



International Economic Relations
of European Countries

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**POST-WAR RECOVERY OF EUROPE:
EXPERIENCE AND LESSONS
FOR UKRAINE**

Abstract

The paper studies the problems of a country's recovery after a war or a military conflict. The European experience of restructuring the economy after World War II is investigated. The main focus of the paper is on the analysis of post-war Modernization and Re-Equipment Plan of France, entitled the Monnet Plan, and European Recovery Program, better known as the Marshall Plan. The plan for recovering the French economy is of interest to Ukraine due to the similarities in problems and challenges faced by France in 1946 and Ukraine now. Therefore, the paper reviews the methods and approaches employed by the French experts trying to modernize their country. It also determines the risks that the French tackled while implementing the Monnet Plan. The author highlights the progressiveness and identifies the peculiarities of the Marshall Plan used to restructure post-war Europe. Suggestions for its adaptation opportunities in the current Ukrainian conditions are based on the results of the generalization and systematization of the European experience. The author argues that Ukraine's recovery should start from the structural transformation and transition from the agrarian raw economy to an industrial and innovative kind, achieved through es-

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establishment of modern high-tech digital Industry 4.0. Notably, Ukraine itself must show initiative in this if it wishes to avoid being side-lined as a middling agrarian state. Here, a strong and unyielding position of the national elite is of paramount importance, as is their defence of the national interests and the right of the Ukrainian state to innovative development EU membership. It is of key importance that the issue of granting Ukraine financial support is resolved, as it is a condition of ensuring its resilience and sustainability of its post-war economic growth. On its part, Ukraine must ensure transparency in the use of the international aid, eradicate corruption and misuse of funds allocation.

Key Words:

post-war recovery of countries; Monnet Plan; Marshall Plan; restructuring; modernization; post-war economic growth; structural transformations; innovative development.

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18 references.

Introduction

Russian military aggression against Ukraine continues, but all experts unanimously call to start planning the recovery of the Ukrainian economy today. In this context, it is appropriate to recall and analyse how Europe, and France in particular, recovered after the Second World War.

The plan for restoring the French economy is of interest to Ukraine due to the similarities in problems and challenges faced by France in 1946 and Ukraine now. Of course, it cannot be transferred to Ukrainian reality in all its details, but that is hardly the goal. Today we live in a completely different world economy, a different world that has gone through two industrial revolutions since the middle of the last century, and today is in the process of the Fourth Industrial Revolution,

which is fundamentally different from the previous two (Amosha et al., 2021). However, we are interested in the methods and approaches used by European countries for effective post-war economic recovery, which can be used or taken into account in Ukraine.

Literature Review and Problem Statement

Many in-depth scientific works are devoted to the study of economic restructuring after wars and military conflicts, in particular in European countries after the Second World War. For example, E. Reinert (2019) postulates that all today's rich European countries used the same strategy for the post-war reconstruction of their economies: they abandoned a raw material orientation in favour of the processing industry and necessarily went through a period when emulation – the desire and aspiration to match or surpass – was their main priority. In particular, Germany was saved by the production strategy, the conscious development of trade and industry, separated from agriculture and the production of raw materials. In his opinion, the Marshall Plan (plan for the reindustrialization of post-war Europe) is the most successful development project in the history of mankind, considering the number of countries that managed to get out of poverty with its help (Reinert, 2019).

T. Judt (2006) also emphasizes the progressiveness and importance of the Marshall Plan for the reconstruction of Europe. The researcher notes that the most important achievement of the Plan was that it blocked the causes of the decline in the European economy and its return to the indicators of the interwar years, namely the deficit of goods production, mutually destructive protectionism and the decline of trade (Judt, 2006).

European post-war economic growth, which lasted until 1973, is studied by B. Eichengreen. He argues that the main components of the European growth miracle during this period were significant volumes of investment and export growth, as well as a number of domestic and international agreements, including the creation of the European Payments Union and the European Coal and Steel Community, which solved the problems of interstate cooperation (Eichengreen, 1994).

