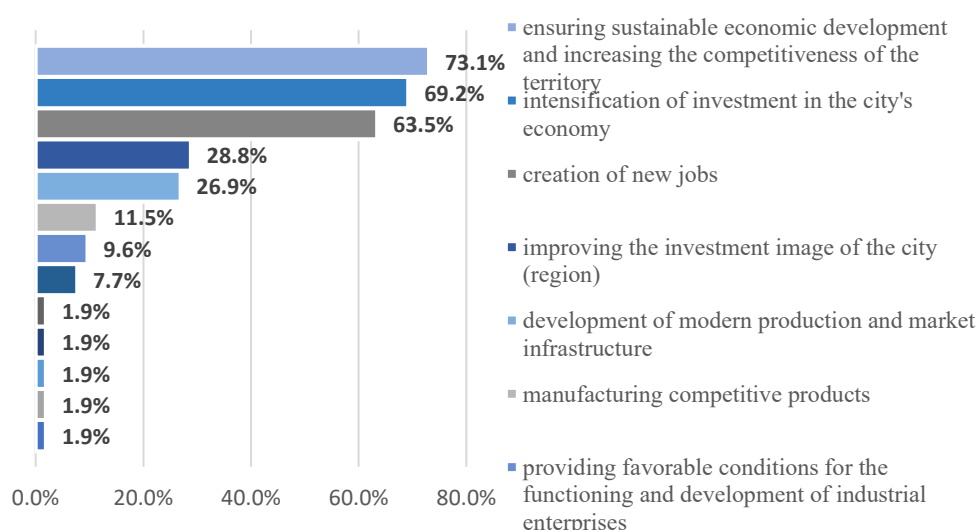


Source: compiled by the authors according to the data of the Ministry of Economics of Ukraine, 2023

Despite the economic feasibility of clustering the economy, clusters have not yet become widespread in many countries, in contrast to highly developed countries. As of April 2023, there are 61 industrial parks in Ukraine (Ministry of Economics of Ukraine, 2023), and up to 10 in Kazakhstan, but there is not a single industrial park or cluster that would be, in total, functioning to some extent the way that such leading clusters work. In 2012, Ukraine adopted the law "On Industrial Parks", and in September 2021, it adopted amendments to it. Their predominant activities are engineering, processing, and light (Figure 1). Statistical and analytical research showed that Ukrainian industrial parks do not ensure the region's sustainable development.

However, ensuring sustainable economic growth and increasing the territory's competitiveness was one of the goals of creating more than 70% of industrial clusters (Figure 2).

Figure 2. The goals of creating industrial parks



Source: compiled by the authors according to the data of the Ministry of Economics of Ukraine, 2023

However, only four high-quality infrastructure facilities with residents with operating plants are fully operational:

- Bila Tserkva Industrial Park (Kyiv region);
- Vinnytsia Industrial Park (Vinnytsia region);
- Solomonovo Industrial Park (Zakarpattia region);
- Korosten Industrial Park (Zhytomyr Region).

There are many reasons explaining the low operational rate, but the main one is the lack of total funding. According to the Ministry of Economics (2023), from 2016 to 2019, the State Fund for

Regional Development financed only four projects related to creating an infrastructure of industrial parks, for a total of 7.2 million UAH (210 thousand EUR).

In geographical terms, most of Ukraine's border industrial parks are located in the Lviv region, which borders Poland, whose economic structure is similar to Ukraine's. At the same time, the experience of development and efficiency of Polish industrial parks is much higher than in Ukraine.

3.2. Legislation, Policies, and Operational Challenges

Unlike Ukrainian legislation, no single law in Poland regulates industrial parks' activities. For the first time at the legislative level, support for the development of industrial parks was included in the program of the Council of Ministers of July 11, 2000, "On strengthening the innovative economy in Poland until 2006." However, this was preceded by the Law of May 12 2000, "On Principles of Support for Regional Development" (Internetowy System Aktów Prawnych, 2000), which provides local governments with the opportunity to develop an active spatial development policy (strategic planning and financial support at the local level, etc.), which promotes investment in their territory. The law outlines the basic principles and forms of support for regional development and defines the interaction mechanisms between executive bodies and local governments.

In particular, Art. 3 identifies the main priorities of regional development:

- development of each region, improving the quality and living conditions of residents and the level of satisfaction of the needs of territorial units;
- creating conditions for increasing the level of competitiveness of territorial units;
- reduction of asymmetry between regions.

To do this, local governments can create preferential conditions on the territory of a particular administrative unit. For example, reduce local taxes and rents, organize training for entrepreneurs, reimburse the cost of employment of the unemployed, facilitate entrepreneurs' access to technical infrastructure, and so on. One of the tools that local governments can use is the exemption from the real estate tax, which is subject to land tax, residential buildings or parts thereof, and buildings or parts thereof related to economic activities. They acquired this right by adopting the Law "On Taxes and Local Taxation" of January 12, 1991, which allowed local councils to set tax rates and establish certain benefits. The community council may, through a resolution, exempt entrepreneurs from paying real estate tax, using this as a form of state aid. Such assistance is equivalent to a tax benefit and must be provided following the conditions set out in Polish law (Polska Agencja Inwestycji i Handlu, 2018).

The Concept of the Regional Industrial Park (2002) once again emphasizes the possibility of local governments creating preferential conditions for enterprises. It outlines the role of the industrial park as a tool for strengthening regional development and creating quality conditions for entrepreneurship (Krawczyk, 2007). In addition, the placement of new investments within industrial or technology parks is one of the conditions for providing public financial support to enterprises, as stated in the said law № 1537 (Article 3). However, enterprises applying for public investment must meet at least two other criteria specified in Art. 2 item 1 of the law "On financial investment support" from 20.03.2002:

- investments will affect the economic development of the region;
- investments will be located in the support zone;
- investments focused on technological innovations;
- investments will promote the development of cooperation with the national research base;
- investments will affect the local labour market. At the same time, the company's share in investment costs should be at least 25%.

Later, the partnership agreement "Programming the Financial Perspective for 2014-2020" defined a strategy for attracting funds from the European Structural Funds under the three EU policies (cohesion, standard agricultural, and common fisheries policy). It focuses on the need to support small and medium-sized businesses to increase their competitiveness and innovation, as well as industrial and science parks to reorient, expand and better adapt to the needs of entrepreneurs in the services they provide. However, it is noted that to increase the efficiency of public spending; aid should cover those projects that would not have been implemented without public support or where state support would help increase or accelerate the project (European Funds Portal, 2014). The Strategy for Responsible Development until 2020 (with a perspective until 2030), adopted by the Council of Ministers on February 14, 2017, already emphasizes the development of innovations. To this end, support is provided to business environment institutions that increase the efficiency of the "innovators" service system and professionalize their services (Ministry of Funds and Regional Policy, 2022).

The Industrial Development Agency, established in 1991, also plays a vital role in supporting industrial and innovative activities. Its main goal is to keep the restructuring of Polish economic entities and their adaptation to the conditions of international competition. The Agency initiates the creation of technology incubators and industrial technology parks; provides access to high-quality services provided by business institutions, public online services and external sources of funding; contributes to the creation of a modern infrastructure for doing business, strengthening the links between the research sector and enterprises, as well as improving the efficiency of implementation

and commercialization of innovations. Another factor contributing to developing industrial parks and attracting significant investments in infrastructure is access to European funds.

Today in Poland, industrial parks are finding more effective tools for their activities, mainly through the Golden Triad (cooperation between government, business and research centres), operational programs 2014-2020 and 2021-2027, and international projects (Prawo.pl, 2016). International collaboration is necessary for developing industrial parks, which provides the exchange of knowledge in the effective management of parks and their operation, as well as helps attract foreign investors and find foreign partners.

3.3. Case Studies of Eco-Industrial Clusters

At the EU level supporting and encouraging the development of industrial parks is stated in the opinion of the European Socio-Economic Committee, “The role of technology parks in the industrial transformation of new member states” of 11.02.2006. provide a comprehensive structure and tools to promote, stimulate and develop innovation and regional development”. In addition, it is noted that in legal texts and terminology, such organizations are referred to differently in different EU member states. However, *the basic idea remains the same: to promote synergies between science, technology and economic development and to create synergies through cooperation between business and research institutions, thus facilitating market access* (Bashynska et al., 2021; 2022). *At the same time, the creation and development of industrial parks in EU member states should be based on compliance with environmental principles and standards* (European Investment Bank, 2018; United Nations Industrial Development Organization, 2019; The World Bank, 2021b).

Thus, the analysis showed that Poland is one of the European leaders in the effectiveness of industrial parks and can be the basis for the development of an industrial reference cluster. Still, compliance with environmental principles and standards is not fully implemented by law, in addition, to European and Ukrainian experience, parks will develop the concept of a smart eco-industrial cluster and management of participation of enterprises in it.

To understand the potential benefits and challenges of eco-industrial clusters in promoting sustainable development and post-war reconstruction, this article analyzes successful eco-industrial cluster case studies from around the world. The following case studies were selected based on their relevance to the Ukrainian context and their success in achieving sustainable development and post-war reconstruction goals.

Kalundborg Symbiosis (Denmark). The Kalundborg Symbiosis is a well-known eco-industrial cluster located in Denmark. The cluster involves a network of companies, utilities, and public organizations that exchange byproducts, waste heat, and energy to minimize waste and reduce the environmental impact of industrial processes. The symbiosis has resulted in significant environmental and economic benefits, including a 20% reduction in water consumption, a 30% reduction in CO₂ emissions, and a 50% reduction in sulfur dioxide emissions.

Industry Park of Sweden – Green Cluster. The Helsingborg Industrial Park (HIP) in Sweden is a network of 22 companies that collaborate to reduce waste and increase resource efficiency. The companies exchange waste products, heat, and electricity to optimize their operations and minimize environmental impacts. The HIP has resulted in significant environmental and economic benefits, including a 30% reduction in water consumption, a 50% reduction in energy consumption, and a 70% reduction in CO₂ emissions.

Kwinana Industrial Area (Western Australia). Kwinana Industrial Area is an industrial park located in Western Australia, where companies collaborate to create a sustainable industrial ecosystem. The park is home to over 200 companies, including petrochemical, chemical, and manufacturing companies. The Kwinana Industrial Area has achieved significant environmental benefits, such as reduced greenhouse gas emissions and water consumption, and economic benefits, such as cost savings and increased competitiveness. For example, the park has reduced its greenhouse gas emissions by 60% since 2005, and companies have saved over \$100 million per year through collaborative resource use. The Kwinana Industrial Area has been successful due to strong collaboration between the companies, a supportive regulatory framework, and a long-term vision for sustainable development. The park has also benefited from the involvement of research institutions, which have provided technical support and facilitated innovation.

Masdar City (United Arab Emirates). There are also negative examples of greening and the creation of new clusters. Masdar City is a planned eco-city located in the United Arab Emirates, which aims to be a carbon-neutral and zero-waste city. The city is designed to incorporate sustainable technologies, such as renewable energy, green buildings, and sustainable transportation. Masdar City has achieved significant environmental benefits, such as reduced greenhouse gas emissions and water consumption, and economic benefits, such as job creation and increased competitiveness. For example, the city has reduced its greenhouse gas emissions by 50%, and the city's industries have created over 3,000 jobs. Masdar City has been successful due to a strong vision for sustainable development, a supportive regulatory framework, and a long-term commitment to innovation. The city has also benefited from the involvement of research institutions, which have provided technical support and facilitated innovation. The global economic crisis in 2008 significantly impacted the

progress of Masdar City's ambitious projects, resulting in many of them either stalling or failing to meet expectations. As of 2020, the city only has a small cluster of low-carbon buildings housing 1,300 residents, which is far below the planned initial 50,000 residents. Additionally, approximately 4,000 people now commute into the city for work.

The above case studies demonstrate that eco-industrial clusters can bring significant environmental and economic benefits, including resource efficiency, waste reduction, and greenhouse gas emissions reduction. These benefits can help to promote sustainable development and post-war reconstruction by creating green jobs, reducing environmental pollution, and improving the quality of life for communities. However, the success of eco-industrial clusters depends on several factors, including supportive policies, effective collaboration among stakeholders, and adequate financing.

3. Results and Discussion

The case studies of successful eco-industrial clusters worldwide provide valuable insights for promoting sustainable development and post-war reconstruction in Ukraine. By adopting the key strategies and lessons learned from these case studies, Ukraine can develop an effective eco-industrial cluster that fosters sustainable economic growth, environmental protection, and social development.

The success of eco-industrial clusters can be attributed to several key factors.

Firstly, strong collaboration between companies is critical for promoting resource efficiency, reducing waste, and creating a circular economy.

Secondly, a supportive regulatory framework that incentivizes companies to adopt sustainable practices and provides funding and technical assistance is necessary for driving innovation and reducing environmental impact.

