

REINTEGRATION OF VETERANS AS A STRATEGIC PRIORITY OF UKRAINE'S FINANCIAL POLICY IN THE CONTEXT OF MARTIAL LAW AND DIGITAL TRANSFORMATION OF SOCIETY

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INTRODUCTION

Global security transformations, military and post-war challenges, the implementation of Ukraine's European integration course and the evolution of the modern model of public administration actualize the need to rethink the theoretical and methodological determinants of financial support for inclusive development of territories. Under such conditions, the financial policy of Ukraine acquires a new role, combining the functions of ensuring social cohesion, restoring and developing human capital, reintegration of veterans, increasing the socio-economic resilience of territorial communities and strengthening the national security of the state.

Today, the reintegration of veterans is gradually transforming from a separate direction of social policy into one of the key prerequisites for restoring human potential, economic activity and social cohesion of territories. The lack of a coordinated concept of financial support for this process creates risks of uneven access of veterans and their family members to services, increasing territorial disparities, duplication of budget programs and inefficient use of financial resources. In this regard, the state need is not only to increase the amount of funding, but primarily to scientifically substantiate the principles of its distribution, coordination and adaptation to the specifics of individual territories.

Therefore, the reintegration of veterans should be considered as a strategic priority of the state's financial policy, which requires the formation of a holistic architecture of financial support, focused not only on compensating for social risks, but also on restoring human capital, economic subjectivity and financial self-sufficiency of veterans in the context of digital transformation and European integration of Ukraine.

The purpose of the study is to substantiate the theoretical and applied principles and determine strategic directions for the modernization of Ukraine's financial policy in the field of veterans' reintegration based on a study of modern trends in state veteran policy, systematization of the dominants of financial support for the restoration of human capital and outlining the prospects for the transformation of financial mechanisms in accordance with the challenges of martial law, digitalization and European integration.

1. Modern trends and conceptual approaches of state financial policy in the context of reintegration and adaptation of veterans

The full-scale Russian-Ukrainian war led to a fundamental transformation of the social structure of Ukraine and highlighted the need to form a qualitatively new model of state policy towards veterans, capable of ensuring not only the appropriate level of their social protection, but also a full return to civil, economic and social life. The scale of these processes

is determined by the fact that the veteran community is gradually turning into one of the significant socio-demographic groups of Ukrainian society. According to expert estimates of the National Institute for Strategic Studies, after the end of the war the number of veterans together with their family members may reach 5–6 million people, or about a fifth of the projected population of Ukraine. Thus, the reintegration of veterans goes far beyond the boundaries of traditional social policy, acquiring the features of a long-term strategic priority of the state, directly related to the preservation of human capital, the functioning of the labor market, social cohesion, the development of territorial communities and the formation of prerequisites for post-war recovery.

In modern scientific and managerial discourse, it is appropriate to consider the reintegration of veterans as a complex multidimensional process of restoring and forming their social, economic and professional ties, acquiring new civilian roles, ensuring access to public goods and opportunities for self-realization after the completion or termination of military service. In this context, adaptation to civilian life is not a one-time change in the status of a serviceman, but a long-term process that includes medical and psychological rehabilitation, professional adaptation and employment, education and retraining, housing, restoration of family and social ties, economic independence, entrepreneurial activity, participation in the life of the territorial community and society as a whole.

This approach fundamentally changes the content of veteran policy: from the dominance of the compensation-benefit paradigm, there is a gradual transition to a model of developing veteran opportunities, within which state support should create the prerequisites for the restoration of economic activity, professional and personal self-realization, social mobility and the maximum possible autonomy of a person. Modern veteran policy should not only form an effective system of social protection, but also ensure the involvement of veterans as an economically and socially active part of the population in strengthening the country's stability, its reconstruction, the development of civic processes and social cohesion¹. The success of such a policy, accordingly, is determined not by the volume of benefits provided as such, but by the achieved level of well-being, social participation and self-realization of veterans.

The institutional consolidation of this transition was primarily achieved through the adoption of the Veteran Policy Strategy for the Period until 2030, approved by Order of the Cabinet of Ministers of Ukraine No. 1209-r dated 29 November 2024². The document established a strategic framework for public policy aimed at creating appropriate conditions for veterans' self-realization and well-being, as well as leveraging their acquired experience and potential for the country's economic and social development. Importantly, within this policy model, veterans are increasingly viewed not merely as recipients of state assistance but as holders of human, professional, managerial, and social capital.

At the same time, another key strategic document is the Strategy for Establishing a System for Transitioning from Military Service to Civilian Life for the Period until 2033,

¹ Власенко Р. В., Гушук І. В., Жаліло Я. А. та ін. Державна політика щодо ветеранів війни : аналіт. доп. / за наук. ред. Я. А. Жаліла. Київ : НІСД, 2025. 118 с. DOI: 10.53679/NISS-analytrep.2025.04.

² Про схвалення Стратегії ветеранської політики на період до 2030 року та затвердження операційного плану заходів з її реалізації у 2024–2027 роках : розпорядження Кабінету Міністрів України від 29.11.2024 № 1209-р. URL: <https://zakon.rada.gov.ua/laws/show/1209-2024-%D1%80#Text>.

approved by Order of the Cabinet of Ministers of Ukraine No. 1350-r dated 31 December 2024. Its fundamental significance lies in institutionalizing the transition from military service to civilian life as a distinct area of public governance. The Strategy provides for coordinated action by central and local government authorities, enterprises, institutions, organizations, and other stakeholders aimed at developing a comprehensive set of interconnected measures to facilitate service members' transition to civilian life. Among other measures, it envisages assessing the accessibility of social, rehabilitation, healthcare, and educational services; facilitating professional adaptation, retraining, and skills development; promoting employment; and assessing the capacity of territorial communities to ensure the functioning of the relevant infrastructure³.

Thus, the effectiveness of Ukraine's veteran policy depends on the alignment of policies in the areas of social protection, healthcare, employment, education, entrepreneurship, regional development, digitalization, accessibility, and local self-government. Accordingly, the range of stakeholders involved in veteran policy is objectively expanding to encompass public institutions, territorial communities, veteran organizations, civil society, businesses, educational institutions, and international partners.

The European dimension of the transformation of Ukraine's veteran policy should be considered in the context of the European Union's strategic priorities concerning social inclusion, employment, human capital development, and equal opportunities. Of particular relevance in this regard is the European Pillar of Social Rights Action Plan, adopted by the European Commission in 2021, which establishes the EU's strategic objectives for 2030 in the areas of employment, skills development, social protection, equal opportunities, and the prevention of poverty and social exclusion. At the same time, the Strategy for the Rights of Persons with Disabilities 2021–2030 provides an important institutional framework for promoting accessibility, non-discrimination, independent living, and equal participation in social and economic life, education, and employment⁴. Although these documents do not explicitly identify veteran reintegration as a separate area of EU policy, the principles embedded in them provide an important institutional and methodological foundation for developing a modern veteran policy framework in Ukraine. Their implementation in the context of Ukraine's European integration entails a gradual transition from a predominantly compensatory model of support towards a comprehensive approach focused on human capital restoration, professional adaptation, economic empowerment, accessibility, and the full participation of veterans in society. In this context, aligning Ukraine's veteran support system with European social standards should be regarded as part of the broader institutional modernization of national social policy, requiring the coordination of governance mechanisms, financial instruments, and funding sources across the central, regional, and local levels.

