

УДК 336.14:351.863]:355.01

R. Bacho,

Doctor of Economic Sciences, Professor, Head of the Department of Accounting and Auditing,  
Ferenc Rakoczi II Transcarpathian Hungarian University

ORCID ID: <https://orcid.org/0000-0002-5957-7571>

K. Sochka,

PhD in Economics, Associate Professor, Associate Professor of the Department of Accounting  
and Auditing, Ferenc Rakoczi II Transcarpathian Hungarian University

ORCID ID: <https://orcid.org/0000-0002-6247-221X>

P. Kokosh,

Student of the Educational Program "Financial Security",  
Ferenc Rakoczi II Transcarpathian Hungarian University

ORCID ID: <https://orcid.org/0009-0006-4315-8897>

DOI: 10.32702/2306-6792.2026.10.138

## THE STATE BUDGET OF UKRAINE UNDER WARTIME CONDITIONS: STRUCTURAL TRANSFORMATIONS, FISCAL IMBALANCES, AND CHALLENGES TO FINANCIAL SECURITY

Р. Й. Бачо,

д. е. н., професор, завідувач кафедри обліку і аудиту,  
Закарпатський угорський університет імені Ференца Ракоці II

К. А. Сочка,

к. е. н., доцент, доцент кафедри обліку і аудиту,  
Закарпатський угорський університет імені Ференца Ракоці II

П. Кокош,

здобувачка вищої освіти, освітня програма "Фінансова безпека",  
Закарпатський угорський університет імені Ференца Ракоці II

### ДЕРЖАВНИЙ БЮДЖЕТ УКРАЇНИ В УМОВАХ ВІЙНИ: СТРУКТУРНІ ТРАНСФОРМАЦІЇ, ФІСКАЛЬНІ ДИСБАЛАНСИ ТА ВИКЛИКИ ФІНАНСОВІЙ БЕЗПЕЦІ

The study examines the structural transformation of Ukraine's State Budget under wartime conditions, focusing on changes in the composition of budget revenues and expenditures, as well as fiscal imbalances and risks to financial security. The relevance of the research stems from profound changes in the functioning of Ukraine's public finance system during the period of 2021—2025, accompanied by a sharp increase in defense and security expenditures (from 22.3% to 71.1% of total state budget expenditures), a widening budget deficit (from 3.6% to 18.3% of GDP), rising public debt, and growing dependence of the budgetary system on international financial assistance (from 0.1% to 14.3% of state budget revenues). The research is based on methods of structural and dynamic analysis, comparison, generalization, analytical grouping, and a systems approach.

The paper analyzes the dynamics of Ukraine's State Budget revenues and expenditures during 2021-2025, identifies the key changes in the structure of budgetary resources under wartime conditions, and evaluates selected indicators of the state's fiscal security. The results suggest that wartime conditions led to the formation of a fiscal mobilisation model, in which defense and security expenditures became the dominant budgetary priority alongside a simultaneous decline in the share of economic and social expenditures. The study shows that the increasing role of international financial assistance contributed to maintaining the state's short-term financial stability; however, it also intensified the budgetary system's dependence on external sources of financing. The calculated fiscal security indicators confirmed the growing budget deficit, the increasing level of GDP redistribution through the budgetary system, and the accumulation of structural fiscal imbalances.

The research summarizes the most relevant risks related to budget revenue formation, tax administration, the use of budgetary funds, and the long-term sustainability of the State Budget. Several directions for mitigating fiscal risks are proposed, including the restoration of the domestic revenue base, increasing the efficiency of budget expenditures, the development of digital tax administration tools, and the gradual reduction of dependence on external financing.

У статті досліджено структурну трансформацію доходів та видатків державного бюджету України в умовах воєнних дій, проаналізовано тенденції формування доходів і видатків бюджету, а також оцінено фіскальні дисбаланси та ризики для фінансової безпеки держави. Актуальність теми зумовлена кардинальними змінами у функціонуванні системи державних фінансів України за досліджуваний період 2021—2025 років, що супроводжуються різким зростанням видатків державного бюджету на оборону та безпеку (з 22,3% до 71,1%), посиленням дефіциту бюджету (з 3,6% до 18,3% ВВП), підвищенням рівня державного боргу та зростанням залежності бюджетної системи від міжнародної фінансової допомоги (з 0,1% до 14,3% доходів державного бюджету). У процесі дослідження використано методи структурного та динамічного аналізу, порівняння, узагальнення, аналітичного групування та системного підходу.