Thirdly, a long-term vision for sustainable development that prioritizes economic, social, and environmental objectives is crucial for promoting stakeholder engagement and ensuring the viability and resilience of the eco-industrial cluster.

In the context of Ukraine's post-war reconstruction, an eco-industrial cluster offers an opportunity to build back better by creating new jobs, promoting sustainable economic growth, and enhancing environmental protection. Ukraine's vast natural resources, including agricultural land, forests, and minerals, provide a solid foundation for developing sustainable industries such as renewable energy, green building materials, and sustainable agriculture. Moreover, Ukraine's strategic location and access to European and Asian markets make it an attractive destination for investment and trade.

In Ukraine, there is a need for post-war reconstruction and sustainable development, particularly in the eastern regions affected by the conflict. An eco-industrial cluster can be a valuable tool in achieving these goals by promoting sustainable industrial development, creating job opportunities, and reducing environmental impact.

To create an eco-industrial cluster in Ukraine is vital to identify the industries and companies that can benefit from collaboration and resource sharing. The cluster should be developed in a way that aligns with Ukraine's long-term vision for sustainable development and considers the country's specific challenges, such as limited financial resources.

In addition to strong collaboration between companies, a supportive regulatory framework is crucial for the success of an eco-industrial cluster in Ukraine. The government can play a key role in creating policies and incentives encouraging companies to participate in the cluster and promote sustainable industrial practices.

The involvement of research institutions is also critical for the success of an eco-industrial cluster in Ukraine. These institutions can provide technical support, facilitate innovation, and promote knowledge exchange and best practices.

To develop an effective eco-industrial cluster, Ukraine must address several key challenges. These include enhancing institutional capacity and governance, promoting private sector participation, and mobilizing financial resources from international donors and investors. Additionally, Ukraine must prioritize stakeholder engagement and public awareness to ensure that the eco-industrial cluster is aligned with local communities' and stakeholders' needs and priorities.

Overall, the success of eco-industrial clusters in promoting sustainable development and post-war reconstruction in other countries provides valuable lessons for Ukraine. By adopting a collaborative, innovative, and sustainable approach to economic growth, Ukraine can build a more resilient, inclusive, and prosperous future for its people.

The development of an eco-industrial cluster in Ukraine could have a significant impact on the country's post-war reconstruction and sustainable development efforts. The cluster could facilitate collaboration between businesses and organizations in the industrial sector, leading to the development of innovative solutions for sustainable development challenges. The cluster could also help to attract investment and support economic growth in the country.

The analysis of successful eco-industrial cluster case studies and the specific context of Ukraine suggest that an eco-industrial cluster can be a valuable tool in promoting sustainable development and post-war reconstruction. To achieve success, the cluster should be developed with strong collaboration between companies, a supportive regulatory framework, and the involvement of research institutions.

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Development paths for small businesses in Ukraine after the war

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Abstract

The article examines the ways to develop small businesses in Ukraine in the post-war period. The overall objective of the study is to identify potential ways to promote small business development in Ukraine in the post-war period. The research objective leads to the following question: what are the best practices and tools that can be used to develop small businesses in Ukraine in the post-war period. To achieve the research objective, the following tasks were used: the analysis of scientific literature on the research topic, using the data obtained within the framework of the UUT 25 Grant Project “Dynamic Capabilities building in Ukrainian SMEs for development and growth in the framework of post-war restoration of territorial communities of Ukraine” (Odesa Polytechnic National University,2023) and secondary analysis of data from open Internet resources, and the proposals for the small businesses in Ukraine development in the post-war period were given.

Keywords: small businesses, development, post-war period, an entrepreneur, Ukraine

Introduction

The Russian Federation’s military invasion of independent Ukraine’s territory has drastically changed all areas of life. The military aggression affected many economic entities and institutions on which the country’s livelihoods depended. The invasion also influenced small businesses as part of the country’s economic system. After the outbreak of a full-scale war in Ukraine, small entrepreneurs found themselves in a very difficult situation, although they could respond more quickly and flexibly to new unforeseen challenges than large ones. In general, according to research by the European Business Association, small businesses in Ukraine suffered enormous losses: 15% of enterprises lost more than USD 100 thousand due to the war. 28 % - from 10 to 100 thousand USD. 28 % - from 10 to 50 thousand USD, 28 % - from 10 to 50 thousand USD. USD, 40 % - from 10 to

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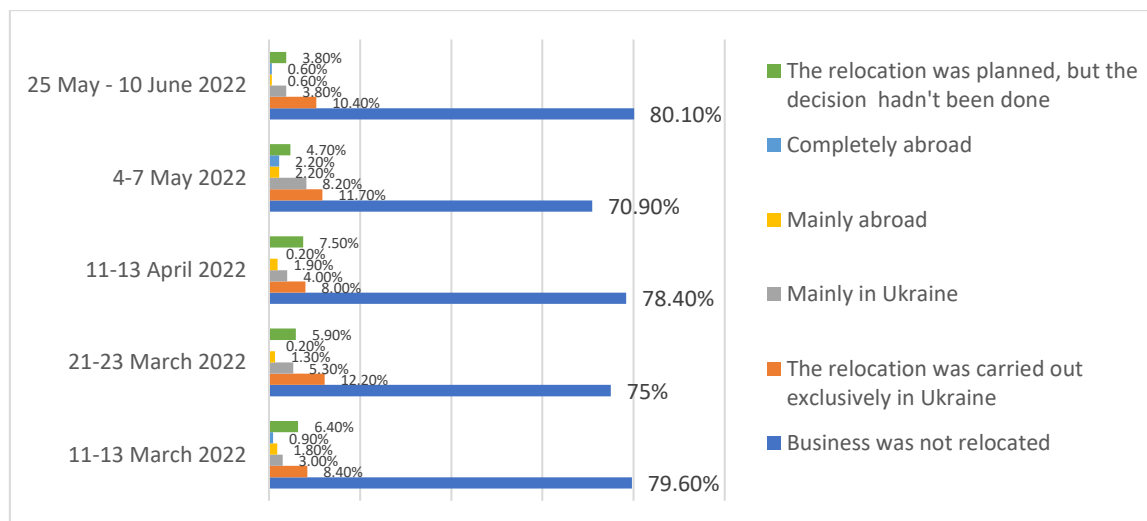
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50 thousand USD. USD, 40 % - up to USD 10 thousand. USD, 40 % - up to USD 10 thousand. USD. At the same time, one in five suffered losses as a direct result of hostilities. At the same time, only 6 percent managed to survive the first two months of the war without losses (Ero, 2022).

Small businesses were forced to relocate due to the hostilities (Figure 1).

Figure 1 - Small Businesses Relocation at the Beginning of the Russian Invasion



Source: Current State and Needs of Ukrainian Business during the Full-Scale War Main Results of Business Survey in June (2022)

As we can see from Figure 1, on average 76.8% of businesses were not displaced, while 19% were relocated. In our opinion, this is due to the enterprise's location (the war zone), access to markets, severe disruptions in the supply chain (disruption of transport routes, availability of raw materials, customs, and access to harbors, airports, etc.), problems related to limited access to vital resources such as electricity, fuel, water and skilled labour force, serious difficulties due to damage to transport networks, utilities, communication networks and systems.

7,820 Ukrainian businesses have changed their region of registration since the beginning of the full-scale invasion. 27% of the total number of companies moved out of Kyiv. The top three regions from which entrepreneurs have moved since the start of the full-scale invasion are also the Dnipropetrovsk region (11%) and the Donetsk region (8%). At the same time, Kyiv is also at the top of the list of regions where companies are moving to – 22% of the total number of relocators chose the capital. Despite the hostilities and proximity to the frontline, entrepreneurs also choose Kharkiv and Odesa regions - 10% of companies that have changed regions (Opendabot, 2023a).

The hostilities haven't stopped entrepreneurship development. Ukrainians continue to open new businesses. Since the start of the Russian full-scale invasion, more than 202,000 new individual entrepreneurs were registered in Ukraine (Opendabot, 2023c, 2023d).

To date, it is difficult to predict how small businesses will fare in the post-war period. Thus, the purpose of this study is to provide recommendations and ideas for small businesses development during the war and the post-war periods in Ukraine. In this piece of research, we made an attempt to give some ideas for small businesses development after the war.

1. Small business in the Ukrainian context

According to Ukrainian statistics, small businesses in the service sector include business entities of any legal form and ownership, where the average number of employees for the reporting period (calendar year) does not exceed 50 people and the annual income from any activity does not exceed the amount equivalent to EUR 10 million (determined at the average annual exchange rate of the National Bank of Ukraine) (Enterprises activity, n.d.).

The subjects of small business entities are:

- natural persons registered by the procedure established by law as natural persons: entrepreneurs in which the average number of employees for the reporting period (a calendar year) does not exceed 50 persons and the annual income from any activity does not exceed the amount equivalent to 10 million euros, determined by the average annual rate of the National Bank of Ukraine;
- legal entities: economic entities of any organizational and legal form and form of ownership, in which the average number of employees for the reporting period (a calendar year) does not exceed 50 people and the annual income from any activity does not exceed an amount equivalent to 10 million euros, determined at the average annual exchange rate of the National Bank of Ukraine Enterprises activities.

Bezus and Shafranova (2016) note that the small business sector is an integral part of the country's socio-economic system, as it ensures relative stability of market relations, and due to its flexibility, demonstrates a rapid response to constantly changing environmental conditions. Small business plays an important role in increasing the number of jobs and solving employment problems, thereby mitigating the negative effects (structural and frictional unemployment) of scientific and technological progress and fluctuations in the labour market.

Gryga *et al.* (2014) studied the factors that influence the efficiency of small businesses: interaction with large businesses and innovation activity. Based on the analysis of empirical data obtained by the authors in the course of the managers' survey of small businesses in the Chernihiv region, it was found that the greatest impact on the profit of small enterprises was made by

technological innovations, in particular, the use of new materials, technologies, new packaging and product design, while organisational innovations do not directly affect the profit of the company. It was also proved that the interaction between small and large businesses in Ukraine has a positive impact on the economic activity of small businesses.

The scientists of the State Organization “Institute of Market and Economic & Ecological Researches of the National Academy of Sciences of Ukraine” Butenko *et al.* (2014) and Isachenko (2009) noted quantitative assessments of small business development are provided and a very high level of regional differentiation of its development in favour of the most prosperous and economically successful regions of the country. Thus, we can conclude that the state of small business is determined by the overall level of the region’s economic development, which in turn has a limit of its capabilities as an independent subject of modernisation.

Burkinsky (2015) identified the goals of small business support at the regional level: increase in the volume of products, works, services by small businesses, increase in the volume of products of small businesses in GRP, increase in the volume of products of small businesses in total industrial production, increase in the volume of products, works, services of small businesses operating in the processing industry, increase in the share of products, works, services of small businesses operating in the processing industry, increase in the volume of products, works, services of small businesses operating in the areas of the economy (manufacturing industries with a high share of added value, import-substituting industries, export industries), increase in the volume of products, works, services by small businesses in the total volume of investments

Exploring the role of small businesses in the economic and social development of territorial communities, Mitsa (2016) argues that small enterprises play a crucial role in the economic system of a community. The importance is determined by the fact that in developed countries at least one in six households owns such a business. Small businesses employ local citizens, which contributes to the economic situation in the community (p.26).

Kuklinova (2023) shares the same opinion, noting that small businesses play an important social role, providing self-employment, a good social environment, generating a vital level of income, promoting initiative and encouraging employees, activating the processes of initial capital accumulation for further development, which is of great importance both in wartime and post-war period. Thus, support for small businesses is one of the main prerequisites for the economic and social recovery of Ukraine and the Odesa region in particular in the post-war period.

Golich and Panukhnyk (2018) studied the foreign experience of using small businesses in the system of territorial community development and emphasized that there is no single system of criteria

for defining small businesses, as each country develops its own system in accordance with national business traditions, economic characteristics and economic policy priorities

The entrepreneurial potential of small businesses plays a significant role in the process of recovering the national economy from the consequences of military operations. The post-war economic and social development of Ukraine depends on the speed of recovery, which in turn can be ensured by the effective functioning of small businesses and the creation of optimal conditions for their development. Therefore, the speed of “resuscitation” of this sector should become a priority for the government, which will ensure the economy transition to a qualitatively new level and contribute to the post-war renewal of the country (Vasylynets, 2022, pp.119-120)

Ukraine needs to promote small businesses development at the state level in order to build a high-tech business sector and increase its competitiveness in the global market. The main areas of focus should be stimulating the innovation activity of small businesses, creating a favourable innovation and investment climate and regulatory environment. Today, Ukraine needs unconventional measures, new legislative acts, and special new organisational structures that should focus on the existing problems of the legal use of competition law for the development of small businesses in wartime (Chernychko, 2022)

As we see the scholars agree that small business is a lever for the development of the Ukrainian economy, especially in the post-war period. They talk about how to do this at the national level. But in our opinion, during the war and post-war periods, small businesses should be developed both at the local level (territorial communities) and at the national level.

