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PUBLIC DEBT MANAGEMENT IN THE COUNTRIES OF THE EUROPEAN UNION: LESSONS FOR UKRAINE

Public debt is becoming one of the most significant economic problems for many countries, as it can negatively affect economic development, social stability, and international trust in the country. Rising public debt can also increase financial risks and increase the likelihood of default. In particular, the EU has a common currency policy and budget policy coordination among its member states. In addition, the European Union establishes rules for governing public debt and its management in member countries. Public debt is an important indicator of the financial stability of the state and its economic development. If public debt grows, it can create problems with paying interest on borrowed funds, reduce confidence in the country's economy and undermine its credit rating. However, in some cases, public debt can be used to develop infrastructure and stimulate economic growth.

Key words: *public debt, public finance, management, financial stability, financial obligations.*

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УПРАВЛІННЯ ДЕРЖАВНИМ БОРГОМ В КРАЇНАХ ЄВРОПЕЙСЬКОГО СОЮЗУ: УРОКИ ДЛЯ УКРАЇНИ

Державний борг стає однією з найбільш суттєвих економічних проблем для багатьох країн, оскільки він може негативно впливати на економічний розвиток, соціальну стабільність та міжнародну довіру до країни. Зростання державного боргу також може підвищити фінансові ризики та збільшити імовірність дефолту. Зокрема, ЄС має загальну валютну політику та координацію бюджетної політики між своїми країнами-членами. Крім того, Європейський Союз встановлює правила, які регулюють державний борг та його управління в країнах-членах. Державний борг є важливим показником фінансової стійкості держави та її економічного розвитку. Якщо державний борг зростає, це може створити проблеми зі сплатою процентів з позичених коштів, знизити довіру до економіки країни та підірвати її кредитний рейтинг. Однак у деяких випадках державний борг може бути використаний для розвитку інфраструктури та стимулювання економічного зростання.

Ключові слова: *державний борг, державні фінанси, управління, фінансова стійкість, фінансові зобов'язання.*

Statement of the problem in a general form and its connection with important scientific or practical tasks. Public debt management is one of the most urgent problems of the modern economy and finance, as it affects not only public finance but also the economic and social stability of the country in general.

Public debt management requires the development of effective and innovative methods and strategies that allow countries to reduce the risks and consequences of public debt growth. One of these tasks is to ensure a stable and sustainable economic growth direction, which reduces the probable risks of default and contributes to reducing the debt burden on the country.

In addition, public debt management is related to issues of international economic cooperation and international financial stability, because the growth of public debt can have a negative impact on global economic and financial stability.

To solve this problem, it is necessary to develop new and effective approaches to the management of public debt, attract highly qualified specialists, and conduct scientific research in the field of economics and finance. In addition, it is important to ensure transparency and openness of public debt management, which allows for effective control of financial risks and ensure the stability of the country's economy.

Therefore, the management of public debt is an important scientific and practical task that requires the concentration of efforts in the field of effective management of the country's public debt.

Analysis of recent studies and publications. Theoretical aspects of public debt, its nature and classifications, approaches to its management in Ukraine and certain foreign countries are considered in the studies of domestic scientists Bogdan T., Fedosova V., Furdychko L., Hasanov S., Iefymenko T., Kudryashova V., Lyutogo I., Marchenka S., Rozhka O., Vasylyk O., Yuriya S. and others. However, the issue of the effective use of public debt management tools in conditions of economic instability and military operation has not been sufficiently explored yet. The latest studies and publications confirm that the public debt in the EU member states is a serious issue that needs attention and effective measures, and also confirms the relevance of the topic.

Formulation of the goals of the article. The purpose of the article is to compare the level of public debt in different countries of the European Union and in Ukraine. Analyze how it affects the economy and social processes in these countries; an analysis of the reasons causing the difference in the level of public debt, as well as a description of specific measures taken to manage public debt in different countries.

Presentation of the main research material. Public debt is the sum of all debt obligations belonging to the state, which may include internal debts, i.e. debts to national creditors, and external debts, i.e. debts to foreign creditors [12].