Проведено аналіз динаміки доходів і видатків державного бюджету України за 2021—2025 рр., визначено особливості зміни структури бюджетних ресурсів в умовах війни та оцінено окремі індикатори фіскальної безпеки держави. Встановлено, що у період дослідження відбулося формування моделі воєнної фіскальної мобілізації, коли основне значення мають видатки на оборону та безпеку при одночасному скороченні частки видатків економічного та соціального спрямування. Обґрунтовано, що зростання ролі міжнародної фінансової допомоги дозволило підтримати короткострокову фінансову стійкість держави, однак одночасно посилює залежність бюджетної системи від зовнішніх джерел фінансування. Розраховані індикатори фіскальної безпеки підтвердили посилення дефіцитності бюджету, зростання рівня перерозподілу ВВП через бюджетну систему та накопичення структурних фіскальних дисбалансів.

Узагальнено актуальні ризики у сфері формування доходів бюджету, податкового адміністрування, використання бюджетних коштів та забезпечення довгострокової збалансованості державного бюджету. Запропоновано окремі напрями мінімізації фіскальних ризиків, пов'язаних з відновленням власної дохідної бази, підвищенням ефективності бюджетних видатків, розвитком цифрових інструментів податкового адміністрування та поступовим зниженням залежності від зовнішнього фінансування.

*Key words: State Budget; financial security; fiscal imbalances; budget policy; budget deficit; international financial assistance.*

*Ключові слова: державний бюджет; фінансова безпека; фіскальні дисбаланси; бюджетна політика; дефіцит бюджету; міжнародна фінансова допомога.*

### PROBLEM STATEMENT IN THE CONTEXT OF CURRENT SCIENTIFIC AND PRACTICAL CHALLENGES

Under wartime conditions, the State Budget has become the central instrument for maintaining macro-financial stability, socio-economic development, and the financial security of the state. During the full-scale war, the role of the State Budget has significantly increased, as the budgetary system has become the main instrument for financing the defense sector, maintaining the operation of critical infrastructure, and stabilizing the socio-economic situation in the country. Military actions, the destruction of industrial and energy infrastructure, declining economic activity,

forced population migration, and increasing security risks have affected both the formation of State Budget revenues and the structure of public expenditures. Additionally, the sharp increase in defense and security financing needs has led to a reorientation of budget policy toward wartime priorities, accompanied by a substantial expansion of the budget deficit, rising public debt, limited financing of other expenditure categories, and increasing dependence of the budgetary system on international financial assistance.

Under these conditions, ensuring fiscal sustainability and the financial security of the state becomes particularly important. The formation of a wartime fiscal mobilization model, in which

defense expenditures become dominant, is simultaneously accompanied by reduced opportunities for financing economic needs, selected social programs, and investments in human capital. At the same time, the risks of accumulating structural imbalances within the budgetary system, deepening dependence on external financing sources, and generating long-term negative consequences for post-war socio-economic recovery are increasing.

**ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS RELATED TO THE PROBLEM AND IDENTIFICATION OF UNRESOLVED ASPECTS OF THE ISSUE ADDRESSED IN THE ARTICLE**

The reconsideration of the role of Ukraine's State Budget in the context of the full-scale war has become an important area of contemporary Ukrainian academic discourse. Existing studies pay significant attention to budget sustainability, structural changes in public revenues and expenditures, the growing role of international financial assistance, rising debt pressures, and the transformation of fiscal policy under wartime conditions. A number of studies also emphasize the priorities of financing defense and security needs, the risks of deepening fiscal imbalances, and the necessity of adapting budget regulation instruments to the challenges of prolonged wartime economic pressure.

Yu. Radionov [1] investigates the transformation of the budgetary system under martial law, focusing on the increasing centralization of budgetary resources, shifts in expenditure priorities, and the strengthening role of the State Budget in supporting national defense capacity. The author substantiates that the war has fundamentally transformed budget policy priorities by intensifying defense and security financing, expanding the budget deficit and public debt, and increasing the dependence of public finances on international grant and loan support. Of particular importance is the author's conclusion regarding the formation of a new wartime model of State Budget functioning in which the defense function becomes dominant, generating structural imbalances and new threats to financial security.

