

URBAN DEVELOPMENT PROBLEMS IN UKRAINE IN THE POST-WAR PERIOD

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The paper is devoted to the research of urban development problems of Ukraine in the postwar period. To determine them, a retrospective analysis of the prerequisites of urban development was carried out to identify its features in Ukraine, particularly those related to state rural policy and its influence on urbanization. Particular attention was paid to studying the results of the decentralization reform achieved before the war, namely increasing local budget revenues, involving the population in decision-making, and improving public service in communities. The paper emphasizes that the incomplete reform due to the outbreak of a full-scale war, the district and regional levels of governance remained unreformed. The strong influence of the state on urban development can cause contradictions and imbalances in the public administration of post-war Ukraine.

The paper also researches the leading trends in the urban development of Ukraine. Based on the heterogeneity of Ukrainian regions, all Ukrainian territories are grouped depending on the military situation to understand the current situation better. For each of the groups of regions, current urban development problems and main trends are identified: for regions where there were no hostilities, these are social and humanitarian ones related to the integration of internally displaced persons; for the de-occupied territories, it is the restoration of destroyed housing and infrastructure; for territories that have been under occupation for a long time - a comprehensive restoration of the regions. It has been assumed that regional imbalances in urban development will remain and may even intensify. Thus, the western and central territories received a new impetus to growth, while the eastern and southeastern regions may need to be more attractive for life for a long time.

As a result of the systematization of the whole complex of urban development problems in Ukraine after the war, it is proposed to combine into the following groups: transforming society's worldview and values associated with the final deprivation of influence of the russian-soviet totalitarian past in managing their daily lives; organizational and institutional changes related to the implementation of state policies (regional, rural, urban, agricultural, environmental, etc.); attraction of financial and economic resources for recovery, problems of their effective use and control over these processes; overcoming the socio-demographic crisis by creating conditions for the return of Ukrainians to their home. Each of the problems is studied in detail, and its possible impact on the development of Ukraine is assessed. The paper concludes that it has been established that all of them are related and require complex solutions. Thus, a change in worldview affects the formation of public policy, public policy, and the effectiveness of attracting and using financial resources. All this will be impossible without overcoming the socio-demographic crisis and restoring Ukraine's human capital.

Key words: *urban development, urban development problems, Ukraine, russian-Ukrainian war, territorial communities, urban policy, post-war period, recovery of Ukrainian settlements*

1. Introduction

During the last century, urbanization has accelerated in many countries. At the beginning of the 21st century, the urban population exceeded the rural for the first time in the history of humanity. Today, the average world level of urbanization is 56 %, and

in some countries, such as European, it exceeds 70 %. On the one hand, urbanization contributes to sustainable economic development through increased productivity and innovation. More than 80 % of global gross domestic product is generated in cities. On the other hand, unsustainable sprawl cities put pressure on land and natural resources, resulting in undesirable outcomes. Cities represent two-thirds of global energy consumption and account for more than 70% of greenhouse gas emissions (Global Platform for Sustainable Cities, 2020).

Ukraine, a European country mentally and culturally, had similar urban processes during the 20th century related to population concentration, mainly in large cities. Today, the level of urbanization in Ukraine is 68 %. There are large agglomerations that join enormous resources not only from the surrounding settlements but from other regions country. Such a high level of urbanization in Ukraine exacerbates disproportions in the development of Ukraine, as 95.5% of its territory remained rural and specialized in agriculture. Due to some historical, political, and social prerequisites, Ukrainian rural territories have a lower living level and less accessibility to the most quality services.

Ukraine has been actively implementing decentralization reforms in various spheres of territorial community life over the past decade to create equal conditions for developing all settlements and equalizing the quality of public services. The reforms remained incomplete due to the outbreak of a full-scale war, many achievements were crossed out, the settlement network ¹ in many regions changed forever, and Ukraine was thrown back in its development for many years.

After the war, simply the resumption of reforms will not be enough. External risks to public safety acquired by Ukraine will require a complete rethinking of urban development. The difficulty in finding solutions is because the war in Ukraine is recognized as one of the most devastating in Europe since World War II. There is no experience in overcoming its consequences. Ukraine will have to look for its ways, which will be based on a return to its centuries-old traditions of urban development. To do this, it is necessary to start to search for solutions by identifying problems and assessing the leading trends before the end of the war.

The paper aim to define the main urban development problems of Ukraine in the postwar period by analyzing the preconditions that prevailed before the full-scale war and current leading trends in this sphere.

To do this, we must answer the following research question:

- 1. What are the prerequisites for urban development in Ukraine before the full-scale war, and what are the current trends in this sphere?*
- 2. What will be the main problems (challenges) for the urban development of Ukraine in the post-war period?*

¹ A settlement network is a social-territorial structure of the state, a set of settlements located on a territory, united by shared historical and cultural traditions and everyday economic and social life. The term is widely used in Ukrainian science and public administration.

2. Past: peculiarities of urban development in Ukraine in the pre-war period

Natural and climatic conditions contributed to the settlement of the territory of Ukraine since primitive times. As a result of the successful geographical location of Ukraine, over time, many settlements developed into robust trade and craft centers. More than a thousand years ago, in the Scandinavian sagas, Kyivan Rus was called the Land of Cities – Gardaryk, Gardariki (isl. Garðariki, Garðaveldi; old swede Gårdarike – "cities," "country of cities") (Anon., 1895. The Saga). By the 13th century, there were already mentions of about 300 Ukrainian cities (for comparison, today, there are 461 of them).

Despite the development of cities, most of the population of Ukraine (over 80 %) lived in rural areas until the 20th century. (Goncharenko, 2013). In the 17 – 20th centuries, caused by the development of agriculture, the hamlet's settlement system spread in Ukraine. Over time, many of the hamlets grew into full-fledged villages. In the 1930s, due to mass collectivization, the hamlet's system was reduced in the eastern part of Ukraine, after the Second World War – in the western part. So, at the beginning of the 20th century, there were more than 226 thousand hamlets; in 1959 – about 7 thousand.