M. Kelly considers the method of post-war reconstruction of France to be one of the most successful examples in history of eliminating the consequences of war. In particular, the researcher emphasizes the key role of cultural and intellectual reconstruction of the French national identity, noting that the powerful public consensus on the restoration of the national identity in 1944-1947 largely helped to ensure the future of today's prosperous France (Kelly, 2008).

The reasons for the rapid post-war recovery of Belgium (1944-1960) are studied by I. Cassiers (1994). She is convinced that the «Belgian economic miracle» of the immediate post-war period is connected with bold institutional reforms in the social and monetary spheres. At the same time, she notes that in the 1950s, the country's economic growth slowed down, which, in her opinion, is explained by defence spending and the lack of industrial restructuring.

An article by Braun and Kvasnicka (2014) analyses how the mass immigration of millions of German exiles to West Germany after World War II affected the structure of its economy. The authors point out that this powerful wave of migration largely determined the rapid economic revival and the establishment of a highly productive industry in West Germany.

The category of «key workers» as an element of socio-economic stability of territories is studied by M. Raco (2006). Based on archival research, he analyses how government programmes to support key workers affected the resolution of economic problems of the post-war period in Great Britain, and also concludes that these programmes contributed to the targeted emergence of different classes of specialists and workers with the necessary qualifications.

Nevertheless, despite the significant number of scientific works studying the experience of the post-war reconstruction in Europe, in the conditions of a new emerging historical reality caused by the large-scale military invasion of the Russian Federation into the territory of independent Ukraine, this direction of research requires further scientific exploration.

The paper aims to summarize and systematize the experience of Europe's recovery after World War II, to investigate the methods and approaches used by European countries, in particular France, in the modernization and restructuring of the post-war economy, and consequently to put forth suggestions regarding the possibilities of adapting the European experience to the conditions of modern Ukraine.

Research Methodology

In the research process, general scientific methods of theoretical analysis were applied: logic and historical periodization, comparison, generalization and systematization. The research is based on the provisions of the neo-Schumpeterian economic school, which emphasizes structural changes in the economy carried out via innovations, and institutional theory. It relies on theoretical developments and practical European experience in solving the problem of effective recovery and structural transformation of the post-war economy.

Research Results

European Recovery Program

After the Second World War, European countries, in particular Germany, were in a difficult socio-economic situation. In May 1945, immediately after the surrender of Germany, the Morgenthau Plan was enacted, proposed by the US Treasury Secretary Henry Morgenthau and approved by the anti-Hitler coalition back in 1943. Its essence was to completely eliminate the industry of Germany to protect the world from a new German attack, and to turn it into an agricultural country. However, a year later it became clear that the total deindustrialization of the country was leading to serious economic problems, including a decrease in productivity in agriculture. Former US President Henry Hoover, sent to Germany to find out the causes of the economic problems that were accumulating in the country, made a disappointing conclusion: it was impossible to turn post-war Germany into an agricultural country without destroying or displacing its entire population (Reinert, 2019). That is, the consequences of the deindustrialization of the German economy were so devastating that they endangered even the food self-sufficiency of the country's population. So the Morgenthau Plan had to be abandoned.

At the same time, it became clear that not only Germany but other European countries too would not be able to cope with the post-war recovery on their own. US Secretary of State George C. Marshall addressed this: «The truth of the matter is that Europe's requirements for the next three or four years of foreign food and other essential products – principally from America – are so much greater than her present ability to pay that she must have substantial additional help or face economic, social, and political deterioration of a very grave character.» (The Editors of Encyclopaedia Britannica, 2021).

Having assessed the extent of the destruction caused by the war, understanding and being moved by the vulnerability of Western European countries to Soviet expansionism, the United States took the initiative to provide economic and political assistance to Europe in its recovery and preservation of democratic values. US President Harry S. Truman noted that the US will not allow Europe to become a depression zone and easy prey for communism (Monnet, 2000). The United States officially announced its intentions in June 1947, when J. C. Marshall, in a speech at Harvard University, suggested that European countries themselves develop a program for the reconstruction of Europe with the assistance of the United States. «...The initiative, I think, must come from Europe. The role of this country should consist of friendly aid in the drafting of a European program and of later support of such a program so far as it may be practical for

us to do so...» (Monnet, 2000). This speech marked the official start of the European Recovery Program (hereinafter – the Program), named **the Marshall Plan** after him.

