
Peculiarities of Ensuring Sustainable Development of Ukraine in the Context of Socio-Political Challenges

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Yurii Vitkovskiy¹, Marcin Budziński², Tetiana Kviatko³
Joanna Kubicka⁴, Maria Zralek⁵*

Abstract:

Purpose: The key objective of the research was to identify opportunities and benefits, as well as threats and risks faced by Ukrainian society in the process of implementing a sustainable development model in the context of uncertainty and turbulence of the external environment in which Ukraine is currently experiencing.

Design/Methodology/Approach: The research used both general scientific and special research methods, namely: literature review, institutional analysis, comparative analysis and application of the index method. An analysis of the indicators of sustainable development of Ukraine with similar indicators of the countries of the comparative group was carried out. The study proves the hypothesis that it is possible to apply the methodological approach "beyond GDP" to assess sustainable development. The existence of a correlation between the index of economic freedom and the index of sensitivity to corruption is established. The profile of Ukraine in terms of sustainable development indicators is described. The main reasons for the transition to sustainable development of Ukraine in the period of post-war recovery are identified.

Findings: Based on the conducted research, the relationship between the corruption sensitivity indices, economic freedom and sustainable development has been determined. At the same time, the transition to sustainable development requires an increase in the degree of economic freedom, which, in turn, implies a reduction in administrative barriers and an active fight against corruption and a reduction in its level. A source of opportunities for Ukraine is its focus on increasing exports of high-tech products, which is possible through the introduction of intensive production. In the context of external aggression, security issues

¹Professor, Faculty of Social Sciences and Humanities, Academy of Silesia, Poland, ORCID: 0000-0001-5806-8671, e-mail: yurii.vitkovskiy@akademiaslaska.pl;

²Ph.D., Faculty of Social Sciences and Humanities, Academy of Silesia, Poland, ORCID: 0000-0002-6383-5369, e-mail: marcin.budzinski@akademiaslaska.pl;

³Ph.D., Department for Coordination and Organization of Scientific and Innovative Activities, Institute of Veterinary Medicine of the National Academy of Agrarian Sciences of Ukraine, Ukraine, ORCID:0000-0001-8963-3696 e-mail: ha170385@ukr.net;

⁴PhD, Coventry University Wroclaw, Poland, ORCID: 0000-0002-1795-771X, e-mail: Ad7618@coventry.ac.uk;

⁵PhD, Humanitas Academy, Sosnowiec, Poland, e-mail: maria.zralek@humanitas.edu.pl;

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are a priority for Ukraine, but it has been determined that the Ukrainian community should already be developing projects aimed at implementing a sustainable development model during the period of economic recovery.

Practical Implications: The results of the research can be used both at the level of local and state authorities in the process of forming and implementing a sustainable development model in the current conditions, as well as during the period of post-war recovery and socio-economic development of Ukraine. The obtained results are also the basis for further research for a comparative analysis of the indicators of sustainable development of Ukraine.

Originality/Value: For the first time, the methodological approach “beyond GDP” is used for a comparative analysis of the indicators of sustainable development of Ukraine and the identification of opportunities and threats to balancing the economic, environmental, social and institutional spheres of public life. The essence of the applied methodological approach is to expand the subject field of the study and use a system of indices, which makes it possible to avoid GDP as an indicator of social development and move to the definition of human development without a monetary equivalent.

Keywords: Sustainable development, economic freedom, state instability, innovation, sustainable development index.

JEL Classification: Q01, Q28.

Paper type: Research article.

1. Introduction

Under the current conditions of economic development, the current society, in accordance with global approaches, should exist and develop on the basis of sustainable development, which implies a balanced functioning of a person in the external environment, i.e. the environment in which the individual ensures his or her existence. Progressive environmental degradation, climate change, increased pollution and growing problems with access to depleting raw materials have led to a widespread global view that natural resources should be used more efficiently and sustainably (Cullen, 2017).

However, the extraction of global resources is increasing due to economic development in all parts of the world, making it important for people to think about reusing materials and moving towards a circular economy (Fomina *et al.*, 2018; Mishenin *et al.*, 2018; Yevhen *et al.*, 2018). Increasing material extraction between 2018 and 2023 has resulted in a decline in global circularity from 9.1% in 2018 to 8.6% in 2020, and now to 7.2% in 2023. These data indicate that 92.8% of materials are wasted, lost or remain unavailable for reuse (Circle Economy, 2023).

As research findings indicate, companies are still not sufficiently implementing sustainability strategies (Revell and Blackburn, 2005; Drake *et al.*, 2004; Bringing Data to Life, 2022). They continue to often use criteria other than environmental and social issues when making key decisions (Bonn and Fisher, 2011; Gibson, 2006; Ehrenfeld, 2000; Nilsson and Persson, 2012; Robért *et al.*, 2013; Baldock and Charveriat, 2018; Kupczyk *et al.*, 2021). On average, only 16 percent of the SDG targets are on track to be met globally by 2030, with the remaining 84 percent showing limited progress or a reversal of progress (Sachs, Lafortune, and Fuller, 2024).

