INSTITUTIONAL STABILITY OF PUBLIC ADMINISTRATION IN THE CONDITIONS OF INCREASING ECONOMIC AND LEGAL CHALLENGES AND THREATS OF FINANCIAL AND ECONOMIC AND SOCIO-POLITICAL CRISIS IN UKRAINE

ABSTRACT

The purpose of the article is to study the theoretical foundations and practical aspects of the justification of the peculiarities and identification of problems of institutional stability of public administration in the conditions of increasing economic and legal challenges and threats of the financial and economic and socio-political crisis of Ukraine. Based on the results of the conducted research, it can be stated that in the conditions of the strengthening of the financial and economic and socio-political crisis, there is an aggravation of the negative impact of economic and legal challenges and threats that significantly unbalance the institutional stability of public administration. The article analyzes the main scientific approaches to determining the essence of the institutional stability of public administration, identifies the main factors that have the most destructive effect on the public administration system, identifies the most important problems of the institutional stability of public administration, and finds out that they increase their destabilizing influence in the period of aggravation of economic and legal challenges and threats of the financial and economic and social-political crisis. Empirical evaluations of the Integral indicator of public administration in Ukraine for the period of 2018–2021 were carried out according to such subindexes as "implementation of the right to vote in the state and accountability", "government efficiency", "political stability and absence of violence", "quality of legislation", "the rule of law" and "corruption control", as a result of which their critical values were established, which lead to a significant imbalance of the public administration system, to the deepening of social tensions and to the exacerbation of crisis situations. The main measures to increase the institutional stability of public administration are proposed, among the most significant of which are the formation of a special mechanism for forecasting risks, threats and dangers to the system of public administration, taking into account crisis situations and the strengthening of financial and economic and socio-political challenges; improvement of current domestic legislation and its harmonization with the norms of European and international law; development of an effective anti-corruption mechanism and its legislative regulation.

Keywords: institutional stability, public administration, crisis phenomena, challenges, dangers, instability

JEL Classification: H70, H79

INTRODUCTION

Ensuring the sustainable and dynamic development of the state and society in modern conditions of uncertainty, instability and the emergence of new challenges and dangers turns out to be extremely difficult and, at the same time, an important task on the way to European integration and achieving the democratic foundations of Ukraine’s development (Kuznetsova, A. Y., & Pohorelenko, N. P. [1]. The existing trends regarding the presence of significant destabilizing factors, which activate the processes of strengthening the financial and economic and socio-political crisis in Ukraine, were significantly
deepened by the full-scale invasion of the Russian Federation on the territory of the country and the deployment of large-scale hostilities in the eastern and southern regions. The presence of economic and legal challenges and threats to the state and society determines the need to ensure the effective influence of state authorities on the processes and phenomena occurring in the country, as a result of which the problem of strengthening their institutional stability and ability to quickly and effectively resolve problematic situations becomes more acute. An effective system of public administration in the country is able to ensure an increase in the parameters of the country's sustainable development and effective counteraction to crisis situations. It is obvious that under such circumstances, the issue of researching the theoretical foundations and practical aspects of the justification of peculiarities and identifying problems of institutional stability of public administration in the conditions of increasing economic and legal challenges and threats of the financial and economic and socio-political crisis of Ukraine, which requires in-depth study, is extremely relevant.

**LITERATURE REVIEW**

Modern scientific approaches to outlining the problematic issues of the study of the institutional stability of public administration in Ukraine are characterized by their diversity and multifacetedness, and most of them focus on the presence of significant destabilizing factors that provoke the emergence of economic and legal challenges and threats that are associated with strengthening the financial and economic and socio-political crisis of Ukraine and the deployment of hostilities on a large territory of the country. Taking into account the mentioned problems, it is worth highlighting the work of A. Sokolov [2], who claims that the public administration system is multifunctional and does not have a clearly defined target function, however, it is subject to evaluation according to the parameters of efficiency and effectiveness, which is carried out on the basis of the calculation of integral indicators, which cover the quality of service provision by state authorities and the results of their activities. The article by researchers A. Kuznyetsova, I. Tiutiunyk, Y. Panimash, Z. Zsolt & P. Zsolt [3] summarize the arguments and counterarguments within the scientific discussion on improving public administration tools in the context of implementing innovative mechanisms for combating shadow financial transactions. The main purpose of this research is to formalize innovative strategies to counter the shadow withdrawal of capital with the participation of financial intermediaries.