In our opinion (Moroziuk, 2014), the most significant damage to the development of the modern settlement system of Ukraine was caused by the policy of the so-called "unpromising villages." In the 1950s, small villages with several hundred inhabitants were annexed to the nearest villages and then deregistered. Their social institutions (hospitals, schools) were liquidated. They gradually declined, migration processes increased, and their population decreased. Over time, it turned out that settlements recognized as "unpromising" quickly degenerated. However, the so-called "central estates" did not develop either. Besides, active urbanization processes did not contribute to the development of rural administrative centers. Peasants preferred life and work in cities.

As a result, over the past 60 years, 13.5 thousand rural settlements, or every third village, have disappeared from the map of Ukraine. At present, the reduction of them has slowed down. In 1990 – 2000 the annual decrease in settlements was 65, and in recent years – about 15 – 20 in a year. A usual consequence of reducing the number of them is an increase of more than 5.2 times the average distance between settlements. Also, the indicator of the average number of inhabitants per 1 rural settlement decreases. It was 445 persons in 2021. According to research on rural territories in Ukraine in 2009, up to 40 % of settlements were small villages, including 23.9 % hamlets (with up to 100 inhabitants). Medium-sized villages (200 – 500 inhabitants) occupied 20.8 % of the settlement network, and large villages occupied about 18 %.

In the 1990s, the policy of "unpromising villages" was abandoned. In particular, the restoration of hamlets began by separating them from villages and accounting for them as independent settlements. Those that have survived are now becoming an essential form of settlement. However, former "unpromising villages" are usually small today; they are complicated to return to life. The concentration and industrialization of agriculture led to the loss of many production functions by small settlements, narrowing the production sector and reducing the need for labor resources. These

villages it is outside the production process, accelerating extinction. Besides, the infrastructure in such settlements requires significant investments.

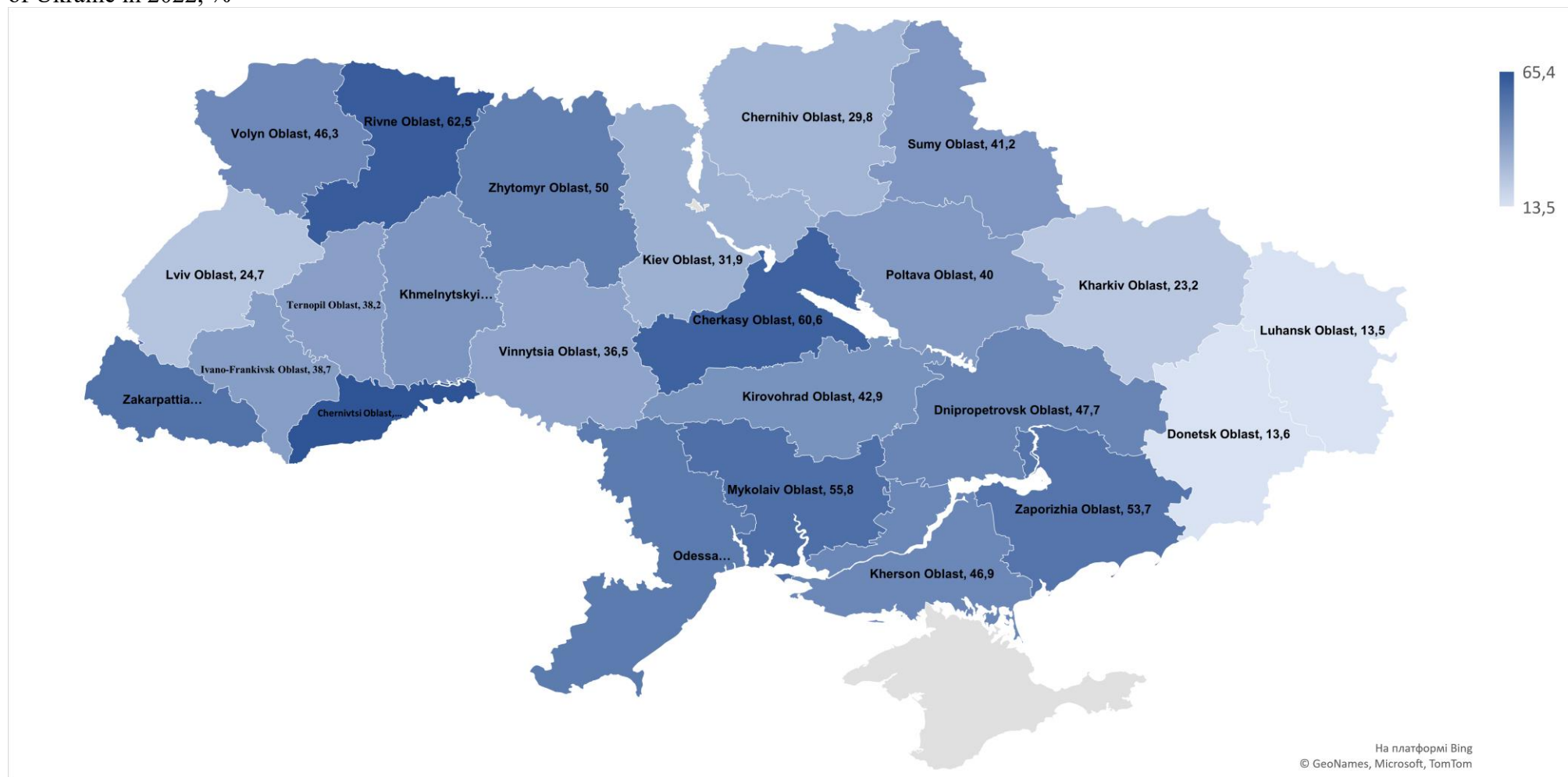
Although the need for the development of each settlement is emphasized, domestic legislation, in particular building codes, stipulates that the prospects of each settlement, regardless of the number of inhabitants, are determined by the place it occupies in the settlement system, territorial organization of production, and social infrastructure. This affects decision-making when financing development projects. Public authorities of Ukraine are trying to investments to large cities, encouraging further urbanization.