³ Про схвалення Стратегії формування системи повернення з військової служби до цивільного життя на період до 2033 року та затвердження операційного плану заходів з її реалізації у 2025–2027 роках : розпорядження Кабінету Міністрів України від 31.12.2024 № 1350-р. URL: <https://www.kmu.gov.ua/npas/pro-skhvalennia-stratehii-formuvannia-sistemy-povernennia-z-viiskovoi-sluzhby-do-tsyvylnoho-zhyttia-na-period-do-2033-roku-1350-r-311224>.

⁴ European Commission. Union of Equality: Strategy for the Rights of Persons with Disabilities 2021–2030. Brussels, 2021. URL: https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/disability/enhancing-strategy-rights-persons-disabilities-2030_en.

At the same time, one of the key challenges remains ensuring coherence among various programs, instruments, and funding sources, as well as a clear delineation of responsibilities across the central, regional, and local levels. In this context, it is particularly important to move away from fragmented financing of individual benefits and programs towards developing an integrated architecture for the financial provision of veteran policy, in which budgetary resources are allocated not only to mitigating the consequences of war but also to investing in the restoration and development of human capital.

Research conducted by the International Organization for Migration (IOM) indicates that veteran reintegration is shaped by a set of interconnected factors, including physical and mental health, material well-being, access to employment, housing and social services, family relationships, the level of social acceptance, and opportunities for participation in community life⁵. Among the significant barriers identified by IOM are shortages of qualified professionals, bureaucratic obstacles, insufficient physical and emotional support, limited access to rehabilitation services, and the inadequate adaptation of local infrastructure to veterans' needs.

According to the 2025 study by the United Nations Development Program (UNDP) and SeeD, *Adapting to Civilian Life: Key Areas for Strengthening the Reintegration of Veterans in Ukraine*, major challenges continue to include access to services, coping with the consequences of injuries and traumatic experiences, and finding employment. At the same time, veterans demonstrate a high level of civic responsibility and considerable interest in entrepreneurial activity⁶. This dimension is particularly important from the perspective of public policy transformation, as it demonstrates substantial potential for shifting from passive forms of social support towards instruments that foster economic participation and empowerment.

Economic and social reintegration can be characterized by multidirectional dynamics: even with the improvement of individual economic parameters, the sense of belonging of veterans to the community can weaken. Veterans with disabilities and veterans who have experienced internal displacement are particularly vulnerable, for whom the risks of insufficient income, problems with housing, access to medical and psychological care and sustainable sources of livelihood simultaneously accumulate.

Therefore, one of the defining trends in modern state policy is the personalization of support. Differentiated support should provide the opportunity to return to a decent standard of living through the realization of professional and creative abilities, while temporary measures of the transition period (treatment, psychological care, professional adaptation and employment promotion) should differ from long-term mechanisms for compensating for the irreversible consequences of war.

An important trend is the decentralization of veteran policy. It is the territorial community that is the environment in which the veteran actually returns, as he receives medical and social services, looks for work, starts a business, gets an education, and restores family and social ties. Therefore, the ability of communities to create an appropriate veteran infrastructure

⁵ International Organization for Migration. *Veterans Reintegration in Ukraine: Compounding Vulnerabilities and Access to Support Among Veterans*. May 2026. IOM Displacement Tracking Matrix.

⁶ United Nations Development Programme, Centre for Sustainable Peace and Democratic Development. *Adapting to Civilian Life: Key Areas for Strengthening the Reintegration of Veterans in Ukraine (Results of the 2024 reSCORE Study)*. 2025. UNDP Ukraine.

becomes one of the key factors in the effectiveness of national policy. During 2025–2026, the development of a network of veteran spaces, support and development centers, employment and education offices for veterans, which combine psychological, legal, educational, professional, and entrepreneurial services, is being traced. On the one hand, such localization of support makes it possible to bring services as close as possible to the recipient and take into account the specifics of a particular community; on the other hand, it creates the risk of territorial asymmetry of veteran opportunities, when the volume and quality of support can significantly depend on the financial capacity of the community, the state of its infrastructure, human resources, and the activity of the public sector. Therefore, the decentralization of veterans' policy should be accompanied by the formation of appropriate inter-budgetary mechanisms, state service standards, and instruments for equalizing the financial capacity of territories to perform relevant functions.

The theoretical and methodological foundations of the study are shaped by the conceptual propositions advanced in the works of Nobel laureates J. Stiglitz and A. Sen, as well as D. Acemoglu and J. Robinson, whose scholarly contributions laid the foundations for the contemporary understanding of the interrelationships among institutional quality, public policy, human development, social inclusion, and a state's long-term economic capacity. A. Sen's capability approach makes it possible to conceptualize development through the expansion of individuals' substantive opportunities to participate fully in economic and social life⁷, while J. Stiglitz's contributions emphasize the role of the state, effective institutions, and public investment in reducing inequality and fostering inclusive development⁸. The institutional approach developed by D. Acemoglu and J. Robinson further advances this perspective by substantiating the critical role of inclusive institutions in ensuring equitable access to economic opportunities, enabling the productive utilization of human potential, and promoting societal well-being⁹.

Within Ukrainian academic discourse, these conceptual propositions acquire particular relevance in the works of E. Libanova¹⁰, devoted to human development, demographic resilience, social vulnerability, and the preservation of Ukraine's human potential during the war and throughout post-war recovery, as well as in the research of O. Obodynskyi¹¹, which addresses the institutional and legal mechanisms for the formation and implementation of state veteran policy, emphasizing the importance of institutional coordination and a comprehensive approach to veteran reintegration. The synthesis of these theoretical approaches provides a basis for conceptualizing veteran reintegration not merely as a component of social protection, but as a comprehensive process of restoring and enhancing

⁷ Sen A. Development as Freedom. New York : Oxford University Press, 1999. 366 p.

⁸ Stiglitz J. E. The Price of Inequality: How Today's Divided Society Endangers Our Future. New York : W. W. Norton & Company, 2012. 414 p.

⁹ Acemoglu D., Robinson J. A. Why Nations Fail: The Origins of Power, Prosperity, and Poverty. New York : Crown Publishers, 2012. 544 p.

¹⁰ Лібанова Е. М. Людський капітал України: втрати війни та пріоритети повсякденного відновлення. Демографія та соціальна економіка. 2024. № 2 (56). С. 3–24. DOI: <https://doi.org/10.15407/vism2025.04.038>

¹¹ Ободинський О. Інституційно-правовий механізм формування і реалізації державної ветеранської політики. Вісник Київського національного університету імені Тараса Шевченка. Державне управління. 2025. № 2 (22). DOI: 10.17721/2616-9193.2025/22-11/14.

human potential, expanding economic opportunities, and strengthening the social participation of individuals transitioning from military service to civilian life.

Accordingly, state support for veterans should increasingly assume the characteristics of long-term investment in the restoration of health and professional capacity, the enhancement of economic activity and entrepreneurial capabilities, and the promotion of social inclusion. Under this approach, the financial provision of veteran policy evolves from a predominantly compensatory mechanism into an integral component of public policy aimed at human capital regeneration and the strengthening of societal resilience. This transformation is particularly significant in the context of Ukraine's post-war recovery and the development of a new model of inclusive territorial development.

