

*prof. dr hab. Heorhiy Cherevko*¹ 

Institute of Economics and Finance
University of Rzeszów

Poverty in Ukraine due to Russian military aggression

INTRODUCTION

“Wealth-poverty” is an eternal axis around which everyday life revolves, and social, philosophical, political and economic discussions take place. This axis encompasses such vital concepts as freedom, justice and equality. Therefore, more and more countries in the world at the beginning of the 21st century are aware of the negative consequences of population poverty, and among the 8 main Millennium Development Goals approved by the UN, solving this issue is one of the highest priorities. The transformational stagnation in modern Ukraine, especially under the conditions of war, has exacerbated the problem of wealth and poverty to a terrible limit. Thus, addressing this problem requires the involvement of all resources of society – political will, intellectual potential, civic conscience, moral responsibility and effective economic mechanisms. The purpose of this study was to establish the real level of poverty in Ukraine and to determine its meaning and factors of formation in the specific conditions of Russian military aggression in the country, as well as to form a vision of the nearest prospects for its dynamics. The research covered the period 2000–2023. The methodology of the conducted research was formed on the basis of a dialectical approach to the study, in combination with methods of analysis and synthesis, as well as induction and deduction, using the method of scientific abstraction and the analytical-descriptive method.

LITERATURE REVIEW

Even in the 4th century, before the birth of Christ, Plato – in the treatise “Laws” – touched on the issues of the ratio of wealth and poverty (Plato, 1990).

¹ Correspondence address: University of Rzeszów, Institute of Economics and Finance, Őwkińskiej st. 2, 35–601 Rzeszów; e-mail: gcherevko@ukr.net. ORCID: 0000-0003-4339-0152.

According to Aristotle, the predominance of one of these elements determines the appropriate form of government (Aristotle, 1983).

It is believed that representatives of classical political economy (A. Smith, D. Ricardo, J. Mill, G. Spencer, A. Marshall, E. de Soto, T. Malthus and others), for the first time, formulated a complete system of views on the problem of the distribution of monetary incomes, the phenomena of poverty and wealth, and also developed a coherent system of views on the distribution of monetary income, the phenomena of poverty and wealth. They found that poverty is the result of industrial development and that the distribution of income between different classes determines the distribution of property.

T. Malthus noted that the cause of poverty is the higher rate of population growth compared with the growth of resources (Malthus, 1993). A. Smith revealed the relative nature of poverty between social standards and the real ability to adhere to them; it was believed that poverty is a consequence of industrial development (Smith, 1962). F. Giddings and his followers called poverty a disaster that cannot be prevented, while at the same time it is the driving force of social progress (Giddings, 1898, p. 152). J. Proudhon also considered poverty to be a social good and an integral feature of humanity, since its needs are growing all the time (Proudhon, 1908, p. 10). G. Spencer also defined poverty as a positive and natural phenomenon that stimulates human development. He considered the state's intervention in the natural development of society to be inappropriate and stimulating the passivity of the population (Spencer, 1906).

According to F. Hayek, poverty is an inevitable reality in any society that cannot be overcome by administrative or coercive methods but can only be slightly reduced on the basis of increasing general well-being (Hayek, 1983, p. 226).

The diametrically opposite point of view was held by the so-called "egalitarians" (E. Reklu, K. Marx, F. Engels). The existence of poverty alongside wealth – in their opinion – is a social disaster, a consequence of unfair distributional relations. It is necessary only to change relations and absolute equality will prevail (Reklu, 1906).

B. S. Roventry first conducted a scientific study of poverty, introduced the concept of a basket of basic products and distinguished between "primary" (insufficient resources to meet basic needs) and "secondary" (when basic needs are not satisfied with irrational expenditure of resources) poverty (*Approaches...*, 2020).

The study of poverty through a set of functional capabilities was carried out by A. Sen, according to which the main point of eradicating poverty is to increase the basic capabilities of the individual (education, medical care, political rights), which leads to an increase in the production capabilities of workers and their opportunities to receive income (Sen, 1993, p. 11).

However, to this day, there are no clear definitions of the concept of poverty. The difficulties mentioned are obviously related both to the multifaceted nature of this phenomenon and to the goals of individual research, which are undertaken by

scientists of various specialties – economists, sociologists, philosophers, political scientists and public administration specialists – using different conceptual apparatus (*Poverty and wealth...*, 2020).

Determining the essence and causes of poverty is especially important in the context of explaining the existence of social inequalities and the division of the countries of the world into rich and poor, which, as it turns out, is important for explaining the behaviour of these countries. R. Sharma, in the book *Rise and Decline of Countries*, draws attention to the peculiarities of such a division and concludes that, in general, if a country focuses on economic growth, then the indicators of human development will rise along with the economy (Sharma, 2016, pp. 20–21).

To the greatest extent, D. Acemoglu and J. Robinson managed to answer the question of why some countries are rich and others are poor, establishing that the huge differences in global inequality are obvious to everyone, and asserting that “inequality in the modern world is mostly a consequence of the difference between countries in the level of economic success due to the presence in them of different institutions, rules that determine the operation of the economy, and incentives for motivating people” (Acemoglu, Robinson, 2018, p. 67). Accordingly, inclusive institutions, such as those in South Korea or the United States, encourage large masses of people to participate in economic activities that allow them to reveal their talents and skills and to make choices based on their own wishes (Acemoglu, Robinson, 2018, p. 68). Nations decline when they have extractive economic and political institutions, as a result of which economic growth is restrained or even blocked (Acemoglu, Robinson, 2018, p. 76).