The European response to J. C. Marshall's proposal was swift and positive. Initially, aid was offered to almost all European countries, including the Soviet Union, but the latter refused to participate due to the incompatibility of its main provisions with the principles of the closed Soviet economy. Under pressure from the Soviet Union, its satellite countries also refused American aid. As a result, 16 of the 22 invited European countries accepted the US offer, all of them – Austria, Belgium, Great Britain, Greece, Denmark, West Germany, Ireland, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, France, Sweden, Switzerland – received assistance under the Marshall Plan (The Editors of Encyclopaedia Britannica, 2021).

The US Congress authorized the creation of the Program, and H. S. Truman signed it in April 1948. *The concept of the Program was fundamentally different from the terms of previous financial assistance provided by the US for the reconstruction of Europe.* First, the countries themselves had to decide whether to accept American aid or not and how to use it. Second, the Program required European governments to plan and calculate future investment needs themselves. They had to learn how to negotiate and agree with each other and with the United States to develop multilateral trade and economic relations. The Program also provided for the development of cooperation between governments, enterprises and trade unions in the planning of increased production volumes and the conditions that could facilitate this. Third, the Program was not an ordinary emergency fund, but a program for the strategic recovery and growth of Europe. And, fourth, the amount of aid at that time was huge. The USA spent about 13 billion dollars on its implementation: at the prices of early 2000s, the Marshall Plan would have cost about 201 billion dollars (Judt, 2006). And this despite the fact that the destructive impact of the war was not as total as it was imagined from the very beginning. For example, in the Ruhr region, which experienced the largest number of bombings, two-thirds of all factories and equipment remained intact (Judt, 2006).

It is important to note that almost all financial assistance (more than 90%) came in the form of grants and only the rest came as loans (The Editors of Encyclopaedia Britannica, 2021; History.com Editors, 2020; National Archives, n.d.; Library of Congress, n.d.). Priority was given to large industrial states (Great Britain and France), as it was believed that the modernization of these countries would have a positive effect on the recovery of the whole of Europe. These two countries received the largest amounts in absolute terms. Germany's allies (Italy) and countries that maintained neutrality (e.g., Switzerland) received a smaller amount of aid per capita.

France, in particular, came out of World War II significantly exhausted. But much less known is the fact of how economically weak it was before the war. For

example, the productivity of a French worker was 3 times lower than that of an American worker and 1.5 times lower than that of an Englishman. One French farmer provided agricultural products for five consumers, while an American farmer provided for fifteen. The average age of machines in the French industry was 25 years, while in the USA it was 5-6 years, and in Great Britain – 8-9 years, where there were twice as many machines. The fact that in 1945 the most modern enterprise in France was a metallurgical factory built in Lorraine by the Germans in 1906 is quite telling (Monnet, 2000). Inaction and the preservation of the unfavourable dynamics in the country's economy threatened its total decline and required urgent action.

Thus, it was decided to prepare the **Modernization and Re-equipment Plan of France** (Plan de Modernisation et d'Équipement) (hereinafter – the Plan), the main initiator and curator of which was the well-known French politician, economist and diplomat Jean Monnet, after whom the Plan was nicknamed. In December 1945, J. Monnet presented his Plan for the reconstruction of France to Charles de Gaulle (at that time the Chairman of the Provisional Government of the French Republic and the future President of France). Soon after, the General Planning Commission was created for its detailed development and headed by Monnet (Judt, 2006).

It must be said that the leadership qualities, charisma and patriotism of Jean Monnet played a decisive role in the modernization of France. He took on a very difficult and responsible mission. Moreover, its main difficulty, surprisingly, was not in the preparation of the Plan, although, of course, this was a very trying task, but in preventing excessive interference from officials. According to J. Monnet, the Plan had to be handled exclusively by the best and most experienced specialists in their field, who would also be enterprising and active, and «burn» for their work. He envisioned the Plan and the team involved in it as a kind of superstructure held above other state structures and directly accountable to the country's prime minister (Monnet, 2000).