The financial and economic mechanisms underpinning veteran reintegration are specifically addressed in the research of S. Yehorycheva, which systematizes the principal sources of financial resources and instruments of veteran support. These include funding from the state and local budgets, international financial assistance, grant programs, preferential lending, financing for professional adaptation and educational programs, support for veteran entrepreneurship, and measures aimed at enhancing financial inclusion. The author substantiates the need for effective coordination among funding sources, alignment between public and non-governmental institutions, and the orientation of financial mechanisms not only towards meeting veterans' immediate needs but also towards ensuring their long-term economic self-sufficiency¹².

At the same time, the economic dimension of reintegration is becoming increasingly important. Employment, professional retraining, recognition of competencies acquired during military service, and support for entrepreneurial initiatives serve not only as instruments for securing veterans' income but also as mechanisms for restoring their economic agency. Failure to adequately address these dimensions may generate long-term adverse consequences, including unemployment, the loss of a significant share of labor potential, increased social exclusion, and greater pressure on state and local budgets.

It is equally important to recognize that reintegration is inherently a two-way process. Adaptation to veterans' return is required not only on the part of veterans themselves, but also from civil society, employers, educational institutions, public authorities, and territorial communities. In this context, public policy should foster a culture of respect and non-discrimination, while promoting an informed and appropriate societal understanding of military experience¹³.

Thus, the current stage of development of Ukraine's state policy towards veterans is characterized by a gradual transition from a fragmented system of benefits and compensations to a comprehensive model of reintegration, focused on the restoration and development of human capital. Its key trends are the strategization of veteran policy; interdepartmental integration; personalization of support; decentralization and strengthening of the role of territorial communities; development of the institution of veteran support; emphasis on employment, education and entrepreneurship; digitalization of services;

¹² Єгоричева С. Б. Фінансово-економічні механізми забезпечення реінтеграції ветеранів війни в Україні. Економіка і регіон. 2024. № 3 (94). С. 133–140. DOI: 10.26906/EiR.2024.3(94).3493.

¹³ Казарян О. Інноваційні підходи до фінансування соціальних послуг для ветеранів у системі сталого розвитку. Modeling the Development of the Economic Systems. 2025. № 4. С. 384–391. DOI: 10.31891/mdes/2025-18-48.

formation of a barrier-free environment; as well as the involvement of civil society and business in the reintegration processes. At the same time, it is the scale and multi-component nature of such transformation that form a new set of challenges for public finances. The growth in the number of recipients of veteran services, the need to develop rehabilitation and social infrastructure, financing housing programs, professional adaptation, entrepreneurship, digital services and accessibility objectively increase the need to reconfigure the financial mechanisms of state veteran policy. Therefore, its effectiveness will increasingly be determined not by the absolute volume of budget expenditures, but by the state's ability to ensure their strategic prioritization, interdepartmental coordination, targeting, territorial balance, and orientation towards long-term socio-economic results¹⁴.

In this context, financing the reintegration of veterans should be interpreted not only as social expenditures of the state, but as a specific form of public investment in the restoration of human capital, economic activity, and social resilience. It is this approach that creates a conceptual basis for rethinking the place of veteran policy in the system of strategic priorities of Ukraine's financial policy and further research into the institutional and financial mechanisms for its implementation.

2. Dominants of financial support for the restoration of human capital and the reintegration of veterans under martial law

It is advisable to form the dominants of financial support for veterans' reintegration around interrelated areas: restoring health and working capacity; ensuring economic independence; professional adaptation and education; developing veteran entrepreneurship; housing and infrastructure support; building the institutional capacity of territorial communities; digitalization of access to services; and diversification of funding sources. The systematic nature of such an approach means that none of these areas can provide a sustainable result in isolation. For example, vocational training without restoring health, affordable housing, psychological support, or proper transport infrastructure may not lead to employment, while grant support for entrepreneurship without consulting support, access to credit, and sales markets increases the risk of terminating a business that has been started. Let us characterize the outlined dominants more thoroughly:

1. Financing the restoration of physical and mental health. The health of a veteran is a basic prerequisite for his professional, economic and social activity, therefore, expenses for treatment and rehabilitation should not be interpreted only as current social consumption. In their economic content, they are investments in restoring a person's ability to work, self-service, study, entrepreneurial activity and full participation in community life. The rehabilitation system should provide for the interaction of state healthcare institutions, the private sector, social enterprises, public and volunteer organizations, as well as the involvement of the veteran's family. The financial model of this area should be multi-channel and combine funds from state and local budgets, a medical guarantee program, resources from international partners, charitable funding and mechanisms for public-private interaction.

Financing psychological rehabilitation requires special attention, as its effectiveness depends not only on the number of specialists or the amount of budget allocations, but also on veterans' trust in the care system, confidentiality, accessibility of services in communities

¹⁴ Десятнюк О. М., Ткачик Ф. П. Трансформація управління податковими ризиками в Україні в умовах формування нового європейського безпекового порядку. Економічний аналіз. 2026. Т. 36, № 2. URL: <https://www.econa.org.ua/index.php/econa/issue/view/96>.

and overcoming stigma. The results of the IOM study indicate the need to expand mental health and psychosocial support programs; representatives of veterans' organizations directly link the limited range of services to insufficient funding¹⁵. Therefore, the relevant expenditures should cover not only the payment of consultations, but also the training of specialists, the development of support centers, mobile teams, remote services, information campaigns and long-term monitoring of the health status of veterans and their family members.

In this context, financing the reintegration of veterans should be interpreted not only as social spending by the state, but also as a specific form of public investment in the restoration of human capital, economic activity and social stability. It is this approach that creates a conceptual basis for rethinking the place of veteran policy in the system of strategic priorities of Ukraine's financial policy and further research into the institutional and financial mechanisms for its implementation.

2. Professional Adaptation, Education, and Restoration of Labor Potential.

A significant proportion of veterans are of working age; therefore, their prolonged absence from the labor market would result not only in a deterioration in the well-being of their families but also in the loss of a substantial share of the country's economic potential. B. Torokhtii emphasizes that the effectiveness of state veteran policy should be assessed in terms of veterans' economic activity, sustainable employment, social participation, and the realization of their professional potential. At the same time, the study identifies job loss among some veterans following military service, difficulties in finding employment, limited availability of suitable vacancies, and health-related constraints affecting their ability to return to work¹⁶.

Funding for professional adaptation should ensure a continuous transition pathway from the assessment and recognition of acquired competencies to employment or self-employment. Its key components should include career guidance; recognition of qualifications and competencies acquired during military service; short- and long-term training; acquisition of new professional qualifications; digital skills development; internships; job-search assistance; compensation to employers for the costs associated with creating or adapting workplaces; and measures to support the employment of veterans with disabilities.

S. Yehorycheva and M. Lakhyzha emphasize that reintegration is a broader process than social adaptation, as it entails veterans' active participation in economic and social life. The authors highlight the importance of employment, professional retraining, and business start-ups, as well as the need to involve local self-government authorities, financial institutions, educational institutions, and businesses in this process¹⁷. In this context, budgetary support should be aimed not at merely ensuring veterans' formal participation in training programs,

¹⁵ International Organization for Migration. Veterans Reintegration in Ukraine: Compounding Vulnerabilities and Access to Support Among Veterans. May 2026. IOM Displacement Tracking Matrix.