D. Shkvaruk [2] focuses on the transformation of Ukraine's State Budget revenues and expenditures under wartime conditions. Particular attention is paid to the shift in budget priorities toward defense financing and support for critical infrastructure. The author argues that under martial law the State Budget has effectively

transformed from an instrument of long-term socio-economic development into a mechanism for mobilizing financial resources to support defense needs, public welfare, and the functioning of critical infrastructure. The study also emphasizes the need for flexible budget forecasting, the digitalization of the budget process, and increased transparency in the use of budgetary resources as prerequisites for improving the effectiveness of budget policy under conditions of prolonged wartime pressure.

The study by the authors [3] examines the transformation of the expenditure structure of Ukraine's State Budget under conditions of the full-scale war, with a particular focus on the intensification of structural imbalances and risks to the state's budget security. The authors argue that martial law has led to a transition from the model of a "social state" to that of a "security-oriented state", in which defense and security expenditures have become dominant priorities, while the relative share of financing for the social sector, education, healthcare, and infrastructure development has declined. The study also notes that the prolonged dominance of defense expenditures creates several long-term fiscal risks, including chronic underfunding of human capital, the accumulation of "deferred social debt", the degradation of social infrastructure, and increasing dependence of the budgetary system on external financing.

In his study, M. Pasichnyi [4] examines changes in Ukraine's fiscal and tax policy under wartime conditions and substantiates the priorities of State Budget revenue formation aimed at financing the defense and security sector. The study argues that under conditions of a prolonged war, important reserves for increasing budget revenues should include not only higher tax rates, but also the reduction of the shadow economy, stronger control over excisable goods markets and the gambling sector, as well as the legalization of labor remuneration. The author also stresses the need to maintain a balance between increasing the fiscal burden and preserving the conditions necessary for economic recovery, since excessive tax pressure contributes to further shadowing of the economy and negatively affects the pace of economic recovery.

The review of domestic academic research shows that the most studies focus on specific aspects of fiscal and budget policy, the dynamics of budget revenues and expenditures, or the financing of the defense sector. At the same time, the issues related to a comprehensive assessment of the structural transformation of Ukraine's State

Budget under wartime conditions, particularly in the context of increasing fiscal imbalances and risks to financial security, remain insufficiently explored. Additional research is needed regarding changes in budgetary priorities, the growing dependence of public finances on international financial support, the transformation of budget revenue sources, and the long-term implications of redirecting fiscal policy toward wartime economic needs. These gaps in the literature explain the relevance of the study and define its objective and structure.

**FORMULATION OF THE GOALS OF THE ARTICLE (SETTING THE TASK)**

The article aims to examine the structural transformation of Ukraine's State Budget under wartime conditions, assess fiscal imbalances and risks to the state's financial security, and identify selected directions for their mitigation.

**PRESENTATION OF THE MAIN RESEARCH FINDINGS WITH A FULL SUBSTANTIATION OF THE SCIENTIFIC RESULTS**

The role of the State Budget within the financial system is fundamental, since the budget serves as its core and central component, integrating taxes, public expenditures, and public credit into a unified mechanism. Scholars [5, p. 27] emphasize that the main economic function of the budget lies in regulating the distribution of GDP among sectors of the economy, administrative-territorial units, and different social groups. This enables the state to accumulate financial resources necessary for maintaining the state apparatus, ensuring national defense, financing the social sphere, and supporting the development of priority sectors of the economy.

The State Budget is the principal financial plan of the country, reflecting the priorities of state policy and the level of socio-economic development. The full-scale military invasion in February 2022 fundamentally transformed the macroeconomic environment, causing profound structural changes in both the revenue and expenditure components of Ukraine's budgetary

system. M. Pasichnyi [4] characterizes this process as a transition to a "wartime fiscal model," in which ensuring national defense becomes an unconditional priority.

To identify these transformations, the dynamics of State Budget revenues during 2021–2025 were analyzed (Table 1).