Since 1991, with the restoration of Ukraine's independence, the development of its territories has been associated with the formation of local self-government and the reform of the administrative-territorial structure. (Verkhovna Rada of Ukraine, 1997. Law on Local Self-Government”), it does not determine their legal status. Chaos in the development of territories adds to the fact that there are village, settlement, and city councils, along with administrative-territorial units. In practice, they have the status of administrative-territorial units because the Decree of the Presidium of the Verkhovna Rada of the Ukrainian SSR "On the procedure for resolving issues of the administrative-territorial structure of the Ukrainian SSR" of 1981 is still valid in Ukraine. Thus, according to the decree, only some settlements are independent administrative-territorial units because the practice of forming village councils that unite several settlements is widespread. (The Presidium of the Verkhovna Rada of the Ukrainian SSR, 1981).

Such differentiation of settlements until 2021 affected the formation of local budgets, the amount of taxes that remained in communities, the wages of communal employees, and the interbudgetary transfers (Verkhovna Rada of Ukraine, 2010. Budget Code; Verkhovna Rada of Ukraine, 2010. Tax Code). Most opportunities to fill budgets had cities of republican and regional significance, and village councils received the least resources. That is, the distribution of resources took place in favor of large and medium-sized cities (for reference, in Ukraine, almost half of the funds of the general (consolidated) budget of Ukraine are redistributed through local budgets). Instead, the vast majority of local budgets of village councils were subsidized.

The decentralization reform, which started in 2014, was intended to streamline the local governance (Cabinet of Ministers of Ukraine, 2014. Concept of reforming local self-government). The reform made it possible to form a capable institution of local self-government at the primary level – territorial communities with sufficient powers and resources for implementation. In 2020 1469 communities were created (before the reform began, there were 11250 communities in Ukraine; of these, 88% were rural). Most of the communities were formed on the "one district – one community" principle. They have the center in the city, which was (or is) the district center. More than 60% of villages became part of urban communities (fig. 1). A new "administrative formation" of urban communities with rural areas emerged in Ukraine.

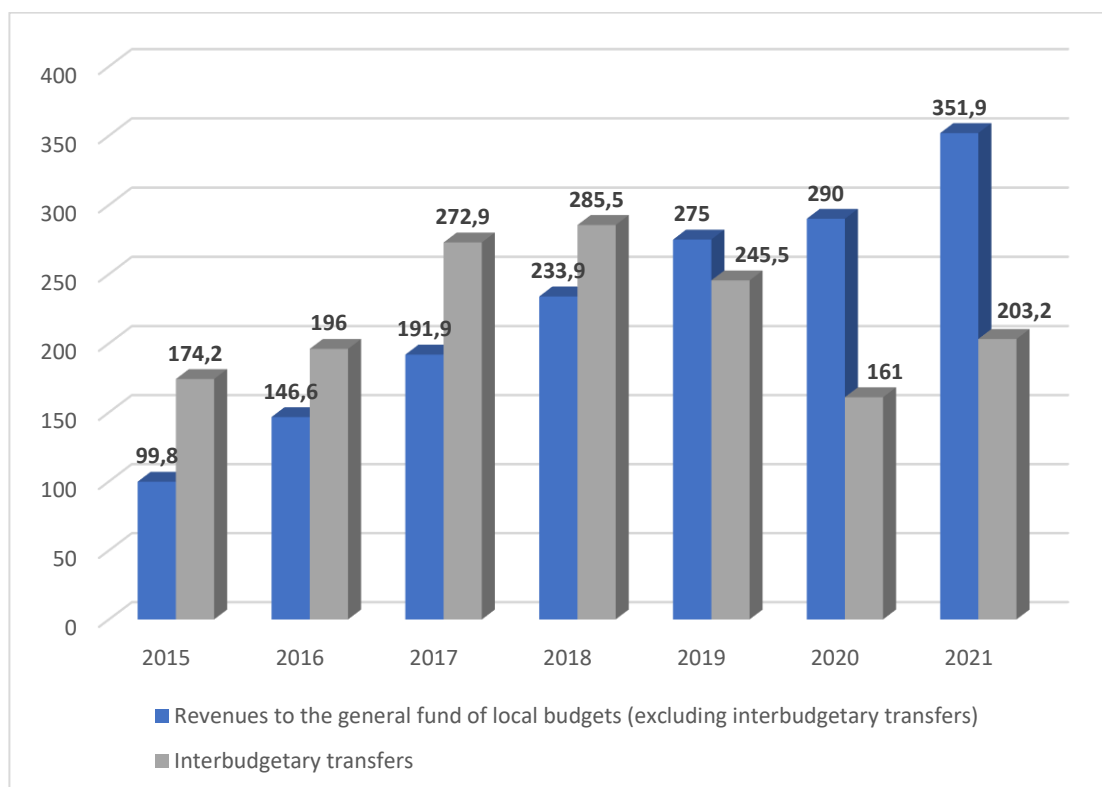
Figure 1. The share of territorial communities with an administrative center in the village in the total number of newly created territorial communities of Ukraine in 2022, %



Source: (Decentralization, 2023)

The success of the reform was to increase the communities' financial resources. For the first time in 2019, the number of revenues to the general budget exceeded the size of interbudgetary transfers (fig. 2). From 2015 to 2022, local budget revenues increased 3.5 times. The biggest winners were small rural communities with businesses registered on their territory.