At the first stages of work on the Plan, the problematic task was to determine the *priority industries*, which were to receive targeted support and subsequently give impetus to the development of national production throughout the country. The Plan developers narrowed it down to two industries that set the prospects of the country's revival in general: energy production and steel production. Nevertheless, other industries also needed attention. Groups of stakeholder representatives – so-called modernization commissions – were created in each industry due to the lack of information about their real condition and since the capacity for their development depended not on ministries but on real enterprises, their directors, engineers, workers and trade unions.

Each commission could form subcommittees to study narrow issues. J. Monnet, as general commissioner of the Plan, and his staff managed the activities of the commissions. They issued directives, monitored the progress, coordinated the work between the commissions so that each of them took into ac-

count the needs and limitations of other industries. The Plan Commissioner was responsible for the complexity of work carried out in various areas and was directly accountable to the Prime Minister of the country. He played the role of a permanent representative of the prime minister in relations with the ministries, which ensured him a wide reach and eliminated the need to constantly coordinate his actions with various departments, thanks to which the whole thing progressed quite quickly.

Accordingly, the administrative staff of the Plan was also given the opportunity, avoiding bureaucratic obstacles, to influence an entire set of executive authorities. The Plan staff itself was small and consisted of about thirty people. All other specialists and experts were involved as consultants when necessary. *The ultimate goal of the Plan staff was to form a holistic vision of the situation, identify priority sectors of the economy, provide specific proposals for their development and set them tasks for the near future.*

A year after the creation of the General Planning Commission, in January 1947, the French government approved the first comprehensive national plan for the modernization of France, aimed primarily at solving the post-war crisis in the country. Its essence was reduced to four goals.

First, enlist the support of the people in the modernization of the country, overcoming the inertia of the past years and making up for the socio-economic lag to other countries. This was a key objective. J. Monnet was convinced that it was simply impossible to restore the French economy without the active participation of the French people in this process (Monnet, 2000). The French people had to be aware of their role and responsibility in fulfilling the difficult task set before the country.

Second, rise to the level of the scientific and technological revolution, from which the country lagged even before the war. In 1946, the French economy stagnated, while in other countries participating in the war, on the contrary, significant technical progress was observed. Moreover, this progress was not just physical, it was in the minds of the people who sought to restore their countries and increase their strength (Monnet, 2000). Overcoming the technical and psychological gap that had formed between France and other countries was the goal of the Plan. The scientific and technological revolution and the restructuring of industry, which was to be carried out on its basis, were recognized as an urgent necessity, as the owners of large capital took measures to preserve the existing production capacities rather than ensuring its technical restructuring and renewal.

Third, increase productivity and strive for full use of available human resources.

Fourth, develop the volumes of national production and foreign trade in those industries and sectors in which the positions of France are the most advantageous.

In the interwar and post-war periods, French production could barely meet its own needs, so the country had to buy more abroad than sell. As a result, for a long time France had a negative trade balance, while it covered a third of its imports at the expense of the capital interest placed abroad. The increase in the volume of industrial production and exports was supposed to stabilize the economy, reduce the import dependence of the commodity market, and increase the volume of capital investments.

During 1946, more than a thousand people, the most authoritative in their field, participated in the development of the Plan as members of commissions, subcommittees, experts, and consultants. They became a real team, whose actions were directed and coordinated by the General Planning Commission. J. Monnet noted that without this oversight, they would only have had a set of different ideas without proper conclusions, and without such a number of participants, the conclusions made by the commissions would not have pertained to all the population groups (Monnet, 2000).

The work of commissions and experts resulted in the choice of following priority sectors of the French economy: (a) coal industry, (b) electricity production, (c) ferrous metallurgy, (d) construction, (e) transport, and (f) agricultural engineering. These became the basis for country's modernization in the subsequent years after the end of the war.

Modernization programmes were developed for each of these industries. The authorities were tasked with implementing them in cooperation with enterprises. After that, specific projects were immediately launched, e.g., the construction of Donzère-Mondragon dam and the establishment of the French ferrous metallurgy company Usinor. These, in fact, started a large-scale modernization of the industry and agriculture of France. For continuous financing of the Plan's projects, the National Fund for Modernization and Conversion was created.