State Budget revenues increased from UAH 1,296.9 billion (2021) to UAH 3,834.2 billion (2025), i.e., by UAH 2,537.3 billion (or 2.9 times). However, this increase was predominantly nominal and largely driven by inflation acceleration and structural wartime changes in the taxation system, including tax rate increases and expansion of the military levy base. Tax revenues rose from UAH 1,107.1 billion to UAH 2,015.8 billion (+UAH 908.7 billion, or +82.1%), although their relative share in total revenues declined from 85.3% to 52.6% over the analyzed period. This decline reflects the outpacing growth of non-tax revenues and international transfers, which acquired critical importance within the wartime fiscal model.

A significant trend of the wartime period was the unprecedented growth of official transfers from international institutions, which increased from UAH 13.9 billion (2021) to UAH 490.6 billion (2022) and reached UAH 600.0 billion (2025). Non-tax revenues also grew particularly dynamically, (from UAH 163.0 billion to UAH 1,165.4 billion, primarily due to the inclusion of revenues generated from confiscated assets and own revenues of budgetary institutions. However, for accurate intertemporal comparisons, it should be considered that the composition of this revenue category changed substantially during the wartime period in accordance with current regulatory acts.

The structural analysis of budget revenues confirms the existence of a profound transformation of the revenue base. The share of international transfers increased from 0.1% (2021) to 14.3% (2025), generating considerable medium-term fiscal vulnerability, since a decline in international assistance without a proportional increase in domestic revenues may result in insufficient financing of public expenditures.

**Table 1. Dynamics of Ukraine's State Budget Revenues, 2021–2025, UAH bln**

Revenue Groups	Years					Deviation (2025 / 2021)	
	2021	2022	2023	2024	2025	UAH bln	Growth Rate, %
Total, including:	1 296,9	1 787,4	2 672,0	3 122,7	3 834,2	+2 537,3	+195,6
Tax revenues	1 107,1	949,8	1 583,0	1 869,0	2 015,8	+908,7	+82,1
Non-tax revenues	163,0	346,3	421,0	484,0	1 165,4	+1 002,4	+615,0
Capital revenues	0,3	0,1	0,2	0,3	5,0	+4,7	+1 566,7
Domestic official transfers	12,6	4,0	167,0	268,9	48,0	+35,4	+281,0
International official transfers	13,9	490,6	500,5	500,5	600,0	+586,1	+4 216,5

Source: compiled by the authors based on [6].

In order to examine expenditure transformations, the dynamics of State Budget expenditures by functional classification were analyzed (Table 2).

Total State Budget expenditures rose from UAH 1,490.3 billion in 2021 to UAH 5,473.6 billion in 2025, increasing 3.7 times during the analyzed period. Defense expenditures became the primary factor behind this growth, expanding from UAH 127.5 billion to UAH 3,069.9 billion, or by 24.1 times. As a result, the share of defense expenditures increased from 8.6% in the pre-war year of 2021 to 56.1% in 2025. Expenditures on law enforcement and security also demonstrated substantial growth, increasing from UAH 174.4 billion to UAH 819.4 billion (4.7 times). Combined defense and security expenditures reached UAH 3,889.3 billion, accounting for 71.1% of total State Budget expenditures in 2025.

In contrast, expenditures on economic activity decreased by UAH 12.3 billion (6.8%) in absolute terms, while their share in total expenditures fell from 12.1% to 3.1%. Education expenditures grew only nominally (+5.5% over five years), despite the tripling of total expenditures, resulting in a significant decline in the relative share of education spending within the budget from 4.3% to 1.2%. Although social protection expenditures increased by UAH 114.1 billion (+33.6%), their share in total expenditures declined from 22.8% to 8.3% over the analyzed period.

Therefore, the revenue and expenditure structure of Ukraine's State Budget experienced a substantial transformation during 2021—2025 as a consequence of wartime conditions. Despite the growth of the domestic revenue base, its growth dynamics were considerably weaker than the expansion of budget expenditures, which led to the emergence of a chronic budget deficit financed by external borrowing and international assistance.

Financial security under wartime conditions acquires exceptional importance for maintaining macro-financial stability, financing defense and security expenditures, supporting social expenditures, and ensuring the functioning of the economy. Current academic studies define financial security as the capacity of the state's financial system to maintain the stability of budgetary, debt, currency, and banking systems in the face of internal and external threats. N. Sytnyk and B. Kravchenko [7] identify the major threats to Ukraine's financial security during the war as a widening budget deficit, rising debt burdens, a high level of shadow economic activity, dependence on external financing, and structural fiscal imbalances. Consequently, the assessment of selected fiscal security indicators enables a more comprehensive evaluation of the transformation of Ukraine's public finances under wartime conditions and helps identify potential risks to long-term financial sustainability (Table 3).