However, ensuring the model of sustainable development of society is inextricably linked to fundamental changes in the dogma of the economic system of a particular community. In the process of forming economic relations, the environment was considered by society as the basis of the demanded resources necessary for the life and further development of mankind. However, over time, society has realized that environmental resources are exhaustible, and therefore the extensive method of production is not acceptable for its further development.

This has led to a rethinking of the role and importance of the environment in the development of the world economy and the search for new principles that would contribute to the further economic development of society, combined with the objective need to preserve this environment, and to find new ways to ensure harmonious interaction between humans and nature in the process of its functioning.

In the economic sense, sustainable development means not only the growth of the national economy and increase in per capita income, but also the improvement of all elements of social security. Sustainable development should be accompanied by necessary structural changes in the economic and social spheres.

However, ensuring the sustainable development of society requires significant financial injections, as modern innovative projects that guarantee the change of economic and social systems on the basis of sustainability require substantial financial costs. This is difficult to implement for countries that do not have adequate financial resources and whose investment climate is unfavourable. For countries that do not have adequate financial resources, it is extremely difficult to implement a sustainable development model in an unstable environment, when economic actors lose some of their own resources but seek to rationally use those at their disposal.

However, the financial resources used by a business entity to ensure its own development on the basis of sustainability may be lost under conditions of uncertainty as a result of the fact that business entities will be forced to reduce the amount of investment in the development of certain industries. This situation raises the issue of conducting additional research on ensuring the sustainable development of society in the context of transformational changes and uncertainty. One of the most pressing issues facing Ukrainian society is the problem of sustainable

development, which has emerged as a result of the financial, economic, social and environmental crises in Ukraine.

Global economic transformations, fluctuations in financial markets, excessive consumption of natural resources, environmental pollution, reduction of agricultural land, etc. have led to catastrophic consequences and pose a real threat to Ukraine's national security. At the same time, Russia's military aggression against Ukraine has led to turmoil in almost all spheres of activity, the consequences of which are deepening. Based on this, we can conclude that all previous efforts made by Ukrainian society to create conditions for sustainable development have been partially in vain.

Nevertheless, Ukraine's desire to integrate into the EU economic area requires the implementation of the basic principles of functioning of European countries, the key direction of which is to ensure sustainable development. After all, the realization and acceptance of sustainable development values by all spheres of social life is the first step on the long road to building a qualitatively different society. The problems of achieving sustainable development are being addressed both at the international and national levels. For Ukraine, the issue of ensuring sustainable development is of critical relevance, as it lays the foundation for the country's future development vector.

The study identified the following key research questions:

Q1. Why is it difficult to implement a sustainable development model in Ukraine?

Q2. Is it appropriate at this stage to take into account the specifics of the sustainable development model and its implementation in the new national program of economic recovery?

Q3. Is it advisable to use the methodological approach "beyond GDP" to assess Ukraine's sustainable development?

2. Characteristics and Research Hypothesis

In economic science, there are still discussions among scholars about the interpretation of the category of "sustainable development", and therefore we consider it necessary to make a theoretical clarification of this definition. The category of "sustainable development" was first used by Norwegian Prime Minister Gro Harlem Brundtland in the report of the International Commission on Environment and Development "Our Common Future" in 1987.

By this category, he meant development that meets the needs of the present but does not jeopardize the ability of future generations to meet their own needs. At the same time, sustainable development is not a stagnant state of harmony, but a dynamic process of change in which the scale of resource exploitation, the direction of investment, the orientation of technological development and institutional changes

are aligned with current and future needs. According to the UN definition, the concept of development is not identical to simple growth, but primarily involves improvement and comprehensive qualitative changes (Dzherald and Filipenko, 2003).

The theory of sustainable development emerged as an antagonism to the paradigm of economic growth, which only envisages extensive development and ignores problems in the environmental and social spheres. Joseph Schumpeter was the first to focus on the study of the category of "development".

The scientist was interested in the key differences between the definitions of economic development and economic growth, which, in his opinion, were as follows: *"You can line up as many postal carriages as you want, but you still can't build a railroad."* J. Schumpeter associates the mechanical increase in the number of carriages with economic growth, and the construction of the railroad as a result of development, which is primarily associated with qualitative changes and the introduction of innovations (Schumpeter, 2007).

Over the period of its existence, the category of "sustainable development" has undergone significant transformations and has become even more relevant. The need for a comprehensive analysis of this category is due to the following reasons:

- the rate of resource consumption exceeds the rate of resource renewal;
- the rate of consumption of renewed resources exceeds the rate of their timely renewal;
- the scale of pollutant emissions exceeds the ability of the environment to absorb and neutralize them.