2. Small business in Ukraine during the war

Despite the full-scale invasion, Ukrainians continue to open new businesses. Over the last year, since the start of the full-scale invasion of the Russian Federation, more than 202,000 new individual entrepreneurs were registered in Ukraine. After the outbreak of the war, the registers were down for some time, making it impossible to start a small business. After the opportunity to start a business was restored, more than a thousand new businesses were registered on the first day using the Diia App. In April, their number increased tenfold to 12,600. Since then, the number of new small businesses has been growing, peaking at 20,100 in September. After a slight decline in autumn and early winter, most likely due to power outages and massive shelling of civilian infrastructure by the Russian Federation, the number of new small and medium-sized enterprises started to grow again in

early 2023. Table 1 shows the number of new businesses opened during the period of the full-scale Russian invasion from March 2022 to September 2023 (Opendabot 2022, 2023b, 2023c)

Table 1. Number of new businesses opened since the full-scale Russian invasion

2022		2023	
January	11 951	January	16 931
March	1 946	February	16 440
April	12 626	March	15 893
May	15 408	April	21 481
June	17 950	May	25 623
July	19 085	June	31 477
August	20 108	July	28 682
September	20 136	August	30 847
October	17 324	September	35 587
November	15 934		

Source: Opendabot (2022, 2023a, 2023b)

Analysing Table 1, we see that the smallest number of small businesses was launched in March 2022 (1,946), and the largest number was launched in September 2023 (35,587). The small number of small businesses opened in March 2022 is due to the outflow of personnel (women/women with children went abroad or to safer places), uncertainty about the future, and the intensity of shelling. In 2023, the situation became more stable, people began to return from abroad, and it was necessary to create new jobs in the communities.

In the regional context, we have the following results of registered small businesses as of September 2023, which are presented in Table 2 (Opendabot, 2023c).

Table 2 Number of small businesses in territorial communities by region as of September 2023

Region.	Number of small businesses
The Cherkasy region	10 677
The Chernihiv region	8 657
The Chernivtsi region	9 414
The Crimean region	93
Sevastopol	16
The Dnipropetrovska oblast	31 096
The Donetsk region	6 331
The Ivano-Frankivsk region	12 882
The Kharkiv region	24 009
The Kherson region	2 831
The Khmelnytskyi region	13 916
The Kirovohrad region	8 009
The Kyiv region	26 408
The city of Kyiv	52 904
The Luhansk region	1 433

The Lviv region	29 868
The Mykolaiv region	8 268
The Odesa region	23 984
The Poltava region	14 370
The Rivne region	10 342
The Sumy region	7 981
The Ternopil region	8 262
The Vinnytsia region	14 911
The Volyn region	10 457
The Transcarpathian region	8 559
The Zaporizhzhya region	10 175
The Zhytomyr region	10 830

Source: Opendabot (2023b, 2023c)

Analysing Table 2, the largest number of small businesses was established in the Kyiv city, the Kyiv, Lviv, Kharkiv, Dnipropetrovsk, Odesa, and Poltava regions, and the smallest number was in the Transcarpathian, Volyn, Ternopil, Luhansk, Kherson, Zaporizhzhia, and Donetsk regions, as well as in the Autonomous Republic of Crimea and the city of Sevastopol. Small businesses are developing in areas where there is no or low level of hostilities. The size of the region and the population should also be taken into account.

The war has also changed the activities of small and medium-sized businesses. The most popular industries for new small businesses have not changed. Just like last year, as of September 2023, retail trade was ranked first (more than 51,000 new small businesses officially started operating in this sector). The second most popular is Computer programming, consulting and related activities (CEA), which was the most popular before the full-scale invasion. This year, 12,000 entrepreneurs have already started their own businesses in this area. The top three was “Provision of other personal services”, in which more than 11,000 individual entrepreneurs have started their business (Opendabot, 2023b).

Table 3. The most popular areas for small businesses as of September 2023

Category.	Amount
Retail	51 182
Computer programming	12 098
Provision of other individual services	11 989
Wholesale sales	10 109
Food and beverage services	9 567
Transport	7 888
Information services	7 908
Education	4 797
Wholesale and retail trade in cars	4 147
Activities of the head offices	5 057
Other	47 895

Source: Opendabot (2023c)

Analysing Table 3, we see that the largest number of small businesses were established in retail trade, computer programming and other personal services; the smallest number of small enterprises were established in education, wholesale and retail trade in motor vehicles.

As of 8 March 2023, a total of 36,892 small businesses have been registered since the beginning of 2023, of which 51%, or 18,776, were founded by women. The share of women starting small businesses has been increasing since 2017. In 2020-2021, women entrepreneurs opened 51% of new businesses, but the Great War set this figure back somewhat. In total, women registered more than 93,000 small businesses in 2022, accounting for 48% of the total number of new small businesses. The dynamics of small business registration by men and women in the period from 2017 to 2023 is shown in Table 4 (Obendabot, 2023e).

Table 4. Dynamics of small businesses registration among men and women

Year	2017	2018	2019	2020	2021	2022	2023
Women	102 119	173 498	166 944	148 161	146 521	92 964	18 776
Men	114 447	168 803	169 769	142 478	139 490	100 695	18 116

Source: Obendabot(2023e)

Analysing Table 4, we can see that in 2017 the number of small enterprises registered by women was 12,328 fewer than by men; in 2018 the number of small enterprises registered by women was 4,595 more than by men; in 2019 the number of small enterprises registered by women was 2,825 fewer than by men; in 2020, the number of small enterprises registered by women was 5,683 more than men; in 2021, the number of small enterprises registered by women was 7,031 more than men; in 2022, the number of small enterprises registered by women was 7,731 less than men; as of March 2023, the number of small enterprises registered by women was 660 more than men. Thus, the data on the number of small businesses registered by men and women in Ukraine also indicates relative equality in business start-ups by men and women (with a 1 – 2% variation in business ownership between years by men or women). However, this data does not take into account the outflow of male entrepreneurs to the war and the consequent reorientation of some of their businesses to their wives.

One third of new small businesses registered by women are in the retail sector, almost twice as many as men in this category. 10,658 entrepreneurs started their own business in the IT sector, which ranks second in terms of the number of registrations. However, this is only 34% of the total number of small businesses in this category (Obendabot, 2023e).

In 2022, women outperformed men in the provision of other personal services (85% of new businesses were founded by women), clothing, education and human resources (75%), social assistance (74%), and healthcare (72%), among others. On the other hand, the situation with women

at the top of companies is not as positive. The number of female directors of medium and large businesses is decreasing every year. In 2021, only 35% of businesses were headed by women. The year of the full-scale Russian invasion reduced their number to 29%. A total of 9,405 women-led companies were launched last year. In 2023, there was an upward trend. Since the beginning of the year, 3,849 businesses have been opened, and women head 30% of new companies (Opendabot, 2023e). The increase in the number of female directors is due to the fact that at the beginning of the war, men joined the Armed Forces of Ukraine.

Within the framework of the UUT 25 Grant Project between Odesa Polytechnic and the University of Portsmouth “Dynamic Capabilities building in Ukrainian SMEs for development and growth in the framework of post-war restoration of territorial communities of Ukraine” (Odesa Polytechnic National University, 2023), we investigated the challenges and results of business activities after the Russian invasion. 216 small business representatives took part in the survey. The respondents evaluated the statements according to the following criteria: 1 - strongly disagree/strongly disagree, 2 - disagree, 3 - rather agree than disagree, 4 - agree, 5 - strongly/completely agree. For greater clarity, the data are presented in Table 7 (Balan *et al.*, 2023).

Table 4. Business challenges and results after the Russian invasion

After the Russian invasion	Assessments (results)				
	1	2	3	4	5
Since the start of the full-scale invasion, we have had to work under restrictions	2.8%	10.8%	23.1%	24.1%	39.2%
The company remains mostly open and continues to operate, even with some interruptions	3.3%	4.7%	26.4%	32.2%	35.1%
After the Russian invasion, the company tries to pay its employees and/or debts and/or taxes	4.8%	7.7%	27.9%	24.5%	35.1%
The company's revenue/profit has decreased significantly since the Russian invasion	5.7%	11.5%	29.2%	22%	31.6%
The company is trying to preserve its financial liquidity after the Russian invasion	3.3%	10%	26.3%	29.7%	30.6%
After the Russian invasion, the cost of operation increased significantly	2.9%	12.4%	33.3%	21.9%	29.5%
After the Russian invasion, it is harder to find and retain labour/employees	11.4%	15.2%	26.7%	21%	25.7%
We have resumed our operations (if they were suspended)	25.4%	11.2%	21.8%	17.8%	23.9%

Source: Balan *et al.* (2023)

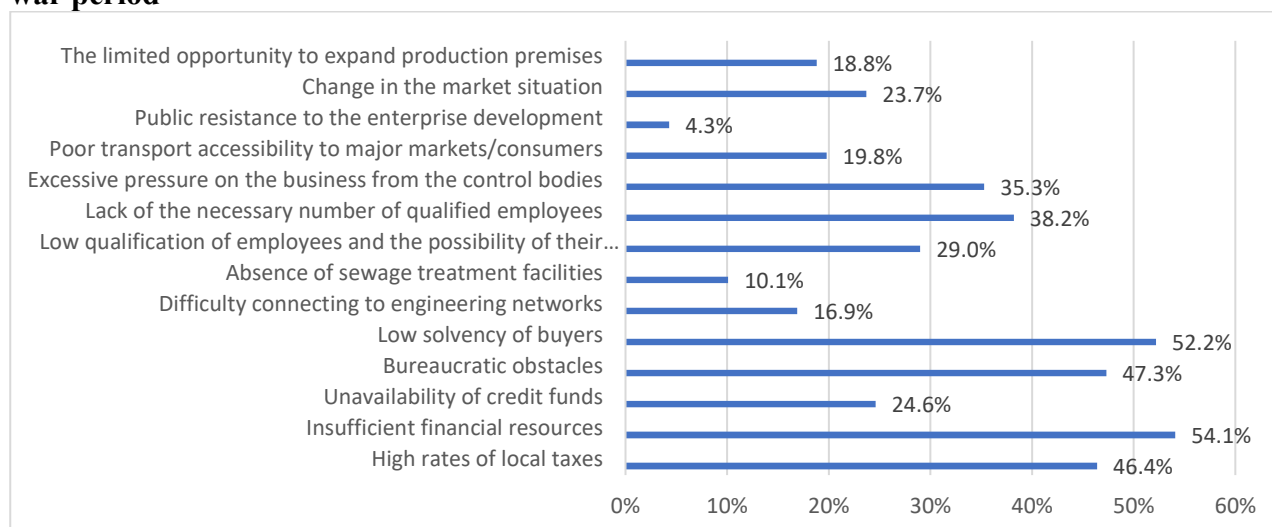
After the invasion, entrepreneurs mostly highlight the following problems: working with restrictions, working with interruptions, difficulties with payroll, company profits have significantly

decreased, the company is struggling to maintain its financial liquidity, and the cost of doing business has increased significantly.

The recovery and development of small businesses in the post-war period is of great importance. Unfortunately, small businesses can face obstacles in the recovery process. Among the most common obstacles identified by respondents were the following: finances, corruption, inflation, high prices for raw materials and energy, lack of demand, mined areas, insufficient financial resources, lack of funds in society, high taxes, lack of qualified personnel in the state, bureaucracy, insolvency of customers, human resources, the IT community is in no hurry to return to Ukraine, misunderstandings between people, disputes over the “language”, problems with company financing and problems with loans, corruption in local governments, lack of easy and low-interest loans, lack of working capital, destruction of material and technical potential and departure of personnel, personnel shortage, government intervention, lack of market, irrelevance of goods or services, high prices, lack of demand, qualified employees with experience, mined Black Sea, difficult logistics, return of foreign competitors, loss of trust and investment, high costs of recovery and reconstruction, high rents, difficulty in finding production facilities that meet all needs, anxiety, lack of security, mainly economic difficulties.

Among the factors that would hinder the small business development in the territorial community in the post-war period, respondents chose the following options: high rates of local taxes (46.4%); insufficient financial resources (54.1%); unavailability of credit funds (24.6%); bureaucratic obstacles (47.3%); low solvency of buyers (52.2%); difficulty connecting to engineering networks (16.9%); absence of sewage treatment facilities (10.1%); low qualification of employees and the possibility of their arrangement (29%); lack of the necessary number of qualified employees (38.2%); excessive pressure on the business from the control bodies (35.3%); poor transport accessibility to major markets/consumers (19.8%); public resistance to the enterprise development (4.3%); change in the market situation (23.7%); the limited opportunity to expand production premises (18.8%). For greater clarity, we present the data in Figure 2.