**Table 2. Dynamics of Ukraine's State Budget Expenditures by Functional Classification, 2021—2025, UAH billion**

Expenditure Groups	Years					Deviation (2025/2021)	
	2021	2022	2023	2024	2025	UAH bln	Growth Rate, %
Total, including	1490,3	2 705,4	4014,4	4486,7	5473,6	+3 983,3	+267,3
General public services	206,6	202,0	296,1	374,3	438,7	+232,1	+112,3
National defense	127,5	1 142,9	2097,6	2304,5	3069,9	+2 942,4	+2 307,8
Public Safety and Security	174,4	443,3	574,6	692,7	819,4	+645,0	+369,8
Economic activity	181,0	95,4	134,3	163,1	168,7	-12,3	-6,8
Health care	170,5	184,3	179,3	201,4	218,8	+48,3	+28,3
Culture and sports	16,0	11,1	11,8	16,2	15,8	-0,2	-1,2
Education	63,8	58,0	60,5	64,7	67,3	+3,5	+5,5
Social protection and social security	339,3	426,0	469,3	464,7	453,4	+114,1	+33,6

Source: compiled by the authors based on [6].

**Table 3. Dynamics of Selected Fiscal Security Indicators of Ukraine, 2021—2025, %**

Indicator	2021	2022	2023	2024	2025
State Budget Deficit-to-GDP Ratio	3,63	17,62	20,31	17,64	18,32
GDP Redistribution through the Consolidated Budget	30,44	42,3	47,5	46,8	48,6
Public Debt Servicing Expenditure Share in State Budget Revenues	12,0	8,8	9,3	9,8	9,4
Share of Tax Revenues in State Budget Revenues	85,3	53,2	45,1	52,8	52,6
Share of International Transfers in State Budget Revenues	0,1	26,9	16,2	15,2	14,3
Share of Economic Expenditures in State Budget Expenditures	12,1	3,5	3,4	3,6	3,1
Share of Social Expenditures in State Budget Expenditures	39,4	25,1	18,1	16,7	13,8
Share of Defense and Public Security Expenditures in State Budget Expenditures	22,3	59,1	66,5	66,8	71,1

Source: compiled by the authors based on [6; 8].

The calculated fiscal security indicators demonstrate a significant expansion of the state's role in the redistribution of financial resources within the wartime economy and confirm the strengthening of fiscal risks to financial security over the analyzed period. The rise in GDP redistribution through the Consolidated Budget from 30.4% to 48.6% reflects the growing scale of state intervention in socio-economic processes. Among the most pronounced trends were the substantial increase in the State Budget deficit level (from 3.6% to 18.3% of GDP) and the overwhelming dominance of defense and security expenditures within the expenditure structure. Defense and public security expenditures increased from 22.3% of total expenditures in 2021 to more than 71% in 2025, which confirms the emergence of a wartime fiscal mobilization framework. At the same time, the share of expenditures allocated to economic and social purposes declined sharply, creating medium-term risks for economic recovery and the development of human capital.

An important trend was also the reduction in the share of tax revenues in total State Budget revenues accompanied by the increasing importance of international financial assistance.

The conducted analysis allows the identification of a set of fiscal risks formed under wartime economic conditions that may substantially affect the state's financial sustainability in the medium-term perspective, as well as the formulation of selected approaches to their mitigation (Table 4). The study summarizes risks associated with key areas of budgetary activity, including budget revenue

formation, public expenditure management, tax administration, and maintaining State Budget balance.

One of the key risks related to budget revenue formation is the increasing dependence of the State Budget on external financing sources. While such support enables the uninterrupted financing of critical expenditures, it simultaneously creates significant fiscal vulnerability to changes in external financial assistance volumes and to the political decisions of international partners.

A further concerning trend is the declining proportion of tax revenues within total budget revenues, reflecting the contraction of the tax base caused by declining economic activity, extensive destruction of industrial infrastructure, energy supply disruptions, losses of productive capacity, and labor migration.