¹⁶ Торохтій Б. Г. Реінтеграція ветеранів як стратегічна мета державної ветеранської політики: адміністративно-правовий вимір. Науковий вісник Ужгородського національного університету. Серія: Право. 2026. Вип. 94, ч. 1. С. 108–112. DOI: 10.24144/2307-3322.2026.94.1.14.

¹⁷ Єгоричева С. Б., Лахижа М. І. Реінтеграція ветеранів війни в Україні: управлінські та економічні аспекти. Розвиток міста. 2024. Вип. 2 (02). С. 55–62. DOI: 10.32782/city-development.2024.2-7.

but at achieving tangible outcomes, including employment, higher income, business creation, or enhanced professional mobility.

Particular attention should be paid to incentivizing employers. Relevant financial instruments may include partial wage subsidies, reimbursement of workplace adaptation costs, tax incentives, support for adapting the working environment, and funding for mentoring and professional support. For veterans with disabilities, particular importance should be attached to subsidizing specially adapted workplaces, expanding opportunities for remote employment, and supporting social enterprises.

3. Financial Support for Veteran Entrepreneurship. The third key pillar is the development of veteran entrepreneurship as a mechanism for economic self-realization, job creation, and veterans' engagement in post-war recovery. Entrepreneurship is particularly important for veterans seeking greater economic autonomy, those with managerial experience, and those unable to return to their previous employment due to health conditions, displacement, or structural changes in the economy.

Financial support for veteran-owned businesses should not be limited to one-off grants. Instead, it should constitute an integrated support ecosystem combining start-up financing, preferential lending, credit guarantees, interest-rate subsidies, mentoring, business education, assistance in developing business plans, and access to infrastructure and markets. Additional instruments may include preferential terms for leasing municipally owned property, facilitating participation in public procurement, and engaging veteran-owned businesses in territorial recovery and reconstruction projects.

The report of the National Institute for Strategic Studies (NISS)¹⁸ substantiates the need to support the recovery and establishment of veteran-owned businesses through interest-free loans, grants, assistance in business plan development, partnership programs, and preferential terms for leasing municipal premises. Potential stakeholders in such support mechanisms include socially responsible businesses, civil society organizations, international funds, and local self-government authorities.

In practice, a number of grant instruments have already been formed in Ukraine, in particular the veteran component of the "Own Business" program, the programs of the Ukrainian Veterans Fund and other small business support initiatives. Since the beginning of 2025, as of the end of March, grants for starting or developing a business were approved for 279 veterans and their family members in the amount of UAH 137 million; the total amount of support since the beginning of the veteran component of the program at that time reached UAH 700 million¹⁹. At the same time, the quantitative expansion of grant programs should be accompanied by an assessment of the viability of the created enterprises, the number of jobs, the dynamics of income, tax revenues and the duration of the operation of the veteran business. A promising model is the combined financing, in which the grant covers the initial part of the costs, and the further expansion of the business is provided by preferential lending, guarantees or investment resources. For this, it is necessary to more actively involve banks, credit unions, entrepreneurship development funds, international financial organizations and

¹⁸ Власенко Р. В., Гушук І. В., Жаліло Я. А. та ін. Державна політика щодо ветеранів війни : аналіт. доп. / за наук. ред. Я. А. Жаліла. Київ : НІСД, 2025. 118 с. DOI: 10.53679/NISS-analytrep.2025.04.

¹⁹ Гранти ветеранам: майже 300 ветеранів та других з їхнього подружжя отримають гранти на розвиток бізнесу з початку 2025 року. 31.03.2025. URL: <https://www.me.gov.ua/News/Detail/49c859d7-79a1-47ea-a6a6-63799e44105f?lang=uk-UA&title=GrantiVeteranam-Maizhe300-VeteranivTaDrugikhZYikhногоPodrurzhhiaOtrimaiutGrantiNaRozvitokBiznesuZPochatku2025-Roku>.

private investors. It is also important to develop financial literacy of veterans, since access to resources without skills in managing cash flows, taxation, risks and obligations may not ensure the long-term economic sustainability of the business.

In foreign practice, support for veteran entrepreneurship includes financial, credit and tax instruments, technical support for enterprises, mentoring programs and involvement of veteran business as a contractor in the implementation of government orders. Adaptation of such mechanisms in Ukraine will contribute to the transformation of veteran entrepreneurship from a predominantly social initiative into a full-fledged segment of the recovery economy.

4. Income, social protection and financial stability of veteran households. Return to civilian life is often accompanied by a temporary loss of income, medical expenses, the need to change residence, retraining or find a job. Under such conditions, social payments and compensations perform a stabilizing function, preventing poverty, excessive debt and social exclusion.

However, the long-term dominance of passive transfers can weaken incentives for employment and create dependence on state assistance. Therefore, financial support should be differentiated into transitional and long-term. Transitional support should be effective during the period of treatment, professional adaptation, training or job search. Long-term payments should compensate for irreversible losses of health and working capacity and ensure a decent standard of living for veterans who objectively cannot fully restore economic activity.

The effectiveness of social protection depends on the targeting and coordination of various programs. A veteran or a member of his family may simultaneously need medical, housing, educational, legal and financial support provided by different authorities. In the absence of an integrated needs assessment, there is a risk of duplication of individual payments and at the same time ignoring critical needs. Solving this problem involves the development of the institute of support specialists, the application of an individual reintegration plan and the digital integration of registers²⁰.

5. Housing Provision, Accessibility, and Reintegration Infrastructure. Access to adequate housing directly affects health, family stability, employment opportunities, education, and the ability to start a business. For veterans with disabilities, housing policy should encompass not only the purchase or construction of housing but also its adaptation to individual needs, accessibility of the surrounding residential environment, and access to transport, healthcare, and social services.

Under martial law, housing support is financed through dedicated budget programs and subventions to local budgets. In December 2025, the Cabinet of Ministers of Ukraine reallocated state budget expenditures and approved the distribution of a subvention from the state budget to local budgets for the payment of monetary compensation for housing to which certain categories of veterans and their family members are entitled, in a total amount of UAH 503.4 million²¹. This demonstrates the significant role of intergovernmental fiscal transfers

²⁰ Про утворення Міжвідомчої робочої групи з питань розроблення та впровадження системи переходу від військової служби до цивільного життя : постанова Кабінету Міністрів України від 17.11.2021 № 1190. URL: <https://zakon.rada.gov.ua/laws/show/1190-2021-%D0%BF#Text>.

²¹ Про схвалення Стратегії формування системи повернення з військової служби до цивільного життя на період до 2033 року та затвердження операційного плану заходів з її реалізації у 2025–2027 роках : розпорядження Кабінету Міністрів України від 31.12.2024

in implementing housing policy; however, periodic reallocations of funds also indicate the need for more accurate forecasting of the number of beneficiaries, housing costs, and the capacity of territorial communities to administer the relevant programs²².

