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TRANSFORMATION OF PUBLIC ADMINISTRATION IN THE CONTEXT OF ECONOMIC AND FINANCIAL SECURITY: CHALLENGES OF GLOBALIZATION OF INTERNATIONAL RELATIONS

ТРАНСФОРМАЦІЯ ПУБЛІЧНОГО УПРАВЛІННЯ В КОНТЕКСТІ ЕКОНОМІЧНОЇ ТА ФІНАНСОВОЇ БЕЗПЕКИ: ВИКЛИКИ ГЛОБАЛІЗАЦІЇ МІЖНАРОДНИХ ВІДНОСИН

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Abstract. The article examines the theoretical and practical aspects of the transformation of public governance in the context of intensifying globalization processes, which significantly affect the level of economic and financial security of the state. The authors emphasize the growing interdependence between countries, which generates new challenges for governance systems, particularly those arising from global economic crises, cyber threats, transnational crime, and financial market instability. Special attention is given to the development of digital technologies, which, on the one hand, offer new opportunities for governance processes and, on the other, introduce new risks to economic security. The study analyzes modern approaches to public governance reform, which involve enhancing institutional capacity, transparency, efficiency, and resilience of administrative systems. The necessity of shifting from reactive to proactive management strategies based on principles of adaptability, digitalization, and resilience to global shocks is substantiated. Considerable attention is devoted to the analysis of international experience in ensuring economic and financial security through managerial innovations, improvements in legal and regulatory frameworks, and the development of public-private partnerships. A special focus is placed on the transformation of public governance in Ukraine under conditions of war and geopolitical instability. The authors argue that, in order to strengthen the country's economic and financial security, a systemic renewal of governance approaches is required, taking into account both the global context and national specificities. In this regard, the article provides recommendations for the formation of a modern governance culture aimed at

strategic thinking, openness, cross-sectoral coordination, and sustainable development. The research findings can be applied to improve public policy in the field of economic and financial security and to shape new models of public governance capable of effectively responding to the challenges of globalization and supporting national resilience.

Key words: *public administration, financial security, economic security, mechanism, international economy, public policy, transformations, globalization*

Анотація. У статті розглянуто теоретичні та практичні аспекти трансформації публічного управління в умовах посилення глобалізаційних процесів, що значно впливають на рівень економічної та фінансової безпеки держави. Автори акцентують увагу на зростаючій взаємозалежності між країнами, яка зумовлює появу нових викликів для систем управління, зокрема з боку глобальних економічних криз, кіберзагроз, транснаціональної злочинності та нестабільності фінансових ринків. Окремо підкреслено значення розвитку цифрових технологій, які, з одного боку, відкривають нові можливості для управлінських процесів, а з іншого – створюють нові ризики для економічної безпеки. У дослідженні проаналізовано сучасні підходи до реформування публічного управління, що передбачають підвищення інституційної спроможності, прозорості, ефективності та стійкості управлінських систем. Обґрунтовано необхідність переходу від реактивних до проактивних стратегій управління, які базуються на принципах адаптивності, цифровізації та стійкості до глобальних потрясінь. Значну увагу приділено аналізу міжнародного досвіду у сфері забезпечення економічної та фінансової безпеки через управлінські інновації, удосконалення нормативно-правового забезпечення та розвиток публічно-приватного партнерства. Особливе місце в статті займає аналіз трансформацій публічного управління в Україні в умовах війни та геополітичної нестабільності. Автори доводять, що для підвищення рівня економічної та фінансової безпеки країна потребує системного оновлення управлінських підходів, з урахуванням глобального контексту та національних особливостей. У цьому контексті запропоновано рекомендації щодо формування сучасної управлінської культури, орієнтованої на стратегічне мислення, відкритість, міжсекторальну координацію та забезпечення стабільного розвитку. Результати дослідження можуть бути використані для удосконалення державної політики у сфері економічної та фінансової безпеки, а також для формування нових моделей публічного управління, здатних ефективно реагувати на виклики глобалізації та підтримувати національну стійкість.