Another important category of risks relates to the persistent imbalance of the State Budget, the financing of which largely depends on external borrowing and international financial support. This, in turn, contributes to the accumulation of public debt and the subsequent growth of debt servicing expenditures.

One of the significant sources of fiscal risks in modern conditions is the insufficient effectiveness of tax administration, which is associated with the persistence of tax evasion schemes, a high degree of shadow economic activity in certain sectors, the expansion of informal employment, and insufficient efficiency of tax control. These factors contribute to undercollection of planned State Budget revenues, increasing disparities in tax

**Table 4. Selected Fiscal Imbalances of Ukraine's State Budget and Measures for Their Mitigation**

Budgetary Area	Problem	Potential Consequences	Mitigation Measures
Budget Revenue Formation	Growing dependence on international transfers; Further narrowing of the tax base; Low predictability of budget revenues under the wartime;	Fiscal vulnerability to external factors; Declining revenues from major taxes; Complications in budget planning and the risk of cash gaps;	Expansion of the tax base; Reduction of inefficient tax exemptions; Improvement of forecasting quality;
Tax Administration	Insufficient effectiveness of tax control; Persistence of tax evasion schemes;	Shortfalls in planned revenues; Expansion of the shadow economy; Increasing transaction costs;	Digitalization of tax administration; Integration of state registers; Implementation of e-audit; Development of the "e-Excise" system; Strengthening risk-based control;
Use of Budgetary Funds (Expenditures)	Dominance of defense expenditures; Reduction of development expenditures; Insufficient effectiveness of budget programs; Risks of non-transparent and inefficient use of funds (including corruption-related risks); Rising energy costs and increasing pressure on energy sector expenditures;	Reduction of development-oriented economic and social expenditures; Slower economic recovery; Deterioration in the quality of human capital; Growth of inefficient expenditures and losses of budgetary resources;	Optimization of the expenditure structure; Restoration of financing for economic and social development expenditures; Prioritization of investment expenditures; Improving budget process transparency and strengthening fiscal control; Development of energy efficiency and reduction of dependence on imported energy resources;
Budget Balance	Formation of a persistent budget deficit; Outpacing growth of expenditures relative to revenues; Accumulation of structural imbalances;	Growth of public debt; Increasing public debt servicing expenditures; Risks of macro-financial instability; Complications for post-war recovery;	Gradual reduction of the budget deficit; Development of the domestic public debt market; Attraction of long-term concessional financing; Use of borrowed funds exclusively for development expenditures;

Source: compiled by the authors based on [1; 9; 10; 11; 12; 13].

burden distribution, and higher transaction costs for both public authorities and economic agents. Enhancing the effectiveness of tax administration without intensifying fiscal pressure on the formal sector of the economy and consumers may be achieved through the broader implementation of a risk-based approach.

Regarding the expenditure component of the State Budget, the key risk is the substantial restructuring of expenditures marked by the overwhelming dominance of defense and security spending, which is accompanied by a reduction in development expenditures, education financing, and selected social programs. Over the medium term, this may generate delayed negative effects associated with slower economic recovery and declining human capital quality.

The observed trends demonstrate the emergence of a specific model of State Budget functioning that maintains the state's financial capacity during wartime, but at the same time contributes to the formation and accumulation of structural fiscal imbalances. Without restoring the domestic revenue base and revising expenditure priorities, the current budgetary model may weaken long-term economic growth and complicate post-war recovery.

#### CONCLUSIONS AND PROSPECTS FOR FURTHER RESEARCH

Under wartime conditions, the State Budget of Ukraine has become the central mechanism for maintaining macro-financial stability, financing defense needs, and supporting vulnerable population groups.

During 2021—2025, Ukraine's State Budget underwent profound structural changes driven by the transition to a wartime economy model. These transformations were manifested both in significant changes to the revenue structure and in the restructuring of expenditure priorities, ultimately leading to the formation of multiple fiscal imbalances.

Fiscal security indicators reveal increasing pressure on Ukraine's public finance system during the wartime period. The most significant trends included a sharp increase in the State Budget deficit relative to GDP, the expansion of GDP redistribution through the budgetary system, and the strengthening dependence of the budget on international financial support. At the same time, the relative stabilization of public debt servicing expenditures within budget revenues was achieved through the outpacing growth of revenues supported by external financial assistance. Although external financial assistance helped preserve short-term fiscal stability, it simultaneously increased the vulnerability of the budgetary system to reductions in external support.