The essence of public debt is that the government can obtain additional resources by borrowing money from the financial markets, which allows it to finance its various needs, including infrastructure projects, social programs, defense and other types of spending.

However, if the government uses borrowing too often to finance its needs, then this can lead to an increase in the total debt, which can become a problem for the government [13]. Too high a level of public debt can reduce the creditworthiness of the state and lead to an increase in debt service costs, which can eliminate resources needed for other important state expenditures.

Consider the definition of 'public debt' in national and international measurements:

Public debt is a set of financial obligations of the state to other subjects that arose as a result of the long-term borrowing of funds. In other words, this is the amount of money that the state borrowed in order to finance its various projects and infrastructural advances, as well as to ensure the functioning of its own institutions [4; 7].

Public debt is the total amount of monetary obligations that the country's government has to its creditors [6]. This means that the state borrows money from other countries, international financial organizations, commercial banks and private investors in order to finance its budgetary needs.

Public debt is an important element of macroeconomics because it affects a country's economic health and its place in the world. Public debt can affect the exchange rate, inflation, tax rates and other economic indicators [16]. In addition, public debt can have important social consequences, such as an increase in unemployment, a decrease in budget expenditures for social programs, and an increase in the tax burden on citizens.

Public debt consists of various types of obligations, such as bonds, certificates of deposit, bills and other long-term instruments. The state issues these instruments on financial markets to attract capital for its needs.

Public debt is the totality of the state's obligations to creditors, which can be internal (for example, to banks) or external (for example, to other states or international organizations) [8]. Public debt is reflected in various economic indicators and information, including reports from government bodies, international ratings and statistics.

According to the European System of National and Regional Accounts (ESA2010), public debt is defined as the totality of financial obligations that the government has, including loans, bonds, and other types of debt that mature in less than one year [2]. This indicator is used as one of the main economic indicators to assess the state of the economy and the financial stability of the country.

In addition, the European Statistical Manual on Public Debt and Deficit (PSDS2013) defines public debt as the sum of all financial obligations that the government has, including credits, bonds, loans and other types of debt that have a maturity of more than one year, and as well as obligations from pension and other social programs [2].

Summarizing, according to ESA-2010 and PSDS-2013, public debt includes all financial obligations of the state to creditors that have a maturity date later than one year.

Therefore, public debt is a necessary tool to finance the various needs of the state, but the state must be careful and responsible in the use of borrowed funds to ensure the sustainability of its economy and financial stability for the long term.

Public debt management is the process of controlling the amount of public debt and its structure, ensuring the stable financial stability of the state and minimizing the risks of default [3]. The essence of public debt management is the careful planning and management of activities by authorities and financial institutions to ensure the sustainable economic development of the country.

One of the main aspects of public debt management is determining the permissible level of debt, that is, the maximum amount of money that the state can borrow without violating its financial obligations. Various criteria can be used for this, such as the country's GDP level, inflation rate, tax rates and other macroeconomic indicators [15].

Public debt management also includes debt structure planning. To reduce the risks associated with debt obligations, countries can distribute their debt between different bond issues, attract loans in different currencies, apply different loan maturities, and other mechanisms.

In addition, the management of state debt involves control over the processes of using budget funds [11] and optimization of state expenditures in order to reduce debt service costs.

The management of public debt is an important component of the economic policy of any country, including the countries of the European Union. One of the main tools of public debt management is the determination of the level of permissible debt [5]. In EU member states, this is usually done in accordance with the Stability and Growth Pact, which sets a limit of 60% of GDP on public debt. However, countries may be in a state of exception to these rules if this is due to economic difficulties or other circumstances.

To reduce the risk of default and reduce debt service costs, EU countries usually use such tools as debt refinancing (re-borrowing on more favorable terms), debt resale (transferring it to another country or to an international organization), and reducing debt service costs by lower interest rates. EU countries can also use various forms of financing, such as the sale of bonds on the domestic and international markets, attraction of investments from abroad, etc.