The implementation of the Monnet Plan was carried out at the expense of foreign loans, mainly from the USA, because in the conditions of payment deficit, France was not able to quickly restore its economy on its own. So, the American side was presented with a Plan with all calculations and forecasts. The parties had to agree not only on significant amounts of loans for the reconstruction of the country, but also on military debts under Lend-Lease. The result of the negotiations was, firstly, the agreement of the US to write off most of France's military debt with deferred payment of its balance for tens of years, practically without interest. Secondly, the granting of a loan to France, which was to be paid in instalments over five years; reports for the tranches had to be submitted every year, providing evidence of the effectiveness of the funds spent. Despite the fact that the amount of the loan did not cover all expenses and needs, the main thing that France sought was to start financing the Plan according to the agreed scheme without pause.

Notably, loan funds were to be spent not on final consumption, provision of services and housing construction, but exclusively on the projects aimed at re-starting the economy and giving it a powerful impetus. This, however, caused social discontent, strikes and protests among the population.

It should also be noted that due to the lack of private capital, all major projects in France were financed by the state. In such conditions, the French public sector grew rapidly: the post-war French government nationalized banks, insurance companies, utilities, air transport, mines, the ammunition industry, aircraft construction and even, as T. Judt points out, the Renault concern as a punishment to its owner for military aid to Germany. By May 1946, a fifth of all industrial capacity in France was state-owned (Judt, 2006). The nationalized enterprises had to be quickly restored, their export potential and ability to produce competitive goods had to be increased, because France would have to maintain the rate of economic growth on its own in a few years, and more, repay the foreign debt. This was the main risk in the Plan's implementation, and it was exacerbated by the fact that foreign loans did not await the moment when the country would finally recover and get back on its feet.

Another risk was the high level of inflation due to the emission of money to cover the budget deficit. To solve this problem, a special Balance Commission was created in the Plan management, which developed recommendations for balancing the relations between production and consumption. Since resources were too limited, and therefore it was almost impossible to increase production, the commission had to resort to reducing the level of consumption in the country by devaluing the franc, imposing an emergency tax (part of this tax was directed to the Modernization and Conversion Fund) and introducing other socially unattractive measures. In the end, this made it possible to curb inflation. But the problem of reviving French industry did not go away: France still experienced a shortage of products and did not provide itself with the most necessary items. Fortunately, the country's problems were solved within the framework of the Marshall Plan, under which the first comprehensive national plan for the modernization of France was expanded and adapted.

The Marshall Plan was aimed at rebuilding cities and towns, reconstructing industrial and agricultural production, infrastructure, establishing financial stability and eliminating trade barriers between European countries to promote trade and economic relations between these countries and the United States. At the same time, it applied temporary tariff for the protection of the national industry and established strict rules regarding currency transactions. As E. Reinert (2019) notes, in his homeland, Norway, the implementation of this plan led to a ban on the import of clothing until 1956, cars for private use – until 1960, and also significantly limited money transfers abroad. Along with the economic reconstruction of Europe, the Marshall Plan also aimed to stop the spread of communism on the European continent (History.com Editors, 2020).

In the end, the implementation of the Marshall Plan made it possible to achieve good results: the program promoted European industrialization, in particular, the rapid recovery of the steel, mechanical engineering and chemical industries, stimulated the attraction of large investments in Western Europe, supported the development of democratic governments, and also had a positive effect on the economy of the United States itself, creating markets for sales of American goods.

Despite this, after the conclusion of the Marshall Plan, its impact on the recovery of Western Europe became the subject of much debate. As experts note, the reports of that time indicate that when the Program started Western Europe was already on the way to recovery, so the program for the recovery of post-war Europe only accelerated these processes, and was not decisive in this case (History.com Editors, 2020). Such an opinion can be both refuted (by the example of France) and confirmed by the reconstruction of other states, in particular South Korea. Indeed, the aid that was given by the USA to South Korea after the Korean War of 1950-1953 exceeded even the aid given to France and Great Britain under the Marshall Plan, but it did not bring the same success as in Europe. The fact is that the Koreans really had nothing to revive. An agrarian country without industry, almost without electricity, with an uneducated population, a corrupt state apparatus, a stagnant economy dominated by the oligarchy, could not effectively use foreign aid. South Korea's economic boom began in the early 1960s with the rise to power of a military government led by Park Chung-hee. His leadership qualities, dedication to the cause, focus on the complete eradication of corruption and oligarchy, recovery of the economy, reformatting of the South Korean education system, together with financial support from the USA (by the way, only in the form of grants) and the transfer of American technologies created the South Korean economic miracle.