Funding for accessibility should be integrated into all public investment, ranging from the reconstruction of healthcare facilities and transport infrastructure to digital services and workplaces. Fragmented adaptation of individual facilities does not create a comprehensive barrier-free environment throughout a veteran's reintegration pathway. It is therefore advisable to introduce territorial accessibility plans, financial standards for adapting facilities, and accessibility criteria for selecting projects eligible for state and local funding.

6. Territorial Dimension and Intergovernmental Fiscal Mechanisms. Reintegration effectively takes place at the local level, where veterans access healthcare and social services, seek employment, interact with educational institutions, and use transport and housing infrastructure. At the same time, territorial communities differ substantially in terms of budget revenues, human resource capacity, the number of veterans residing within their territories, the condition of infrastructure, and the consequences of hostilities.

Under these circumstances, assigning identical responsibilities to communities with significantly different financial capacities may exacerbate territorial inequalities in veterans' access to services. Public policy should therefore combine basic standards and guarantees with fiscal equalization mechanisms, while ensuring sufficient autonomy for territorial communities to determine their local priorities²³.

At the same time, it is important to support veteran civil society organizations as partners of the state and local self-government authorities in the reintegration process. An IOM study found that 72% of surveyed veteran organizations identified insufficient funding and resources as the main barrier to engaging a greater number of veterans, while 44% reported inadequate coordination and communication within communities²⁴. These findings highlight the relevance of applying mechanisms such as social contracting, competitive funding, grants from local budgets, and the procurement of social services from civil society organizations on a transparent and competitive basis.

7. Diversification of funding sources. Given the priority allocation of state funds to defense, the budget's ability to finance the rapidly growing needs of veterans' policy is limited. Therefore, a sustainable model should combine:

- state budget funds and targeted budget programs;
- subventions to local budgets;
- own resources of territorial communities;

№ 1350-р. URL: <https://www.kmu.gov.ua/npas/pro-skhvalennia-stratehii-formuvannia-sistemy-povernennia-z-viiskovoi-sluzhby-do-tsyvilnoho-zhyttia-na-period-do-2033-roku-1350r-311224>.

²² Про утворення Міжвідомчої робочої групи з питань розроблення та впровадження системи переходу від військової служби до цивільного життя : постанова Кабінету Міністрів України від 17.11.2021 № 1190. URL: <https://zakon.rada.gov.ua/laws/show/1190-2021-%D0%BF#Text>.

²³ Кириленко О. П., Кириленко С. В. Інклюзивний розвиток територіальних громад в умовах новітніх викликів. Інклюзивна економіка. 2024. № 3 (05). С. 39–46. DOI: 10.32782/inclusive_economics.5-6.

²⁴ European Commission. Union of Equality: Strategy for the Rights of Persons with Disabilities 2021–2030. Brussels, 2021. URL: https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/disability/enhancing-strategy-rights-persons-disabilities-2030_en.

- international technical and financial assistance;
- resources of the Ukrainian Veterans Fund;
- bank lending and guarantee mechanisms;
- social investment;
- charitable contributions;
- public-private partnership;
- procurement of social and rehabilitation services from non-state providers.

Diversification should not be equated with a mechanical increase in the number of sources. Its effectiveness depends on the coherence of programs, uniform reporting standards, transparency of resource allocation, and prevention of duplication of funding. The state should retain the role of guarantor of the basic level of support, while private and international resources can ensure the testing of innovative models, expansion of the range of services and financing of development projects. Public-private partnerships in the field of rehabilitation, housing, vocational training, prosthetics, digital technologies and veteran entrepreneurship are promising²⁵. However, their use requires a clear allocation of risks, guarantees of accessibility of services and prevention of shifting the main financial responsibility of the state to the charitable or private sector.

8. Digitalization and effectiveness of financial provision. Integrated digital solutions can provide automated confirmation of status, assessment of individual needs, personalized information, submission of applications, selection of service providers, control of the rehabilitation trajectory and evaluation of program effectiveness.

The financial significance of digitalization lies in reducing administrative costs, reducing the terms of receiving assistance, preventing duplication of payments and increasing the transparency of budget flows. At the same time, creating a digital ecosystem requires adequate funding for registries, interoperability of information systems, protection of personal data, cybersecurity, and digital inclusion of veterans.

An important priority should be the transition from financing institutional networks to results-based financing. This requires the introduction of a system of indicators that reflect not only the budget execution of relevant programs but also tangible improvements in veterans' well-being and socio-economic circumstances. Such indicators may include:

- the share of veterans who have restored their capacity to work;
- the employment rate following completion of adaptation programs;
- the share of veterans employed in accordance with newly acquired qualifications;
- the number of sustainable veteran-owned businesses;
- the average level of household income;
- the accessibility of healthcare and psychological support services;
- waiting times for housing support;
- the level of veteran satisfaction;
- the share of services accessed without excessive administrative procedures;
- territorial disparities in access to support²⁶.

²⁵ Шулюк Б. С., Врубель Ю. Р., Матляк А. В. Фінанси публічно-приватного партнерства та їх роль у післявоєнній відбудові об'єктів інфраструктури. Ефективна економіка. 2026. № 1. URL: <https://www.nayka.com.ua/index.php/ee/article/view/8830>.

²⁶ Терюханова І. М. Роль працевлаштування ветеранів війни у їхній реінтеграції та відтворенні потенціалу солідаризації в Україні. Вчені записки. 2025. № 40 (3). С. 193–206. DOI: 10.33111/vz_kneu.40.25.03.17.116.122

The relevance of the effective approach is also confirmed by changes in budget financing during the year. In 2025, the government repeatedly redistributed expenditures between programs of the Ministry of Veterans Affairs, in particular between support measures, activities of support specialists, development of veteran spaces and housing subventions. This indicates the need to improve the quality of forecasting, planning of needs and flexibility of budget management, but at the same time requires an assessment of whether such redistributions do not lead to instability of financing of individual services.

Therefore, the financial support for the restoration of human capital and the reintegration of veterans should be based on the transition from a fragmented compensation and benefit model to an integrated investment and development architecture. Its content is to direct public resources not only to compensate for the consequences of the war, but also to restore the health, working capacity, professional mobility, economic subjectivity and social inclusion of veterans.

In our opinion, the financial provision of veteran reintegration should be conceptualized as a structural and functional model for the mobilization, allocation, and utilization of public, private, and international financial resources aimed at restoring veterans' health and professional capacity, strengthening their economic self-sufficiency and social participation, and supporting members of their families. Its strategic outcome should extend beyond the provision of adequate social protection to encompass human capital regeneration, a reduction in the long-term burden on public finances, and the active engagement of the veteran community in Ukraine's reconstruction, modernization, and resilience-building.

3. Modernization of Ukraine's financial policy in the process of veteran reintegration under digitalization and European integration

The expanding scale and functional scope of Ukraine's veteran policy create an objective need to modernize its financial support framework. Over time, the system of veteran support has largely been based on a status-based approach, whereby financial resources were directed primarily towards legally defined benefits, compensatory payments, and social transfers. Although this approach remains an essential component of the social security system, the large-scale return of military personnel to civilian life has exposed its limitations in addressing the increasingly diverse and complex needs of veterans. The issue is no longer limited to social protection as a means of compensating for losses or functional limitations; rather, it concerns a comprehensive process of restoring human potential, work capacity, professional capabilities, economic self-reliance, and active participation in society.