Countries can use different tools to reduce debt costs. Some of them [5; 7–8]:

1. Debt refinancing. Countries can buy back old bonds with high-interest rates and issue new bonds with low-interest rates to lower debt-servicing costs.

2. Revision of payment conditions. Countries can renegotiate the terms of their debt obligations, including maturities and interest rates, in order to reduce debtservicing costs.

3. Debt restructuring. Countries can review the total amount of debt and distribute it among creditors according to new conditions. For example, debt can be converted into another currency or exchanged for other assets.

4. Increase in tax revenues. Additional revenues of the state can reduce the need to borrow funds, which allows for a reduction in the total amount of debt and the costs of its maintenance. For example, the state can increase tax rates or expand the tax base.

5. Reduction of state expenses. Reducing government spending can help increase free funds for debt repayment and reduce the need for new borrowing. For example, the government can cut spending on welfare programs, reduce the number of officials, or cut infrastructure spending.

6. Increasing economic growth. An increase in economic growth can help increase government revenues and reduce the budget deficit, thereby reducing the level of borrowing.

The international financial crisis due to the COVID-19 pandemic and the associated large budget deficits and high debt levels in many countries have confirmed the importance of reliable and timely statistics on the general government sector and, more broadly, public sector debt as a fundamentally important element in ensuring the long-term sustainability of public finance countries, as well as, perhaps, their external stability [1].

One of the main goals of the EU is to ensure the stability of the financial system and the protection of the euro, the common currency of the EU member states. To achieve it, the EU established the European Stabilization Mechanism, which provides financial assistance to member countries experiencing financial difficulties.

The state of debt in the countries of the European Union is quite different and depends on many factors, such as the level of economic development, the level of tax revenues, state budget policy, spending policy, and others. However, the general trend in EU countries is that debt continues to grow. Public debt in EU countries varies significantly in terms of level, structure and management between different countries [4]. However, in general, public debt in most EU member states is quite high, as a result of long-term investments in social and infrastructure projects, as well as efforts to ensure economic growth and stability.

According to the European Commission, as of the end of 2020, the average amount of public debt in EU member states was about 90% of GDP [14], which is quite high. The highest level of public debt is recorded in Greece, where it is about 205% of the GDP [14]. Italy, Belgium, France, Portugal and Spain also have a high level of public debt, which is from 100% to 120% of GDP [14].

Despite this, there are also some countries in the EU where the level of public debt is much lower. For example, Estonia, Lithuania and the Czech Republic have public debt levels below 50% of GDP [8; 14].

In connection with the COVID-19 pandemic, most EU countries have increased their public debt, investing significant funds in the fight against the consequences of the pandemic. In addition, some countries, such as Italy and Spain, are suffering from the economic consequences of the pandemic more than other EU member states, which has led to an increase in their public debt.

The state of debt in EU countries in 2021 was affected by the consequences of the COVID-19 pandemic, which led to a significant increase in government spending on fighting the outbreak and supporting the economy (Fig. 1).

According to the European Commission [14], the average amount of public debt in EU member states as of 2021 was more than 90% of GDP. However, the level of debt differs significantly depending on the country.

Greece (208% of GDP), Italy (155% of GDP) and Portugal (133% of GDP) have the highest level of public debt in the EU. Also, the level of public debt is quite high in Belgium (116% of GDP), Spain (120% of GDP) and France (117% of GDP) [14].

At the same time, some EU countries have quite low levels of public debt, such as Estonia (18% of GDP), Lithuania (46% of GDP) and Bulgaria (22% of GDP) [14].

Public debt is one of the key challenges for EU member states for several reasons.

First, a high level of public debt can cause the risk of state insolvency, that is, a situation where the country cannot pay its debt obligations. This can lead to negative consequences for the country's economy and its citizens.