Figure 2. Dynamics of revenues to the general fund of local budgets of Ukraine in 2015 – 2021 (pre-war period), billion UAH



Source: (Ministry of Finance of Ukraine, 2023)

Also, much attention was paid to involving the population in decision-making in the decentralization reform. It was the focus of international donors who helped communities implement tools of direct democracy: the creation of public advisory bodies, regular public opinion polls by local governments, public hearings, the development of communication strategies, and strengthening the organizational capacity of various local non-governmental organizations. It should be noted that those communities where local authorities have managed to activate the population and build a dialogue with them were more successful.

The problem that remained was at the district level. The district authorities were reorganized. They needed funding sources. Their powers and the procedure for interaction with territorial communities still needed to be fully defined. In 2022, this issue was to be finally settled at the legislative level. War brought centralization back in government; in many communities, power passed to the military, and in some settlements in the war zone, the activities of local governments were suspended. The population's involvement in decision-making and access to certain information is also limited. The strong influence of the state and law enforcement agencies, especially in

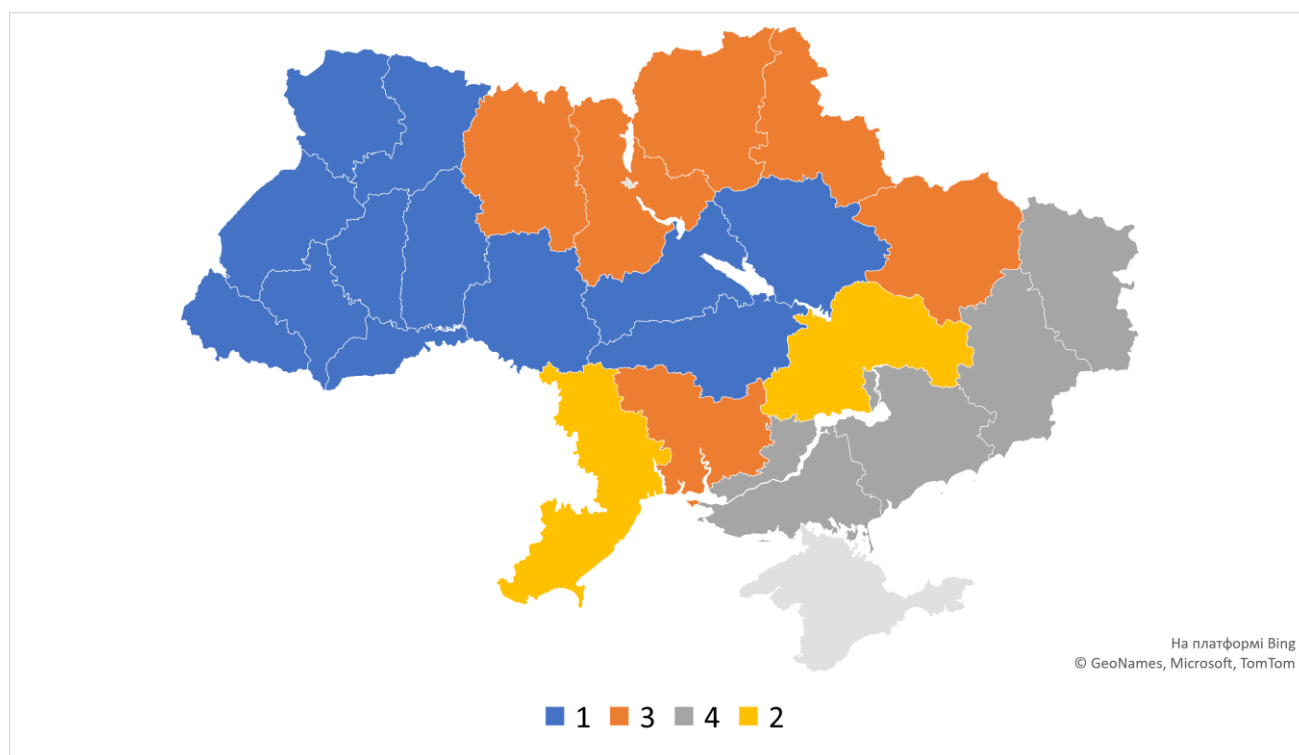
the border areas, will continue after the war's end, which will require a revision of urban development models and the search for a new balance between the interests of communities and national security.

3. Present: assessment of urban development during the war

Like any large country, Ukraine has regional disproportions in urban development. Today, these imbalances are due to the military situation. For a better understanding of the current urban development situation, we divided all regions of Ukraine into four groups:

1. *Regions where there were no hostilities (central and western regions);*
2. *Regions with no military actions but close to the zone of active hostilities (Odesa and Dnipropetrovsk region);*
3. *De-occupied regions (Kyiv, Chernihiv, Sumy, Kharkiv, Mykolaiv, and part of Kherson region);*
4. *Regions that are temporarily occupied and where active hostilities occur (Donetsk, Luhansk, Zaporizhzhia, the part of Kherson region, the Autonomous Republic of Crimea) (fig. 3).*

Figure. 3. Distribution of regions of Ukraine military situation in 2023



Source: (Cabinet of Ministers of Ukraine, 2023. Government portal.)

1. Regions where there were no hostilities. The regions are mainly rural. So in the Lviv region, the number of villages per 1 thousand km is 85; Ternopil and Khmelnytsky – are 74 and 69; Poltava region is 75. (for reference, the average value for Ukraine is 50). Also, the share of the rural population in the regions is the highest

in Ukraine: in Zakarpattia (62.9%), Chernivtsi (58.7%), Ivano-Frankivsk (56.9%), and Ternopil (56.6%). There are the youngest population and potential for demographic reproduction. Because of the lack of industry, these territories had more comfortable environmental conditions for life (Moroziuk, 2014).

Most settlements in the regions were dependent on agriculture. In 1990th with the decline of collective agricultural enterprises, many villages faced a deep socio-economic crisis. As a result, a high unemployment rate and lower compared to the average Ukrainian level of income and living forced peasants to leave their settlements in search of work. Today, the settlements in the regions have received a new impetus for development. It was here that 800 enterprises from the combat zone were relocated, 623 enterprises are already operating at the new location (Ministry of Economy of Ukraine, 2023).