Ключові слова: *публічне управління, фінансова безпека, економічна безпека, механізм, міжнародна економіка, державна політика, трансформації, глобалізація*

Introduction. In the current context of globalization of international relations, the issue of transforming public governance has become particularly relevant. The growing interdependence of states, dynamic changes in the global economy, digitalization of financial systems, as well as new geopolitical challenges necessitate a revision of approaches to ensuring economic and financial security. Countries are increasingly facing the need to adapt their public governance systems to emerging threats, including cyberattacks, global market instability, energy crises, and transnational economic crime.

In this regard, there is an objective need to strengthen the institutional capacity of the state, enhance transparency and efficiency in governance processes, and improve intergovernmental coordination in the field of security. Achieving these goals is possible through the implementation of innovative management practices, the active use of digital technologies, improvements to the legal and regulatory framework, and the development of public-private partnerships. Equally important is the formation of a new governance culture focused on openness, strategic thinking, and resilience to global shocks.

Thus, the transformation of public governance in the context of modern globalization is not only a demand of the times but also a prerequisite for stable socio-economic development, the preservation of national security, and effective engagement in the international arena. Ukraine, as a country with a high level of external vulnerability and undergoing internal transformation, faces an especially urgent need to reconsider its public governance mechanisms in light of current challenges. These issues have become particularly critical in the context of the Russian Federation's invasion.

This situation underscores the necessity of ensuring economic and financial security through the implementation of effective and efficient mechanisms that take into account the principles of sustainable development and globalization. Consequently, there is a growing understanding that governance systems must not only respond to crises but also proactively shape development strategies based on resilience, flexibility, and a targeted focus on security indicators. Today, the assurance of a country's economic and financial security depends not only on fiscal and economic policy but also on the effectiveness of institutions capable of implementing reforms and responding to external threats.

The purpose of the article. The purpose of the study is to analyze the transformations of public governance under the influence of globalization processes in the context of ensuring economic and financial security, as well as to develop scientifically grounded approaches to improving management decisions.

To achieve this goal, the following objectives must be addressed:

1. To explore the theoretical foundations of public governance transformation in a globalized environment;
2. To analyze the challenges to financial and economic security in relation to the functioning of governance systems;
3. To outline the prospects for the development of the public governance system in Ukraine, taking into account international experience.

The methodological basis of the article includes systemic, institutional, and structural-functional approaches, which allow for a comprehensive examination of the research problem.

Literature review. Research in the field of public administration is not a new phenomenon in economic science. However, the current conditions of digitalization and globalization necessitate a revision of existing studies and the implementation of new tools into traditional mechanisms of economic and financial security. This becomes possible through the transformation of public administration. Nevertheless, it is important to identify the fundamental works that formed the basis for the present study.

In recent years, the scientific discourse has increasingly focused on the digital transformation of public governance in the context of global challenges, particularly economic and financial security. A significant contribution to this field has been made by both domestic and international scholars, who examine various aspects of digitalization, governance transparency, civic engagement, and business support instruments.

In particular, I. O. Shevchenko (*Shevchenko, 2024*), in her research, emphasizes the relationship between the digitalization of administrative processes and the increase in transparency of public policy, as well as the creation of conditions for an effective investment climate. She also analyzes modern financial instruments for business support—such as factoring, forfaiting, and leasing—which are gaining special relevance under conditions of global economic challenges.

The work by Kvitka et al. (*Kvitka, 2020*) highlights promising directions for the digital transformation of public administration, emphasizing the need for a strategic approach to implementing digital solutions. In turn, Pihariiev and Kosteniuk (*Pihariiev, 2021*) identify digitalization as a key factor in Ukraine's national digital transformation, which directly impacts the effectiveness and security of governance decisions.

Terminological clarity and standardization of digital processes in public administration are examined by Ya. Sandul (*Sandul, 2022*), who emphasizes the need to harmonize the "digital

language” of governance in the context of globalization. Syrotin (*Syrotin, 2023*) supplements this perspective with an analysis of digitalization in the sphere of public administration, focusing on the regional aspects of implementing digital tools.

Despite the broad presence of the topic of digital transformation in academic literature, certain aspects remain insufficiently explored—such as the integration of digital tools into the state’s financial security system and the comprehensive merging of globalization challenges with local administrative transformations. This justifies the relevance of further research into the transformation of public governance specifically in the context of economic and financial security, which is the subject of this article.