B. Vyshevs'kyi [4] connects the institutional stability of public administration with the degree of formation of the public administration mechanism by crisis phenomena, because, in modern conditions, it is the factors of uncertainty and crises that play a dominant role in the system of functioning of the state and society. Along with strengthening the institutional stability of public administration, the scientist prioritizes ensuring a significant level of state security, the risks of violation of which are especially acutely actualized in the period of financial and economic and socio-political crisis. Moreover, in this context, N. Likarchuk [5, p. 257–258] proves that the presence of crises in the state and society causes crisis situations in the public administration system. At the same time, the scientist appeals to the need to single out such a term as the systemic crisis of public administration, the essence of which he sees in the inability of public administration bodies to fully implement managerial functions and exert influence on the financial and economic and social-political spheres. At the same time, the constituent elements of the systemic crisis of public administration are the constitutional and legal and government crisis, the crisis of the party system, and the foreign policy crisis. The team of researchers [6] believes that the team of researchers believes that steady trend of digitalization of finance, as well as the diffusion of any other innovations, are able to generate threats to financial stability. It has been convinced that financial inclusion and financial stability should be part of the state's sustainable development policy to improve the well-being of the population.

Taking into account the outlined, S. Huta [7, p. 10–11] emphasizes the need for a timely response to crisis situations caused not only by socio-economic factors but also by political and military ones, since in the modern conditions of state formation in Ukraine, they are of dominant importance and affect the economy, politics and society. According to the scientist, it is the state authorities that are called upon to normalize mutual relations in such a way as to ensure parity in responding to the strengthening of crisis phenomena and the emergence of economic and legal challenges and threats. At the same time, the provision of public administration efficiency indicators, which are evaluated on the basis of a study of the socio-economic effect of public administration at different levels of the hierarchy, acquires considerable importance.

In this context, R. Vavrek [8] notes that the efficiency and institutional stability of public administration in crisis conditions is subject to significant public control, which helps prevent significant destructive changes and disproportions in the development of the public administration system and prevents the destabilizing influence of economic and legal factors on it. It is precisely the importance of public control that S. Mizrahi, E. Vigoda-Gadot and N. Cohen emphasize [9], who consider it an effective tool for public interaction with state authorities and strengthening the institutional stability of the public administration system in the conditions of aggravation of economic and legal challenges and threats of financial and
economic and socio-political crisis, which allows to reduce the level of social tension and find effective methods of solving conflict situations.

The opinion of previous researchers is shared by A. Manzoor [10], who established the dependence of the public administration system on the level of responsibility of the subjects for the management decisions made and implemented by them, as well as ensuring the transparency, openness and accessibility of the procedure for their adoption. It is obvious that the effectiveness of the public administration system and its institutional stability depend significantly on the effectiveness of the activities of state authorities at all levels and their ability to withstand the challenges and dangers of modern times.

It becomes obvious that the institutional stability of public administration has the ability to change in the conditions of increasing economic and legal challenges and threats of the financial and economic and socio-political crisis of Ukraine, therefore, in order to strengthen it, the need for the use of electronic governance and the creation of effective administrative mechanisms, built on the use of innovative technologies and the introduction of innovations into the public administration system, is extremely important. This concept is promoted by A. Khan [11], who claims that the institutional stability of the public administration system is more perfect in those countries where there is a higher level of digitization of public administration processes and innovative development.

DeCanio S. [12] believes that another indicator of the institutional stability of public administration is the perfection of normative and legal as well as legislative support, which simultaneously turns out to be a regulator of relations between the state and society.

At the same time, D. Ghsoub [13] insists that a significant destabilizing factor of the institutional stability of public administration is corruption, which in crisis periods especially increases its destructive influence and provokes a number of risks and threats to the activities of state authorities and local self-government. At the same time, the scientist drew a parallel between the level of development of the country, the level of institutional stability of public administration in it and the level of effectiveness of the anti-corruption system, as a result of which he came to the conclusion that highly developed countries position higher development parameters by all indicators than countries of the transitive type, which include Ukraine. The destabilizing influence of corruption on the system of public administration in Ukraine is proved by V. Blikhar, V. Syrovatskyi, M. Vinichuk and M. Kashchuk [14] and M. Kopytko, O. Podra, M. Vereskiya and M. Vinichuk [15], who also substantiate the decrease in the efficiency of public administration with the increase in corruption manifestations in the state.