The main challenge for the urban development of the regions is social and humanitarian problems related to internally displaced persons (further – IDP). Their number is about 7 million people (Ministry for Reintegration of the Temporarily Occupied Territories of Ukraine, 2023), and we should expect to increase them due to the increased shelling of civilian infrastructure. Most internally displaced persons return home after the security situation improves despite the destruction. However, IDPs from the eastern regions are more inclined to remain in new communities for permanent residence. Because communities will face the task of long-term reintegration of such persons.

There were hits on critical, civil, and transport infrastructure among the so-called rear settlements, with no active actions. They are located throughout Ukraine, and their number is constantly increasing. The main challenge for their urban development is restoring shattered infrastructure and protecting their employees and civilians. It is the priority of the state that will ensure this.

2. Regions with no military actions but close to the zone of active hostilities were urbanized. The administrative centers of the regions are cities almost with millions of inhabitants: Odesa and Dnipro. The regions are economically developed. There are many important industrial facilities and concentrated large agrarian capacities. They allowed communities to provide high revenues to local budgets, attract investment from various sources, and actively develop public services for their inhabitants.

Urban development problems of the regions are the population outflow due to danger and destruction of economic potential, infrastructure, and housing. The situation in the regions will depend on the war situation. Full recovery will be possible after the end of hostilities.

3. De-occupied regions have destroyed settlements, and loss of population, decreased economic activity, and environmental degradation. Before the war, the regions were different in urban development level. So, Kyiv and Kharkiv are the two largest cities in Ukraine and centers of large agglomerations. Sumy and Chernihiv regions are depressed, and a dispersed form of settlement is widespread on the territory. They had the fastest rates of population decline – more than 2 % per year. Kherson is a typical agrarian region essential in providing Ukraine with food, such as fruits and vegetables.

The biggest problem of de-occupied regions is the destruction of housing and infrastructure of settlements. In early 2023, according to preliminary estimates by the Ministry for Communities and Territories Development Ukraine, more than 2.4 million persons have destroyed or significantly damaged housing (Ministry for Communities, Territories and Infrastructure Development of Ukraine, 2023). According to the Ukrainian Parliament Commissioner for Human Rights, the number of Ukrainians who have lost their homes and property is 4.5 million persons (Ukrainian Parliament Commissioner for Human Rights, 2023). There are more than 149 thousand destroyed buildings, of which 131.4 thousand are private houses, 17.5 thousand are apartment buildings, and 280 are dormitories. According to satellite images, most of the destruction was recorded in the three northern de-occupied regions of Kyiv, Chernihiv, and Kharkiv, and in two regions where hostilities occur: Donetsk and Luhansk. Some settlements in the regions are destroyed by more than 70 %.

Despite the de-occupation, these settlements are in the border zone with the enemy or border on the temporarily occupied territories. Attacks in these areas continue, causing further damage to infrastructure, housing development, and businesses. The threats will continue, and losses will grow. However, in the case of security, most of the settlements will quickly resume their socioeconomic activity before the pre-war period. It confirms the experience of the northern regions, which were de-occupied in 2022. People returned immediately after the removal of restrictions on movement by the military (even to destroyed settlements). For example, in a year, out of 353,000 people who left since the beginning of the war, 248,000, or 70.3%, returned to the Kyiv region. Since the beginning of the war, 57 enterprises have stopped work in the Sumy region, 47 of which have already resumed work (President of Ukraine, 2023).

For the de-occupied territories, the issue of environmental degradation and environmental pollution is very acute. As of September 1, 2022, the State Environmental Inspectorate recorded 330 events posing a threat to the environment in Ukraine. Some losses of natural ecosystems and unique natural objects are no longer recoverable; restoration of other losses (soils, forests, natural resources of flora and fauna in some territories) will take decades (Kyiv School of Economics, 2022). As a result of hostilities, 812 protected areas of Ukraine with an area of 2.5 million hectares were endangered, which is about 20% of the area of all protected areas of Ukraine. However, the final damage to the ecosystem can be assessed only after the end of the war.

4. *Regions that are temporarily occupied and where active hostilities occur* (it is necessary to distinguish between the temporarily occupied territories from 2014 and the territories from 2022). The regions had significant hyper-urbanized areas with high ambient air, water, soil, and food pollution levels. It was here that many industries dangerous to the life and health of the population were located.

Despite the industrial potential cities in the Donetsk and Luhansk regions, in 2012 – 2013, up to 40% of the population received various social benefits from the state. It was the highest figure in Ukraine. Settlements of the regions have lost their economic potential, especially the territories occupied since 2014. Ukrainian researchers calculated that for the entire period from 2014 to 2018, the regions lost

about UAH 1.2 trillion, or \$ 51 billion (Centre for Economic Strategy, 2018). The regions will feel the consequences of the socio-demographic crisis for quite a long time. Only some destroyed settlements will return to life, tiny ones. However, the regions can become the best world experimental platform for implementing various architectural concepts to reconstruct settlements and develop urban development concepts.

As for the settlements of Zaporizhzhia and Kherson regions, they, like the rest of Ukraine, were actively developing; these regions were pilots for some international programs, which contributed to rethinking their urban development, activating the population, and improving the provision of public services. As for the Autonomous Republic of Crimea, if there is no destruction during the retreat of the Russian army, where the unique recreational potential of the peninsula will allow it to restore economic activity quickly. This region is attractive for investment. There will be many issues related to the restoration of justice and the return of confiscated property to their rightful owners. Regarding the demographic situation and the return of people, it is challenging to predict the situation because, in 9 years, people began their lives in a new place.

4. Future: challenges for Ukraine's urban development in the postwar period

Based on the research described above in this paper, we can conclude that the main challenges for urban development in Ukraine after the war will be transforming society's worldview and values; organizational and institutional changes; attraction of financial and economic resources for recovery; overcoming the socio-demographic crisis.