Main results of the research. Modern public governance is undergoing profound transformation driven by multiple factors: the intensification of globalization processes, the development of digital technologies, the increasing complexity of international economic relations, and the exacerbation of security challenges. Under such conditions, states are compelled to rethink the functions and structures of public administration, forming a new quality of state policy oriented towards resilience and adaptability.

Globalization, on the one hand, opens new opportunities for interaction between countries, market integration, and the diffusion of innovations; on the other hand, it creates risks of losing control over internal processes, reducing the financial autonomy of states, and increasing vulnerability to external crises. These challenges shift the priorities of public governance, which must ensure not only development but also the preservation of economic and financial stability as integral components of national security.

Theoretical foundations of public governance transformation in a globalized environment

The theoretical understanding of public governance transformation is based on institutional theory, which emphasizes the role of formal and informal rules in maintaining the stability of governance systems, as well as on good governance theories that highlight transparency, efficiency, accountability, and citizen participation. Contemporary approaches increasingly incorporate elements of strategic thinking, scenario modeling, and risk management.

The scientific novelty lies in the development of a systemic model that interrelates globalization challenges with the adaptability of public administration institutions. The model accounts for three levels of influence: macroeconomic (external environment), mesoeconomic (national policies and structures), and microeconomic (tools for implementing managerial decisions), enabling the assessment of the resilience of state governance amid ongoing turbulence. The systemic model allows identification of weak links in adaptability at each level and how they interact with each other. It forms the basis for evaluating the institutional resilience of state governance in the context of multi-level globalization challenges.

Thus, effective transformation of public administration involves not only formal changes in legislation or the structure of government bodies but also a profound reorientation of managerial approaches based on the principles of strategic adaptation, crisis management, and an integrated security vision.

Analysis of Challenges to Financial and Economic Security in Relation to the Functioning of Governance Systems

Financial and economic security constitute fundamental determinants of a state’s sustainable development and its capacity to effectively respond to both external and internal challenges. In the twenty-first century, these aspects have acquired heightened significance due to the increased interdependence of global financial markets, recurrent crises, and the volatility of the geopolitical environment. Within this context, public administration should be regarded not merely as an instrument for policy implementation but as a guarantor of national security.