Veteran reintegration encompasses a combination of medical and psychological rehabilitation, education and vocational retraining, employment support, assistance for entrepreneurial activity, housing provision, the development of barrier-free environments, digital inclusion, and access to social services. Accordingly, the financial support of this policy should not be viewed as a set of separate budget programmes, but rather as an interconnected system of financial mechanisms capable of ensuring the consistency and continuity of individual reintegration pathways. Research on the sources of financial support for inclusive territorial development also highlights the need to combine budgetary and other

financial resources to foster comprehensive socio-economic development at the local level²⁷. At the same time, recent research on veteran entrepreneurship emphasizes its potential to strengthen the resilience of an inclusive economy and public finances²⁸.

The need to reconsider existing approaches to financial support is further evidenced by the dynamics of local government expenditures under the functional classification code 1030, “Social Protection of War and Labor Veterans”. These expenditures amounted to UAH 654.1 million in 2021, declined to UAH 553.2 million in 2022, increased to UAH 917.5 million in 2023, reached UAH 2.17 billion in 2024, and rose further to UAH 4.18 billion in 2025²⁹. Thus, compared with 2021, local expenditure on veteran support increased more than sixfold. While this growth indicates a substantial increase in the importance of veteran policy within the system of local public finances, expenditure growth alone does not demonstrate the quality or effectiveness of resource utilization. Where fragmentation of programmers, duplication of functions, and insufficient coordination among policy actors persist, increased financial resources may fail to translate into a proportional improvement in socio-economic outcomes³⁰.

Against this background, the modernization of financial policy for veteran reintegration can be understood as a purposeful transformation of the principles, instruments, institutions, and information mechanisms governing the mobilization and allocation of public financial resources, with a focus on achieving measurable outcomes in terms of human capital recovery and the economic integration of veterans. This approach makes it possible to conceptualize the modernization of financial policy for veteran reintegration as an integrated system of interconnected elements in which sources of financial resources, allocation principles, digital management mechanisms, key funding priorities, and expected socio-economic outcomes form a coherent management framework (Fig. 1).

As illustrated in Fig. 1, the modernization of financial policy involves the systematic integration of resource, institutional, digital, and performance-oriented components. Its foundation is a diversified system of funding sources, encompassing state and local budgets, intergovernmental transfers, international assistance, grants and donor funding, credit instruments, public-private partnerships, and social investment. These resources should be allocated and utilized in accordance with the principles of targeting, inclusiveness, transparency, coordination, effectiveness, and alignment with European standards.

²⁷ Желюк Т. Л., Жуковська А. Ю. Джерела фінансового забезпечення інклюзивного розвитку територіальних громад. Вісник економіки. 2022. Вип. 3. С. 183–202. DOI: 10.35774/visnyk2022.03.183.

²⁸ Тріпак М. М., Петруха С. В., Петруха Н. М., Коноваленко Д. В. Ветеранський бізнес: резильєнтність інклюзивної економіки та державних фінансів. Інклюзивна економіка. 2024. № 2 (04). С. 42–55. DOI: 10.32782/inclusive_economics.4-8.

²⁹ Open Budget : державний вебпортал бюджету для громадян. URL: <https://openbudget.gov.ua>

³⁰ Іванова А. Особливості забезпечення соціального захисту в умовах децентралізації бюджетних повноважень. Світ фінансів. 2021. Вип. 1. С. 38–47. DOI: 10.35774/sf2021.01.038.

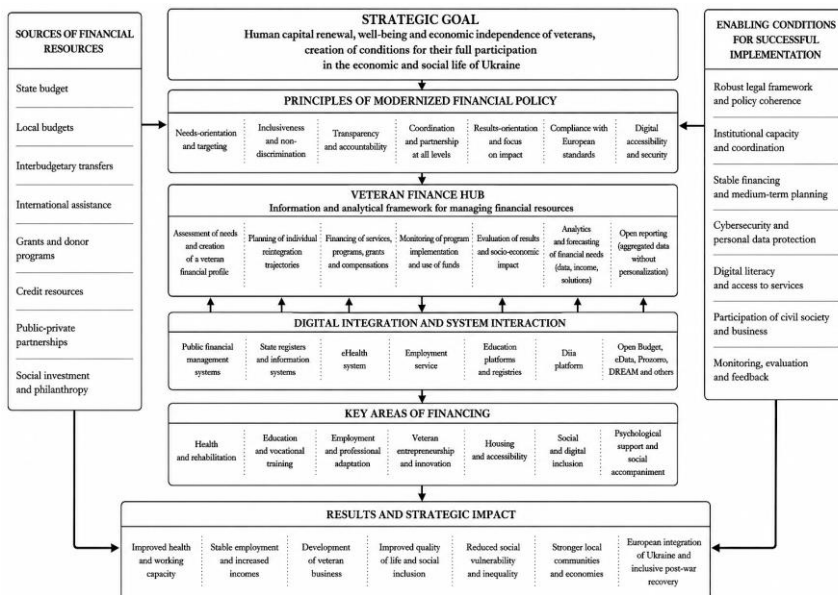


Fig. 1. Structural and functional model of the modernization of Ukraine's financial policy in the sphere of veteran reintegration under digitalization and European integration

A primary direction of this transformation is the shift from predominantly status-based to targeted financing. Formal veteran status constitutes the necessary legal basis for receiving public support; however, it does not capture individual differences in health status, work capacity, professional qualifications, financial circumstances, family situation, or geographical access to services. Veterans with the same legal status may require fundamentally different forms of support, ranging from long-term medical treatment and rehabilitation to vocational training, employment assistance, workplace adaptation, or funding to establish their own business. Therefore, budgetary financing should increasingly be guided by a comprehensive assessment of individual needs and the development of personalized reintegration pathways. This approach can reduce the formalization of support, prevent duplication across programs, and improve the targeting of public resources.

Another important direction is the transition from financing individual measures and maintaining institutional networks to financing services and outcomes. Traditional approaches to evaluating budget programs often focus on the volume of appropriations disbursed, the number of activities implemented, or the number of beneficiaries formally covered by a program. However, such indicators do not reveal the extent to which public funding has contributed to the actual improvement of veterans' socio-economic well-being. Financial policy should therefore be assessed in terms of tangible outcomes, including the restoration of functional capacity and the ability to live independently, employment or

sustainable self-employment, the viability of supported businesses, income growth, access to housing and social services, and the level of social inclusion³¹.

In this context, financial support for veteran entrepreneurship is of particular importance. It should be viewed not merely as a form of one-off financial assistance, but as an instrument for fostering veterans' long-term economic self-reliance. This approach is consistent with contemporary concepts of inclusive entrepreneurship, according to which an enabling environment for entrepreneurial activity contributes not only to the socio-economic reintegration of particular population groups but also to territorial development. Accordingly, the effectiveness of grants and other forms of entrepreneurial support should be assessed not only by the number of grants awarded, but also by the proportion of viable enterprises, revenue dynamics, job creation, and business survival rates. Studies of an integrated ecosystem of inclusive entrepreneurship for the socio-economic reintegration of veterans, as well as research on veteran-owned businesses as a factor in the resilience of the inclusive economy and public finances, support the relevance of this approach³².