In addition, S. Cetin, E. Turan, and O. Hamsigly [16] note a particularly strong influence of corruption on public administration in periods of political instability and intensification of military instability. Scientists claim that the significant rate of deepening of corruption risks leads to a decrease in the effectiveness of the management functions of state authorities and poses a significant threat to the sustainable development of the state and society. The authors of the article [17] assessed the main aspects of the caused crisis of COVID-19 and the beginning of the pandemic in the real sector economy in the context of ensuring economic security. The researchers identified the key and most influential one’s factors and aspects of the crisis caused by COVID-19 in the real sector of the economy and gaps in the public administration sector that were allowed at that time, in the context of ensuring economic security.

In modern conditions, special attention in the context of the study of the institutional capacity of public administration is attracted by the challenges and threats facing the state and society, which, as noted by L. Komakha [18, p. 3], are multifactorial, have a socio-political character, provoke instability and manifest in various spheres of social life. A radical reassessment of values in the conditions of war necessitates strengthening the institutional stability of public administration and shifting its main vectors to the maximum possible protection of the rights and interests of the public.

It becomes obvious that the investigated problems in modern conditions are extremely relevant and require in-depth study in order to find the most optimal methods of strengthening the institutional stability of public administration, after all, the influence of destabilizing factors, challenges and threats in the conditions of increasing economic and legal challenges and threats of the financial and economic and socio-political crisis of Ukraine, determines the need for a quick and effective solution and normalization of existing problems.

**AIMS AND OBJECTIVES**

The purpose of the article is to study the theoretical foundations and practical aspects of the justification of the peculiarities and identification of problems of institutional stability of public administration in the conditions of increasing economic and legal challenges and threats of the financial and economic and socio-political crisis of Ukraine. To achieve the set goal, it
is necessary to solve the complex scientific task of outlining scientific approaches to determining the essence and features of the institutional stability of public administration; identify the main and most important problems of institutional stability of public administration in the conditions of increasing economic and legal challenges and threats of the financial and economic and socio-political crisis of Ukraine; carry out empirical studies with the aim of analyzing the current state and trends of changes in the parameters of public administration in Ukraine; find out the impact of economic and legal challenges and threats of the financial and economic and socio-political crisis on them; determine strategic priorities for strengthening the institutional stability of public administration in the conditions of increasing economic and legal challenges and threats of the financial and economic and socio-political crisis of Ukraine.

METHODS

The methodological base of the research is built on the use of general scientific and special methods of economic analysis and scientific knowledge. In particular, clarification of the essence and research of the main scientific approaches to determining the features of the institutional stability of public administration was carried out using the method of system analysis, synthesis and scientific abstraction; the identification of the main and most important problems of the institutional stability of public administration in the conditions of increasing economic and legal challenges and threats of the financial and economic and socio-political crisis of Ukraine was carried out using the method of comparison, classification and observation; empirical studies with the aim of analyzing the current state and trends of changes in the parameters of public administration in Ukraine, clarifying the impact of economic and legal challenges and threats of financial and economic and socio-political crisis on them were conducted on the basis of the method of statistical analysis, functional and systemic approach and comparative analysis; the formation of the results of the conducted research and conclusions was carried out using the method of generalization and systematization.

RESULTS

The public administration system for every state is an extremely important factor in ensuring the sustainability of its development, performance of functions and interaction with the public. It is obvious that the emergence of new challenges and dangers of modernity does not contribute to strengthening the institutional stability of public administration and significantly reduces the level of its efficiency. Conducted research on clarifying the essence and features of public administration in conditions of uncertainty and strengthening of the economic and legal challenges and threats of the financial and economic and socio-political crisis of Ukraine made it possible to reveal its significant dependence on destabilizing factors affecting it. The emergence of new threatening factors of a military nature further deepened the state and development trends of the public administration system and shook its institutional stability, because the full performance of the main functions by the state authorities became impossible.

The existing problems and disproportions of the institutional stability of public administration in the conditions of war in Ukraine and the strengthening of economic and legal challenges and threats of a financial and economic and socio-political crisis are proved by empirical calculations of the Integral indicator of public administration, which is determined at the international level and involves assessments of the state and dynamics of change in public administration system in the countries of the world according to such parameters as:

- subindex 1 – implementation of the right to vote in the state and accountability;
- subindex 2 – efficiency of government activity;
- subindex 3 – political stability in the country and absence of violence;
- subindex 4 – the quality of domestic legislation;
- subindex 5 – observance and implementation of the rule of law principle;
- subindex 6 – corruption control.