On the basis of his research, O. Galor came to the conclusion that “the differences in living conditions in the world are so colossal that from one end of this spectrum it is difficult to understand how people live at the other end...” (Galor, 2023, p. 123). The scientist also points to institutions as the root cause of such inequalities and poverty (Galor, 2023, p. 137).

J. Diamond formulated the problem as follows: “Why do some societies decline, while others develop successfully?” (Diamond, 2021). The scientist sees the key to success in the effective resolution of extremely complex environmental problems related to the surrounding natural environment, which enables long-term existence and strong positions. As an example, he cites the successes of Iceland, whose population has one of the highest indicators of average income (Diamond, 2021, p. 22).

E. Reinert, in his book *How Rich Countries Became Rich and Why Poor Countries Remain Poor*, thoroughly illustrated that the so-called “ontological circle of poverty” dooms some countries with enormous starting opportunities to permanent descent along the “rings of poverty” to the bottom of the well (*The economy...*, 2019). The main reason is the priority given to monoproduction

and the incorrect application of the theory of comparative advantages. Thus, favourable conditions for agriculture in Ukraine contributed to its specialisation in raw monoproducts with diminishing returns, where the scale effect does not work. Industries with increasing returns, which could be based on the use of relative advantages, did not develop properly in Ukraine (Kutsiak, Chopenko, 2019).

Among the representatives of the Ukrainian economic school, E.M. Libanova, V.M. Novikov, A.F. Revenko, Y.I. Sayenko, L.M. Cherenko and others are considered the most well-known in the problem of poverty, whose vision of poverty and its causes in general was formed in the context of the understanding of the concept of poverty according to the definition of the EU Council of Ministers formulated in 1984. Based on the rather popular concept of P. Townsend, poverty is a people, family or group whose resources (material, cultural and social) are so limited that they exclude them from the minimally acceptable way of life led by other inhabitants of the European countries where they live. P. Townsend based his analysis on a certain set of restrictions, multidimensional deprivation, which he understood as a state of observed and proven disadvantage of an individual, family or group against the background of society or the nation as a whole (Townsend, 1979, p. 31). V. Voronova, V.O. Mandybura, E. Libanova and O. Sergienko in their works highlight the issues related to the reasons for increasing property and material differentiation of the population, criteria for defining poverty and ways to overcome it. The typology of poverty models is given in the works of Yu. Sayenko (Prykhodko, 2018, p. 531).

The UN defines four main manifestations of poverty: short life, low professional and educational training, deprivation of the economic basis of normal life (water, medical services and quality food) and withdrawal from social life (*About...*, 2001). According to the approach of the World Bank, poverty is considered a situation in which the population lives on less than \$5.50 a day (*How the level ...*, 2023).

The analysis and synthesis of its results show that almost all approaches to defining poverty refer to a person's lack of resources necessary to provide for the minimum needs. The difference is only in the way or method of expressing these minimally necessary needs and determining their optimally reasonable level.

Approaches to defining poverty common in global practice can be combined into two main concepts: the concept of "absolute" poverty and the concept of "relative" poverty (Prykhodko, 2018, p. 529). If the absolute approach characterises poverty according to established and scientifically based physiological or social norms, without taking into account the actual levels of consumption of the population, then the relative criterion provides information about what part of the population cannot provide for itself the level of consumption that has actually formed in a specific country for the current period and is typical for most of the population. The strengthening of income differentiation and uneven distribution of the effects of economic growth between strata of Ukrainian society with different

levels of well-being brings the problem of studying relative poverty to the fore (Cherenko, 2006, p. 317).

So, on the one hand, poverty has an absolute essence – hunger and neediness. On the other hand, it also depends on the standards of societal life, so in researching the problem of poverty, it is advisable to combine both concepts.

Thus, poverty is the absence of resources or their insufficient amount, which leads to the emergence of a whole system of restrictions in various spheres of everyday life of people, which generally corresponds to the methodology of comprehensive assessment of poverty, developed for the implementation of the Poverty Alleviation Strategy, approved by the order of the Cabinet of Ministers of Ukraine dated 16 March 2016 (*The Cabinet...*, 2017). In general, any concepts, definitions and classifications of manifestations of poverty have their flaws. Each country, based on its economic capabilities, chooses a certain option.

RESEARCH METHODOLOGY

The methodology of the conducted research was formed on the basis of a dialectical approach to the study of socio-economic phenomena in an organic combination with the methods of analysis and synthesis and induction and deduction using the method of scientific abstraction and the analytical-descriptive method. A problematic but integral element of the applied research methodology was the determination of the way of expressing the real level of poverty so that it would be possible to analyse the dynamics of its level and make appropriate comparisons in time and space in relation to certain types of poverty. Based on the results of the analysis of existing approaches to poverty measurement, it is accepted that the tool for determining the prevalence of poverty and the degree of impoverishment of the population is the poverty line, which can be determined in two ways: normative and relative (statistical), and both were used during the conducted research. The subsistence minimum is used as a certain social norm to determine the poverty line. Depending on the need and the degree of availability of information, other criteria for classifying the population as poor are applied – structural-expenditure, resource, system and subjective criteria.