Additionally the conceptual framework related to sustainable development definitions was made by Yosef Jabareen who identify seven theoretical concepts. (Jabareen, 2008, p. 178-192):

- the paradox between 'sustainability' and 'development' is articulated in terms of ethics. SD tolerates diverse interpretations and practices that range between 'light ecology', which allows intensive interventions, and 'deep ecology', which allows minor interventions in nature,
- natural capital represents the environmental and natural resource assets of development and preservation; the theoretical framework of sustainability advocates keeping the natural capital constant for the benefit of future generations,
- equity represents the social aspects of SD about sharing the capacity for well-being between current and future generations,
- eco-form refers to the ecologically-desired form of urban spaces and communities and refers to desired spatial form of human habitats to create eco-forms, which are energy efficient and designed for long life,

- integrative management represents the holistic view and the integration of environmental, social, and economic concerns in planning and management for SD is essential,
- utopianism represents visions for the human habitats based on SD. Generally, such utopias envision a perfect society in which justice prevails, the people are perfectly content, the people live and flourish in harmony with nature, and life moves along smoothly, without abuses or shortages,
- political global agenda represents new worldwide political environmental discourse reconstituted around the ideas of sustainability, starting since the Rio Summit.

However, even despite numerous scientific studies in the field of sustainable development, the issue of implementing a model of such development for Ukraine remains relevant. As already noted, in the current context of countering external aggression, these issues are not yet relevant, which is understandable.

However, gradually, after the end of the war and stabilization of the economic situation in Ukraine, these issues will become relevant and it will be necessary to look for new ways to support the implementation of the sustainable development model, since these issues are still only partially addressed in economic research.

The research put forward these main hypotheses:

- For many years, the idea of introducing and implementing a model of sustainable development in Ukraine has been constantly promoted.
- Despite the constant promotion of the ideas of introducing and implementing a sustainable development model, the majority of the population knows nothing about the concept of sustainable development, and Ukraine has not achieved any of the sustainable development goals.
- In the context of military aggression, while focusing on security issues, it is also necessary to develop systematic programs for the implementation of a sustainable development model in the post-war period, focusing on reducing the level of corruption in the state.
- To assess Ukraine's sustainable development, it is also advisable to use the "beyond GDP" methodological approach, which provides reliable information.

3. Methods and Materials

At the outset, we will substantiate the essence of the category of sustainable development, as well as the peculiarities of the concept of development of modern society. In economic science, this definition is seen as development that is taking place now while preserving its capabilities in the future. Much of economic research is aimed at ensuring sustainable development in various spheres of society, including the national economy and its individual sectors.

Based on the research conducted on the features of the concept of sustainable economic development, the following were identified:

- the need for implementation at the state level, the formation of an appropriate state policy with the specification of methods and tools to stimulate economic processes in society to implement sustainable development projects;
- the need to preserve the environment and living conditions for future generations, to ensure that they can continue to improve their own living conditions and ensure the harmonious development of society;
- the need for simultaneous development of economic, social and environmental systems of society, a harmonious combination of the basic goals of such systems, as such goals can often contradict each other;
- the need to change human attitudes towards nature and the environment, transforming the worldview of citizens, and changing the institutional conditions for the functioning and development of society;
- the need to ensure the preservation of the environment in which society develops, and careful treatment of non-renewable economic resources;
- providing multi-channel financing for sustainable development of society, building a complex system of decentralized financial relations in the country to stimulate the implementation of projects that allow supporting the implementation of such development;
- the need to create macroeconomic and macrofinancial stability in the country to ensure the implementation of this concept, since only in countries with high incomes and an adequate level of education it is possible to comprehensively ensure the conditions for sustainable development [Bila, S.O., Haidai, M.Yu. Strategic priorities of sustainable development in the 21st century: experience of EU countries and Ukraine. *Business navigator*, 1-1(44), pp. 26-31].

Based on the analysis of the practical experience of a number of international countries, it was determined that it is almost impossible to ensure the development of the economy on the principles of sustainability in times of shock challenges, since most economic actors make every effort (during this period) to adapt to the shock conditions and ensure the "survival" of the business.

Shock challenges include:

- military actions on the territory of the country or near its borders, which cause a number of complex and difficult to predict economic and social processes;
- civil wars, revolutions, protests, mass demonstrations, political crises;
- global economic crises;
- complicated relations with neighbours, economic blockades, border closures, and trade wars;
- environmental disasters;
- global epidemiological crises that lead to economic recession;
- systemic terrorist attacks.

Taking into account the main goals of sustainable development of society according to the UN in the process of creating and implementing the strategy of development of the Ukrainian economy allows to ensure the transition to its gradual harmonious development.