As can be seen from Figure 2, the highest indicators had the following factors: insufficient financial resources (54.1%), high rates of local taxes (46.4%), low solvency of buyers (52.2%), and the lowest indicators had the following factors: absence of sewage treatment facilities (10.1%) and public resistance to enterprise development (4.3%)

Figure 2. Factors that will hinder business development in the territorial community in the post-war period

Source: Balan *et al.* (2023)

Among the problems that exist in the relationship between business and the authorities (community leaders), respondents named the following: corruption; interference of community leaders; taxes; bureaucratic obstacles; pressure; authorities do not hear entrepreneurs, it is difficult for them, and they still want to kill them with their tariffs and laws; control; openness of the authorities to communication; each side will defend its interests; the city authorities support their business and destroy others; transparency; the authorities will put pressure on small businesses in the pursuit of suppressing corruption, instead of inspecting and punishing “scandalous” businesses; change of priorities; many people have left; terms of service; understanding; money; since it is a transport company, questions about the content of what is being transported, although the company does respond promptly to all requests, including restrictions/prohibition of transportation of even excisable alcohol in the Donetsk direction; therefore, it is doubtful that there will be big problems for responsible businesses, maximum misunderstandings on the ground; excessive pressure on enterprises by regulatory authorities, lack of solvent customers, unpredictability of the situation in Ukraine, lack of capital, inaccessibility of credit programmes; bureaucracy and complexity of regulatory policy: businesses may find it difficult to navigate the large number of regulations, permits and administrative procedures; bureaucratic barriers may make it difficult to launch new projects and grow businesses; corruption and unfairness: corruption issues can create obstacles for businesses, as they may face demands for bribes or unfair practices from the authorities; tax policy: high taxes or unreasonable tax rates can affect the profitability of businesses and their ability to grow; disputes and conflicts of interest: disputes and conflicts of interest can arise between different business groups and

between different levels of government, making cooperation difficult; lack of communication and openness: businesses and authorities can face problems in communication and openness, which can lead to misunderstandings and negative perceptions of one side of the other; populism; lack of comprehensive support

It is difficult to predict how small businesses will develop in the future. But at the same time, we are able to offer ways to restore and develop business in the post-war period.

3. Ways to develop small business in the post-war period

The following ideas can be used to develop small businesses in Ukraine in the post-war period: linking small businesses with e-government to improve their services; using artificial intelligence to collect and analyse customer data, which will allow small businesses to make informed decisions about their target audience and their preferences; creating a hub for individual entrepreneurs to exchange ideas; and creating courses for individual entrepreneurs who are starting out on the basis of the Odesa Polytechnic Consultancy and Training Centre. Let us consider them in more detail.

3.1. The relationship of small businesses to e-government in improving services

E-government and informatisation play an important role in changing the face of traditional public service delivery, bringing the promise of increased efficiency and a more customer-centric and friendly approach. Informatisation is one of the means to facilitate e-government, which can be broadly defined as the management and delivery of (potentially interactive) public services through electronic technologies, primarily focused on ICT (Vyas-Doorgapersad, 2009).

Effective implementation of e-government can play a particularly important role in facilitating SMEs' access to and use of business registration and licensing systems, as it offers the potential to reduce the time, costs and process elements associated with the business regulatory challenges currently faced by SMEs (Bureau for Economic Research, 2016).

E-government contributes to many areas, such as improving services, enriching democratic and consultative practices, increasing public sector efficiency and bridging the digital divide. It is believed that the e-government development indirectly affects areas that are difficult to link. Business is one of the areas that benefit from e-government in two ways. The first is through the concept of open information, where new businesses can find the information they need on e-government pages when they start a new business. The second is related to the infrastructure and services that benefit new

businesses and indicate how much such businesses can benefit from them. (Abu-Shanab and Osmani 2019, p. 38)

It is advisable to establish an intergovernmental coordinating body for SMEs/LED and e-government, comprising all stakeholders identified in the framework, to lead the implementation of the proposed framework. Consideration should be given to improving the e-government portal to integrate the various agencies and departments tasked with providing assistance to SMEs. The development of a separate SME/LED development strategy should address the identified challenges. Municipalities should take into account the economies of scale in expanding broadband, as well as the benefits of improved internet access for SMEs. The use of e-governance that covers business in municipalities should be expanded in a way that increases the level of use of these systems. Regular monitoring and evaluation of the development and use of e-government should be carried out, which can help assess the extent to which e-government systems remain relevant and usable by SMEs and other target beneficiaries. In other words, e-government is seen as a system that supports improved non-bureaucratic support for service delivery and therefore offers a solution to the identified challenges related to MSMEs (Soga and Vyas-Doorgapersad, 2022, pp. 100-101).

Viana Thompson *et al.* (2005) classify e-government services into search-oriented and transaction-oriented. They found that a company's digital capabilities determine the extent to which e-government is used for search purposes, which in turn increases profitability; however, no such effect was found for transaction-oriented e-government. Potentially, e-government can expand markets, and government websites providing information on possible revenue prospects, along with hosting business contacts, lists of subcontractors, buyer networks, etc., help firms to seek revenue prospects to improve their business.

In Ukraine e-government is implemented by the Ministry of Digital Transformation, which developed the Diya App. In 2020 they launched a full-scale national project for the development of entrepreneurship and export Diya .Business. Since May 2021 the project has been realized by the Ministry of Digital Transformation together with the Entrepreneurship and Export Promotion Office (Entrepreneurship and Export Promotion Office, n.d.), a government institution responsible for developing and supporting Ukrainian entrepreneurship on domestic and international markets.

The project's philosophy is to inspire business creation; teach entrepreneurship from childhood and throughout life; help start a business; protect Ukrainian entrepreneurs by monitoring the business climate and regulatory environment; and promote the development, scaling and internationalisation of Ukrainian businesses (About the National Project Diia. Business , n.d.).

The project has online and offline components. The online component is implemented through the Business. Diia, a one-stop shop where you can find all the information you need to start and develop your own business. The offline component includes places where Ukrainians can get free consultations, attend educational events for entrepreneurs, rent a hall for events, and test their own product at a special pop-up location.

Entrepreneur support centres were opened in Kharkiv and Mykolaiv, a centre for students at Taras Shevchenko National University of Kyiv, and a pilot consultation stand in Cherkasy. Entrepreneurs' support centres are also being opened in Odesa, Poltava, Uzhhorod, Bucha, Ternopil, Kryvyi Rih, Kremenchuk, Rivne, and Lutsk. An advisory centre was also opened in Warsaw (Entrepreneur Support Centers DIIA.Business, n.d.).

Another portal created for Ukraine's digital transformation is E-Ukraine (About E-Ukraine, n.d) . The main goal of the Organization is to promote the development and implementation of e-government policies and services, its application in all sectors of the economy, science and education in Ukraine, as well as the systematization of the field of information technologies and the development of the information society. The main tasks of the Organization are promotion of the electronic services development in the state sphere of electronic government and in the commercial sphere; facilitating the creation and subsequent implementation of ICT Strategies in Ukraine. promotion of increasing the level of computer literacy of the Ukrainian population, accumulation of knowledge in the field of information technologies; facilitating the creation in Ukraine and the implementation of world-class modern systems and services; promotion of innovative development, technology transfer; facilitating the coordination of work on the development of information technologies and software; facilitating the coordination of work on the development of information technologies and software; promotion of management processes automation at all levels of state power; research, development and standardization of information technologies in the field of e-government; conducting scientific research and monitoring on separate topics and tasks with the preparation of specialized reports, proposals, methodological recommendations; facilitating the construction of an interactive map of electronic Ukraine; creation and distribution of electronic magazines, catalogs and electronic lists, archives, textbooks, as well as content and programs, schools, seminars, forums; participation in sectoral, national and international programs to promote access to information; facilitating Ukraine's entry into the global information space; participation in measures to eliminate deficiencies in legislation related to the creation, collection, accumulation, processing, storage, distribution, provision and use of information; cooperation with state, scientific and public organizations of Ukraine and foreign countries, individual foreign citizens on issues

related to the statutory activities of the Organization; organizational and methodological, scientific and information-technical support of programmes, examination and competitions for innovative projects and scientific research, scientific-design works in the field of information technologies; participation in the organization of conferences, festivals, sessions, seminars, reports for the purpose of development and implementation of e-government services (About E-Ukraine, n.d).

In this way, small businesses can interact with e-government to improve their services and receive government support.

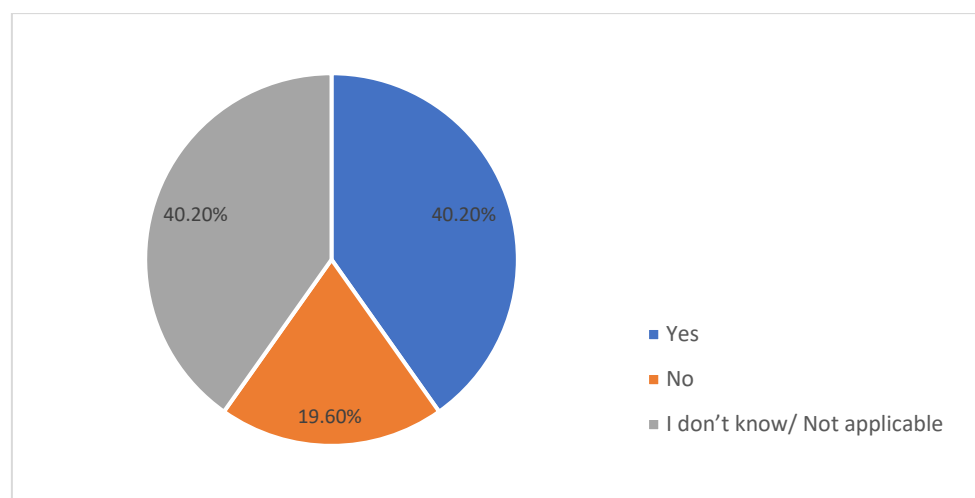
3.2. A hub creation for individual entrepreneurs to exchange ideas

Another important point for small business development is the creation of a special international hub platform where young people and entrepreneurs can exchange ideas. In global business, hubs can be defined as business platforms that are highly interconnected with the global economy through huge flows of goods and capital (Wild, 2020). The researcher argues that the importance of global business hubs for such SMEs is actually increasing, as the burden of SME internationalisation, which involves mediating cross-cultural differences and managing tangible and intangible resources across geographical distances and time zones, remains despite the borderless nature of the international business network (Wild, 2020, pp. 43 -44).

Merrell *et al.* (2022) conducted the first in-depth study of the role SMEs play in providing physical infrastructure for rural businesses, and the ability of rural businesses to overcome their lack of proximity to the diverse networks and support systems needed for innovation and entrepreneurship.

Business hubs are defined as the provision of workspace to multiple tenant companies, as well as additional services such as shared equipment, conference rooms, co-working spaces, business advice and support. They differ from standard business premises in providing such services, as well as access to networking opportunities, both internal and external, provided by the hub. They have different forms of ownership and are often managed by the private, public or third sectors, sometimes in partnership (Merrell *et al.* 2022, p. 82).

According to our survey, 40.2% of respondents said that the creation of a local logistics centre in the community could help businesses. 40.2% were undecided (Fig. 3).

Figure 3. Establishment of a local logistics centre in the community to help businesses

Source: Balan *et al.* (2023)

Thus, establishing an entrepreneurial hub at the local, national and global level can help both experienced and aspiring entrepreneurs learn about trends in the global marketplace and network with experienced entrepreneurs.

It would also be good to create special hubs at universities for students where they could try to launch their small start-ups as part of their future small business with the support of the university administration, teachers and stakeholders.

3.3. Using artificial intelligence to collect and analyse customer data

Another important development in small business in the post-war period was the use of artificial intelligence to collect and analyse customer data in order to work with the target audience and meet their needs.

The latest advanced technologies such as artificial intelligence and robotics are also playing a leading role in all sectors, replacing human intelligence with more efficient computerised, error-free intelligence that effectively improves overall business performance (Budania *et al.* 2022).

Sira (2023) argues that artificial intelligence (AI) simplifies big data analysis by automating and improving data preparation and visualisation and other complex analytical tasks. In addition, AI adds intelligence to existing products. Automation, dialogue platforms, bots, and smart machines can be combined with big data to improve many technologies. AI can make the most of data through self-learning algorithms. Artificial intelligence can be a very useful tool when it comes to business information management. AI algorithms are already helping companies manage their data more

efficiently through in-depth analysis. The further adoption of AI technologies requires the following: exploring the topic areas that are the subject of most publications; and uncovering research opportunities for the application of AI in business management. (Sira, 2023, p. 308) Using AI can increase an organization's productivity because it can help to perform work efficiently, save time, improve operational efficiency, analyse huge amounts of data in less time, offer intelligent advice.