The main research limitations were related to the fact that the collection of statistical data from official state bodies during martial law is prohibited; therefore, the main sources of information were operational materials from scientists and practitioners who monitor the course of events and changes in the situation regarding poverty in the conditions of Russian military aggression, as well as published materials from institutions, organisations, analytical portals and information agencies, including SlovoiDilo, ZaxidNet, Epravda, Migrant.biz.ua, Ukrinform, The Ukraine News, Facty.ua, etc.

ANALYSIS OF RESULTS AND THEIR INTERPRETATION

The problem of poverty in the world is gaining more and more weight and importance. Evidence of this is at least the establishment of the International Day for the Fight against Poverty – October 17. In 1981, there were approximately 2 billion poor people in the world, that is, in fact, 40% of the world's population (Kapustynska, 2019). In recent years, another 165 million people have fallen below the poverty line and, in total, about 1.65 billion people live below the poverty line on the planet (*About 1.65...*, 2023). In 2022, more than 250 million people in the world faced severe hunger amid the worsening global food crisis. Among the key factors in this phenomenon, the UN cites the war launched by Russia against Ukraine. In addition, the lingering impact of the COVID-19 pandemic and climate change have also played a role in exacerbating the crisis (*Last year...*, 2023).

According to the United Nations Development Program (UNDP), about 71 million people faced poverty due to the Russian–Ukrainian war (Kryzhanivska, 2022). During the first three months of the war in 2022, approximately 51 million people found themselves below the poverty line. While increasing the number of the world's poor to 9%, the war also caused the daily income of about 20 million people to fall below the \$3.20 poverty line in lower-middle-income countries (*Last year...*, 2023).

The world economy is cyclical: an upswing is followed by a downturn – the recovery to another recession. But never has recovery from a fall stopped so quickly as it is now. The Russian invasion of Ukraine brought losses to the global economy, destabilised energy markets, exacerbated food shortages and poverty in many developing countries (Melnyk, 2022).

That is, the world will pay a high price for Russia's war against Ukraine. However, it is Ukraine that pays the most – in human lives, and these costs are non-reimbursable.

The war in Ukraine has also led to population migration on a historic scale not seen since World War II. The number of refugees from Syria reached 3 million after two years of conflict, while the same number left Ukraine in the first three weeks (Kalmykov, 2022; Melnyk, 2022)

So, the main factor shaping the current level of poverty in Ukraine is undoubtedly the war – Russian military aggression, which affects the growth of poverty due to destruction and losses.

Before the war, according to UNICEF and the Institute of Demography and Social Research named after Ptukha, the poverty level of the population of Ukraine decreased from a high of 71.2% in 2000 to a minimum value of 19.9% in 2008. It then increased and subsequently decreased, reaching a maximum of 25.8% during this period in 2011 (*How the level...*, 2021). A sharp deterioration in the level of poverty in Ukraine occurred after the occupation of Crimea and the start of the

war in Donbas – from 28.6% in 2014, it grew to 58.6% in 2016 and then began to decrease to 37.8% in 2019 (*How the level...*, 2021) (Figure 1).

Now, Ukraine is the poorest country in Europe, and back in the late 1990s and early 2000s, it was third from the bottom – ahead of Albania and Moldova in terms of poverty (Lemko, 2022a).

In 2023, 67% of Ukrainians were already below the poverty line, and Ukraine has almost returned to the poverty level of 2001 – having lost 20 years due to the war unleashed by Russia. Unfortunately, for the years 2022–2023, state statistics practically do not collect relevant data because according to laws related to martial law, demographers and sociologists cannot conduct certain surveys and research. According to simulated data, poverty in Ukraine was 60% in 2022 and 67% in 2023. However, according to the estimates of the Institute of Demography and Social Research named after Ptukha of the National Academy of Sciences of Ukraine, 30–31 million people live in the controlled territory of Ukraine, so it can be assumed that 20 million Ukrainians are below the poverty line.

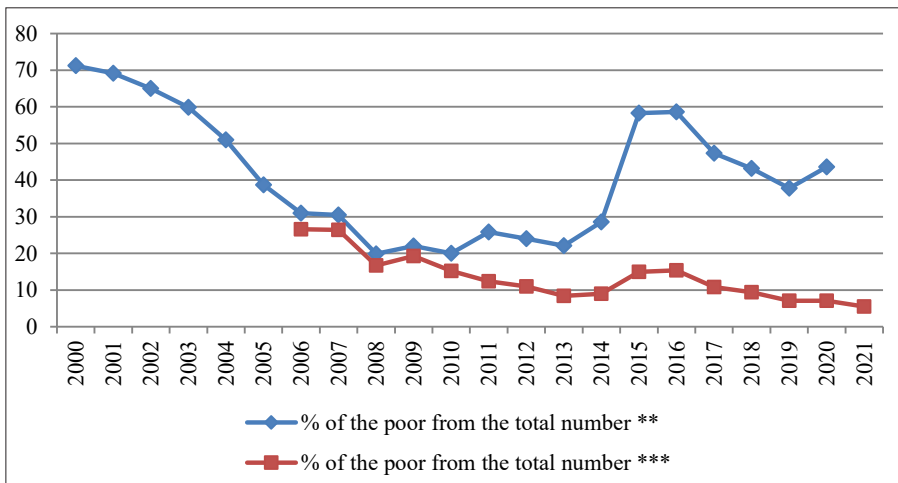


Figure 1. Dynamics of the poverty level in Ukraine (according to various data sources)

* – without taking into account the temporarily occupied territory of the ARC, the city of Sevastopol and the ATO zone.