Therefore, the foreign experience of the post-war reconstruction of different countries shows that nothing is impossible. Admittedly, professional leadership of the national elite and financial assistance (primarily grants) of the allies, their support and patronage played a decisive role in these processes.

Proposals for Adapting the European Experience to Modern Ukraine

The first thing to focus on is the similarity of the structural problems of pre-war Ukraine and France. In particular, the national economy's distinguishing features before the start of the war were its structural imbalance and low technological complexity, raw material export orientation and low competitiveness (Kindzerski, 2021; Pidorycheva & Antoniuk, 2022). If we look at this model of the economy through the prism of the Morgenthau Plan, then its reproduction in the pre-

war form will mean the country's decline. There are no prospects for such an economic model, its only alternative is technological and digital reconstruction.

In fact, after what Ukraine had to go through and what its people are still going through, the country simply cannot afford to limit itself to achieving the pre-war, too modest for its potential, level of socio-economic development. Therefore, the post-war reconstruction of Ukraine should be aimed at a radical change in the structure of the economy. The transition should be made from an agrarian-raw-material type of economy to an industrial-innovative one. The new economy should be based on the creation of a modern high-tech, digitalized industry in the context of Industry 4.0 spreading around the world. Moreover, Ukraine itself must initiate this if it wants to avoid the fate of a mediocre, routine existence as an agrarian country. Because it is not a fact that Ukraine's allies will offer it a scenario of innovative development rather than something like the Morgenthau Plan. Some countries are interested in Ukraine only as a supplier of agricultural products and raw materials without ambitions for the production of capital- and science-intensive goods. The food crisis and long-term specialization of Ukraine in the export of products with a low degree of processing, cementing its reputation as the «breadbasket of Europe» will also encourage this. Because of the war, Ukraine's export opportunities are narrowing even more, and the agrarianizing of the economy is only intensifying. For instance, according to the First Deputy Minister of Agrarian Policy and Food of Ukraine T. Vysotskyi (in an interview with «Kyiv» TV channel), the share of agricultural products in the structure of Ukrainian exports may increase from 40% to 70% in 2022. Therefore, the risks of finally turning into an «agrarian superpower» remain. In order to prevent this, a strong political will, a clear and unyielding position of the national elite in defending the national interests of Ukraine and its right to innovative development are needed.

Ukraine, as in the case of the Marshall Plan, should offer its own version of a comprehensive plan for the post-war reconstruction of the national economy on new technological bases – a plan that will help the country achieve prosperity in the long term (hereinafter referred to as the Plan). The concept development of such a Plan and its fundamentals should follow the example of post-war France. The work should be carried out by the best, most qualified specialists, by zealous, active and enterprising scientists, by entrepreneurs, industrialists, educators, representatives of innovative structures, and public organizations not indifferent to the future of Ukraine, by authorities and officials with a clean reputation. The principles of equality and equity of the parties should be used as the guide. The identity of the leader remains a question: who will be ready and professionally able to spearhead the vital mission of curatorship over the development of the Plan? Who can rally specialists and the population of Ukraine for the sake of a common goal – effective reconstruction of the country, transition of the national economy to a higher level of scientific and technological development? Does Ukraine have its own Jean Monnet?

When developing and agreeing on the main positions of the Plan, it is necessary to eliminate as many bureaucratic obstacles as possible, speed up all coordination procedures, and establish the accountability of the Plan curator directly to the Prime Minister of Ukraine. The developed Plan should become the national policy of Ukraine, the programme for its transformation, all other strategies and documents should be consistent with the Plan and aim at its implementation. The Plan should entail a holistic view of the post-war conditions in the country, clearly identify the priority tasks, priority activities or groups of activities capable of reloading the economy, and provide impetus to sustainable economic growth in the long term. According to the experience of France, each type of activities requires the development of modernization programmes that will detail the work on specific projects. The National Recovery, Reconstruction and Development Fund should be created to finance work under the programmes.