Sharma (2023) states that automation and artificial intelligence can increase the efficiency and productivity of small businesses. Identifying areas for automation and assessing business readiness are key success factors. To do this, it is necessary to consider the technical, organisational and financial aspects of the business and draw up a plan for implementing automation systems. The next step is to evaluate and select the appropriate automation tools and solutions that meet the specific needs and goals of the business. Factors to consider include functionality, integration, cost, user-friendliness, support and maintenance. Small businesses can succeed by adopting a structured and comprehensive approach to automation and AI systems and benefit from increased efficiency and competitiveness.

Businesses recognise the competitive advantage that AI can bring to their value chains, particularly when it comes to automating and improving process efficiency (Schlögl *et al.* 2019).

The small businesses that have established themselves in their niche market segments and have scaled to a step further can opt for procuring AI technologies from AI vendors. And those small businesses that are in their infancy stages may use AI-powered platforms of large service providers helping them adopt and use AI automation for their small businesses. It is also concluded here that the successful adoption of AI automation depends on how effectively small businesses identify and analyze the data available to them or within the implemented AI system (Sharma, 2020).

Social media can be called a part of artificial intelligence. They can help small businesses collect data and information from consumers. (Dr Sana Saima *et al.*, 2023, p. 62). There are several aspects of using social media for business development. First, social media allows companies and customers to communicate in ways that were not possible in the past. This connection is made possible by a variety of "platforms: social networks (Facebook, LinkedIn, Google+); microblogging (Twitter, Tumblr); photo sharing (Instagram, Snapchat, Pinterest); video sharing (YouTube, Facebook Live, etc.)" (Shrilekha *et al.*, 2022). Second, the way customers and businesses interact and influence each other has changed. Activities such as information sharing, analysis, debate and discussion rely on communication and interaction. Third, the rapid development of social media has enabled companies to improve customer relationship management and business decision-making.

Social media is culturally important because for many people it has become the primary way to access a vast amount of information about the world around them.

Using works by more and more people causes small businesses to integrate these networks into their marketing communication channels. That is, once used and exploited to their best value, they can contribute to shaping brand identity, brand image, and company performance in today's marketing competition (Shrilekha *et al.*, 2022, p.25)

The effectiveness of the digital advertising space is higher because it offers a more targeted approach to advertising, with the ability to reach specific demographics and track the success of campaigns in real time. This direct line of communication can help businesses improve their Instagram algorithm, which is designed to show users content that is most relevant to their interests based on a variety of factors such as engagement, timeliness, and relationships. This means that if your small business can create content that resonates with your target audience and generates high levels of engagement, Instagram's algorithm will reward you with increased visibility and reach (Saima *et al.*, 2023, pp. 59-60).

Social media plays a crucial role in the development of small businesses, especially in the start-up phase. It helps to present products and ideas to the public, mostly for free, and is a great way to connect small businesses with consumers.

3.4. Creating courses for novice individual entrepreneurs from territorial communities on the basis of “Polytech-Consult” Consulting and Training Centre

The peculiarity of this education centre is as follows: many years of experience in the field of education; all the teachers who conduct workshops, courses and seminars have the highest qualifications, are fluent in their subject, have experience in practical work, teach the material of any complexity in an interesting and accessible way; modern approaches, technologies and methods, licensed software, modern computer classes, comfortable classrooms; classes are held in small groups, which allows you to pay proper attention to each student; attendees have the opportunity to get modern knowledge at the reasonable price; after completing the courses, a personal certificate is issued, which is a confirmation of an attendee's knowledge.

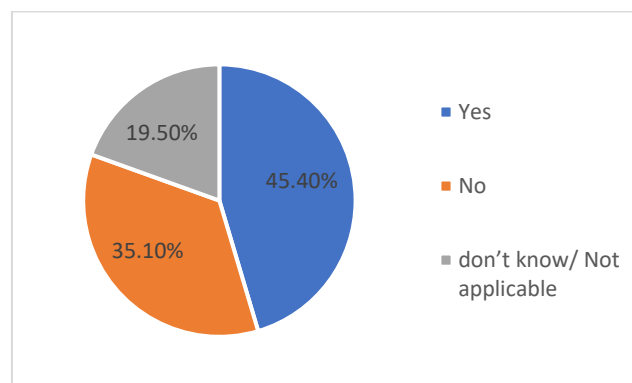
“Polytech-Consult” CTC also offers consulting services in the field of business creation and management. Its goal is to provide clients with the tools and methodology to create a successful and prosperous business. Only in the direction of the entrepreneurial activity activation in the Odesa region during its operation, the centre provided educational and consulting assistance to more than

2,000 trainees who wanted to master themselves in the field of entrepreneurial activity. More than 75% of them have become private entrepreneurs.

“Polytech-Consult” CTC gives the following services: provision of consulting services to novice entrepreneurs; business consulting for small and medium-sized businesses development; provision of organizational and other support at the initial stage of business formation; prospective business plans development; development of activity strategy, investment development plan, marketing plan for promotion of services in the markets; conducting open and corporate business workshops, and seminars

According to the results of our survey, 45.4% of respondents indicated that they need consulting assistance from business recovery specialists, while 19.5% of respondents were undecided (Figure 3).

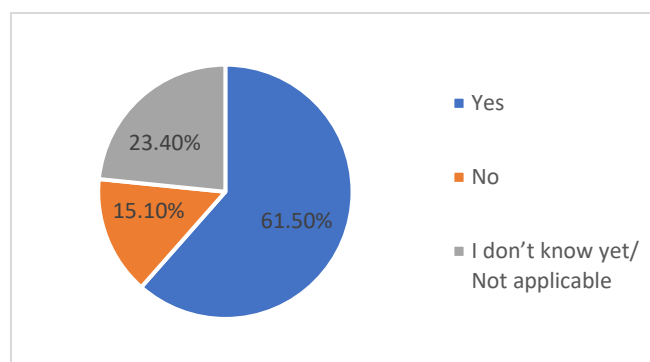
Figure 4. Consultancy assistance from business recovery specialists



Source: Balan *et al.* (2023)

61.5% of respondents indicated that they would like to undergo training to develop their entrepreneurial skills, while 23.4% were undecided (Figure 5) (Balan *et al.*, 2023).

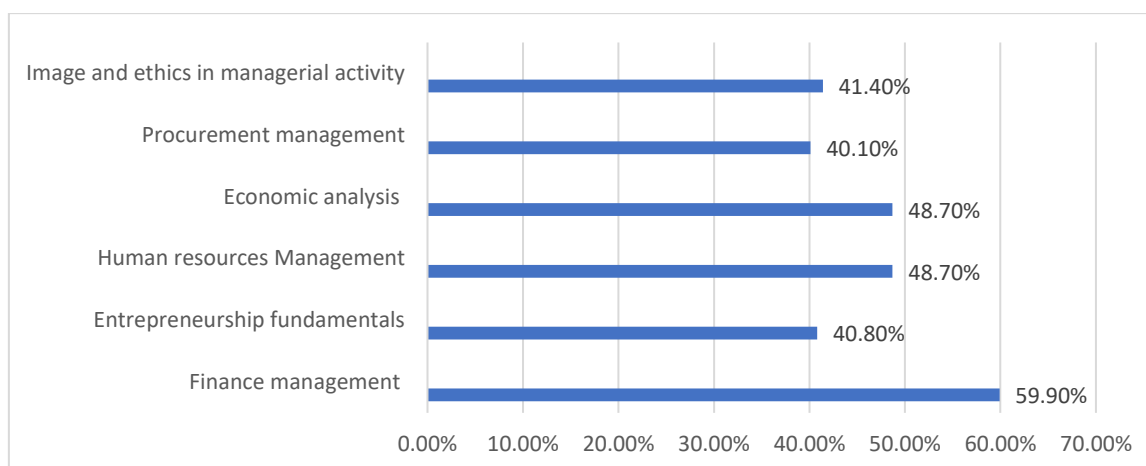
Figure 5. Training to improve entrepreneurial skills



Source: Balan *et al.* (2023)

Among the proposed topics, the respondents chose the most relevant ones: Finance management (59.9%); entrepreneurship fundamentals (40.8%); human resources management (48.7%); economic analysis (48.7%); procurement management (40.1%); image and ethics in managerial activity (41.4%) (Figure 6) (Balan *et al.*, 2023).

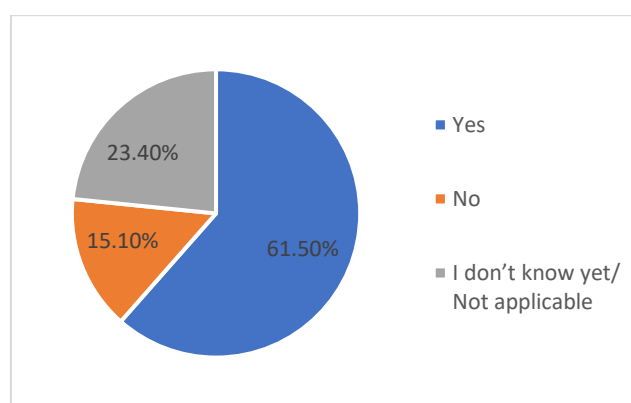
Figure 6. The most relevant topics



Source: Balan *et al.* (2023)

70.5% of the respondents believe that soft skills are essential for small businesses. 23.2% of respondents have not decided on the answer (Figure 7) (Balan *et al.*, 2023)..

Figure 7. Soft skill needs of small businesses

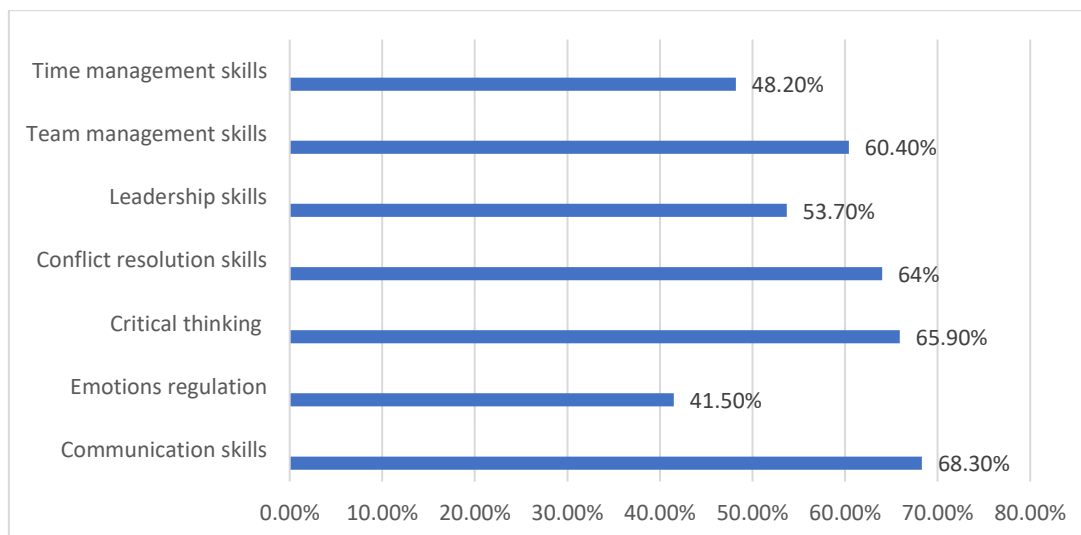


Source: Balan *et al.* (2023)

The respondents who indicated that soft skills are essential for small business development were asked to select the most relevant ones. Thus, respondents gave preference to the following soft skills: communication skills (68.3%); emotional regulation (41.5%); critical thinking (65.9%);

conflict resolution skills (64%); leadership skills (53.7%); team management skills (60.4%); and time management skills (48.2%) (Fig. 8) (Balan *et al.*, 2023).

Figure 8. Soft skills for entrepreneurs



Source: Balan *et al.* (2023)

As can be seen from Figure 8, among the soft skills, respondents preferred “communication skills” the most (68.3%), and “emotion management” the least (41.5%). Thus, the data shows that despite the war and other challenges, small businesses continue to grow.

Starting a small business in any field in the post-war period requires a thorough and structured approach based on technological innovation and methodology. When setting up an enterprise, a manager sometimes has to be a marketer, an accountant, a designer, a top manager, and a specialist in many other sectors of the economy (“Polytech-consult” CTC, n.d.). This approach will be especially relevant in the post-war period when people want to start their own small businesses. Topics that could be suitable for start-up entrepreneurs should focus on the basics of management, human resources, marketing, accounting, corporate finance, computer design, investment attraction, business etiquette, and business English. Thus, it is necessary to train a highly competitive specialist who will be able to start his own small business and be competitive even in the post-war period.