** source – according to UNICEF data based on research by the State Statistics Service and the Institute of Demography and Social Research named after M.V. Ptukha (*How the level...*, 2021).

*** source – according to the data of the World Bank (the poor – less than \$5.50 /day) (*How the level...*, 2023).

Traditionally, this is poverty associated with low standards of pay, which is related to the low-cost labour model that the country chose back in the early 90s and with which it exists, although in 2017 serious steps began to increase the minimum wage. In addition, rural poverty is also traditionally higher (*Due to the war...*, 2023).

According to the World Bank, in 2006–2007 the level of poverty in Ukraine was even higher than during the full-scale war – 26.6% and 26.4%, respectively. In 2008, the poverty rate was estimated at 19.3%. The number of the population of Ukraine living below the poverty line then decreased to 8.4% in 2013. In 2014–2016, the poverty level in the country increased again to 15.4%, but by 2020 it decreased smoothly to 7.1% (Figure 1). In 2021, before the start of a full-scale war, Ukraine had the best poverty rate – only 5.5%. For 2022, according to the World Bank, it increased to 24.1% (*How the level...*, 2023), resulting in 7.1 million people living below the poverty line (*Due to the war...*, 2023), and by the end of 2023, according to forecasts from the World Bank, it may increase to 55% (*How the level...*, 2023).

The main reason for the increase in poverty in Ukraine due to the Russian military aggression is the terrible consequences of the latter, especially for the economy of the country, which has suffered colossal losses from the full-scale aggression of Russia. According to the results of 2022, the GDP decreased by a third, which is the worst indicator in the history of independence (*How the life...*, 2023). According to the results of 2021, annual inflation in Ukraine amounted to 10%, and according to the results of 2022, 26.6%. The nominal GDP of Ukraine at the end of 2021 was ₴5 trillion 460 billion (₴ = hryvnia), and at the end of 2022, it was ₴4 trillion 825 billion (-11.6%). At the same time, the average salary increased for 2022–2023 by almost 20% – up to ₴17,700/month (equal to €450) (*Average...*, 2022). For comparison, the average monthly salary in Poland is €1,114, Hungary – €1,067, the Czech Republic – €1,249, Romania – €742, Albania – €422 and Germany – €3,812 (*Salaries...*, 2023). The average Ukrainian can buy 4.5 times fewer goods than the average Swiss person or 3 times fewer than the average German (Ben, 2020).

The minimum wage in Ukraine rose to ₴6,700 (€168 at the exchange rate of ₴40/euro), compared to ₴6,000 in 2021 and ₴5,000 in 2020. Notably, this rate was maintained throughout 2023 (*Minimum...*, 2023).

Pensions continue to be indexed: the minimum pension in 2023 increased to ₴3,120 for unemployed and ₴2,520 for working pensioners (*What is...*, 2023).

From January 1, 2023, the subsistence minimum per person per month was ₴2,589 – at the level of 2022 and ₴196 more than in 2021 (Grubrina, 2023). Comparing this living wage with the level of prices for basic necessities, it can be considered a rather symbolic indicator.

But the number of registered unemployed people in Ukraine has almost halved: as of January 31, 2023, there were officially 166,000 unemployed citizens. Among the reasons for such an anomaly are the departure of Ukrainians abroad, mobilisation and the citizens staying in the occupied territories. In fact, as of the end of 2022, according to the Ministry of Economy, the number of unemployed people was 2.6 million. In August 2023, the unemployment rate was 15.1%.

According to the Ukrainian Institute for the Future (UIF) – approximately 28.5 million people currently live in Ukraine. However, what matters is not the total number, but the structure. Among these 28.5 million, there are 16.8 million professionally inactive people – retirees and children. About 11.7 million are economically active, but only about 9–9.3 million of them are actually employed. If you subtract budget employees from this number, there will remain 6–7 million people who are, in fact, the “sleigh” that pulls the entire economy (Marushchak, 2023).

Due to the fuel crisis during the war, the price of fuel increased: a litre of A-95 petrol rose in price by 59.9%, a litre of diesel – by 78.5% and autogas – by 47.7%. In addition, the prices of basic foods soared: bread rose in price by more than 20%, milk – by 21.8%, eggs – by 78%, sunflower oil – by 15.1%, buckwheat – by 44.7%, sugar – by 30.1%, potatoes – by 1.2% and pork – by 35.4% (*How the life...*, 2023).