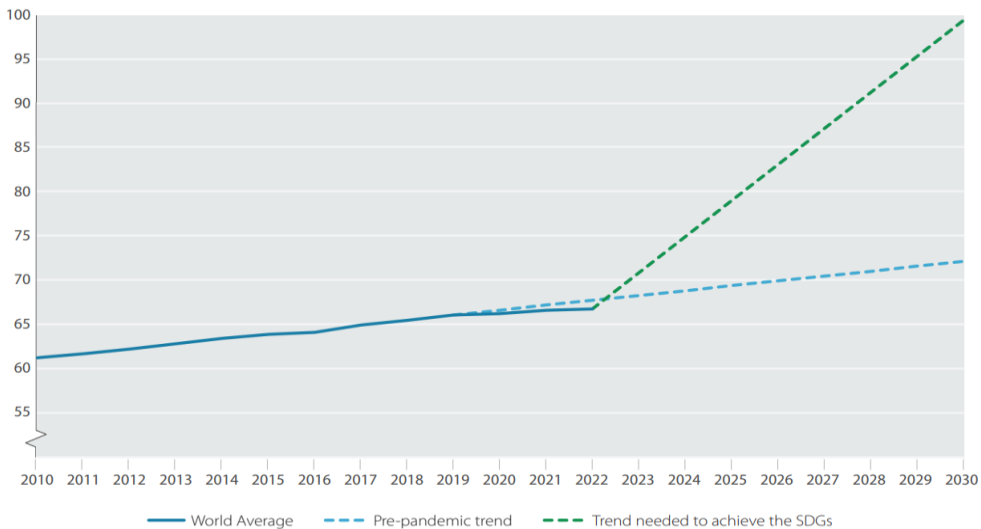
The implementation of these goals in the Ukrainian economic system leads to its structural changes, new economic sectors are formed, and economic actors intensify those types of economic activity that were not previously developed or were absent. For Ukraine, for example, these are renewable energy, organic agricultural production, waste recycling, etc.

In the process of implementing the concept of sustainable development, virtually all business entities are gradually involved in achieving the defined goals of this development. At the same time, the leading role is played by state and local authorities, which create favorable conditions for the development of the national economy on the basis of sustainability.

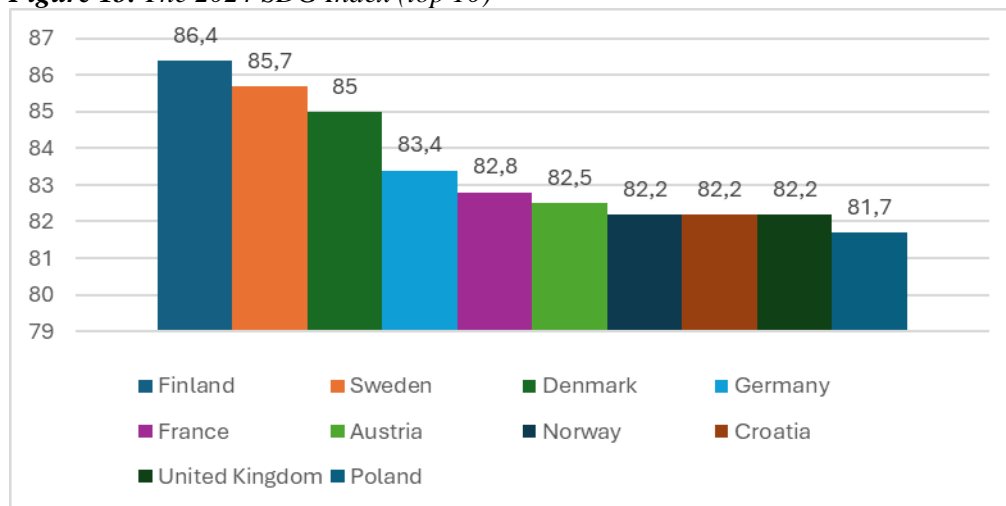
Let's consider the peculiarities of implementation of the concept of sustainable development in the world. To do this, we will analyze the comprehensive index of sustainable development, which is determined for all countries of the world every year based on the analysis of changes in indicators for each of the goals set out in the concept of sustainable development. The methodology for calculating such an index is complex, as it analyzes a wide range of macroeconomic, social, financial and other types of indicators (Figure 1a, 1b).

Figure 1a. *The 2024 SDG Index (top 10)*

SDG Index world average: pre-pandemic trend and trend needed to achieve the SDGs by 2030



Source: *Sustainable development report 2024 Implementing the SDG Stimulus Includes the SDG Index and Dashboards.*

Figure 1b. The 2024 SDG Index (top 10)

Source: Sustainable development report 2024 *Implementing the SDG Stimulus Includes the SDG Index and Dashboards*.

The data presented (Figure 1a) show that in 2010-2022, the comprehensive index of sustainable development in the world is constantly growing, which indicates the effectiveness of measures used by the governments of most developed countries to implement a sustainable development model. Changes in this index depend on global trends in the global economy, financial system, etc. For example, the data in Figure 1a clearly shows the impact of COVID-19 on the pace of global economic development on the basis of sustainability.

In Figure 1b Finland, Australia, and Sweden are leading the world in terms of the pace of building a sustainable economic development model, which is quite logical, as the most economically developed countries demonstrate high rates of sustainable development. It is worth noting that European countries occupy leading positions in this rating, which indicates their positive experience in implementing a model of sustainable development of national economies.

At the same time, the results of calculating the sustainable development index correlate with the results of the global competitiveness index, which allows us to conclude that the formation of an innovative model of the economy is a fundamental condition for ensuring its sustainable development in the long term.