The wartime fiscal model intensified several major risks, including growing dependence on external financing, contraction of the domestic revenue base, and the dominance of defense expenditures within the expenditure structure. Maintaining financial sustainability in the post-war period will require a gradual reduction of the budget deficit, restoration of domestic revenue capacity, enhancement of tax administration efficiency, and a reorientation of budget policy toward supporting economic development and strengthening social capital. Additional priorities include improving the effectiveness of public expenditures, increasing transparency in the use of budgetary resources (including combating corruption schemes), reducing the dependence of public finances on external funding sources, limiting shadow economic activity, and expanding the use of digital instruments in public finance management.

Ukraine's future budget policy should gradually shift from financing wartime needs toward supporting long-term economic recovery and development. This would create the basis for economic recovery, human capital development, and stronger financial sustainability in the post-war period.

Future research should examine the long-term consequences of State Budget transformation under wartime conditions on financial security and macroeconomic stability, the evaluation of the effectiveness of defense expenditures, the impact of increasing public debt burdens on budget sustainability, and the risks associated with maintaining a high degree of fiscal centralization. Particular attention should also be devoted to studying mechanisms for the gradual transition from a wartime fiscal mobilization model to a budget policy framework aimed at socio-economic recovery and long-term development.

#### Література:

1. Радіонов Ю. Д. Пріоритети бюджетної політики в умовах воєнного стану та повоєнного відновлення України. *Фінанси України*. 2023. №9. С. 24—47. DOI: <https://doi.org/10.33763/finukr2023.09.024>.
2. Шкварук Д. Державний бюджет у період війни: пріоритети, загрози та стабільність. *Вісник Хмельницького національного університету. Серія: Економічні науки / Herald of Khmelnytskyi National University. Economic sciences*. 2026, № 2. С. 477—484. DOI: <https://doi.org/10.31891/2307-5740-2026-352-64>.
3. Соловйов Д. М., Швайко М. А. Transformation of the expenditure structure of the state budget of Ukraine under wartime conditions: analysis, risks, and ways of optimization. *Економі-*

ка та суспільство. Випуск # 83 / 2026. DOI: <https://doi.org/10.32782/2524-0072/2026-83-175>.

4. Пасічний М. Фіскальні домінанти фінансування військових потреб. *Scientia fructuosa*. 2024. Т. 154, № 2. С. 20—37. DOI: [10.31617/1.2024\(154\)02](https://doi.org/10.31617/1.2024(154)02).

5. Бюджетна система: підручник / за наук. ред. В. М. Федосова, С. І. Юрія. Київ: Центр учбової літератури; Тернопіль: Екон. думка, 2012. 871 с.

6. Державний веб-портал бюджету для громадян. OpenBudget. URL: <https://openbudget.gov.ua/> (дата звернення: 20.04.2026).

7. Ситник Н.С., Кравченко Б.О. Фінансова безпека держави: загрози та виклики в умовах війни. *Modern Economics*. 2024. № 44 (2024). С. 181—189. DOI: [https://doi.org/10.31521/modecon.V44\(2024\)-27](https://doi.org/10.31521/modecon.V44(2024)-27).

8. Мінфін. Зведений бюджет України. URL: <https://index.minfin.com.ua/ua/finance/budget/cons/> (дата звернення: 20.04.2026).

9. Сочка К. Державний борг України: поточні реалії і проблеми. *Acta Academiae Beregsasiensis. Economics*. 2022. Вип. 2. С. 172—183. DOI: <https://doi.org/10.58423/2786-6742/2022-2-172-183>.

10. Чугунов І. Я. Бюджетна стратегія суспільного розвитку: монографія. Київ: Київ. нац. торг.-екон. ун-т, 2021. 532 с.

11. Сочка К.А., Палінчак М.М. Митні платежі як фіскальний інструмент держави: тенденції та виклики поточного періоду. *Науковий вісник Ужгородського національного університету. Серія Міжнародні економічні відносини та світове господарство*. 2023. № 48, С. 65—72. DOI: <https://doi.org/10.32782/2413-9971/2023-48-12>.