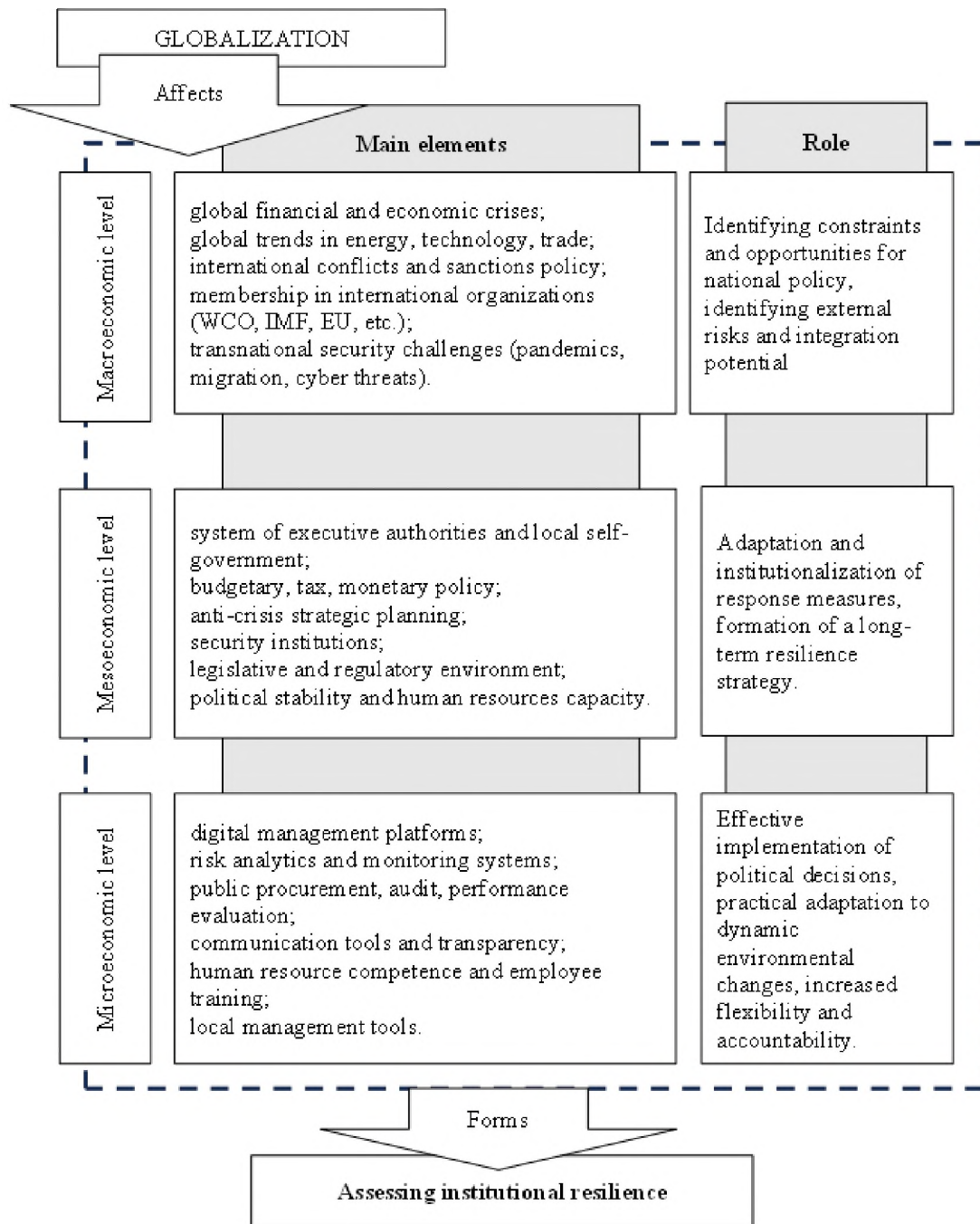


Fig.1 System Model of the Relationship Between Globalization Challenges and the Adaptability of Public Administration Institutions

Source: author's development

Contemporary public administration systems must address a complex array of financial risks, including budget deficits, inflationary pressures, currency instability, diminishing investment attractiveness, and debt dependency. From an economic standpoint, security encompasses the state's ability to maintain macroeconomic equilibrium, foster GDP growth, enhance economic competitiveness, and support critical infrastructure alongside social stability. Simultaneously, globalization has transformed the character of economic and financial threats, rendering them transnational, increasingly unpredictable, and closely associated with technological disruptions, cyber threats, and hybrid warfare. Particular emphasis should be placed on international best practices. Countries such as Finland, Canada, and South Korea exemplify successful integration of security mechanisms within the framework of public administration, notably through the deployment of integrated platforms for financial risk monitoring, facilitation of public participation

in decision-making processes, and the systematic assessment of vulnerabilities. For Ukraine, the adoption of such approaches presents a promising avenue for ongoing reforms.

Table 1.

Comparative analysis of macroeconomic indicators and financial security of countries in the context of public administration (2019–2024)

Indicator / Country	Finland	Canada	South Korea	Ukraine
Public debt (% of GDP)	85% (2021) → 88,8% (2024)	70,7% (2021) → 57,9% (2022)	42% (2019) → 54% (2023) → 60%+ (2024+)	49% (2021) → over 85% (2023) [including external aid]
Budget deficit (% GDP)	-2,5% → -4,0%	Approximately -5% (y 2023)	-0,02% → -1,8%	over -20% (2022–2023) due to war and resource mobilization
Inflation (%)	7,0% → 3,1%	5,0% → 3,25%	5,0% → 3,25%	26.6% (2022), 5.1% (2023), forecast ~8% (2024)
Unemployment (%)	7,0% → 7,8%	~5,0%	~3,0%	over 20% (2022), 18.1% (2023), forecast ~16–18% (2024)
Labor Productivity	Moderate Growth	0% growth (2019–2024)	Gradual growth	Decline since 2022, gradual recovery expected from 2024
Institutional Response	Digitalization, Fiscal Stabilization	Budget discipline, monitoring	Risk prediction, public engagement	Military administration, digitalization (“Diia” platform), fiscal control