Evaluating the state of the public administration system in Ukraine in accordance with the specified parameters, it is worth paying attention to the existence of significant problematic aspects regarding the achievement of optimal values of the specified indicators. In particular, the implementation of the right to vote in the state and accountability in Ukraine (Figure 1) is assessed as a positive growing trend from 0.04–0.02 in 2018–2019 to 0.08–0.09 in 2020–2021, despite the fact that, in general, the recorded values are extremely low and indicate the existence of significant problems regarding the will of citizens. In addition, over a long period of time, Ukraine has been witnessing situations in which the cases of falsification of election results, as well as dishonesty and non-transparency of pre-election campaigns by political forces, have been
recorded. Moreover, the lion's share of pre-election promises in the country remains unfulfilled, which significantly lowers the level of public trust in state authorities and increases the reluctance of the population to participate in the election process. As a result, the public administration system loses its institutional stability and is exposed to the destructive influence of external and internal environmental factors. We should note that the value of the analyzed indicator for 2022 will be made public in September 2023, therefore, it is currently not possible to claim about changes in the value of the subindex "implementation of the right to vote in the state and accountability".

Another subindex of the Integral indicator of public administration is the efficiency of government activity, the dynamics of which are shown in Figure 2.

As evidenced by the data systematized in the figure, the value of the indicator showing the effectiveness of government structures activity in Ukraine is critical, which proves their inefficiency rather than the minimum efficiency indicators. Throughout the analyzed period, the quality of service provision by the executive power bodies in Ukraine is too low, and the significant level of dependence of the government's activity on the illegal and unspoken influence of certain business structures and oligarchic groups is proved by its crisis states.

The study of the state of the Integral indicator of public administration in Ukraine according to the subindex "political stability and absence of violence" during 2018-2021 (Figure 3) gives reasons to assert that the country also has a crisis in the outlined area.
In particular, the recorded values of the analyzed subindex indicate that in Ukraine there are risks of a high probability of destabilization of political processes, as a result of which the activities of state authorities are subject to destructive changes, and the performance of their functions is made impossible due to constant negative influence. Frequent changes in the political course of the state determine the processes of reformatting of power, which reduces the level of its stability and ability to resist the challenges and dangers of modernity. Moreover, some election processes in Ukraine were accompanied by violent actions during the change of power. At the same time, it is necessary to note, albeit insignificant, positive trends regarding the improvement of the parameters of this subindex, which proves a stable increase in the value of the analyzed indicator for the period from 2018 to 2022.

It is obvious that the cause of such crisis situations is an extremely weak level of normative and legal as well as legislative provision of phenomena and processes occurring in the state and society. This thesis is proved by empirical evaluations of the "quality of legislation" subindex, the value of which during 2018–2021 has negative trends, which are prone to further deepening (Figure 4).

It becomes clear that the current national legislation is imperfect, and it is at the stage of formation and harmonization with the norms of international law and European regulations and standards. Moreover, the level of trust in Ukrainian legislation is too low, and the insecurity of the population in the legal field is proved by the growing trends in the spread of crime, especially in the period of financial and economic and socio-political crises. A decrease in the quality of legislation in the country threatens to deepen the institutional crisis and the emergence of new challenges and dangers associated with the violation of legislation and a low level of trust in the legislative system. The above determines the need to strengthen the domestic legislative framework, which will allow not only to strengthen the institutional stability of public administration, but also ensure the protection of the rights and interests of the public.

As for "the rule of law" subindex, it also shows negative trends despite a slight increase in values in 2020-2021 (Figure 5).
It is obvious that the quality of legislation in Ukraine is at a fairly low level, as a result of which it is extremely difficult to ensure high standards of the rule of law, which, in turn, leads to frequent legal and institutional changes.

The next subindex is "corruption control", according to which destructive changes are also observed in Ukraine, indicating an excessive level of corruption of state authorities during 2018-2021 (Figure 6). It becomes obvious that the national system of preventing and counteracting corruption is extremely weak and cannot effectively resist corruption risks and the consequences they generate. The presence of serious and loud corruption scandals, which are constantly being exposed, testify to rather weak anti-corruption legislation, which is unable to ensure the timely detection and disclosure of crimes related to corruption.

Therefore, detailed studies of the main components of the Integral indicator of public administration in Ukraine in 2018–2021 allow us to assert that a significant level of state instability is recorded in Ukraine and phenomena of weakening the institutional stability of public administration are noted. An absolute fact is a need to improve the efficiency of the public administration system, which can be achieved by reducing the destabilizing impact of risks, threats, challenges and dangers of a financial and economic and socio-political nature.