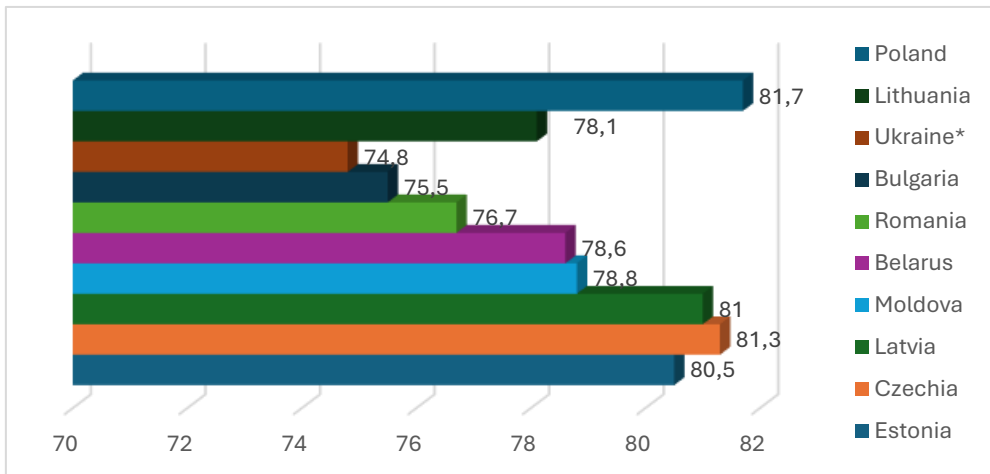
In developing countries that face the consequences of complex destructive processes in their own functioning, the process of establishing a sustainable development model is quite difficult (in most cases) and time-consuming. After all, the implementation of a high level of projects for the development of society on the basis of sustainability is often difficult to ensure due to the lack of financial

resources. However, the peculiarity of the sustainable development model is that in the process of implementing the relevant measures, the country's financial system is also transformed, and new instruments for attracting funds are formed. That is why, even in the post-shock period of national economic recovery, the implementation of the sustainable development model is appropriate and necessary in the current realities of the world economy.

Most of the current innovative developments are aimed at ensuring the growth of the competitiveness of national economies, increasing the efficiency of natural resources, etc. In the following, we will consider in more detail the peculiarities of ensuring sustainable development during the period of economic recovery.

The practical experience of Ukraine as a country that constantly faces crisis phenomena, resulting in deteriorating macroeconomic indicators and a complex and lengthy recovery process, was chosen as an example. Figure 2 shows the sustainable development index of some Eastern European and Baltic countries that had similar initial conditions to Ukraine after the collapse of the USSR.

Figure 2. Sustainable Development Index of some Eastern European and Baltic countries



Note: * The data for Ukraine corresponds to the situation prior to February 2022, as many data points have not been updated since then.

Source: Sustainable development report 2024 Implementing the SDG Stimulus Includes the SDG Index and Dashboards.

After analysing the practical experience of the Eastern European and Baltic countries (after the collapse of the USSR), it was determined that most of them were able to form an effective model of a market economy, become a member of the EU, and achieve stable rates of economic development.

Based on Figure 2, we can note that in the overall ranking of all countries according to the Sustainable Development Index, the positions of the countries represented are quite high. However, in comparison with European countries, they are mediocre, given the leading role of these countries in implementing the sustainable economic development model.

Ukraine ranks below average in the Sustainable Development Index among all Eastern European and Baltic countries (74.8). The slow pace of Ukraine's economic development in general and, accordingly, the implementation of the sustainable development model are due to a significant number of external and internal political, economic, and social shocks that have a destructive impact on the country's overall economic development. In the following, we will consider the crisis situations and their impact on the functioning of Ukraine's economic system in more detail.

Over the past twenty-five years, Ukraine has faced a series of destructive and complex social, economic and political crises. The first social conflict in the country's history was the Orange Revolution and the political crisis of 2004, which, on the one hand, actualized the problems already accumulated in Ukrainian society, and on the other hand, "announced the country" to foreign investors.

After 2004, the volume of foreign direct investment in the country increased significantly, the financial sector was reformed, and the industrial sector reached its highest development since the declaration of independence. In 2005-2007, Ukraine's GDP grew at a relatively rapid pace.

In 2005-2007, the average annual household income in Ukraine increased, and most sectors and areas of the national economy developed rapidly due to available financial resources. However, the global economic crisis of 2007-2008 led to a slowdown in economic growth, and the financial services sector, foreign banks, etc. were negatively affected.