Challenge 1. Transformation of the worldview and values of Ukrainian society.

This war is called a war of values and worldviews. Since its beginning, Ukrainian society has evolved significantly. It is finally removing the ghosts of the Soviet past in all spheres of life. The European identity of Ukrainians has strengthened during the war year – from 3.6 to 6.4 points (0 means that a person does not feel European at all, and ten means that person feels absolute). Instead, identification with "Soviet people" has weakened – from 2.9 to 1.1 on a similar scale. Also, for the first time in the modern history of Ukraine, most Ukrainians realized their own national identity. If in 2021, 55% of respondents believed that Ukrainians and Russians were not one people, then in March 2022, there were 77 % of them. In April – 91% (Sudyn, 2023), in some regions where hostilities were active, this figure is 99%.

The war showed a high level of Ukrainians' ability to self-organize their lives, and self-help, even in areas where local authorities could not perform their functions. In Ukraine, there has been an unprecedented increase in solidarity and trust in each other. In 2022, 51% of Ukrainians joined volunteering in one way or another, 58% donated for humanitarian needs, and 78% of respondents donated money to the Armed Forces of Ukraine.

Preserving and enhancing these values can become the basis of a new post-war urban development strategy. It strengthens local self-government and civil society institutions, provides territorial communities powers to participate in solving everyday life issues in their settlements, and makes them real subjects of its development. Instead, the state administration system has chosen a different urban development strategy, linking further with preserving influence on local self-government bodies and expanding to all spheres of community life. It is indicated by recent changes in the legislation of Ukraine, according to which community residents are removed from making and monitoring decisions on the restoration and development of their settlements (Verkhovna Rada of Ukraine, 2022. Law on the Principles of State Regional Policy).

Besides, in the Ukrainian practice of public administration, as 100 years ago, a community continues to be considered a territory where a set of settlements is located, with an administrative center that is a city (usually, it was or is the center of the district). It is also considered the center of the social and economic life of the community, where inhabitants go to work, shop, and receive various services. It is here that public funds are directed to the development of social infrastructure. The public transport system is built so that there is always a connection with this community center, but there are no such connections settlements each other. The surrounding areas remain the resource base for the city's development—the community's administrative center. The functions of rural areas are built mainly with the use of land and the functioning of agricultural production.

It can be argued that in the 21st century in Ukraine, urban development is perceived through the prism of industrial society, typical for developed European countries in the 1950s – 1960s. Since the end of the 20th century, with the transformation of the economy, Europeans is a reconsidering the role of cities, and agglomerations, not only as points of growth where resources and production are concentrated. More and more attention is focused on the comfort of living conditions in harmony with the environment. Rural areas began to be perceived as a more comfortable, environmentally friendly, safer, and cheaper places to live in. Besides, in European science (Westlund, 2023) and politics (Anon., 2007. Leipzig Charter), urban and rural areas are not considered separate settlements, but the importance of establishing a connection between them and building networks for a harmonious, balanced development whole territory of the region is emphasized.

So, we can conclude that if Ukraine does not worldview changes in urban development management, it will lag behind Europe for at least 80-100 years. But it should also be remembered that the unique historical and political conditions and socioeconomic dissimilarity with other countries, Ukraine needs to develop its concept of urban development, which, on the one hand, will consider the European experience, and on the other hand, will preserve ancient Ukrainian traditions.

Challenge 2. Organizational and institutional changes in urban development.

The worldview changes have revealed a crisis in the institutional system of urban development, which is not related to the presence or absence of institutions, but to the policies they pursue. Communities are subject to various policies (regional, rural

development, environmental, educational, medical, and cultural) that may not agree with or contradict each other. The state authorities are trying to continue to replace the comprehensive community development policy with the state regional policy, forming it from top to bottom, preventing the influence of local self-government bodies from forming it. Instead, according to the European experience, state regional policy should focus on overcoming regional disproportions, directing the population's level and quality of life. Territorial communities should be able to develop and implement their policies.

Along with regional policy in Ukraine, there is a separate rural development policy in parallel and continues to be regulated by the Ministry of Agrarian Policy of Ukraine. As part of the implementation of the provisions of the Rural Development Concept, state authorities and local self-government bodies are implementing measures aimed at improving the quality of life of the rural population, protecting and conservation of natural resources in rural areas, diversifying and developing the rural economy; improvement of the rural management system; information and consulting support. It is reduced to activities related to agricultural production and processing of agricultural products.

As for urban policy, this is a new phenomenon for Ukraine, which began to be actively discussed after the signing of the Leipzig Charter (Anon., 2007. Leipzig Charter) in 2016. Communities began to understand that urban development policy is more than urban planning, construction, or traffic regulation. It includes the development of public spaces, social interaction, and involvement of residents in decision-making processes. These are also relatively new topics: environmental protection, prevention, and adaptation to climate change. In Ukraine, they all already exist at the level of initiative.

In Ukraine, urban integrated development is used, but they are used only for large cities. The cities, lobbying only for their interests and competing with each other for resources, often forget about the villages that are part of the same community with them. Such discrimination deepens mistrust and hostility between settlements. It does not contribute to establishing cooperation between them for a harmonious, balanced development of regions.

Considering the specifics of the formation of communities in Ukraine, which combine both rural areas and urban settlements, the policy of their development is a symbiosis of urban and rural development elements. Because of this, the rural and agrarian development policy, which the Ministry of Agrarian Policy Ukraine is currently implementing, needs to be revised. The development of rural settlements will not be so closely connected with agricultural production. It should be noted that 8.7 million persons aged 16 – 60 years live in rural areas, and the number of employed is 4.9 million people, of which only about 0.5 million are hired workers in agricultural enterprises (State Statistics Service of Ukraine, 2023).