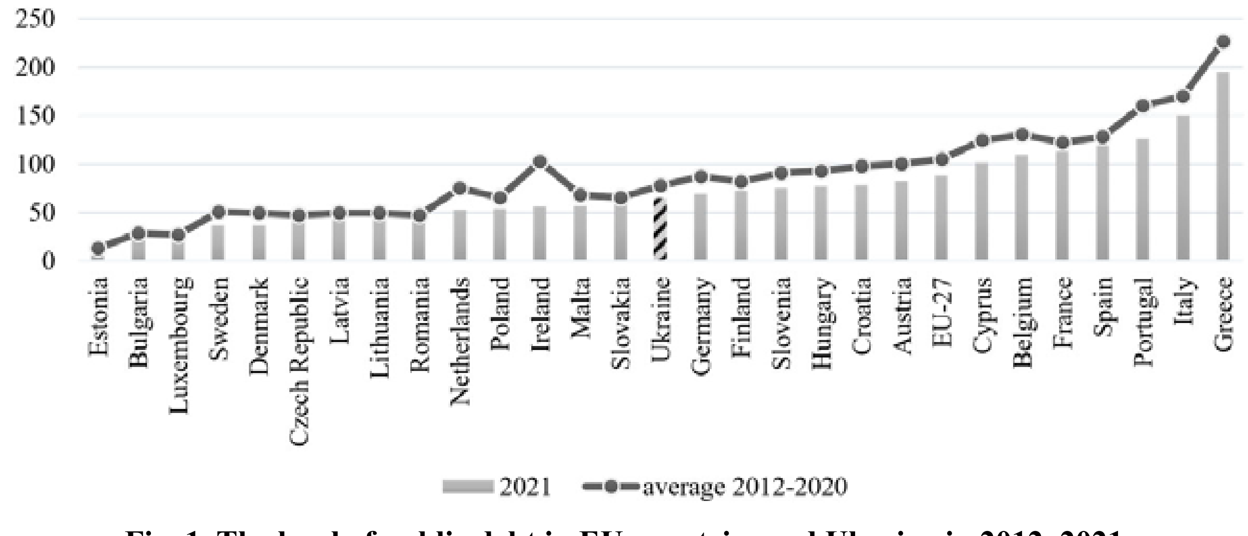

Fig. 1. The level of public debt in EU countries and Ukraine in 2012–2021, % of GDP

Source: [10; 14].

Second, a large public debt can limit the state's ability to spend on social programs, education, health care, infrastructure, and other areas that can contribute to economic growth and an increase in the population's standard of living.

Thirdly, public debt can reduce investors' confidence in the country's economy and reduce its competitiveness in the international market.

Fourth, a high level of government debt can lead to an increase in the rate of inflation, because the government can try to reduce its debt by printing more money. This can lead to a decrease in the purchasing power of money and an increase in the prices of goods and services.

Thus, public debt remains one of the key challenges for EU member states, as it can have a negative impact on a country's economy and population, as well as its place in the global economy. Therefore, EU countries should carefully manage their public debt and take measures to reduce it.

To reduce their public debt, some EU countries are reducing spending on social programs and increasing the tax burden on their citizens. Other countries use a variety of economic measures, such as attracting investment, increasing production and reducing costs. Overall, although public debt remains a challenge for many EU countries, many continue to work to reduce their debt and reform their economies to ensure sustainable economic growth [7].

EU member states are taking different approaches to reducing their public debt and reforming their economies. Some of these approaches include [7; 9; 13; 15–16]:

1. Cut spending: Cut spending on social programs, health, education, and infrastructure to reduce public debt. For example, Greece has implemented significant spending cuts in social programs and pensions to reduce its public debt.

2. Increasing the tax burden: increasing the tax burden on their citizens in order to increase the income of the state budget and reduce the public debt. For example, Spain will introduce a new wealth tax to increase government revenue and reduce public debt.

3. Attracting investments: attract investments from private investors and international organizations to increase their income and reduce public debt. For example, Italy attracted investment from the European Investment Bank to develop a high-speed Internet network to support its economy and reduce public debt.