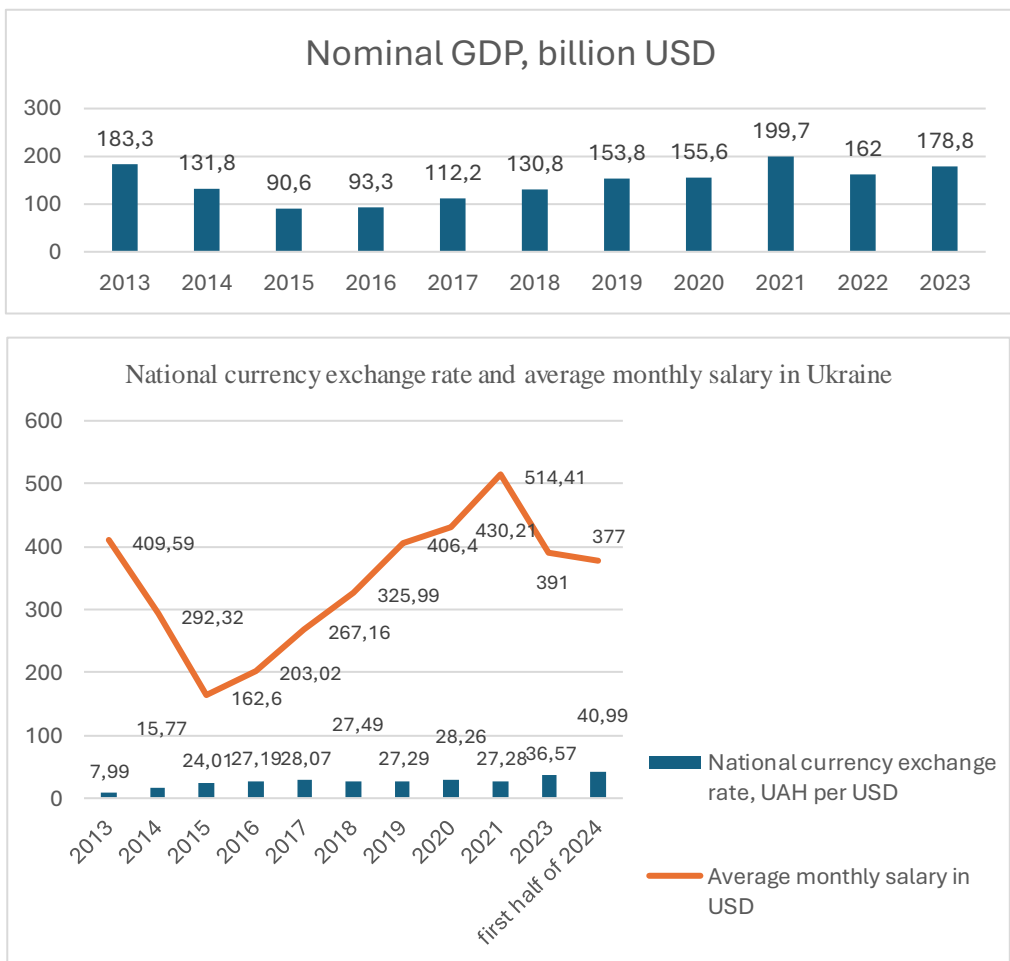
A new stage of stochastic development of the Ukrainian economy began in 2014. The difficult political situation in the country was caused by the political crisis, tensions with neighbouring countries, which led to the annexation of Crimea by the Russian Federation, the war in the east of the country, the anti-terrorist operation and the formation of a difficult security situation in the east of the country in the long term. 2014-2015 were (until 2022) the worst years for the country's economic and social development.

The recovery of Ukraine's economic development took place over a long period of time, but in some sectors of the economy, the indicators of 2013 have not yet been reached. 2022 was a shock year after the collapse of the USSR. The consequences of Russia's military aggression against Ukraine are only beginning to be studied and analysed by scientists.

Figure 3 shows some macroeconomic indicators of the development of Ukraine's national economy. Ukraine's economic development is characterized by permanent instability in the development of the political, social and economic systems of society, which has a destructive impact on the functioning of the national economy and the quality and standard of living of the population.

Figure 3 only confirms this, as it clearly shows a significant decline in the country's GDP in 2015 and in 2022. The recovery of this indicator after its sharp decline in 2015 occurred only in 2018, and the value of the 2013 indicator was reached only in 2021 (eight years later). In 2022, Ukraine's GDP decreased by 30%, to the level of 2019-2020. Similar dynamics of development are recorded for other indicators (Figure 3).

Figure 3. Macroeconomic indicators of Ukraine's development in 2013-2024.



Source: Own study.

The consequences of the war for Ukraine as an independent country are very destructive, and the losses are enormous. There is not a single region of the country that has not been subjected to rocket attacks. The main consequences of military aggression include the following:

- significant casualties among the military and civilian population, millions of people who fled the territory of Ukraine;
- occupation of five regions of Ukraine: Luhansk (98% of the territory), Zaporizhzhia (73% of the territory), Kherson (72% of the territory), Donetsk (57% of the territory), Kharkiv (2% of the territory) and the complete occupation of the Autonomous Republic of Crimea;
- rocket attacks led to significant destruction of the country's energy infrastructure, and the destruction of the Kakhovka hydroelectric power plant and the occupation of the Zaporizhzhya nuclear power plant had a significant impact on the supply of electricity to citizens and the industrial sector;
- mining of the territory, especially of agricultural land, including sown areas, had a negative impact on the volume of agricultural products produced, which played a key role in export operations;
- destruction of social infrastructure (schools, healthcare facilities, universities, cultural monuments, etc).