The war in Ukraine showed certain, rather interesting, interdependencies of a political and economic nature:

1. The countries that unconditionally support Ukraine in the war with Russia are the USA, Canada, Great Britain, Scandinavian countries, Australia and Japan, which are united by the Protestant religion, high standards of democracy, low corruption and the highest GDP per capita; these are developed rich countries. The Baltic countries and Poland, which also unconditionally and almost the most support Ukraine, are not rich countries as a result of the Russian occupation of Latvia, Estonia and Lithuania from 1940 to 1991, and Poland – from 1945 to 1989 (Lemko, 2022a).
2. The sympathisers of the Kremlin and Putin in developed rich countries mostly represent the poor and poorly educated electorate. Trump is the leader of the poor “cowboys” – the inhabitants of the deserts and prairies; on the other hand, almost one hundred percent of the American professoriate, scientific, creative, artistic and business elite are always in favour of democracy. “Yellow vests” in France, “Alternative for Germany” and “Jobbik” in Hungary are areas of low income and low education (Lemko, 2022a).
3. Half-rich countries also “half” help Ukraine and still are a “semi-helper” towards Ukraine – even now, their aid is not commensurate with the help of the USA or Great Britain.
4. “The world’s largest democracy”, India, is in no hurry to condemn Russian aggression against Ukraine, does not join the free world’s sanctions against Russia and was tempted by cheap Russian oil – because this almost one-and-a-half-billion-strong country, even exporting software for an amount greater than Russia’s oil exports, still belongs to the poor world.
5. In general, the moral, educated, inventive and enterprising “golden” billion of the population is opposed to the generally impoverished and immoral, not even “gilded”, six billion. Of course, one cannot claim that certain nations are

100 percent moral or immoral; nevertheless, there is today a polarisation of the countries of the world into two groups: on one hand, the advanced Euro-Atlantic civilisation that has contributed significantly to the world, and on the other hand, a group of immoral, insidious and hopelessly envious countries, where rampant corruption prevails, the majority of the population suffers from severe pathological poverty and there is an absence of an open civil society. We can now confidently include Russia in this latter group (Lemko, 2022b).

According to the survey conducted by the Kyiv International Institute of Sociology (KIIS) on October 21–23, 2022, the majority of Ukrainians believe that in ten years Ukraine will be a successful country within the EU. 96% of respondents are ready to endure material difficulties for 3–5 years (*Ukrainians...*, 2022). That is, the issue of poverty in Ukraine today is less important for people than it was in peacetime, and the completion of the country's European integration is now the most important priority – the prerequisite for which is an absolute victory over Russia and punishment for the damage and loss of life.

It is impossible to eliminate poverty in general. “We can hardly count on the eradication of poverty in Ukraine. Rather, the task consists in reducing the number of the poor” (Libanova, 2020, p. 11). The prospects for reducing the level of poverty in Ukraine depend on the duration of the war, the level of destruction of the country's economy and the quality of development of the country's economy and its population at a new level. The latter will crucially depend on the degree of inclusiveness of the new economic and political institutions. It is clear that a purely objective condition for the successful operation of the mentioned factors is the economic and political support of Ukraine by partner countries.

Based on the current situation and evolving trends, certain positive developments are predicted for the near future, despite the ongoing challenges of the war. In particular, by April 1, 2024, the minimum wage in Ukraine is expected to increase by more than 19% compared to the current level. Consequently, business expenses for maintaining each employee at the minimum wage will rise by a similar percentage, approaching nearly ₪10,000. The government plans to raise the minimum wage on April 1 to ₪8,000 (Kruglikov, 2023). This increase is likely to encourage the growth of average wages, which may ultimately contribute to the stabilisation or even reduction of the poverty level among the population of Ukraine; however, this will depend on the success of the Armed Forces in the conflict with Russia.

FINAL REMARKS AND CONCLUSIONS FROM THE RESEARCH

Despite the high popularity of the topic of poverty in scientific research, there is no single definition or understanding of the concept of poverty. Only its relative nature and the fact that the essence of poverty depends on a country's

economic development are precisely known, since the poor population of a highly developed country will be considered quite wealthy in countries with low economic development. Poverty is characteristic of all countries, regardless of their level of development and income of the population. The main causes of poverty are a level of income lower than the minimum defined by society or its complete absence, which causes the exclusion of an individual from social life.

Due to economic, political and social reasons, Ukraine had a fairly high level of poverty even before the beginning of Russia's large-scale aggression, which, however, showed a downward trend. The key cause of poverty in Ukraine before the war was a high level of monopoly and a rent-seeking model of the economy, which caused a low level of social benefits as a result of low earnings and, therefore, deductions to the relevant budgets and funds; a significant economic burden on the working population; high rates of inflation; and a low estimate of labour costs.

The war sharply worsened the state of the country's economy in qualitative, quantitative and structural terms, which was reflected in the level of the population's income and indicators of its poverty level – the number of poor people increased significantly.

Based on the level of inflation, the rate of wage growth and the dynamics of social benefits, we can draw the same conclusions about the level of poverty in Ukraine as the World Bank does. At the same time, this institution is unable to assess the true picture of the lives of Ukrainians, where family and shared incomes are widely developed, informal part-time work and receiving financial assistance from children and grandchildren are common. The World Bank usually does not try to understand other countries' economies and operates with clichés. In Ukraine, the number of poor people has definitely increased – nothing good is expected from the war in this regard. However, a significant number of Ukrainians, even despite the war, have jobs and income. True, prices have increased significantly, but in times of war, it is not and cannot be otherwise.