4. Development of production: develop their production capabilities to increase their income and reduce public debt. For example, the Czech Republic is developing the production of cars and electronics to increase its revenue and reduce government spending.

Under normal circumstances, public debt is a way of financing various projects and activities, but when the debt becomes insolvent, it can cause serious economic problems. Therefore, most EU member states are monitoring their public debt levels and developing strategies to reduce deficits and debt. We will also consider the mechanisms of debt management in separate EU member states, including those with the highest level of debt.

Greece is one of the countries of the European Union that has a large public debt and of course, its effective management is a priority for the Greek government. Some of the public debt management measures in Greece include:

1. Reducing the budget deficit: Greece is reducing its budget deficit by spending less than it receives. This helps to reduce the need for borrowing and therefore reduces the growth of public debt.

2. Sale of public property: Greece is selling public property to receive money to cover the public debt. This may include the sale of buildings, land, ports and other assets.

3. Cutting costs: Greece is reducing its costs, including reducing the number of civil servants, reducing social benefits and other expenses.

4. Tax raise: Greece is raising taxes to increase government revenue and reduce the budget deficit.

5. Restructuring of public debt: Greece is restructuring its public debt to reduce its total amount and lower the interest rate on the debt.

Portugal's public debt is managed by the Ministry of Finance and the Central Bank of Portugal.

In 2011, Portugal became the third country in the European Union to receive financial assistance from the International Monetary Fund and the European Union 78 billion euros [14] to avoid bankruptcy of the economy and reduce its public debt.

One of the ways to manage public debt is to reduce budget spending, which was one of the conditions set before Portugal as part of the bailout agreement. Portugal has implemented measures to reduce government spending by cutting spending on social programs, pensions, civil servant salaries, and reducing the number of civil servants. Portugal also turned to the capital markets to attract loans and issue bonds. To reduce investors' risks, Portugal resorted to a bond swap program in which old bonds were replaced with new bonds with longer maturities and lower interest rates.

Portugal is also reforming its economy to increase its potential for economic growth and debt reduction. For example, reforms are being implemented in the fields of labor, health and education in order to increase productivity and competitiveness. However, despite everything, the country is still the leader among European states in terms of public debt.

The public debt of Italy is managed by the Ministry of Economy and Finance of the country, as well as the Central Bank of Italy.

Italy has one of the highest public debts in the world, which at the beginning of 2022 amounted to more than 195% of the country's GDP [14]. Italy uses a variety of approaches to manage public debt.

One such approach is to reduce budget expenditures by decreasing spending on social programs, pensions, and salaries of civil servants. In 2020, Italy adopted a package of economic measures to support its economy, which included spending cuts of 32 billion euros [14], including cuts in spending on social programs and infrastructure.

Italy also borrows from domestic and foreign markets, issues bonds, and uses government guarantees to finance its needs. In addition, Italy actively cooperates with the European Stabilization Mechanism, the International Monetary Fund, and the European Union in providing financial assistance and coordinating financial measures.

The reforms used in Italy to improve competitiveness and reduce public debt include the following measures:

1. Increasing productivity: Italy sets itself the task of increasing the productivity of the economy and increasing the volume of production of goods and services. To do this, reforms are being carried out at various levels, including reducing taxes on labor and stimulating investment.

2. Expansion of trade: Italy is actively working on the development of international trade, in particular by signing various agreements with other countries.

However, just like Greece and Portugal, Italy shows a significant amount of public debt from year to year. This is due to the economic difficulties that the country has faced in the past, as well as the imperfection of the financial system and political instability. Italy's public debt continues to grow. One of the reasons for this is the high costs of social programs and pensions, which are an important element of the Italian public welfare system. In addition, low economic growth and high unemployment also lead to difficult financial conditions in the country.

Italy also faces challenges in its largely 'domestic' banking system. There are many insolvent banks, which leads to a decrease in confidence in the country's financial system and an increase in financial risk.

Political instability also has a significant impact on the financial situation in Italy. The change of governments and the lack of clarity regarding the adoption of reforms lead to uncertainty in investments and the general economic situation in the country.