Implementing projects that would contribute to the country's sustainable development during the war is a rather complicated process, as security issues, the development of the defence sector, meeting the needs of the military, and social protection of the population become a priority.

An essential methodological step in the scientific system is the introduction of a qualitative measurement of sustainable development based on the calculation of relevant indices. The system of indicators correlates the quality of life of the society and its security. In general, the aggregate level of sustainable development is influenced by a certain group of indices that characterize the environmental, economic, social and institutional directions of the country's development.

Determining the dynamics of society's development in a multidimensional space makes it possible to make an assessment within the framework of the scientific approach "beyond GDP". This makes it possible to track the mutual influence of changes in the environmental, economic, social and institutional environment, without taking into account the size of GDP, which characterizes the state of development of society.

To achieve this goal, we conducted a comparative analysis of indicators characterizing the sustainable development of Ukraine and countries that have common features and a clear position on the European integration vector of development. The selected group consists of the Baltic States, Lithuania, Latvia and Estonia. To determine the prospects for Ukraine's development in the context of the

armed conflict and the annexation of part of its territory, we consider it possible to supplement the comparative group with Georgia and Moldova.

The formed comparative group meets a number of common criteria:

1. Common past. All countries were formerly part of the USSR.
2. Dependence on energy imports. Energy dependence on gas and oil imports forces countries to develop alternative energy.
3. Developed education system and scientific potential.

All countries meet the above criteria, so we believe it is possible to study the indicators characterizing sustainable development. Currently, the number of indicators characterizing sustainable development is about a thousand. In the course of the study, we analysed the following indicators:

- sensitivity to corruption;
- quality of life component;
- component of life safety;
- education
- economic freedom;
- environmental performance index;
- degree of harmonization;
- vulnerability to global diseases;
- export of high-tech products;
- sustainable development index;
- state instability.

Based on the research, it has been determined that there is a correlation between the corruption sensitivity index, indices of economic freedom and sustainable development. This interdependence can be explained as follows: administrative barriers reduce economic freedom and become, in turn, a source of corruption.

Achieving sustainable development requires economic freedom and rejection of corruption. Ukraine's studied indicators had the lowest values (negative), which is evidence of the lack of economic freedom and the perception of corruption in society, which makes sustainable development impossible. Moldova is in a similar position, but with slightly better results.

Reforms in Georgia have yielded positive results in the form of increased economic freedom and a shift to a rejection of corruption by society. The Baltic states have significantly higher positive values of the studied indicators. This is due to the irreversibility of the reforms and integration into the European Union. The development potential of a country can be assessed by examining education and exports of high-tech products. There is a direct correlation between these indicators.

It should be noted that education and high-tech exports are independent of the other indicators under consideration.

The potential for sustainable development of Ukraine lies in the development of education and export of high-tech products. Before the outbreak of hostilities on the territory of Ukraine, compared to other countries, Ukraine had the highest values of these indicators. The next group of indicators of the studied countries was formed from indicators reflecting the quality and safety of life, instability in the state, environmental activities, vulnerability to global diseases, and harmonious development of society.

It was found that the quality of life in Ukraine is the lowest among the countries in the comparative group and has a negative value. The main reason for this is the lowest of all indicators of the life safety component. For Ukraine, life insecurity is the main factor that poses threats to its progress on the path of sustainable development. Georgia and Moldova also have low scores in the life security component (relative to other countries).

These countries have also annexed part of their territory and experienced armed conflicts. The highest values of the indicators are demonstrated by the Baltic States, which are NATO members. These countries also have the highest quality of life indicators. An intermediate conclusion can be drawn that the components of quality of life are determined by the component of life safety, but quality of life cannot be reduced to its safety alone.

The Environmental Performance Index in Ukraine is negative (the situation is similar in Georgia and Moldova). The Baltic countries have a positive value for this indicator. Obviously, on the path of sustainable development, the values of environmental protection and ecological thinking are being inculcated, which makes it possible to move to building a post-industrial, "green economy" and not to deplete nature, but rather to restore it. It has also been established that Ukraine is vulnerable to global diseases, primarily tuberculosis and HIV/AIDS. Georgia and Moldova also demonstrate a positive value of vulnerability. The Baltic States have a negative value.

The degree of harmonization reflects the balance between environmental, economic, social and institutional areas. Sustainable development is, first and foremost, harmonious development, which implies the sustainability of the state institution and trust in it. Ukraine has a negative value for the degree of harmonization, but the level of state instability is close to one. Georgia has a higher value, above one. Moldova's value is above 0.5, which is lower than Georgia's.

There is an inverse relationship between the state instability index and the degree of harmonization. Countries with a positive value of the state instability indicator (Ukraine, Georgia, Moldova) have a negative value of the degree of harmonization,

and vice versa, positive values of the degree of harmonization in Lithuania, Latvia and Estonia are observed with a negative value of state instability.