Conclusions

The military invasion of Ukraine by the Russian Federation on 24 February 2022 has dramatically changed the life of society. The invasion affected all spheres of life in our country. This has particularly affected small businesses in territorial communities as a component of the country's economy. Some

individual entrepreneurs had to close their businesses due to economic inexpediency. Other individual entrepreneurs had to relocate their businesses to safer communities or even abroad. But we can also observe a good trend of new businesses starting up in wartime. According to the Odendabot service, as of 30 March 2022, more than a thousand small businesses were opened every day.

As of September 2023, there were 465 thousand small businesses. The largest number of small businesses are located in Kyiv, Kyiv region, Odesa, Lviv, Kharkiv, Dnipro, Poltava regions, and the smallest number of small businesses are located in Zakarpattia, Volyn, Ternopil, Luhansk, Zaporizhzhia, Kherson, and Donetsk regions, as well as the Autonomous Republic of Crimea and Sevastopol.

It was determined that small businesses are currently opening in the following areas: retail trade, computer programming, personal services, wholesale trade, catering, transport, information services, education, wholesale and retail trade in cars.

The following ideas can be used for Ukraine's small businesses development in the post-war period: the interconnection of small businesses with e-government in improving their services; using artificial intelligence to gather, analyze customer data, which will allow small businesses to make informed decisions about their target audience and their preferences; creating a hub for individual entrepreneurs where they can exchange their ideas; on the basis of "Polytech-Consult" Consulting and Training Centre for Entrepreneurship and Innovation Activity create courses for novice individual entrepreneurs from territorial communities where they will be taught the aspects of business management, HR management, financial literacy, investment attraction, business etiquette, business English, accounting.

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Prison visit for those behind bars in Europe - an essential element for reintegration into society

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Abstract

The support of loved ones is beneficial at any time and in any activity that an individual wants to pursue. In difficult moments in life, the importance of the support given by the loved ones increases. This is also the case at the time of separation from society by being sentenced to a prison sentence due to committing an act condemned by the criminal law. Periodic visits from family, friends or other acquaintances help the condemned to get over the dark period in his life more easily. Also, being released into society for short periods is extremely important for the moral tonus of the person serving a custodial sentence. Such rewards are predominantly used near the time when the prisoner will end his prison sentence to alleviate the shock of reintegration into the community.

Keywords: reintegration, abandonment, family, contact, punishment

Introduction

The hard times in a person's life can become easier if he has by his side people who care about him, support him with the things he has to do or alleviate his pain during difficult times. In these situations, the family plays an extremely important role. Most of the time, the notion of family leads to the idea of connection, a connection of blood, of name, of love, of common goals, of living in the same space, and the relationship with the subject is always highlighted (Băran-Pescaru, 2004, p. 11).

A very painful or difficult time in life can occur at any time for various reasons, be it personal, financial, spiritual or physical. Life's hardships are often unpredictable, are always unwanted and unplanned, cannot be passed on to others and certainly cannot be postponed. For everyone, suffering occurs to everyone throughout their lives caused by the loss of a loved one, father or mother, brother or sister, husband or wife, child or grandchild, uncle or aunt, cousin or close friend. Sometimes there are also financial problems, when some people lose all their belongings, lose their job or are left

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without the material possibilities they previously had being forced to change their priorities and whole lifestyle. Sometimes people face serious health problems that negatively affect their lives both physically and mentally.

A very difficult time in life, less common for most people, is being sentenced to deprivation of liberty following a final court decision. Most citizens believe that all those who have ended up behind bars have done so through their own fault and that they must pay the burden of imprisonment with all the hardships of deprivation of liberty. However, the separation from the community, and in particular from close relatives, is sometimes sufficient for the convicted person to be aware of the seriousness of his or her actions and a reason sufficient to persuade him or her not to commit criminal acts after release. A very important factor for reintegration into society as a useful element that no longer poses a danger to the community is the contact of the person deprived of liberty with the family during detention. Regular visits by close relatives can have a decisive impact on the detainee's conduct both during his detention by the prison administration and in the subsequent period after he is released. Just the thought that he has not been abandoned by his loved ones can represent a sufficient incentive for the detainee to determine him to make all the necessary effort to regain his freedom as soon as possible.

During the period of incarceration, prisoners lose an essential right, the right to freedom, but they retain enough benefits to continue a life as close to normality as possible. The idea of family visits to those behind bars appeared with penance, being one of the oldest rights, along with the right to food. Gradually, in parallel with the development of society, benefits such as the right to legal assistance, to information, to education, to petition, the right to vote, to shop, to freedom of conscience, opinions and religious beliefs appeared.

Even if, at first glance, the right to visit does not seem very important, for maintaining the moral tone and the chances of reintegration into society, this is an essential element. Keeping in touch with family and friends is strengthened by the right to correspondence, the right to phone calls and online conversations, as well as through conjugal visits.

1. Normative sources of general interest

The source of the rules regarding the visits for persons incarcerated in European space is based on unanimously accepted documents at the international level. The rules are in a slow state of change and development, but the importance of family support is clearly accepted by most prison specialists.

Recently, there have been conflicting discussions about eliminating or keeping the possibility of prison administrations to use the suspension of visits as a disciplinary sanction.

Discussions in this regard were initiated following visits made to prison in different states by delegations of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment (Council of Europe, 2021). During 2021, a delegation of the Committee visited several penitentiary units in Romania, especially the units profiled on the maximum security regime. After the analysis of the activities carried out and the evaluation of the mechanisms used in the prison, the members of the delegation felt the need to emphasize the importance of contact with the outside and to recommend the limitation of the sanction with the suspension of the right to visit from the range of disciplinary sanctions that can be applied to prisoners. Furthermore, the final report recommended that visits with friends and family should generally take place without separation devices, unless there is a danger to the visitor or the person being visited.

The representatives of this international institution have extensive experience in the prison environment and form multidisciplinary teams with members who have activated in all sectors of work in penitentiary units. The committee is not a control entity but rather an element that tries to prevent any form of bad treatment of persons deprived of their liberty. The members of this institution are experts in the field and carry out their work impartially and independently, with the aim of assessing the situation of incarcerated persons and preventing abuses against them. The visits of the delegations are usually planned, but they can also be unannounced, in the event of reporting irregularities or receiving complaints.

1.1. Declaration of the Rights of Man and of the Citizen

Usually, in the 18th century, the world did not place much emphasis on individual interest, often, only the general interest, the interest of the collective, being addressed and legislated. Nations were mostly ruled by an authoritarian leader supported by a small group of people with influence and financial power. Most of the rules were dictated and enforced without regard to the opinion of the masses. The mass of people was for the most part with very little education and with a living standard commensurate with their studies, and the financial power was most often the equivalent of power and influence within the decision-making factor.

In the field of directing the interest to the individual as well, the French state opened the way towards the end of the 18th century. Starting from ideas according to which the ignorance, forgetting or contempt of human rights are the basis of the problems of the population and of the corruption of

the leaders, on August 26, 1789 the National Assembly recognizes and declares in the presence and under the auspices of the Supreme Being the act called the Declaration of Human and Citizen Rights (OHCHR, 1789). The document includes a preamble and 17 articles, representing the starting point for the foundations of democracy in France and, at the same time, an important source of inspiration for the principles provided by the State Constitution of 1791. Thus, the privileges of several categories of people such as French, foreigners or stateless were highlighted, then of citizens in particular and of French society in general.

From an economic point of view, this was also the moment when loans started, thus the possibility of individuals and institutions borrowing money with interest was legislated. Although the declaration did not exactly indicate the citizen's rights to family and private life, it was emphasized that people are born and remain free and equal in rights and social differences can only be based on public utility (National Assembly of France, 1789).

1.2. The Universal Declaration of Human Rights

Towards the end of the Second World War, the armed conflict resulting in the greatest loss of human life and damage in history, the great decision-makers of the planet drew up a document consisting of thirty articles concerning the main rights of the human being. Called the Universal Declaration of Human Rights, the act was adopted on December 10th, 1948, by Resolution 217 of the third session of the United Nations General Assembly.

The Declaration was originally drafted and viewed not as an international treaty or convention but rather as a goal for all nations to pursue, later becoming a source of inspiration for most international legislation and treaties. The historic document was a trailblazer for individual freedom, defining and detailing individual rights such as economic, political, civil, procedural, and social. Among the civil rights, the right to life was highlighted, and later rights such as the right to peaceful assembly, the secrecy of correspondence, the inviolability of the home, the freedom and security of the person, free movement, the right to marry and found a family, private life and family life were emphasized.

The document recalled and emphasized the importance of the family in a person's life and stated that no one shall be subjected to arbitrary interference with his personal life or his family and in case of such danger the individual is entitled to the protection of the law against such interference or touching (United Nations, 1948). The notion of family within the community was strengthened, clearly indicating that it constitutes the natural and fundamental element of society and has the right to protection from the state and society.

1.3. European Convention on Human Rights

Most of the time, after a major conflict between people, groups of people, institutions, or nations a period of calm and peace follows in which all actions are analyzed twice before being put into practice and ideas, contracts, conventions, or treaties that provide benefits for all parties are born. This is what happened in the middle of the 20th century, shortly after the end of the Second World War, when an international treaty appeared that guarantees and protects the fundamental rights and freedoms of European citizens. The international document drawn up by the Council of Europe in the Italian capital, Rome, was and still is a model to be followed and a real source of inspiration for the constitutions and basic laws of several countries. The declaration was cataloged as an innovation in the field of the rights and freedoms of individuals, being the first time that they were established and guaranteed on an international scale.

Through this document, the European Court of Human Rights was also established, an entity with the purpose of protecting natural persons against the violation, limitation or non-granting of the rights established by the convention. Over time, the institution has proven its necessity and usefulness, being requested many times by people who have not been able to prove their justice at the national level. It was also at this time that the foundations of the European Commission were created, a body that was assigned responsibilities for the examination and verification of legislative projects proposed by the member states, the implementation of decisions and the observance of treaties between states.

For the first time in an international document, the individual's right to private and family life was directly and clearly emphasized. This established the age at which a man and a woman can marry, which differs according to the legislation of the state where the event takes place. The two life partners are free to find a family within the limits and with the benefits of the national legislation of the state on whose territory the two join their destinies (Council of Europe, 2016).

1.4. Recommendation of the Committee of ministers of the member states regarding European prison rules

Unlike the other documents that supported the promotion and development of people's rights in general, the 2006 recommendation was focused only on the protection of the rights and freedoms of people serving a custodial sentence.

The document had a positive influence on the penitentiary environment and reminded some penitentiary administrations that persons deprived of their liberty, with the decision to sentence them

to prison, lose their freedom but partially retain some of the rights they had in society. It was also emphasized that penitentiary units should try as much as possible to reduce restrictions to the minimum necessary, the lack of detention conditions should not be justified by the lack of staff and life in a penitentiary should resemble as much as possible positive aspects from outside prisons. Although the document drawn up by the Committee of Ministers was only a recommendation for the European states, it had a very important role and became a source of inspiration for subsequent documents in the penitentiary environment and at the same time a guide on how to work for employees in detention facilities. Ideas and rules regarding detention facilities, the deposition of persons deprived of their liberty, the distribution of rooms, hygiene conditions, food regime, use for gainful activities, education, transfers, medical assistance, the use of force, legal advice, personal safety, etc., were discussed.

When the document was drawn up (Council of Europe, 2006), special attention was paid to the contact of those behind bars with the outside, especially with family, representatives of various institutions and other people close to the inmates. It has been recommended that during the period of separation from society, all restrictions on visits or communications with outsiders cannot completely cancel contact with civilians, and a minimum acceptable level of contact must be maintained. It was considered imperative that the individual deprived of his liberty should be able to notify his family whenever he suffered a serious illness or injury; in the same way, inmates will be informed of the serious illness or death of a family member and, when possible, must be allowed to go outside to attend the burial of close relatives. Communication with the media was also taken into account and it was highlighted that this should be allowed as long as the safety of victims, staff or other prisoners is not endangered and there are no other good reasons to prohibit the prisoner's contact with the exterior.

The Committee of Ministers recommended that the methods of making visits between relatives and inmates should be ones that favor the maintenance and development of relations with the family and that communication by mail, phone calls or other means of communication should be easily accessible for all those who are incarcerated in penitentiary institutions. It was considered necessary that the persons and institutions that can contact the inmates should be clearly specified in the national legislations so as not to leave room for restrictive interpretations or decisions. The role of the penitentiary administrations in terms of maintaining links with the outside environment is a decisive one, as they have the duty to encourage persons deprived of their liberty to maintain contact with civil society. At the same time, the penitentiary must make every effort to provide the persons in custody with all the necessary information possibilities regarding issues of public interest, through television and radio broadcasts, publications, newspapers, etc.

