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THE CONCEPT OF THE FINANCIAL RESILIENCE OF TERRITORIAL COMMUNITIES OF UKRAINE IN TERMS OF A FULL-SCALE WAR

During the full-scale war, public finances, like other areas of life in Ukraine, were significantly affected by the invasion of russia. Therefore, from the first days of the full-scale war, there was a need to balance the entire budget system: state and local budgets. After decentralization, which took place only recently, territorial communities received new opportunities and powers. Local budgets remain a number of elements of the country's financial system to ensure the development of territorial communities. Over the past few years, Ukraine has undergone a process of determining the financial basis of local budgets, which are aimed at improving the financial stability of territorial communities and ensuring the effective use of local resources. In the conditions of a full-scale war, financial flows decreased, a significant part of the resources was redirected to defense needs, and local budgets lost part of their incomes due to the consequences of military actions: the destruction of infrastructure and the displacement of people. In these conditions, local authorities are entrusted with important tasks of adjusting local budgets based on the real capabilities and urgent needs of the territorial community. In addition to the geographical location of the territorial community relative to the current front line and the territory of the aggressor, the urgent needs of the community in wartime can be significantly reduced, and this factor must be reduced in financial planning. Disruptions in the processes of stable revenues to local budgets caused by military actions can also negatively affect the financial stability of those united territorial communities that are far from the front line. This can lead to the fact that local communities will lose the opportunity to support social programs, such as payment of assistance to internally displaced persons, medical institutions, infrastructure repair, etc.

According to modern scientific discourse, the resilience of socio-economic systems, such as territorial communities, is considered not only as the ability to remain in a stable state during crisis influences, but also takes into account the dynamics of the system when this state is disturbed [1]. Resilience develops as the ability of a system not only to resist external influences, but also to effectively cope with them, adapting to changes in such a way as to preserve its key functions, structure and relationships that ensure its integrity and identity [2]. In scientific research, a narrow interpretation of resilience is often found as the ability of a system to quickly reach an equilibrium state after the impact of shocks. This approach is based on the idea of returning to the initial state in which the system was before the initial crisis impact. It is worth emphasizing that in this approach the main task is not simply to maintain stability, but to ensure the flexibility of the system through the effective management of its adaptive capabilities [3].

Financial resilience is an important component of the overall sustainability of territorial communities, which affects their financial well-being [4]. Researchers M. Pityulich, A. Krupka, V. Minkovych and O. Chakiy consider the financial resilience of a territorial community as its ability to stably ensure long-term development at the expense of internal financial resources, provided that such a balance is maintained between its own and borrowed financial resources, in which the problems of ensuring development are solved at the expense of its own funds. They focus on the financial aspect and provide determinants of the financial resilience of territorial communities [5]: ensuring a sufficient amount of local budget revenues; reducing the level of debt and managing financial risks; financial planning; monitoring, control and audit of financial transactions.

In the conditions of a full-scale war, as an absolute «shock point», the issue of maintaining the financial resilience of territorial communities undergoes significant changes due to the peculiarities of external influences and factors that caused them. In contrast, a full-scale military invasion is unpredictable, compared to climate change or a pandemic, has a variable nature of actions and unpredictability of development, since it depends on a large number of factors [6]. Maintaining resilience in war conditions is, in fact, an incomparably difficult challenge for local governments of countries that have encountered war on their territories. In addition, the financial resilience of the state in such conditions is not a guarantee of a higher level of stability of communities, and their ability to withstand shocks varies significantly depending on the size and power of the economy [7]. The reasons for maintaining resilience by some communities and its loss by others is a base of the «initial conditions» of economic development, and can be considered in further research.

Based on the above, the financial resilience of territorial communities in terms of a full-scale war is the ability of the community to effectively manage financial resources, maintaining a balance of income and expenses, maintaining stability and adapting to changes in the economic environment. It involves not only recovery after military operations, but also the ability to anticipate potential risks and take proactive measures to minimize them. The financial resilience of a community includes internal management mechanisms, an innovative approach to resource potential, as well as flexibility in using new opportunities for development through attracting investments, improving social and economic conditions, and ensuring access to financial and public services for all community members.

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