One of the main priority tasks should be the reconstruction of the damaged areas and construction of new enterprises to provide people with work. Another is solving the housing issue: at first, these can be modular houses (1-3 stories), which are quickly (in 2-3 months) assembled and disassembled, they can be erected on free territories of the western regions, until regular permanent housing can be built for Ukrainians. In such newly constructed areas, it is necessary to quickly assemble similar modular buildings for educational institutions, hospitals, shops, pharmacies, etc. It is advisable to place relocated enterprises evacuated from the war zone here. Such measures should be implemented urgently to support internally displaced persons and to encourage the return of Ukrainians who have gone abroad, because some of them currently simply have nowhere to return.

At least for now, there is every reason to believe that the European Union (EU) and the United States will support Ukraine's aspiration to build a strong, democratic, industrially developed country with a diversified, competitive economy capable of generating the added value required by the market to ensure a high standard of living among citizens and the national security of the state. There are several reasons for this conclusion.

First, Europe feels responsible and guilty when it comes to Ukraine because of its loyalty to Putin's regime in the pre-war period even after the Russian occupation of Crimea and part of the territory of Donbas in 2014-2015.

Second, Ukrainians are currently defending not only their country, its independence and freedom, they are defending the whole of Europe, the right of Europeans to progress and prosperity, «giving the EU a powerful reminder of why it was founded in the first place», as the Bregman (2022) aptly notes.

Third, the fact that Ukraine's application for EU membership received positive signals from the leadership of the European Commission and individual EU member states, in particular Poland and the Baltic states. It is obvious that the

European Union needs a successful Ukraine, not a hotbed of instability and decline in Europe.

Effective reconstruction and modernization of Ukrainian industry, infrastructure, social and communal facilities can be ensured only under the condition of significant political, financial, advisory assistance from the EU and the USA, as well as skilful use of this assistance by Ukraine. The European Union and its member states have the political will to help our country rebuild after the war, there is commitment to this cause. For instance, the EU plans to create a solidarity trust fund modelled after the recovery fund of EU member states after Covid-19. It will finance investments in the reconstruction of Ukraine and reforms in agreement with the Ukrainian government (Valero, 2022). Here, it is important to note that non-refundable financial aid from foreign countries should make up the lion's share (80-90%) of international financial aid to Ukraine. These funds should be aimed at projects on the construction of new large city-sustaining industrial enterprises, reconstruction of affected enterprises using new technological and digital tools, reconstruction of civilian infrastructure and housing. It is necessary to agree on such a financing scheme today. The successful solution of this issue will directly affect the sustainability of Ukraine's post-war economic growth. So far, foreign countries have been more inclined to lend. According to the Minister of Finance of Ukraine S. Marchenko, only 10% of the total amount of international financial aid is planned to be allocated to grants (Obozrevatel, 2022). This is unacceptable as today Ukraine fights for the freedom and democratic values of the entire civilized world.

Finally, it will be extremely important for Ukraine to ensure the transparent use of foreign funds in order to maintain the high level of trust that has been established between the authorities of Ukraine and the EU leadership, and not to ruin it due to corruption and misuse of funds. This will determine, without exaggeration, the fate of the Ukrainian state – chances of its accession to the EU, continued dialogue with European partners on equal terms without an inferiority complex, broad support and all kinds of assistance in recovery.

Conclusions

The scale of destruction after the Second World War opened up new opportunities for Europe and its countries, which were in a difficult economic situation on the eve of the war. This is primarily about France, which in the interwar and post-war period had many problems similar to today's Ukraine. The persevering tendency of France lagging behind other countries in many socio-economic parameters after the war threatened an irreversible decline of the French economy. Such circumstances required a quick response: introduction of radical structural changes and cultural and intellectual enrichment of the French

nation at the same time, uniting the country around a common goal – effective national restoration. Therefore, a decision was made to engage in modernization. Jean Monnet undertook this important mission when he promised Charles de Gaulle to prepare a plan for the modernization and re-equipment of France. The first version of this Plan, prepared under his leadership and approved by the French government in January 1947, was aimed at solving the post-war crisis in the country.