An important direction of modernization is the transition to medium-term and long-term financial planning. Veteran reintegration does not end when an individual acquires the relevant legal status or leaves military service. It may involve successive stages of medical treatment, rehabilitation, education, job search, professional adaptation, or the development of entrepreneurial activity, all of which require continuity of financial support. It is therefore advisable to develop medium-term budget programs with predictable funding levels and clearly defined performance indicators. At the same time, a distinction should be made between transitional financing aimed at restoring economic activity and long-term support for individuals who, due to irreversible consequences of injuries, illnesses, or disabilities, require ongoing assistance.

At the same time, modernization should strengthen the multi-level nature of financial support. Veteran reintegration is an area of shared responsibility involving the state, local communities, civil society, businesses, and international partners. Accordingly, alongside state and local budgets, greater use should be made of grant-based, charitable, international, and private resources, as well as co-financing arrangements and public-private partnerships. Diversifying the funding base can reduce the financial burden on individual levels of the public finance system while creating opportunities to implement comprehensive programs that cannot be fully financed from a single source.

Ensuring territorial balance in financial support is also of particular importance. Veterans' actual access to services depends on the financial and institutional capacity of local communities, which differ substantially in terms of their own-source revenues, the size of the veteran population, the condition of social infrastructure, human resource capacity, and the consequences of the war. This creates a risk of territorial inequality, whereby the scope and quality of actual support may depend on where a veteran lives. To mitigate this risk, nationwide support standards should be combined with financial equalization mechanisms that take into account the number of veterans, the number of persons with disabilities, the

³¹ Онищенко С. В., Скрильник А. С. Інтегрована екосистема інклюзивного підприємництва для соціально-економічної реінтеграції ветеранів. Інклюзивна економіка. 2026. № 2 (12). С. 139–146. DOI: 10.32782/inclusive_economics.12-19.

³² OECD. The OECD Going Digital Integrated Policy Framework 2026. OECD Digital Economy Papers. 2026. No. 381. 32 p. DOI: 10.1787/0254ae07-en.

structure of needs for rehabilitation and social services, the level of security-related pressures, and the financial capacity of the respective territory.

Digitalization of the financial mechanism for veteran reintegration is an important instrument for implementing these directions. Its potential lies not so much in transferring individual administrative procedures into electronic form as in creating an information foundation for the coordinated management of financial, social, healthcare, educational, and employment-related resources. Fragmented information systems, duplication of functions, and insufficient coordination among actors involved in veteran policy reduce the effectiveness of public expenditure. Digital tools should therefore provide more than access to individual services; they should establish an information link between a veteran's needs, the source of funding, the specific service provided, and the outcome achieved.

First and foremost, greater compatibility among public information systems is required. Information on veteran status, social benefits received, rehabilitation services undertaken, and participation in educational and vocational programs may be stored across different information resources, making it difficult to assess individual needs comprehensively and creating risks of duplicated funding. Digital modernization should therefore provide for regulated data exchange between relevant systems, while ensuring compliance with requirements for personal data protection, cybersecurity, and access control.

Another important direction is the automation of the assignment and delivery of selected forms of support. Where the necessary data are available, certain services and payments can be provided proactively, without requiring beneficiaries to repeatedly submit the same documents. This can reduce administrative costs, accelerate access to support, and limit opportunities for corrupt practices. At the same time, digitalization should not result in the complete elimination of direct communication between veterans and service professionals or of offline channels for accessing support. Digital transformation should serve as a means of improving accessibility rather than becoming a new source of social inequality.

An important direction of digital modernization is the use of data for budget planning and forecasting financial needs. Information on the number of veterans, the structure of their needs, their geographical distribution, actual service utilization, and program outcomes can be used to estimate future financial requirements, model alternative funding scenarios, identify service gaps, and assess territorial disparities. In this context, digitalization facilitates a transition towards a more evidence-based financial policy in which budgetary decisions are grounded in up-to-date data rather than relying exclusively on previous funding levels or administrative requests from spending units.

Equally important is the digital monitoring of the effectiveness of financial resource utilization. An information system should capture not only the amounts of funds approved and spent, but also the outcomes achieved through their use, including the number of veterans employed after completing training, the proportion of rehabilitation programs successfully completed, the number and viability of supported businesses, access to housing and social services, changes in beneficiaries' incomes, and their level of satisfaction with the support received. Digital monitoring should therefore provide a foundation for moving beyond the control of financial discipline towards performance-based management.

In this context, the establishment of a specialized Veteran Finance Hub as a digital information and analytical framework for managing the financial resources of veteran policy is advisable. Rather than being conceived as a new autonomous government platform duplicating existing digital systems, it should function as a mechanism for coordinating their

interaction in the area of financial support for veteran reintegration. Its primary purpose would be to consolidate information on the sources, allocation, beneficiaries, and outcomes of funding, thereby improving the targeting, transparency, and effectiveness of financial policy.

Functionally, the Veteran Finance Hub could provide for the consolidation of information on budgetary, international, grant-based, and private resources; the development of a digital profile of a veteran's financial needs; coordination of an individual reintegration financing pathway; electronic administration of grants, loans, and compensation payments; monitoring of state and local programs; assessment of the social and economic effects of public expenditure; forecasting of financial needs at both national and local levels; and the generation of open aggregated reporting without disclosure of personal data. Its interaction with existing digital tools for public finance management, electronic government services, healthcare, employment and education systems, as well as information resources of local communities, would create the basis for a coherent information environment for financing veteran reintegration.

It is particularly important that such integration should not rely on the physical consolidation of all data within a single information database, but rather on the compatibility of information systems and their ability to exchange relevant data in accordance with established protocols, mandates, and access rights. This approach would make it possible to combine the advantages of digital management with the need to protect veterans' sensitive information. In practical terms, the functional alignment of such a framework with existing instruments for transparency and public resource management, including Open Budget, eData, Prozorro, DREAM, and the Diia digital services, would be appropriate, avoiding the creation of duplicative infrastructure.

Digitalization should, however, be viewed as a means of improving financial management rather than as an end in itself. The development of new digital solutions requires an assessment of their necessity, life-cycle costs, compatibility with existing systems, and expected outcomes. Otherwise, there is a risk of functional duplication, increased administrative costs, and inefficient use of public funds. Other important risks include the digital divide, cybersecurity threats, unauthorized access to sensitive information, and the potential for algorithmic bias in the automated assessment of needs or prioritization of financial support.

Ukraine's European integration process imposes additional requirements on the modernization of financial policy in the field of veteran reintegration. Its development should be aligned with the principles of transparency, accountability, non-discrimination, equal access, evidence-based policymaking, and multilevel governance. Transparency requires accessible information on national and local programs, their funding, eligibility criteria, and outcomes. At the same time, openness must be balanced with the protection of personal data and the prevention of disclosure of information that could create additional security risks.

Accountability should extend beyond the legality of public expenditure to include assessment of its socio-economic impact. This requires strengthening independent auditing, public monitoring, evaluation of budget program effectiveness, and the disclosure of information on actual outcomes. The principle of non-discrimination, in turn, requires attention to the specific needs of veterans with disabilities, women veterans, internally displaced persons, residents of rural and remote areas, and individuals with limited digital literacy. Accordingly, the digitalization of financial mechanisms should be accompanied by

measures to ensure digital accessibility and preserve alternative channels for accessing services.