Thus, the rural component will be part of the community development policy. Agricultural policy should be consistent with this policy since the development of most of the territory of Ukraine will continue to be associated with the agricultural sector, which will affect the living space of the population. However, it will not shape the labor market and the material well-being of peasants. It should be remembered the agri-food

potential, which may be interesting for investment, especially those niches that, due to unavoidable circumstances, are not filled in the EU. The potential is in the processing of products and the supply of finished products, which can give impetus to developing individual agricultural territories.

Sectoral policies, the procedure for their discussion and coordination with the interests of communities, and mechanisms of community influence in case of violations need to be revised. A striking example is environmental policy. Today, no attention is paid to environmental problems at all. This is evidenced by the analysis of the adopted development strategies, where only some environmental projects are financed on a residual basis. Communities do not influence solving environmental problems.

Restructuring policies will help streamline funding programs. It will allow territorial communities to decide where to direct funds and which areas are best developed. Today, state authorities are trying to impose a list of strategic documents and programs the community must develop. It should be said separately about the recovery plans that state authorities are obliged to create for all communities, spending their resources. It should be noted that they are only needed by some regions. Thus, it is enough to update strategic documents and develop or amend programs in territories with no hostilities. There are enough reconstruction projects in communities with hits and random destruction. The same applies to communities that have been de-occupied, which do not have complex destruction.

As for settlements that have significant destruction ultimately, comprehensive reconstruction plans and new master plans are usually needed. Developing various economic mechanisms for the de-occupied territories that will stimulate business returns to these territories and attract new investments is essential. Complete regional recovery strategies and special regimes require territories under occupation for a long time and have destroyed settlements.

Recovery and reconstruction plans are essential to developing them with the involvement of inhabitants, who usually bear the burden of costs. Since no country has such experience today, foreign experts should be involved in developing macroeconomic policies. On the local level, they can only help in moderating processes. The "military experience" of Ukrainians radically changes their needs, interests, values, life priorities, and requirements for living space. The last word should be given to the inhabitants of the de-occupied territories.

Challenge 3. Attraction of financial resources for the restoration of settlements. The organizational and institutional transformations will affect the effectiveness of attracting and using financial resources for the postwar restoration Ukrainian settlements. World Bank estimates direct losses in the controlled territory are more than \$ 411 billion, corresponding to Ukraine's GDP for two years in the pre-war period (Cabinet of Ministers of Ukraine, 2017. National Report "Sustainable Development Goals"). Today, the leading financial burden for the reconstruction of settlements is borne by people who suffered and local governments. Without waiting for the war's end and reparations, people restore their housing, and local governments rebuild communal infrastructure. The state only actively documents the damage and sometimes helps owners prepare destroyed objects for winter.

Although large-scale reconstruction has yet to begin, many problems and disagreements have already emerged that need to be resolved by the state. So, large cities and small settlements have different financial opportunities. For example, the budget of Kyiv is \$ 1.8 billion; Irpin, which was destroyed by more than 70 %, only \$ 27 million; Gostomel council, which includes settlements on the line of hostilities, and the destruction reaches 80 %, only \$ 10 million. The situation with rural settlements is even worse, with a budget of at least 1 million, and destruction can reach 90 – 100%. In addition, large cities are better known worldwide and have more opportunities to attract resources from outside.

Better position are the owners of multi-apartment houses who can combine their resources than in private houses, whose owners are forced to solve issues with dismantling, removal of construction waste, development of a new project, obtaining permits, and construction of new housing. Owners of private houses will not be able to freely take compensation and move to another place or choose an accessible place of residence because the plot under the house is usually in their private ownership. Hoping for the sale of, except for the capital and near large cities, at the market price is not worth it. The purchase of such plots by the state or the Greeks is not expected.

Assistance is currently provided in the form of building materials. However, owners still need quite significant funds to inspect the house and obtain conclusions about its suitability for reconstruction, develop the necessary projects, and pay for the services of builders. In the case of the construction of a new building, the problem is to obtain all permits and subsequently put them into operation. Suppose there are thousands of such houses in the community. In that case, this can delay the reconstruction process for years, even if funds are available. Therefore, it is necessary to review and optimize procedures in urban planning thoroughly; assess this area for corruption risks that increase the cost of the reconstruction process and place an additional financial burden on homeowners.

It is essential to develop clear, understandable criteria for prioritizing the reconstruction of housing and infrastructure. Discussing this with the locals themselves is essential to listen to their opinion. If necessary, the state should determine priorities for financing, limit the expenditure of funds by local budgets and direct them to reconstruction. It is essential to ensure absolute equality of communities in obtaining resources. To overcome the imbalances, the experience of Croatia may be enjoyable in addition to the economic recovery of regions that were in the rear and less affected by the war, as well as special regimes for the affected territories.

Challenge 4. Overcoming the socio-demographic crisis. One of the biggest threats to the future of urban development is the non-return of refugees who have moved abroad. As of 1 February 2022, the current population of Ukraine (without temporarily occupied territories) was 41.1 million persons (State Statistics Service of Ukraine, 2023). The Office of the United Nations High Commissioner for Refugees notes that there are 5.12 million people in Europe with temporary protection status in Europe as of 25 May 2023 (The Office of the United Nations High Commissioner for Refugees , 2023). In late 2022 – early 2023, more than 80 % of Ukrainians in European countries expressed their intention to return to Ukraine. Among those who will stay for

permanent residence are young people who study in foreign higher education institutions or are already working. There is also a threat of non-return of highly skilled workers who are competitive in foreign labor markets, adapt sufficiently to new countries, and can count on better working conditions than in Ukraine. Another category of citizens who can stay abroad is the families of Ukrainian "migrant workers" who came to their husbands who have lived and worked abroad for a long time.