In order to reduce the public debt and improve the financial situation in the country, Italy must carry out reforms in the social and financial spheres, attract investments and improve the business climate. Political stability and sound government decision-making can also help reduce risks and strengthen Italy's financial situation.

It is worth noting that these problems are also present in the Ukrainian pre-war economy and will accompany our country in post-war recovery.

Among the developed EU countries, let's pay attention to Germany. Public debt management in Germany involves the use of a set of measures aimed at reducing the debt burden and ensuring the country's financial stability. Some of the most important public debt management measures in Germany include the following:

1. Debt brake law: This law establishes a mechanism to limit the increase in national debt and sets a maximum debt level for each federal state and the federal government. The law stipulates that public debt should not exceed 60% of GDP, and also establishes mechanisms for reducing the debt burden in case of exceeding this level.

2. Fiscal policy: Germany uses a fiscal policy based on reducing costs and increasing state revenues. The state budget is drawn up in such a way as to be within the limits established by the law on public debt.

3. Reducing public spending: Germany uses measures to reduce public spending, including reducing social benefits, financing energy efficiency projects, and reforming the social security system.

4. Economic reforms: Germany uses reforms aimed at increasing the competitiveness of the country's economy, which helps to increase state revenues and reduce the debt burden.

The management of public debt in Germany is carried out according to a complex system based on certain norms and laws. The main bodies that ensure public debt management in Germany are [5; 9]:

1. Federal Ministry of Finance: the central body for managing the public debt, which is responsible for the development and implementation of the budget. The Ministry is also responsible for regulating public debt and setting limits for the debt burden.

2. Bundestag: the federal parliament of Germany, which approves the budget and gives consent to attract new loans.

3. Federal Bank of Germany: the country's central bank, which is responsible for managing monetary policy and controlling inflation. The Federal Bank is also responsible for ensuring financial stability and conducting operations in the government bond market.

4. Constitutional Court: The judicial body responsible for reviewing the constitutionality of laws, including laws on public debt.

Public debt management is an important component of the economic stability and development of the country. Ukraine, like many other countries of the world, faces problems related to the growth of public debt, which can negatively affect the standard of living of the population and the economic dynamics of the country as a whole.

In order to gain full membership in the EU, Ukraine must take measures to manage the public debt in accordance with the best European practices. This includes ensuring sustainable economic growth and reducing dependence on external creditors, as well as effective use of budget funds and reduction of the budget deficit.

One of the key elements of effective public debt management is control over the level of public spending and optimization of budget programs. Ukraine should take measures to reduce state costs, in particular, by reforming the social protection system and optimizing state programs. In addition, Ukraine should ensure an effective tax policy [16] and fight against corruption, which will help increase state revenues and reduce the budget deficit.

Ukraine should also consider opportunities to attract investments to reduce dependence on external creditors [1]. For this, it is important to develop an effective strategy for attracting investments and creating a favorable investment climate in the country, taking into account the post-war recovery.

Ukraine needs to harmonize a number of norms in the field of public debt in order to improve the state of its economy and ensure the stability of the financial system [4]. Some of these norms include the following:

1. Debt policy norms: Ukraine should develop a long-term debt policy that includes mechanisms for controlling the increase in public debt and ensures budget stability for the future. It is also necessary to establish norms to ensure Ukraine's position in international credit risk ratings.

2. Norms for regulation of public debt: Ukraine should develop mechanisms for the regulation of public debt, including limits on debt growth and the maximum level of permissible debt. In addition, Ukraine should establish lending rules, including minimum credit risk standards.

3. Public debt management regulations: Ukraine should develop an effective public debt management system, including developing a debt repayment strategy, controlling interest payments, setting limits on risk instruments, and monitoring and managing risks.

4. Standards for conducting statistics: Ukraine should develop a system of statistics on public debt and financial market activity to ensure data accuracy and create mechanisms for their regulation.