A comparative analysis indicates that all examined countries face financial and economic challenges of varying intensity, driven by global instability, inflationary pressures, and increasing debt burdens. Ukraine, amid a full-scale war, exhibits critically high risks in the sphere of financial security, accompanied by a significant budget deficit, inflation, and high unemployment. At the same time, the experiences of Finland, Canada, and South Korea demonstrate the effectiveness of systemic governance solutions — including digitalization, integrated monitoring, and public participation — as key tools for adapting to these challenges. This underscores the relevance of implementing a comprehensive public administration model capable of promptly responding to both external and internal threats in economic and financial domains.

The scientific novelty lies in identifying the key mechanisms for integrating economic and financial security into the strategic planning system of public administration. This approach not only enhances decision-making efficiency but also ensures their resilience under conditions of uncertainty. It is proposed to consider economic and financial security as criteria for the effectiveness of state policy, thereby introducing a new framework for evaluating management decisions.

Thus, the transformation of public administration in the context of economic and financial security entails comprehensive reform of management processes — from strategic forecasting to institutional provision of control and transparency. This is critically important for the formation of a new model of state governance oriented towards sustainable development and a secure future.

Prospects for the Development of the Public Administration System in Ukraine Considering International Experience

Reforming the public administration system in Ukraine is a critically important task against the backdrop of increasing global challenges. The unstable security situation, the impact of international sanctions, external economic pressures, and the internal need for transparency in governance processes necessitate a comprehensive reassessment of the functioning of state authorities and local self-government bodies.

One of the key challenges is low institutional capacity — many government bodies remain inefficient in planning, implementing, and controlling state policies. This issue is compounded by personnel problems, insufficient digitalization, and limited access to high-quality analytics in decision-making. Consequently, the effectiveness of mechanisms responding to crises in the economy and finance is diminished.

Recent Ukrainian reforms — particularly in decentralization, digital governance (the “Diia” project), and anti-corruption policy — have demonstrated potential for positive change but simultaneously revealed deep structural fragmentation between management levels and the absence of a unified coordination strategy. A significant portion of management decisions are implemented in a “reactive” mode, lacking systematic alignment with long-term security and development goals.

In the current context of systemic crises caused by war, global instability, and the transformation of international economic relations, there is an urgent need to develop a new public administration architecture capable of flexible adaptation to change. In this regard, it is essential to design a model that accounts for the multi-level nature of influences — from the global environment to the instruments of governance implementation.

The adaptive three-tier model represents an attempt to systematically integrate macroeconomic, mesoeconomic, and microeconomic levels of analysis, drawing on best international practices (Finland, Canada, South Korea) to identify effective directions for enhancing Ukraine’s managerial capacity.

Table 2.

Indicative Development Trajectory of Ukraine Considering International Experience

Level	Challenges	Best Practices	Recommendations for Ukraine
Macro	External debt, inflation	Debt Sustainability Monitoring (Korea)	Establishment of debt limits and aid auditing
Meso	Budget deficit, political instability	Participatory Planning (Finland)	Involvement of the public in anti-crisis strategies
Micro	Ineffectiveness of management tools	Digital Management Platforms (Canada)	Integration of “Diia” with public finance management

The developed adaptive development trajectory for Ukraine enables a comprehensive assessment of the impact of global challenges on the effectiveness of the public administration system. At the macro level, it takes into account external threats such as economic instability, inflation, and debt pressure; at the meso level — institutional response mechanisms, state policy, and fiscal discipline; and at the micro level — specific tools for decision implementation, digital platforms, and public participation. This development trajectory provides a foundation for formulating strategies to enhance the resilience of Ukraine’s public administration system, its capacity for forecasting, self-correction, and effective interaction with both internal and external environments. It also opens opportunities for the phased implementation of international experience into the national governance framework.

