

інтересів. Важливо підкреслити, що зазначені критерії взаємопов'язані і вимагають комплексного підходу.

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REBUILDING UKRAINE IN THE LIGHT OF SCHUMPETER'S THEORY OF ECONOMIC DEVELOPMENT

Abstract. *The fundamental ideas of Schumpeter's innovation theory of economic development provide a convincing explanation of the role of new technologies in the restoration and possibilities of dynamic development of the Ukrainian economy after the war.*

In a speech in Lugano in July 2022, the President of Ukraine, Volodymyr Zelenskyi emphasized, "Rebuilding Ukraine is to restore the principles of life, to restore the living space, to restore what makes people human. Of course, this means construction, large-scale construction. Of course, this means massive funding and colossal investments [...] But it also means a new technological level [...] "[2]. The Russian war in Ukraine and the resulting economic crisis are an extraordinary challenge for future economic recovery. However, reconstruction should not be based on the reproduction of old socioeconomic institutions, standards, and remnants of the former policy before the war but should be fundamentally new, technological, and modern. The outstanding Austro-American economist Joseph Schumpeter emphasized the decisive role of innovations in economic growth, especially in the phase of the business cycle of a deep crisis. The fundamental ideas of Schumpeter's innovation theory of economic development provide a convincing explanation of the role of new technologies in the restoration and possibilities of dynamic development of the Ukrainian economy after the war.

The key premise of Schumpeter's theory is the conclusion that "the new, as a rule, does not grow out of the old, but appears next to the old, supplants it, and replaces all relations in such a way that the need arises for a specific process" [3, p. 4] of placing new technologies. Therefore, the structural restructuring of the economy foreruns the economic recovery. The next step is development, not a continuation of the previous one, but a new development generated by other conditions and new people. There are radical changes in the organization, functioning, and management of economic processes.

R&D and new technologies should become the driving force of Ukraine's economic recovery. After all, history has proven that post-war reconstruction is impossible without new combinations of resources being used, new specialists, entrepreneurial activity, investments, and international financial support. According to Schumpeter, the crisis is a phase of the economic cycle when new opportunities and approaches for the gradual restoration of economic growth on "new tracks" appear. Schumpeter noted that crises are events that stop previous economic development, and renewed development is a new development, not just a continuation of the previous one. This new development has to be ensured by entrepreneurs who, at their peril and risk, implement new combinations of available resources or new management approaches. Moreover, they are most important in conditions of deep decline and depression. Only a few people have such leadership qualities, and only a few can succeed in such a situation when there is no boom yet. The logic is that the appearance of one or more entrepreneurs will promote the emergence of other businesspersons, and then – the arrival of the next ones in increasingly large numbers.

In the pamphlet "The Crisis of the State Based on Taxes" (1918) [4], Schumpeter wrote that the post-war reconstruction of the economy was impossible without strong state regulation. However, its activities should focus on stimulating entrepreneurial activity in addition to a balanced fiscal and monetary policy. Devoid of any restrictions on the part of the state authorities, private businesses are essential means of achieving stability and gradual recovery. For instance, the Ukrainian state implemented many anti-crisis measures to liberalize taxation during the war. Reduction of excise tax rates and VAT, the introduction of a single tax of 2% for many enterprises, the administrative burden on taxpayers easing, the deregulation of business, and the relaxation of tax control helped the businesses to survive the shock from war. At the same time, the Global Business for Ukraine, Ukraine Invest, and United for Ukraine platforms are organized, the main task of which is to introduce investment opportunities and attract international businesspersons to invest in the development of various branches of the Ukrainian economy.

For example, we should highlight the trend of increasing investment in the venture business, which is considered the most innovative and, at the same time, especially during the war, very risky. An illustration of the trend was the number of investments, which reached almost 200 deals during 2022-2023. Moreover, if compared with 2021 – the last year before the war, their number has almost doubled.

The total amount of investments in projects with Ukrainian roots during the year of the war exceeded \$880 million. The Ukrainian ecosystem has already produced 7 unicorns. The latter – Unstoppable Domains and Airslate – received such an assessment already after the start of the war. The main industries that attract venture capital are fintech projects and technologies built on the blockchain. As D. Kuzmenko, executive director of UVCA (Ukrainian Venture Capital & Private Equity Association), notes: “The Ukrainian ecosystem is one of the most promising, it provides an opportunity for the development of successful technological and innovative projects and businesses from around the world. A large number of global teams have R&D offices and support in Ukraine. And this number is increasing” [5, p. 10].

The dynamics of post-war economic development is impossible without innovation. Not only in the sense of new technologies but also changes in management, reforms, education, reconstruction, and economic growth, which will reflect the pace of rebuilding. And how fast it will be depends on the innovative approach to all spheres of life in society, not only the economy.

But at the same time, as Schumpeter noted, the role of the state will remain decisive in economic recovery. The economic principles of the period immediately preceding the war will be applied to postwar problems – being consolidated and developed, revised and extended, according to circumstances. In this case, the policy of income-generating public expenditure would be continued, first in order to prevent or mitigate the postwar slump and after that as a permanent device for regulating the pulse of the nation's economic life. [1, pp.122-123]

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