12. Чуркіна І. Є., Масленников Є. І. Управління акумуляцією і використанням бюджетних ресурсів. *Ринкова економіка: сучасна теорія і практика управління*. 2022. Том 21. Вип. 3 (52). С. 529—544. DOI: [10.18524/2413-9998.2022.3-\(52\).275829](https://doi.org/10.18524/2413-9998.2022.3-(52).275829).

13. Bogdan Tetiana. The role of public finance in Ukraine's recovery and reconstruction. *Journal of European Economy*. 2024. Vol. 23, No. 4. С. 615—634. DOI: [10.35774/jee2024.04.615](https://doi.org/10.35774/jee2024.04.615).

#### References:

1. Radionov, Yu. (2023), "Priorities of budget policy under martial law and post-war recovery of Ukraine", *Finansy Ukrainy*. vol. 9. pp. 24—47. <https://doi.org/10.33763/finukr2023.09.024>.

2. Shkvaruk, D. (2026), "State budget during wartime: priorities, threats and stability", *Herald of Khmelnytskyi National University. Economic*

*Sciences*, vol. 2, pp. 477—484, <https://doi.org/10.31891/2307-5740-2026-352-64>.

3. Soloviov, D. and Shvaiko, M. (2026), "Transformation of the expenditure structure of the state budget of Ukraine under wartime conditions: analysis, risks, and ways of optimization", *Ekonomika ta suspilstvo*, vol. 83, <https://doi.org/10.32782/2524-0072/2026-83-175>.

4. Pasichnyi, M. (2024), "Fiscal dominants of military financing", *Scientia fructuosa*, vol. 154, no. 2, pp. 20—37, [https://doi.org/10.31617/1.2024\(154\)02](https://doi.org/10.31617/1.2024(154)02).

5. Fedosov, V. and Yurii, S. (2012), *Biudzhetna systema [Budget system]*, *Tsentr uchbovoi literatury*, Kyiv, Ukraine.

6. OpenBudget (2026), "State web portal "Budget for Citizens", available at: <https://openbudget.gov.ua/> (Accessed 20 April 2026).

7. Sytnyk, N. and Kravchenko, B. (2024), "Financial security of the state: threats and challenges under wartime conditions", *Modern Economics*, vol. 44, pp. 181—189, [https://doi.org/10.31521/modecon.V44\(2024\)-27](https://doi.org/10.31521/modecon.V44(2024)-27).

8. Minfin (2026), "Consolidated budget of Ukraine", available at: <https://index.minfin.com.ua/ua/finance/budget/cons/> (Accessed 20 April 2026).

9. Sochka, K. (2022), "Public debt of Ukraine: current realities and challenges", *Acta Academiae Beregsasiensis. Economics*, vol. 2, pp. 172—183, <https://doi.org/10.58423/2786-6742/2022-2-172-183>.

10. Chuhunov, I. (2021), *Biudzhetna stratehiia suspilnoho rozvytku [Budget strategy of social development]*, *Kyiv National University of Trade and Economics*, Kyiv, Ukraine.

11. Sochka, K. and Palinchak, M. (2023), "Customs payments as a fiscal instrument of the state: current trends and challenges", *Naukovyi visnyk Uzhhorodskoho natsionalnoho universytetu. Serii: Mizhnarodni ekonomichni vidnosyny ta svitove gospodarstvo*, vol. 48, pp. 65—72, <https://doi.org/10.32782/2413-9971/2023-48-12>.

12. Churkina, I. and Maslennikov, Ye. (2022), "Management of accumulation and use of budget resources", *Rynkova ekonomika: suchasna teoriia i praktyka upravlinnia*, vol. 21, no. 3 (52), pp. 529—544, [https://doi.org/10.18524/2413-9998.2022.3-\(52\).275829](https://doi.org/10.18524/2413-9998.2022.3-(52).275829).

13. Bogdan T. (2024), "The role of public finance in Ukraine's recovery and reconstruction", *Journal of European Economy*. Vol. 23, No. 4. P. 615—634. DOI: [10.35774/jee2024.04.615](https://doi.org/10.35774/jee2024.04.615).

*Отримано редакцією журналу / Received: 09.05.26*

*Професійно рецензовано / Revised: 15.05.26*

*Дата публікації / Published: 21.05.26*