For Ukraine, which suffers under the blows of the aggressor who is waging war to destroy this country, the issue of poverty does not make economic sense and is not a priority for the population at the moment. Rather, it has political and social significance. In order to reduce the level of poverty, it is necessary to fight not with the consequences, but with the causes of poverty; otherwise, the struggle can continue indefinitely. In the case of Ukraine, the main cause of population poverty today is the war and Russian military aggression. Accordingly, the first task is the end of the war and the absolute victory of Ukraine, which corresponds to the interests of all civilised humanity.

From a political point of view, it is very important that the formula “war – destruction – poverty” is not an abstract concept, but a reality in which a huge European country is falling under the influence of external aggression and the whole world is suffering. It is a pity that not everyone stubbornly realises this.

In addition to the economic and political aspects, there is also a philosophical perspective on the problem because in addition to quantitative criteria, poverty has qualitative criteria. People who defend their country lose a great deal materially, but they gain incomparably more spiritually, morally, valuably and mentally. This is a guarantee of future victory and further reconstruction and prosperity of the country.

BIBLIOGRAPHY

- About the strategy for overcoming poverty*: Decree of August 15, 2001 No. 637/2001. (2001). Government Courier. August 18.10. (in Ukrainian).
- About 1.65 billion people in the world live below the poverty line*. (2023). Retrieved from: <https://www.ukrinform.ua/rubric-world/3735743-u-sviti-blizko-165-milarda-ludej-zivut-za-mezeu-bidnosti-oon.html> (2023.09.12). (in Ukrainian).
- Acemolgu, D., Robinson, J.A. (2018). *Why Nations Fail. The origins of power, prosperity and poverty*. Trans. from English O. Demyanchuk. Kyiv: Our format. (in Ukrainian).
- Approaches to studying the phenomenon of poverty and their evolution*. (2020). Retrieved from: <https://studies.in.ua/socialna-polityka-derzhavy/3484-pdhodi-do-vivchennya-fenomeny-bdnost-ta-yih-evolyucya.html> (2023.10.12). (in Ukrainian).
- Aristotle. (1983). *Politics*. Compositions. *Mysl*, 4, 376–644. (in Russian).
- Average salary in Ukraine* (2022). Retrieved from: <https://index.minfin.com.ua/ua/labour/salary/average/> (2023.09.23). (in Ukrainian).
- Ben, B. (2020). *Why do the poor in Ukraine remain poor?* Retrieved from: <https://voxukraine.org/chomu-bidni-v-ukrayini-zalishayutsya-bidnimi> (2023.10.12). (in Ukrainian).
- Cherenko, L.M. (ed.). (2006). *Standard of living of the population of Ukraine*. Kyiv: “Consultant” LLC. (in Ukrainian).
- Diamond, J. (2021). *Collapse. Why do some societies decline, while others develop successfully*. Trans. from English V. Horbatko. KMBUKS Publishing Group LLC. (in Ukrainian).
- Due to the war, Ukraine “rolled back” to the poverty level of 2001 – a demographer*. (2023). Retrieved from: <https://www.ukrinform.ua/rubric-society/3775146-ukraina-cerez-vijnu-vidkotilasa-na-riven-bidnosti-2001-roku-demo-graf.html> (2023.10.23). (in Ukrainian).
- Galor, O. (2023). *The Journey of Humanity. The Origins of Wealth and Inequality*. Translated from English by F. Markhovska. Kyiv: Nash Format. (in Ukrainian).
- Giddings, F.G. (1898). *Foundations of sociology*. Kyiv – Kharkiv: South Russian book publishing house Johanson F. (in Russian).
- Grubrina, A. (2023). *Living wage 2023: the amount of payments and the impact on wages, pensions and assistance from the state*. Retrieved from: <https://vikna.tv/dlia-tebe/ekonomiya/prozhytkovyj-minimum-2023-v-ukrayini-yakyj-byudzheth-peredbacheno-narik/> (2023.11.01). (in Ukrainian).
- Hayek, F.A. (1983). *The road to slavery*. London: Nina Karsov. (in Russian).
- How the level of poverty in Ukraine has been changing*. (2023). Retrieved from: <https://www.slovoidilo.ua/2023/05/04/infografika/ekonomika/yak-zminy-uvavsvya-riven-bidnosti-ukrayini> (2023.09.12). (in Ukrainian).