Equally important is the principle of partnership and multilevel governance. Veteran reintegration cannot be achieved solely through the activities of central government institutions. It requires coordinated interaction among the state, local communities, civil society organizations, socially responsible businesses, and international partners. From a financial perspective, this implies the development of transparent mechanisms for competitive funding of non-governmental service providers, project co-financing, social contracting, grant support, and public-private partnerships.

Thus, European integration and digitalization should not be regarded as processes external to financial policy. Rather, they constitute interconnected drivers of its internal modernization: European principles establish requirements for the quality, transparency, and accountability of financial decisions, while digital technologies provide practical tools for implementing these principles.

The effectiveness of the modernized financial policy should be assessed through interrelated groups of financial, socio-economic, digital, and institutional indicators. Financial indicators should capture the volume and structure of funding, the share of expenditure allocated to active reintegration measures, the execution of budget programs, administrative costs, and the volume of international and private resources mobilized. Socio-economic indicators should reflect veterans' employment rates, income stability, the number and viability of veteran-owned enterprises, the proportion of individuals who complete vocational training and subsequently secure employment, as well as access to housing, healthcare, and rehabilitation services. Digital indicators should include the share of services available electronically, the average time required to access them, the degree of integration among information systems, the share of automated operations, digital accessibility, and security. Institutional indicators should reflect the level of interagency coordination, territorial equality of access, program transparency, veterans' satisfaction, the involvement of civil society organizations, and the quality of financial oversight.

At the same time, the evaluation system should not become a mechanical accumulation of formal indicators. Each indicator should be directly linked to a specific financial policy objective and used to inform adjustments to budgetary decisions. This would enable the establishment of a closed-loop management cycle (Fig. 2).

This logic enables a shift from passive financing of social obligations towards an adaptive financial policy capable of responding to changing needs among veterans and local communities.

Thus, the modernization of Ukraine's financial policy in the field of veteran reintegration should involve not simply an increase in budgetary expenditure or an expansion of digital services, but a comprehensive transformation of the mechanisms for the mobilization, allocation, administration, and evaluation of financial resources. Its essence lies in the transition from status-based to targeted financing, from maintaining individual programs and measures to financing services and outcomes, from short-term budgetary responses to medium-term planning, and from fragmented resource utilization to coordinated financial management at the national, regional, and local levels.

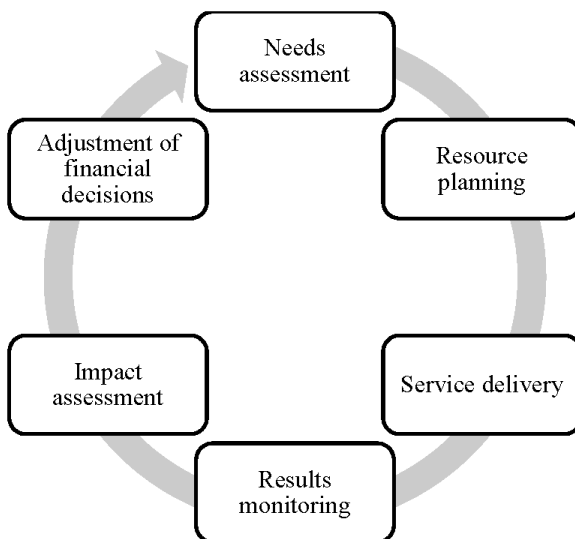


Fig. 2. Management cycle for financing social programs

Within this system, digitalization should perform an enabling function by improving the targeting of financial support, the quality of forecasting, the transparency of public expenditure, and the capacity of public authorities to evaluate program outcomes. At the same time, European integration provides the institutional framework for this transformation, reinforcing the principles of accountability, non-discrimination, good governance, partnership, evidence-based policymaking, and equal access. As a result, financial policy for veteran reintegration should evolve from a predominantly compensatory mechanism of social protection into an instrument for the recovery and development of human capital.

The strategic direction of this transformation should be the shift from financing veteran status to financing the individual pathway of return to civilian life, and from accounting for budgetary funds spent to assessing the human potential restored and the socio-economic value created. This approach makes it possible to view veteran policy not merely as a component of the social protection system, but as an important dimension of Ukraine's financial policy for recovery, strengthening economic activity in local communities, and building their long-term financial resilience.

CONCLUSIONS

The conducted research showed that the reintegration of veterans in the conditions of war and post-war reconstruction should be considered as one of the strategic directions of the financial policy of Ukraine. It is not only about social payments and benefits, but also about financial support for the restoration of health, professional capacity, employment, entrepreneurship, housing support and economic independence of veterans. This requires a

transition from a fragmented compensation model to an integrated system of public investments in the restoration of human capital.

Practically oriented priorities for financial support should be a combination of funds from state and local budgets, international assistance, grant and loan programs, public-private partnership mechanisms; development of performance-oriented budgeting; improvement of inter-budgetary mechanisms; support for veteran entrepreneurship; financing of professional adaptation and accessibility. At the same time, it is advisable to allocate resources taking into account the individual needs of veterans and the financial capacity of territorial communities.

Further modernization of veteran financial policy should be based on medium-term planning, digitalization of budget and social processes, integration of registers and assessment of actual program results. The proposed Veteran Finance Hub can perform the function of a digital information and analytical circuit, which will provide consolidation of data on sources of financing, veterans' needs, use of budget funds and achieved socio-economic results. This will make it possible to increase the targeting of support, transparency of financial flows and quality of budget planning.

Therefore, the key guideline should be the transition from financing the veteran's status to financing the effective trajectory of his return to civilian life. The effectiveness of financial policy should be assessed not only by the volume of budget resources used, but also by the restoration of working capacity, employment and income levels, sustainability of veteran business, accessibility of services and reduction of territorial disparities. Such an approach will allow combining the social function of the state with the investment logic of restoring human capital and strengthening the financial and social resilience of Ukraine.

SUMMARY

The study addresses the transformation of Ukraine's financial policy in the field of veteran reintegration, driven by the scale of wartime challenges, the need to restore human capital, and the imperative of strengthening the socio-economic resilience of the state and territorial communities. It is substantiated that the current model of veteran support requires a transition from a predominantly social and compensatory approach towards a financial framework focused on comprehensive adaptation to civilian life and veterans' economic self-sufficiency. Current trends in the state veteran policy are examined, and the key determinants of financial support for veteran reintegration and human capital restoration are identified. Financial instruments supporting employment, professional adaptation, veteran entrepreneurship, housing provision, accessibility, and access to socially important services are systematized. The need to diversify funding sources and strengthen the coordination of resources from the state and local budgets, international assistance, grant programs, and public-private partnership mechanisms is determined. The directions for modernizing financial policy based on needs-oriented and performance-based financing, medium-term budget planning, digitalization, and alignment with European approaches to public governance are substantiated. The concept of a Veteran Finance Hub is proposed as an integrated digital information and analytical instrument designed to improve the targeting of financial support, enhance the transparency of budget flows, and assess the effectiveness of relevant programs. The expediency of shifting from financing veteran status towards financing an effective individual reintegration pathway is substantiated, which will contribute to human capital restoration, economic activity, and the strengthening of Ukraine's financial and societal resilience.

Key words: economics, finance, financial policy, veteran reintegration, social adaptation, inclusive development, human capital, digitalisation, security transformations.

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