It is also worth noting that for many years in Ukraine the idea of introducing and implementing a sustainable development model has been constantly promoted. However, the country has failed to create favourable conditions for its full implementation. For example, during critical periods, there was a lack of financial resources, and during the period of economic growth, attention was focused exclusively on the implementation of certain projects in the environmental and energy sectors that were designed to improve the environment.

However, in reality, the concept of sustainable development in Ukraine has not gained massive support from both state and local governments and business entities. Small and medium-sized businesses have always been looking for ways to survive in a difficult institutional environment, and government institutions have been guided primarily by political motives.

However, among the projects that can be attributed to projects that ensure sustainable development of society and create conditions for respect for the environment are green energy projects, namely the construction of wind farms, small hydroelectric power plants, the construction of solar power plants in the south of the country, and the gradual introduction of water-saving technologies.

However, under current conditions, a significant number of the constructed facilities have already been destroyed and many of them cannot be restored. The destruction of the Kakhovka hydroelectric power plant created an environmental disaster in the south of the country, the consequences of which have yet to be studied.

Among all the Sustainable Development Goals, Ukraine has achieved only one goal - reducing inequality, which indicates the development of Ukrainian society and the understanding of the need to ensure equal rights for different categories of citizens. This is especially true in times of war, when all citizens are actively involved in the defence of the country.

However, Ukraine is far behind developed countries in achieving other goals. In particular, significant challenges remain in achieving the following goals: overcoming hunger; gender equality; clean water and adequate sanitation; affordable and clean energy; decent work and economic growth, industry, innovation and infrastructure; sustainable development of cities and communities; renewable consumption and production; and marine conservation.

Achieving the goals of good health and well-being; protection of terrestrial ecosystems; peace, justice and strong institutions remains a challenge.

4. Results

Based on the research, we can conclude that Ukraine is currently in the process of gradually implementing the concept of sustainable development, and the vast majority of its goals remain unachieved, which requires appropriate action by state institutions, local governments, and public organizations. It is clear that it is not possible to achieve the outlined goals in the short term.

However, the systematic implementation of the necessary tools, which have already been tested by developed countries, will create the conditions for building a national economy based on the principles of sustainability.

Today, however, the most important issues for Ukraine are security and the defence of its territory after the war. The enormous destruction will require enormous reconstruction of the country. This will require significant financial injections and the development and implementation of a new model for the development of Ukrainian society, as well as the restoration of the country's economy in the postwar period.

A logical question arises as to whether it is appropriate at this stage to take into account the peculiarities of the sustainable development model and implement it in the new national program of economic recovery.

In our opinion, it is necessary to do so, for the following reasons:

- the need to ensure the rational use of available natural resources, which are becoming increasingly scarce, given the destruction in the country, the mining of forests, fields, and water bodies;
- the need to ensure an increase in the quality of life, living conditions for the return of citizens to the country, their involvement in economic life and its further recovery;
- the need to attract the assistance of international partners who will require the implementation of new reforms, especially in the field of functioning of state institutions and the judicial system;
- ensuring conditions for achieving certain sustainable development goals will allow attracting financial resources, experience of relevant specialists, and support of international organizations in these areas;
- the need to restore the industrial sector of the national economy, which is logical to do on the basis of stimulating the introduction of modern innovations, attracting advanced equipment, relevant specialists, taking into account the challenges of the digital economy;
- the need to restore and modernize the energy infrastructure, which requires enormous financial resources, and prioritizing the development of renewable energy can help to facilitate the attraction of such resources, etc.

5. Discussion and Conclusion

Thus, the article deepens the theoretical and applied provisions of ensuring Ukraine's sustainable development in the context of the stochastic external environment in which the country finds itself.

Considerable attention was focused on the essence of sustainable development, its components, and the importance of implementing this model in modern society. It is established that the concept of sustainable development is a leading model of society development, which is being gradually introduced by most developed countries, and the Scandinavian countries are the leading ones.

It is substantiated that even in difficult conditions, and especially in post-crisis periods, the formation of a favourable climate for the implementation of the concept of sustainable development is an important element of further stable functioning of the national economy, its gradual integration into the world regional unions, enhancement of innovative development and ensuring competitiveness in the long term. Accordingly, the article emphasizes that in Ukraine, under current conditions, sustainable development issues are not a priority.

However, in the period of post-war reconstruction, they need to be given significant attention and a model of reconstruction should be formed in such a way that it takes into account the achievement of the main goals of sustainable development. This will also contribute to the modernization of the national economy, restoration of its innovative potential and improvement of the quality of life and living conditions of citizens, which will positively affect the attractiveness of the country for living, the return of citizens, and their inclusion in the economic life of the country.

The relationship between the corruption sensitivity indices, economic freedom and sustainable development is established. The transition to sustainable development requires an increase in the degree of economic freedom, which, in turn, implies a reduction in administrative barriers and the inculcation of an aversion to corruption.

A source of opportunity for Ukraine is to focus on increasing exports of high-tech products, which is possible due to the high general level of education of its citizens.

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