- How the level of poverty in Ukraine has been changing over the past 20 years.* (2021). Retrieved from: <https://www.slovoidilo.ua/2021/02/16/infografika/suspilstvo/yak-zminyuvavysya-riven-bidnosti-ukrayini-ostanni-20-rokiv> (2023.09.12). (in Ukrainian).
- How the life of Ukrainians became more expensive during a year of full-scale war.* (2023). Retrieved from: <https://www.slovoidilo.ua/2023/02/24/infografika/ekonomika/yakzdorozhchalo-zhyttya-ukrayinciv-rik-povnomasshtabnoyi-vijny> (2023.09.12). (in Ukrainian).
- Kalmykov, O. (2022). *How Russia's war against Ukraine makes the world poorer: 10 facts and forecasts.* Retrieved from: <https://www.bbc.com/ukrainian/features-61774750> (2023.10.01). (in Ukrainian).
- Kapustynska, T. (2019). *And people are poor: what was said about poverty and getting out of poverty on nobilitet.* Retrieved from: <https://www.Platfor.ma/topics/knowledge/lyudy-bidkayutsya-shho-rozpovidaly-pro-bidnist-ta-vyhid-zi-zlydnyv-na-nobilitet-2019/> (2023.10.01). (in Ukrainian).
- Kryzhanivska, G. (2022). *71 million people in the world were below the poverty line because of the war in Ukraine – UNDP.* Retrieved from: <https://www.unn.com.ua/uk/news/1998776-71-mln-lyudey-u-sviti-opinilisya-za-mezheyu-bidnosti-cherez-viynu-v-ukrayini-proon> (2023.10.01). (in Ukrainian).
- Kruglikov, D. (2023). *Will the business be pushed into the shadows? Should the minimum wage be raised?* Retrieved from: <https://vesti.ua/uk/business-uk/economics-uk/zagonit-biznes-v-ten-nuzhno-li-povyshat-minzarplatu-vo-vrem-ya-vojny> (2023.10.01). (in Ukrainian).
- Kutsiak, V., Chopenko, T. (2019). Key paradigms and possibilities for poverty alleviation in Ukraine. *Young Scientist*, 6(70), 179–182. DOI: 10.32839/2304-5809/2019-6-70-36. (in Ukrainian).
- Last year, more than 250 million people in the world faced a food crisis.* (2023). Retrieved from: <https://www.ukrinform.ua/rubric-world/3704135-torik-ponad-250-miljoniv-ludej-zitknulisa-z-prodovolcou-krizou-oon.html> (2023.09.23). (in Ukrainian).
- Lemko, I. (2022a). *About the rich and the poor-1.* Retrieved from: https://zaxid.net/pro_bagatih_i_bidnih_n1552431 (2023.10.22). (in Ukrainian).
- Lemko, I. (2022b). *About the rich and the poor-2.* Retrieved from: https://zaxid.net/pro_bagatih_i_bidnih_2_n1552782 (2023.10.22). (in Ukrainian).
- Libanova, E.M. (2020). *Poverty of the population of Ukraine: methodology, methodology and practice of analysis.* Uman: “Sochinsky M.M.”. (in Ukrainian).
- Malthus, T.R. (1993). *Experiment on the law of population.* Moscow: Ekonov Klyuch. (in Russian).
- Marushchak, O. (2023). *How many Ukrainians will remain after the war: experts on population reduction and the catastrophic ratio of women and men.* Retrieved from: https://tsn.ua/exclusive/skilki-zalishitsya-ukrayinciv-pislya-viyni-eksperti-poyasnili-chomu-skorochuvatimetsya-kilkist-naseleennya-235_8379.html (2023.10.22). (in Ukrainian).
- Melnik, V. (2022). *The price of war: ten facts that Russia's aggression against Ukraine harms the world economy.* Retrieved from: <https://vikna.tv/video/svit/czina-vijny-desyat-faktiv-togo-shho-agresiya-rosiyi-proty-ukrayiny-sh-kodyt-svitovij-ekonomiczi/> (2023.10.23). (in Ukrainian).

- Minimum wage in Ukraine.* (2023). Retrieved from: <https://index.minfin.com.ua/ua/labour/salary/min/> (2023.11.13). (in Ukrainian).
- Plato. (2012). *Laws*. Books I and II. Translated with commentary of Susan Sauvé Meyer. Oxford: University Press.
- Poverty and wealth in scientific theories and contemporary research.* (2022). Retrieved from: https://allref.com.ua/uk/skachaty/Bidnist_i_bagatstvo_v_naukovih_teoriyah_i_suchasnih_doslidjennyah?page=1-7 (2023.10.12). (in Ukrainian).
- Proudhon, P.J. (1908). *Poverty as an economic principle*. Moscow: Posrednik. (in Russian).
- Prykhodko, I.V. (2018). Theoretical and methodological approaches to the definition of poverty. *Young Scientist*, 53(1), 528–532. (in Ukrainian).
- Reklu, E. (1906). *Wealth and poverty*. Moscow: Publishing house. L.O. Krumbugel and N.N. Khudyakov. (in Russian).
- Salaries in Europe.* (2023). Retrieved from: <https://migrant.biz.ua/dovidkova/emigracia/zarplata-v-ievropi.html> (2023.10.23). (in Ukrainian).
- Sen, A. (1993) *Sociological assessment of poverty. Foreign research on the problem of poverty*. Beijing: Reforms. (in Russian).
- Sharma, R. (2016). *The rise and fall of nations*. Trans. from English A. Ishchenko. NY, London: W.W.Norton & Company. (in Ukrainian).
- Smith, A. (1962). *Research on the nature and causes of the wealth of nations*. Moscow: Socekgiz. (in Russian).
- Spencer, G. (1906). *Social statics. An exposition of the social laws determining the happiness of mankind*. St. Petersburg. (in Russian).
- The Cabinet of Ministers approved the method of comprehensive assessment of poverty.* (2017). Retrieved from: <https://www.epravda.com.ua/news/2017/07/27/627520/> (2023.10.23). (in Ukrainian).
- The economy is slowly dying: How Ukraine preserves poverty* (2019). Retrieved from: <https://ua.112.ua/mnenie/ekonomika-povilno-vmyraie-yak-ukraina-konservuie-bidnist-490268.html> (2023.10.01). (in Ukrainian).
- Townsend, P. (1979). *Poverty in the United Kingdom*. Berkeley: Univ. of California.
- Ukrainians are ready to endure material difficulties for the sake of the country's prosperity in the future – survey.* (2022). Retrieved from: <https://www.slovoidilo.ua/2022/11/07/novyna/suspilstvo/ukrayinczi-hotovi-terpity-materialni-trudnoshhi-zarady-proczvitannya-krayiny-majbutnomu-opytuvan-nya> (2023.09.13). (in Ukrainian).
- What is the minimum pension in Ukraine in 2023: the amount after indexation.* (2023). Retrieved from: <https://fakty.com.ua/ua/ukraine/suspilstvo/20231023-yaka-minimalna-pensiya-v-ukrayini-2023-suma-pislya-indeksaciy> (2023.09.12). (in Ukrainian).