**DISCUSSION**

The conducted studies of the theoretical foundations and practical aspects of the justification of the features of the institutional stability of public administration in the conditions of increasing economic and legal challenges and threats of the financial and economic and socio-political crisis of Ukraine made it possible to identify the problems, among the most significant of which are as follows:

- low level of institutional capacity of state authorities;
- a decrease in the level of public trust in state authorities and critical perception of the results of their activities;
The low level of transparency of the election process and the presence of certain obstacles concerning the free expression of the will of the country's citizens;

excessive political pressure on state administration bodies from business and oligarchic structures;

frequent changes in the political course, uncertainty and instability of the political system;

low quality of national legislation and its inability to protect public interests;

increase in the level of corruption in state structures and the absence of an effective mechanism for countering corruption risks and manifestations;

strengthening of the negative impact of factors of a military nature.

A fairly significant spectrum of problems of ensuring the institutional stability of public administration in Ukraine requires the formation of effective measures to solve them and prevent them from occurring in a strategic perspective. In order to achieve the set goals, we propose to form a special mechanism for forecasting risks, threats and dangers to the public administration system, taking into account crisis situations and the strengthening of financial and economic and socio-political challenges. Equally important is the need to improve the current domestic legislation and harmonize it with the norms of European and international law, as well as provide effective measures to combat corruption.

CONCLUSIONS

Thus, summarizing the results of the conducted research on the institutional stability of public administration in the conditions of increasing economic and legal challenges and threats of the financial and economic and socio-political crisis of Ukraine, it can be stated that in today's conditions in the country, there is a significant range of negative phenomena and processes that have a destructive effect on the activities of state authorities and unbalance the public administration system. On the basis of the conducted comparative analysis of the main scientific approaches to determining the features of ensuring the institutional stability of public administration, it was established that destabilizing factors intensify their action in the period of increasing economic and legal challenges and threats of financial and economic and socio-political crisis. Basic research of the Integral indicator of public administration in Ukraine in 2018–2021 according to its separate subindexes: (1) "implementation of the right to vote in the state and accountability", (2) "government efficiency", (3) "political stability and absence of violence", (4) "quality of legislation", (5) "the rule of law", (6) "corruption control" made it possible to identify the crisis state of the public administration system in Ukraine, which is confirmed by the critical values of the analyzed indicator. In order to get out of the crisis situation, the main measures to increase the institutional stability of public administration were proposed, in particular: (1) the formation of a special mechanism for forecasting risks, threats and dangers to the system of public administration, taking into account crisis situations and the strengthening of financial and economic and socio-political challenges; (2) improvement of current domestic legislation and its harmonization with the norms of European and international law; (3) development of an effective anti-corruption mechanism and its legislative regulation.

REFERENCES


стійкість державного управління. У статті проаналізовано основні наукові підходи щодо визначення сутності інсти-
тутійної стійкості державного управління; виявлено основні чинники, які найбільш деструктивно впливають на си-
стему державного управління; визначено найбільш вагомі проблеми інституційної стійкості державного управління
та з’ясовано, що вони посилюють свій дестабілізуючий вплив у період загострення економіко-правових викликів і
загроз фінансово-економічної та суспільно-політичної кризи. Проведено емпіричні оцінювання Інтегрального пока-
зника державного управління в Україні за період 2018-2021 рр. за такими субіндексами як «реалізація права голосу
в державі та підзвітність», «ефективність уряду», «політична стабільність та відсутність насильства», «якість зако-
нодавства», «верховенство закону» та «контроль корупції», унаслідок чого встановлено їхні критичні значення, що
приводять до істотного розбалансування системи державного управління, до поглиблення суспільної напруги та
do загострення кризових ситуацій. Запропоновано основні заходи підвищення інституційної стійкості державного
управління, серед найбільш вагомих із яких є формування спеціального механізму прогнозування ризиків, загроз і
небезпек для системи державного управління з урахуванням кризових станів та посилення фінансово-економічних
і суспільно-політичних викликів; удосконалення чинного вітчизняного законодавства та його гармонізація з нор-
mами європейського й міжнародного права; розроблення ефективного механізму боротьби з корупцією та його
законодавча регламентація.

Ключові слова: інституційна стійкість, державне управління, кризові явища, виклики, небезпеки, нестабільність

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