Vitalii Lynnyk
National Technical University "Kharkiv Polytechnic Institute", Kharkiv, Ukraine
ORCID ID: 0009-0007-6331-708X

Tetyana Nazarova
National Technical University "Kharkiv Polytechnic Institute", Kharkiv, Ukraine
ORCID ID: 0009-0007-6331-708X

FINANCIAL PROVISION OF LOCAL SELF-GOVERNMENT IN CONDITIONS OF MARTIAL STATE: CHALLENGES, ADAPTATION AND ANTI-CRISIS MECHANISMS

The article examines the transformation of the system of financial provision of local self-government in Ukraine under the legal regime of martial law triggered by the full-scale armed invasion of Russia. It is shown that the introduced centralisation decisions, the redistribution of fiscal powers in favour of military administrations and the deformation of the revenue base of local budgets have generated a deep institutional contradiction between the constitutionally guaranteed financial autonomy of communities and the requirements of crisis management, as well as a pronounced "war asymmetry" between frontline, de-occupied and host communities. Building on a synthesis of scholarly approaches and the practice of 2022–2024, the article substantiates the need to move from the fragmented use of anti-crisis instruments to a coherent institutional architecture of financial provision adapted to both the active phase of the war and the post-war recovery. A formalised typology of anti-crisis mechanisms is proposed, based on four classification dimensions — source of resources, duration of application, degree of restriction of budgetary autonomy and level of institutional responsibility — which makes it possible to systematise intra-budgetary, external donor and quasi-market instruments. The article develops a conceptual model of an integral "war coefficient" of financial resilience of communities, which incorporates proximity to the combat zone, scale of destruction, demographic burden, loss of own revenues and the structure of security-related expenditures, and can be used as an adjustment parameter in horizontal equalisation formulas. The concept of financial resilience of a community in wartime is operationalised as a dynamic adaptive capacity encompassing the dimensions of absorption, adaptation, recovery and transformation, and an indicator system for its measurement is proposed. It is argued that the strategic benchmark for reforming local public finance should be the transformation of temporary crisis decisions into permanent instruments of the financial architecture of post-war recovery, accompanied by the harmonisation of reporting and budget planning standards with the requirements of the European Union.

Keywords: local self-government; local finance; martial law; financial resilience of communities; anti-crisis mechanisms; budget decentralisation; intergovernmental transfers; war asymmetry; war coefficient; institutional architecture of local finance.