1.5. The guide regarding article 8 of the European Convention on Human Rights.

Society is in continuous movement, development, and change, which requires humanity to form or adapt according to new rules and requirements. In this sense, in 2016, the Council of Europe drew up a guide that is periodically updated according to the transformations and new aspects involved in the jurisprudence of the courts. The Guide generally focused on the need to respect the right to private and family life as well as the freedoms of home and correspondence.

It was recalled that respect for private and family life, home and correspondence are the rights of all people without any discrimination based on gender, race, political affiliation, religious or sexual orientation, financial power, etc. The Guide (Council of Europe, 2016) emphasized once again the fact that, in a democratic society, the intervention of a public authority in the private and family life of citizens is prohibited except in strictly limited cases such as measures regarding national security, the defense of public order, health protection, crime prevention, economic stability of the state and the need to protect morals, rights and freedoms of third parties.

According to some studies (Albu *et al.*, 2014, p. 178), even in the criminal field, the role of the family is essential, with a major impact on delinquency. Predictors along this line have been indicated to be parental management, behavior problems, delinquent behavior of family members, and the individual's school performance.

1.6. The Charter of Fundamental Rights of the European Union

All international pacts, treaties or conventions had for their purpose a common interest of the signatory countries and a benefit to their citizens. At the end of the year 2000, through the joint effort of the European Parliament, the European Commission and the Council of the European Union, a document was born that has among its goals a peaceful future for the members of the union based on common values. The document issued in Nice was also called the Charter of Fundamental Rights of the European Union and brought together in a single text the social, political, civic and political rights of European residents and citizens.

The charter was drawn up in an original way; it was conceived as a basic standard for the uniform observance of the rights of the individual, rights considered essential and inalienable. Spread over six chapters made up of 54 articles, it covered ideas such as solidarity, equality, dignity, freedoms and rights of citizens, as well as justice. The document did not omit the importance of the family and emphasized the need to protect and respect family life as well as private life. It was emphasized that

in the European Union the family is protected from a social, economic and legal point of view. Moreover, in order to combine professional and family life in a balanced way, it has been established that any person has the right to maternity or paternity leave in the event of the adoption or birth of a child and citizens cannot be fired in these exceptional situations (European Parliament, 2012).

2. The jurisprudence of the European Court of Human Rights on cases relating to the right to private and family life

Not infrequently, due to the multiplicity of tasks, the complexity of the activities, the lack of funds or human resources, due to limitations in open thinking and forward thinking or sometimes even with intention and lack of goodwill, several states have violated the rights of persons deprived of liberty. These have been affected, limited, suspended, or sometimes even cancelled, although previously the complained states have positively endorsed treaties or international conventions regarding the guarantee and respect of those rights. As the process of public information is on an upward trend thanks to mass media such as television or the Internet, in recent decades, more and more citizens have had the courage, dedicated their time, and allocated physical, pecuniary and moral resources to establishing, maintaining or regaining benefits or privileges.

Thus, the idea of asking for what you consider to be your due from higher authorities to those who refused the first request has also reached the incarcerated people. More and more requests, more or less well-founded, began to flow from inside of the detention facilities to state institutions or to authorities with international jurisdiction. Internationally, the European Court of Human Rights is bombarded with complaints from prisoners, most of them are unfounded and are rejected, but some are well founded and have a positive result for the incarcerated petitioner. One by one, slowly but surely, several states have lost the lawsuits started by persons deprived of their liberty regarding certain standards that they should have had according to the legal framework during the period of detention but did not have, have lost or do not have been fully fulfilled.

2.1. Complaints against Italy

Located geographically in the southern part of the European continent, the Italian Republic is a unitary state, it has a temperate climate and internationally it is often likened and recognized for its territorial surface close to a boot shape. Although Italy is a developed country and from an economic

point of view ranks among the first in the world, it has not been bypassed by the petitions of people incarcerated on its territory.

The case of Marincola and Sestito against Italy

During 1998, civilian Felicia Sestito, the wife of a person deprived of liberty incarcerated on the territory of the Italian state, addressed a complaint ² to the European Court of Human Rights, citing the fact that her right to family life was affected due to the measures ordered by the administration of the penitentiaries that guarded her husband. He was initially accommodated in the Siano prison but was later transferred to several detention facilities such as Spoleto, Sulmona, Lanciano and Catanzaro and others. The detainee, named Cataldo Marincola, was suspected of belonging to a mafia organization, after having committed several crimes of murder and drug trafficking in the time interval 1995-1996, and the investigating judge issued two arrest warrants against him. For these reasons, a special detention regime with limited rights was applied to him for a period established by the judge, during which contact with family members was restricted.

The special detention regime, which was argued by the management of the detention facilities for reasons of order and public safety, greatly limited the applicant's contact with the outside. Thus, the number of telephone conversations with his family was limited to one call per month, he was prohibited from participating in recreational activities with other incarcerated persons, the possibility of visits from close people was canceled except for family members, his life partner and the lawyer. Furthermore, the time interval available to be spent outside the detention room was restricted to a maximum of two hours per day, the number of visits per month was reduced to two visits, he was limited to receiving goods from his family to two packages per month, he was denied the right to receive or send money and his right to participate in productive activities involving the use of potentially dangerous tools was revoked. Another end of the petitioners' complaint also focused on the fact that during the period of incarceration the correspondence was subjected to a censorship visa especially in the Catanzano penitentiary unit. Also during the period of deprivation of liberty, although the prisoner requested permission to participate in the burial of his brother in the summer of 1997, due to the special regime applied, he did not receive a favorable opinion from the prison management.

² Marincola and Sestito against Italy, retrieved from [https://hudoc.echr.coe.int/eng#{%22itemid%22:\[%22001-30819%22\]}](https://hudoc.echr.coe.int/eng#{%22itemid%22:[%22001-30819%22]})

It was only at the end of 1999 that the Court finally settled the case and although the petitioners made every effort to win, the two applicants did not receive a positive response. The court considered that during the trial the negative effects of detention on the detainee, effects likely to affect the right to respect for private life, were not demonstrated. The crimes committed by Cataldo Marincola had a significant role in influencing the final decision and in the final decision it was emphasized that the applicant was subjected to relative social isolation by limiting contact with his family, the isolation being determined by the need to protect public order, national security and the economic well-being of the country. The action of the person deprived of liberty and his wife was also declared inadmissible with regard to the point regarding the alleged violation of correspondence limits because sufficient evidence was not brought in this regard.

The case of Pesce against Italy

Article 8 of the European Convention on Human Rights was also invoked by an Italian citizen, sentenced to life imprisonment for murder, weapons transport and mafia-type criminal association. Thus, during 2007, the person deprived of liberty Antonino Pesce, being convicted in Naples, at the Secondigliano Penitentiary, submitted a complaint³ to the European Court of Human Rights and presented the fact that the Italian state violated his right to private and family life through the limitations imposed during custody in prison.

Due to the petitioner's criminal history, a special detention regime was established for him that restricted his contact with the outside, implicitly with family members. The rules of the special regime imposed the ban on the use of the telephone, the limitation of the amount of money that the prisoner could receive or send to third parties, the possibility of receiving articles of underwear only twice a year, the impossibility of receiving more than two packages of goods per month and other restrictions that diminished the continuity of his relationship with his family.

During the detention time interval, the prisoner also faced serious health problems and tried to use this aspect in his favor by citing this in the complaint formulated with the aim of obtaining the annulment of the restrictive measures imposed by the prison administration. Moreover, emphasizing the fact that he had a very serious disease, colon cancer, he even tried to obtain the suspension of the execution of the sentence, but even this request did not receive a positive opinion due to his criminal history. Although the petitioner appealed hierarchically to all competent courts in the penitentiary

³ Antonino Pesce against Italy, retrieved from [https://hudoc.echr.coe.int/eng#%7B%22itemid%22:\[%22001-85122%22\]%7D](https://hudoc.echr.coe.int/eng#%7B%22itemid%22:[%22001-85122%22]%7D)

field, all the measures by which the right to private and family life was limited were justified by the management of the units and the Italian state by invoking security requirements. Thus, without underestimating the difficulties that the members of the petitioner's family encountered, at the beginning of 2008 the European Court of Human Rights decided that the request of the prisoner Antonino Pesce is inadmissible due to security needs.

The case of Bellomonte against Italy

The Italian mafia has been the subject of numerous discussions and often the target of successful screenings that more or less managed to expose the reality outside the legal framework. More often those who enter this illegal and dangerous game, after a period of financial success, end up serving very long prison sentences or even life imprisonment. This also happened in the case of Bruno Bellomonte, an Italian citizen born in 1949, who was part of a terrorist group called the New Red Brigades. He was remanded in custody during 2009 and was lodged at the Regina Coeli Penitentiary in the Italian capital. Due to the facts of which he was accused, the decision was made to include him in a high security prison, with restrictions on all levels. The established regime required the individual accommodation of the detainee, the reduction of the time allocated to the daily walking schedule, the limitation of contact with the family and other persons deprived of liberty, as well as his transfer to the Catanzano prison.

By transferring him to another penitentiary unit, the possibilities for the family to visit him were significantly reduced due to the very long distance from home to the penitentiary. The petitioner requested the Department for the administration of penitentiaries within the Ministry of Justice to grant him the possibility of serving his custodial sentence in a prison in Rome or Sardinia, closer to his home, in order to facilitate contact with his family and relatives. His request was rejected citing expediency reasons related to the management of prisons.

Observing that his request was not successful domestically, the incarcerated person turned to the European Court of Human Rights and complained that his right to family life was being violated. During the case⁴, he also emphasized the fact that placing a person in preventive detention in the restrictive detention regime is incompatible with the presumption of innocence.

Through the final decision that came only in 2014, the Court took into account the fact that the great distance between the family's home and the penitentiary where the petitioner was serving his sentence made it difficult to make visits, but the transfer was well motivated by security needs and

⁴ Bellomonte against Italy, retrieved from <https://hudoc.echr.coe.int/fre#%7B%22itemid%22:%5B%22001-142815%22%5D%7D>

the measure was considered proportionate with the legitimate aims pursued. The international court concluded that the transfer away from the family did not involve any limitation of the right to private and family life and unanimously declared the claim as inadmissible.

The decision no longer had much importance for Bellomonte because, in November 2011, the applicant prisoner had been acquitted by the court which also ordered his immediate release because there was not enough evidence to incriminate him regarding the facts of which was accused.

2.2. Complaints against Russia

Known for its rigidity and dictatorial way of ruling, the largest country in the world by area, the Republic of Russia, has not been spared from the complaints of people deprived of their freedom. The state that has the most weapons of mass destruction is also known for its harsh prison conditions, where it is very easy to get into and very difficult to get out of without major physical or mental trauma. However, although the repressive power of the authorities is constantly cracking down on those who do not respect or challenge the rules, there were also some braver prisoners who started lawsuits against the Russian state when they were distanced from what they valued most, their families.

The case of Polyakova and others against Russia

Over the course of five years, starting in 2009, the European Court of Human Rights was assailed by multiple complaints from several people imprisoned on Russian territory, complaints that concerned the violation of the right to private and family life for detainees.

The case was initiated and represented by a woman named Elvira Vasilyevna Polyakova, convicted of crimes related to the use and distribution of drugs. The prisoner was strongly motivated by the fact that at that time she had a son who was only six years old and contact with him was drastically reduced by the sentence. After the opening of the case, the petitioner was joined by other incarcerated persons and families of some persons in detention. The main dissatisfaction was focused on the fact that they were sent to serve their custodial sentences in prisons located hundreds of kilometers, sometimes even thousands of kilometers from the prisoners' homes. This aspect made it difficult to maintain contact with family members, raising issues related to the time they had to spend in order to visit them in prison, as well as the very high financial effort required to travel hundreds or thousands of kilometers. Although some of the applicants requested to serve the prison sentence as

close to home as possible, their request was rejected both by the local public authorities and by the national courts to which they appealed.

The decision⁵ of the international court was in favor of the petitioners and obliged the Russian state to pay the main claimant the amount of 652 euros in damages and a total of 24,800 euros in total for all claimants.

The case of Voynov against Russia

During 2010 a prisoner serving a prison sentence on Russian territory appealed to the European Court of Human Rights because he believed that his right to family and private life had been affected by his incarceration in a penitentiary located 4200 kilometers from his home. The petitioner, Timur Voynov, had been sentenced the previous year to a 12-year prison sentence for crimes related to the regime of substances with prohibited psychoactive effects, and in his case it was ordered that the sentence be executed in the Krasnoyarsk region, at a great distance from Oryol, a town where there were his mother and his life partner.