Stabilizing the demographic situation and population requires an effective state demographic policy to achieve each family's economic, social, and environmental well-being. The long-term implementation goal requires systemic changes in the legal, political, mental, cultural, economic, social, informational, and other spheres. Ukraine has embarked on the path to achieving this goal. Based on survey (EWL Migration Platform, Centre for East European Studies, University of Warsaw, 2022) of Ukrainians who went abroad about their intentions to return to Ukraine, it can be concluded that in the short term, quantitative preservation of human capital should focus on three key areas: security, restoration of normal living conditions, and employment.

Of course, ensuring completely safe conditions for life and health is only possible at the war's end. There are even suggestions that hostile neighboring countries may cause damage even after the war. It requires not only military decisions but also a transformation of urban space: the availability and accessibility of bomb shelters, the construction of housing considering military threats, and the establishment of an alert system, especially in small and remote settlements. Local authorities should have clear algorithms of action in case of threats, and the population should have clear instructions. These actions should not only be developed on paper but brought to automatism through educational activities.

The second key reason for non-return is the loss of housing and the destroyed infrastructure of the de-occupied settlements. Mechanisms for reimbursement of costs for destroyed housing are still being developed, but most likely, they provide for a free choice of residence on the territory of Ukraine. As a result, there will be an increase in regional disproportions in the resettlement of the population, as people will try to buy housing in safer communities. It applies primarily to people from the eastern regions, who are already beginning to plan their future outside their communities. Therefore, it is already apparent today that some settlements in the eastern part of Ukraine are unlikely to be restored. A faster recovery of socioeconomic activity should be expected in the northern regions, especially the capital region. Even in case of non-return of some residents, their place will be taken by immigrants from other regions.

The third reason that will influence the decision to return displaced persons home is the quantity and quality of jobs or the ability to run their businesses. The National Bank of Ukraine estimated the unemployment rate in Ukraine in 2022 at 25-26%, corresponding to the total number of unemployed at 3.2 million people. According to World Bank forecasts, 8 million Ukrainians were below the poverty line due to Russia's full-scale invasion of Ukraine. The war set Ukraine back 15 years in achieving the goal of reducing poverty. 25% of the population is projected to live in poverty by the end of the year, up from just over 2% before the war, and that figure could rise to 55% by the end of 2023 (National Bank of Ukraine, 2023).

Despite the high unemployment rate, communities faced the problem of personnel shortages. On the other hand, IDPs have the worst economic situation; only 40 % of IDPs worked and received income at the end of 2022. As the war continues, these people will gradually integrate into the communities that accept them and relocate their businesses. Their choice of a place for permanent residence will depend on the conditions created in the communities (including the quality of public services and the attitude of the authorities and residents to IDPs in everyday life).

Along with IDPs, the "personnel reserve" is the leaders revealed by the war: these are not only volunteers but also returning soldiers, ordinary residents who managed to unite around themselves in critical situations. As a rule, such leaders are perceived by local authorities as competitors rather than as partners. As confirmed by our study of the leadership potential of Ukrainian youth in 2017-2020, natural "social elevators" do not work in Ukraine; such people remain outside the system, and their initiatives are blocked. As a result, there is a threat that desperate people searching for a better life will migrate from Ukraine.

Thus, Ukrainian communities should finally realize they must compete for quality human resources. To increase the attractiveness of the community for IDPs, it is essential not only to involve them in an active social life and moderate the establishment of a dialogue with residents but also to create a genuinely inclusive space with equal opportunities for all. After the war, the community consists of people with different traumatic experiences, except for displaced persons, service members who will return from the front, families of the victims, victims of war crimes, and residents who will return from abroad. As a result of these traumatic experiences, a heightened sense of justice and a need for it. Psychologists point to the sensitivity for war-traumatized societies of such topics as respect for each person, social support, providing opportunities to express their feelings and emotions (UNICEF, 2023) (Voznitsyna, 2023). It will require the authorities to waive the old administrative and bureaucratic methods communications and move to open dialogue with communities; listen and hear the community and proceed from its needs, not political interests.

The importance of building a genuinely inclusive space in all spheres of community activity connected to Ukraine through hostilities will be a society of people with special needs (physical and mental) who will need special conditions. Inclusion should not only come down to building a barrier-free physical urban space. For example, people in the combat zone under fire may feel uncomfortable in the crowd, react inadequately to high noise levels, etc.

5. Conclusions

Before the war in Ukraine, favorable conditions for urban development had developed. As a result of the decentralization reforms that began in 2014, there have been positive changes in self-government and public involvement in managing their communities, providing public services, and providing a more equitable distribution of financial resources. However, with the beginning of the war, issues related to the distribution of powers and responsibilities between self-government and state power

remained unresolved, the system of state policies in territorial development still needed to be reformed, and the legal status of territorial communities must be legally defined.

Due to hostilities, regional disproportions in urban development have deepened. Settlements in the western and central parts received a new impetus to growth thanks to displaced persons and relocated businesses. Instead, depressed areas in the east, south, and northern border zone are gradually losing not only their population but also their economic potential and also have a high level of environmental pollution.

Despite the need for special attention of the state to specific regions that suffer the most from the war, the main challenges for urban development, which are common to all communities of Ukraine, should be addressed. It is a transforming society's worldview and values; organizational and institutional changes; attraction of financial and economic resources for recovery; overcoming the socio-demographic crisis. These challenges require systemic, comprehensive management decisions from the state, as they directly affect Ukraine's ability to recover and develop quickly and effectively after the war. Thus, without depriving the final eradication of the remnants of the past, it is impossible to rethink state policies; without streamlining policies and legislation, it will be challenging to raise funds and restore social and economic activity, and without this, it will not be possible to overcome the socio-demographic crisis.

After the war, Ukraine has a chance, through rethinking the philosophy of its urban development and implementing innovation, to improve the urban environment and make it more comfortable for its inhabitants. Ukraine can become an experimental creative space for realizing and testing new urban decisions in urban planning, the development of the local economy in the face of security risks, supporting a balance between preserving the interests of the community and national security, and the processes of decentralization and centralization of state power.

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