Its essence can be summarized in four main goals: (a) to win the support of the people in the modernization of the country, to involve the population as much as possible in the fulfilment of the difficult task of rebuilding the post-war economy set before France; (b) to make up for the scientific and technological lag behind other countries, to carry out the reconstruction of industry on new technical bases and begin its implementation urgently; (c) to increase the volume of industrial production and develop export potential in those industries in which the country has relative advantages; and (d) to increase labour productivity and fully utilize available human resources.

The plan established a list of priority sectors of the French economy, which were to receive priority funding, giving impetus to the development of national production throughout the country. These industries included coal industry, ferrous metallurgy, power generation, construction, transport and agricultural engineering. Modernization programmes with details on specific projects were developed for each of them. Projects under the Plan were mainly financed through foreign loans received from the United States.

The second version of the Monnet Plan was expanded and adapted as a general Plan for the reindustrialization of post-war Europe, later called the Marshall Plan. It is currently considered a progressive programme for the reconstruction of post-war Europe due to its features. First, it obliged European governments to negotiate with each other in order to speed up the transition of bilateral trade and economic interstate relations to mutually beneficial multilateral ones. Second, it also required a commitment of European governments, businesses and trade unions to cooperate in order to take coordinated action to increase production volumes and the create conditions favourable to this. Third, it gave the European countries the freedom of choice and actions in determining the directions and priorities of Europe's reconstruction, allowing them to plan future investment needs for the implementation of projects in modernization, re-equipment and construction of enterprises, infrastructure and housing. Fourth, it focused on strategic recovery and ensuring Europe's economic growth in the long term. And fifth, strong financial support from the USA, mainly on a non-refundable (grant) basis meant that more than 13 billion US dollars were spent on the implementation of the Marshall Plan, of which grants accounted for 90% of all aid.

What lessons can Ukraine learn from the European experience of post-war economic recovery and modernization?

To start, merely recreating the agrarian and raw material model of the economy in its pre-war form is unacceptable, as it will lead to an irreversible «agrarianization» and decline of the country. The post-war reconstruction of Ukraine should be aimed at creating an innovative industrial economy through technological and digital transformation on the basis of Industry 4.0. Ukraine should push for such a scenario of post-war development by establishing a comprehensive plan for post-war reconstruction of the country on new technological bases. This Plan must be submitted to Ukraine's allies for joint refinement and approval. The Plan should be developed by the best and most qualified specialists with a clean reputation, tenacious and enterprising experts invested in the future of Ukraine. The Plan should clearly define the course for the European integration of Ukraine. The Plan should become the national policy of Ukraine, the program of its structural transformation.

During the preparation of the Plan and its approval by various ministries and agencies both within the country and by international partners, all possible bureaucratic obstacles must be eliminated in order to speed up this process as much as possible. It is important to decide on the curator of the Plan – a person who will be ready and professionally able to oversee the development of the Plan. One of the main priority tasks should be the reconstruction of the damaged areas and construction of new enterprises to provide people with work to support internally displaced persons and to encourage the return of Ukrainians who have gone abroad.

A strong political will, a clear and indomitable position of the national elite in defense of national interests and the right of the Ukrainian state to innovative development and membership in the EU will be of vital importance to the approval of Ukraine's chosen development scenario by its international partners. The agreements must be made now on the provision of financial aid to Ukraine, mainly on a non-refundable basis, as a condition for ensuring the sustainability of its post-war economic growth, taking into account to the Marshall Plan and the South Korean experience. An urgent task for Ukraine is to ensure the transparency of the use of international aid, to counteract manifestations of corruption and misappropriation of foreign funds. Without exaggeration, the future of the Ukrainian state will depend on the successful completion of this task.

Further research could potentially focus on forming specific recommendations to legislative and central executive authorities regarding the post-war recovery of Ukraine through industrial and innovative development.

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