Prospects for Public Administration Reform in Ukraine include:

1. Development of a unified national public administration strategy integrated with security and sustainable development goals;
2. Strengthening the institutional independence of key bodies, particularly in the fields of financial monitoring, strategic planning, and state auditing;
3. Advancement of public-private partnerships to attract innovative resources and enhance economic resilience;
4. Implementation of an indicator-based approach for assessing governance effectiveness using risk-oriented models.

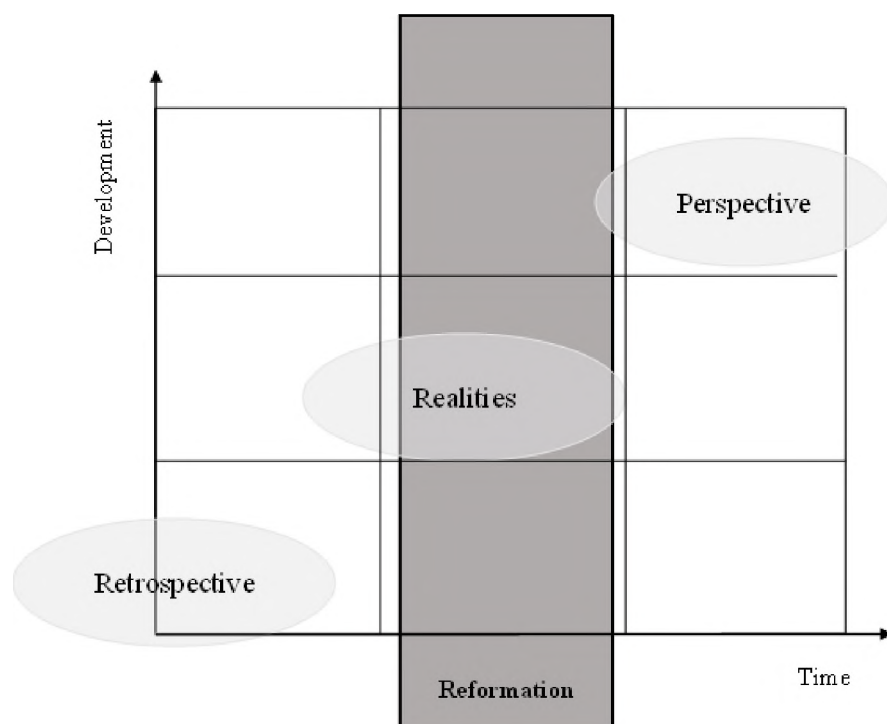


Fig. 2. Matrix Construction of Ukraine's Reform Scenario Plan

A positive example is the use of digital tools for public finance monitoring and policy evaluation based on open data — these instruments should be expanded to all levels of governance and linked to strategic planning systems.

Taking into account international experience, Ukraine possesses the potential to build a flexible, adaptive, and security-oriented model of public administration capable of functioning effectively under conditions of uncertainty.

Thus, public administration reform must be based not only on administrative restructuring but also on a profound reconsideration of its role as a system ensuring national security, economic stability, and social development.

Conclusions. In the current context of global turbulence—driven by economic instability, security threats, and technological transformations—the system of public administration requires profound structural transformation. A comparative analysis of international experiences (Finland, Canada, South Korea) and Ukraine's domestic practices reveals the necessity of transitioning from fragmented, reactive governance to a strategic, integrated, and adaptive model.

The scientific novelty of this study lies in the development of a three-tiered systemic model that enables comprehensive assessment of globalization challenges at the macro-, meso-, and micro-levels of public governance. This approach not only identifies vulnerabilities within the system but also facilitates the formulation of effective strategies for institutional resilience and administrative efficiency.

Key areas for reform include:

- the development of a unified national strategy for public administration aligned with security and sustainable development objectives;
- the implementation of digital platforms for monitoring public finance and decision-making processes;
- the expansion of civic participation in planning and evaluating public policy;
- the introduction of risk-oriented approaches to governance performance assessment;
- and the strengthening of institutional independence of bodies responsible for audit, strategic forecasting, and crisis response.

Thus, public administration in Ukraine must evolve into a coherent system capable not only of responding effectively to external shocks, but also of fostering a secure, stable, and forward-looking environment for national economic and societal development.

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