Although the prisoner repeatedly requested to be approved to serve his sentence closer to his family, each time the transfer was justified by the Russian authorities by the overcrowding of prison units in the area of his residence. Due to the very long distance and the costs of travel, during the period of detention Voynov was visited sporadically only by his concubine and did not have the opportunity to see his underage child.

The decision⁶ favorable to the applicant came only in 2018 and even if it was not taken unanimously, the Court obliged the state to pay the petitioner the sum of 6,000 euros as moral damages and the sum of 850 of euros as court costs.

Unfortunately, the subsequent practice of the management of the Russian prison system demonstrated that the state's policy of imprisoning people deprived of their liberty hundreds of kilometers from their homes did not stop despite international court decisions that found this to be a flagrant violation of Article 8 of the European Convention on Human Rights.

⁵ Polyakova and others against Russia, retrieved from [https://hudoc.echr.coe.int/eng#%7B%22itemid%22:\[%22001-171774%22%7D](https://hudoc.echr.coe.int/eng#%7B%22itemid%22:[%22001-171774%22%7D)

⁶ Voynov against Russia, retrieved from [https://hudoc.echr.coe.int/eng#%7B%22itemid%22:\[%22001-184276%22%7D](https://hudoc.echr.coe.int/eng#%7B%22itemid%22:[%22001-184276%22%7D)

2.3. Complaints against Bulgaria

Located in the South-East area of the European continent, with a generous coastline to the Black Sea, the Bulgarian state left the zone of Soviet influence in 1990 and since then has enjoyed a developing democracy and the possibility of holding free elections. In the unitary parliamentary republic, although most commercial activities are concentrated in the Sofia capital region, the sea coast to which the state has access has exponentially developed tourism, especially in the warm season. Despite the relatively small number of citizens, implicitly the small number of persons deprived of liberty, the country has not been bypassed by the complaints of those in a situation of deprivation of liberty for committing crimes.

The case of Palfreeman against Bulgaria

An Australian citizen born in 1986, who at the young age of only 21 was enlisted in the British army, had an unfortunate day that radically changed the course of his life. In 2007, while spending his free time at a restaurant in Bulgaria, he was involved in a conflict with several people, fatally stabbing one of the participants in the fight and injuring another. Although he claimed to have acted in self-defense, the court did not find the defendant's defense credible and Jock Anthony Palfreeman was sentenced to twenty years in prison in Sofia, the capital of Bulgaria.

All of the detainee's relatives, parents, siblings, uncles, aunts, grandparents and cousins lived in Australia and a visit to Bulgaria would have involved a major effort both financially and in terms of the time required for such a trip. For half a year after entering the penitentiary, he was not visited by anyone he knew. During the detention period, at the detainee's request, the Australian state requested the transfer of the incarcerated person to its own country, but the Bulgarian state refused this request, justifying the negative opinion by the need to pay the expenses representing moral damages to the victim's family.

Being dissatisfied with the decision of the Bulgarian authorities, invoking Article 8 of the European Convention on Human Rights, he appealed to the European Court of Human Rights in an attempt to receive a favorable response. He presented the fact that by the decision of the authorities of the state where he was serving his sentence not to approve his transfer to Australia, his right to family life was violated. The final decision⁷, came in 2017 with a majority of votes and was not in

⁷ Palfreeman against Bulgaria la ECHR, retrieved from [https://hudoc.echr.coe.int/eng#{%22itemid%22:\[%22001-174540%22\]}](https://hudoc.echr.coe.int/eng#{%22itemid%22:[%22001-174540%22]})

favor of the petitioner, the Court took into account the justifications of the authorities regarding the refusal of the transfer and emphasized the fact that the choice of the place of execution of the sentence is not the attribute of persons deprived of liberty but of the state authorities.

2.4. Complaints against Ukraine

The second largest country in the European area after Russia, one of the largest grain exporters in the world, the semi-presidential unitary republic had around forty-five million inhabitants at the beginning of the current year. Shaken by an armed conflict that few people thought possible in the 21st century, it is currently estimated that only two thirds of the population are still on the country's territory. Although currently the problems in the penitentiary units are at the bottom of the list of priorities for the Ukrainian state, in the past Ukraine also had some complaints from those serving prison sentences on its territory, as a result of the sentencing decisions issued by the courts.

The case of Vintman against Ukraine

The detainee Yevgeniy Moiseyevich Vintman presented the fact that during his detention several rights were violated, such as the right to health, the right to correspondence and the right to private life. Although he had originally been sentenced to life imprisonment for committing several crimes such as murder and theft, during the period of incarceration he succeeded in reducing the custodial sentence to fifteen years. When he received his first sentence, the prisoner was deprived of his liberty at a distance of 700 kilometers from his home, in a penitentiary unit specially set up for those serving a life sentence. His mother presented to the authorities the fact that she cannot visit her son due to the great distance, her advanced age and medical problems and requested that the place of execution of the sentence be closer to home.

The department responsible for custodial sentences informed the applicant that her request cannot be approved because according to the legislation in force, prisoners must serve the entire sentence in the same detention unit. The mother of the incarcerated person was not satisfied with the answer she received and turned to several authorities, each time receiving a negative response but sometimes with a different motivation by which she was informed that there were no places closer to home for those sentenced life imprisonment. After almost five years from the start of the execution of the sentence, the prisoner was transferred to a penitentiary located at an even greater distance from

his home, the reason given being the multiple disciplinary violations committed by him during his incarceration.

Through his mother, the prisoner also complained that his correspondence with his mother was withheld by the prison administration without any justification. The applicant submitted that the violation of the right to privacy in his case⁸ had no real justification and was not necessary in a democratic society.

After a struggle of almost a decade, although the authorities cited the non-granting of the transfer due to the legal framework that did not allow it, the Court ruled that the impossibility to grant him the transfer was equivalent to the violation of the right to family life and private life. The Court specified the fact that Article 8 of the European Convention on Human Rights had been breached; the petitioner's case won and ordered the payment to him of the sum of 12,000 euros for moral damages and other sums that will be imputed to him for the opening of the trial.

The case of Rodzevillo against Ukraine

Oleg Leonidovich Rodzevillo, a Ukrainian citizen born in 1967, was sentenced to life imprisonment for forming a criminal group and committing several crimes of murder and theft. Initially incarcerated in the Dnipropetrovsk detention center number 3, the detainee complained that he was incarcerated in inhumane conditions and that he was beaten by the prison employees, but the authorities' response did not confirm the aspects complained by the petitioner. In 2007, he was transferred to the Ladyzhynska detention colony number 39, where he complained about irregularities regarding the right to medical assistance, but, following the checks carried out, this statement was not confirmed either.

During his detention, the detainee constantly appealed to several higher courts and requested to be transferred to a penitentiary in the Crimean Peninsula, where he had his domicile. The purpose of the request was for the parents and son of the incarcerated person to be able to visit him. Simultaneously with the petitioner's request, his mother also asked for the transfer closer to home, presenting the difficulties encountered due to the very long distance, the health problems and the advanced age of the parents, as well as the disability that the prisoner's child had at that time. Despite the death of her husband in 2014, the detainee's mother did not stop and continued the attempt to

⁸Vintman against Ukraine at ECHR, retrieved from [https://hudoc.echr.coe.int/eng#{%22appno%22:\[%2228403/05%22\],%22itemid%22:\[%22001-147326%22\]}](https://hudoc.echr.coe.int/eng#{%22appno%22:[%2228403/05%22],%22itemid%22:[%22001-147326%22]})

bring her son that was serving a prison sentence, closer to home and family and at the beginning of 2016, the European Court of Human Rights ruled positively her request.

In the absence of strong arguments from the Ukrainian state regarding the refusal to transfer to a penitentiary institution closer to the prisoner's home, the Court found (Rodzevillo Case, 2016)⁹ that there was a violation of the right to family life and ruled that that the petitioner is also entitled to the sums of 10,000 euros for moral damages and 8,000 euros for court costs.

2.5. Complaints against France

With a national motto focused on ideas such as freedom, equality, fraternity and leaders with resounding names like Napoleon Bonaparte, the French state has come to represent today one of the most developed countries, with a solid economy and a formidable army. Among the more than sixty million inhabitants, unfortunately, there are also criminals who, serving their sentence in one of the states that has paid more attention to the conditions of detention. However, there were still cases where France was sued in the higher court for various violations of rights.

The case of Labaca Larrea against France and other two requests

During 2011, a citizen of Spanish origin imprisoned in France named Urko Labaca Larrea addressed the European Court of Human Rights complaining that he was sent to serve his prison sentence hundreds of kilometers away from his family and could not receive visits due to this fact. In a short time, two prisoners of the same nationality, named Ione Lozano Miranda and Alejandro Zoboran Arriola, joined him citing similar issues regarding the deprivation of liberty.

Initially, the three were incarcerated in the prison from the capital of the country, Paris, later they were transferred to a greater distance from their home, in Lyon, an aspect that greatly limited the possibilities of their family members to visit them. Although the right to family life was affected during the execution of the sentence, the Court took note of the fact that the petitioners did not ask the French authorities to transfer them closer to their home and declared the three requests inadmissible. The international court cited the fact that the plaintiffs had the opportunity to ask the

⁹ Rodzevillo against Ukraine at ECHR, retrieved from [https://hudoc.echr.coe.int/eng#%7B%22itemid%22:\[%22001-159791%22%7D](https://hudoc.echr.coe.int/eng#%7B%22itemid%22:[%22001-159791%22%7D)]

prison administration to carry out the sentence closer to home and they did not exercise this right and chose to go directly to the higher court.¹⁰

2.6. Complaints against Spain

Geographically located in the southwestern part of the European continent, Spain has access to both the Mediterranean Sea and the Atlantic Ocean. The parliamentary monarchy is a developed country and is part of the main world organizations.

The case of Fraile Iturralde against Spain

Terrorism represents an atypical struggle, with acts of mass aggression, with the role of intimidation and with political goals. Individuals involved in such acts are convicted in many states after participating, collaborating or forming terrorist organizations. One such example was Jorge Fraile Iturralde, a Spanish citizen sentenced to 25 years in prison for possessing weapons, explosive substances and supporting terrorist activities.

After receiving the final decision regarding the conviction, he was incarcerated in the Badajoz Penitentiary, at a great distance from his home. Immediately after the beginning of the custodial sentence, the detainee presented the fact that his parents, his wife and the five-year-old child cannot visit him at the detention unit to which he was assigned due to the parents' advanced age, the very long distance and the financial costs generated by a long-distance travel. The convict requested to be transferred to the penitentiary in Durango, close to his family. The response of the authorities was a negative one that was fully justified on the basis of security needs, considering his criminal past corroborated with the nature and manner of committing the criminal act for which he was convicted.

Faced with an unfavorable response, the Spanish citizen submitted to the European Court of Human Rights that by executing the custodial sentence at a distance of approximately seven hundred kilometers from his home, his right to family life and private life is violated. The higher court, took into account the fact that the detainee was a member of the terrorist organization ETA, considered the fact that the authorities' justifications based on the need for security were well founded and rejected¹¹ unanimously the petitioner's request to be moved at the Durango Correctional Facility.

¹⁰ Labaca Larrea against France and other two ECHR requests, retrieved from <https://hudoc.echr.coe.int/eng#%7B%22itemid%22:%5B%22001-171962%22%5D%7D>

¹¹ Fraile Iturralde against Spain at ECHR, retrieved from <https://hudoc.echr.coe.int/eng#%7B%22itemid%22:%5B%22001-193592%22%5D%7D>

Conclusions

Following the analysis of the complaints submitted to the European Court of Human Rights for the conditions in which prison sentences were carried out, both positive and negative elements were found. Some cases highlighted the shortcomings of the penitentiary system and established a better way of working for the future and other cases presented indications that some complaints were started only for financial interest. Lawsuits against prison facilities can be started both by persons deprived of liberty, men or women, as well as by their families, and the issues that can be complained about extend to levels such as conditions of detentions, medical assistance, contact with the outside, diplomatic assistance, religion, personal safety or any other right indicated by law.

Contact with the outside during incarceration can have beneficial effects for both the inmates and the prison administration. If the people in custody manage to maintain an emotional balance, they commit disciplinary offences less often and the staff of the unit can manage the prison collective more effectively. After conducting interviews (Leaua, 2006, p. 46) with several inmates, it was concluded that the relationship with family and friends has a major impact on reducing crime.

The study of court decisions revealed that the transfer to a detention facility located at a great distance from the convicted person's residence is the most frequently used method of removing the subject from the family. Other forms of social isolation were highlighted by reducing the number of visits, limiting the number of visitors, reducing the number of phone calls, limiting packages or amounts of money that can be received from family.

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