Summary

The purpose of this study was to establish the real level of poverty in Ukraine and to determine its meaning and factors of its formation in the specific conditions of Russian military aggression in the country and to form a vision of the nearest prospects of its dynamics. The methodology of the conducted research was formed on the basis of a dialectical approach to the study of socio-economic phenomena in an organic combination with the methods of analysis and synthesis as well

as induction and deduction using the method of scientific abstraction and the analytical-descriptive method. The tool for determining the prevalence of poverty and the degree of impoverishment of the population is the poverty line. Two main methods of its definition are used: normative and relative (statistical). It has been established that the war has caused catastrophic damage to the country's economy and is the main factor in the sharp increase in the poverty level of the population. At the same time, the issue of poverty is not a priority for the population of Ukraine at present. Purely objectively, for a country under the blows of an aggressor who is waging war to destroy it, the poverty rate makes no economic sense; rather, it has political and social significance. The first task is to end the war in an unambiguous version – the absolute victory of Ukraine, which corresponds to the interests of all civilised humanity. The prospects for reducing the level of poverty in Ukraine depend on the duration of the war and the level of destruction of the country's economy, as well as the quality of development of the country's economy and its population at a new level. The latter will depend on the degree of inclusiveness of the new economic and political institutions. It is clear that a purely objective condition for the successful operation of the mentioned factors is the economic and political support of Ukraine by partner countries.

Keywords: war, Ukraine, poverty, welfare, victory.

Ubóstwo ludności Ukrainy w wyniku rosyjskiej agresji militarnej

Strzeszczenie

Celem niniejszego badania było ustalenie rzeczywistego poziomu ubóstwa na Ukrainie oraz określenie czynników jego kształtowania się w specyficznych warunkach rosyjskiej agresji militarnej na ten kraj oraz sformułowanie wizji najbliższych perspektyw jego dynamiki. Metodyka prowadzonych badań powstała w oparciu o dialektyczne podejście do badania zjawisk społeczno-ekonomicznych w organicznym połączeniu z metodami analizy i syntezy oraz indukcji i dedukcji z wykorzystaniem metody abstrakcji naukowej oraz metody analityczno-opisowej. Narzędziem służącym do określenia rozpowszechnienia ubóstwa i stopnia zubożenia ludności jest granica ubóstwa. Stosowane są dwie główne metody jego definiowania: normatywna i względna (statystyczna). Ustalono, że wojna wyrządziła katastrofalne szkody w gospodarce kraju i jest głównym czynnikiem gwałtownego wzrostu poziomu ubóstwa ludności. Jednocześnie problem ubóstwa nie jest narazie priorytetem dla ludności Ukrainy. Czysto obiektywnie, dla kraju, znajdującego się pod wpływem agresora, który prowadzi wojnę, aby go zniszczyć, wskaźnik ubóstwa nie ma sensu ekonomicznego, ale ma znaczenie raczej polityczne i społeczne. Najważniejszym zadaniem jest zakończenie wojny w wersji jednoznacznej – absolutnym zwycięstwem Ukrainy, co odpowiada interesom całej cywilizowanej ludzkości. Perspektywy zmniejszenia poziomu ubóstwa na Ukrainie zależą od czasu trwania wojny i stopnia zniszczenia gospodarki kraju, od poziomu jakości rozwoju gospodarki kraju i jego ludności na nowym poziomie. To ostatnie będzie zależeć od stopnia inkluzywności nowych instytucji gospodarczych i politycznych. Jest oczywiste, że czysto obiektywnym warunkiem pomysłnego działania wymienionych czynników jest wsparcie gospodarcze i polityczne Ukrainy przez kraje partnerskie.

Słowa kluczowe: wojna, Ukraina, ubóstwo, dobrobyt, zwycięstwo.

JEL: D60, H55, H56, I31, I32, I39.