5. Norms on the regulation of the financial market: Ukraine must ensure effective regulation of the financial market and its harmonious development and entry into the international financial field.

Special attention should be drawn to the state-guaranteed debt in Ukraine since there is no such debt in the EU. However, the EU has mechanisms for providing state guarantees. State-guaranteed debt in Ukraine is the debt of enterprises or organizations that has been guaranteed by the Government of Ukraine. Guarantees can be provided for various projects and activities, such as construction, export, import, purchase and repair of equipment, the attraction of investments, etc. [3].

Guarantees provided by the Government of Ukraine can be transferred to commercial banks or other financial institutions in order to provide financial resources for the implementation of projects. Guarantees can have different levels of coverage and risk, which the Government of Ukraine has.

Guarantees can be provided on various terms, such as the size and term of provision, interest rate, loan repayment conditions, criteria for making decisions on the provision of guarantees, and others. Making decisions on providing guarantees may depend on various factors, such as the borrower's credit rating, the degree of risk associated with a specific project, etc.

However, state guarantees can become a source of additional risks for the public budget. The insolvency of a borrower who was guaranteed by the state may become the next challenge for the state, which will be obliged to fulfill its obligations to creditors and pay off the debts it has guaranteed.

The management of state guarantees in the European Union aims to ensure the stability and efficient use of funds provided to enterprises and projects in order to promote their development and stimulate economic growth.

State guarantees in the EU can be provided both by national governments and by the European Investment Bank and the European Bank for Reconstruction and Development. They can be provided for various projects, including infrastructure, energy, transport, technology, and other sectors.

The management of state guarantees in the EU is usually carried out at the level of EU member states. Member countries are responsible for risk assessment and determining the conditions for providing state guarantees. This means that the governments of the member countries must determine which projects and enterprises can be supported by state guarantees, and under what conditions [6].

Risk assessment for the provision of state guarantees is usually carried out with the help of experts and specialized agencies. In the EU member states, special institutions can be created for the management of state guarantees, which ensure the provision of guarantees for effective and safe projects.

Ukraine needs to unify the management of debt statistics in accordance with EU norms and rules [4], as this will contribute to ensuring the openness and transparency of the country's financial activities. In addition, compliance with EU standards will provide Ukraine with the opportunity to attract financial resources from international markets on more favorable terms. Unified maintenance of debt statistics in accordance with the norms and rules of the European Union is an important element for ensuring financial stability and ensuring compliance with Ukraine's financial obligations to international partners. The unified system of debt statistics provides accurate and comparative information on the level of public debt, which is important for making decisions about the country's financial policy. In addition, such statistics make it possible to compare the financial results of Ukraine with other EU countries and the world. It is based on the standards and methodology defined by Eurostat (the statistical body of the EU). It covers different types of debt, such as public debt, local debt, and government-guaranteed debt. In addition, it contains information on the size of the debt, the structure, and the components of the debt, such as debt in foreign currency and national currency, interest rates, and repayment terms.

The unification of Ukraine's debt statistics with the European Union requires several important steps [4–5].

First, Ukraine should adopt and ratify all necessary international documents related to the statistics of public debt and state guarantees, which are recommended to be used in the EU. For example, Ukraine must comply with the rules and standards, in particular, regarding the definition of debt and guarantees contained in Regulation (EU)

No. 549/2013 and the IMF Manual on Public Debt Statistics and Monetary and

Financial Statistics.

Secondly, Ukraine should ensure that the statistics of the public debt and guarantees are maintained in accordance with the methodology used by the EU. Therefore, Ukraine should harmonize its methods with the EU methodology, in particular, regarding the collection, processing and dissemination of information about debt and guarantees.

Thirdly, Ukraine should ensure the audit of public debt and guarantees in accordance with international standards. This will ensure the high quality and reliability of statistical data.

Fourthly, Ukraine should ensure the openness and transparency of conducting statistics on state debt and guarantees. Ukraine should publish the relevant information in the agreed terms, ensure access to statistical data and ensure their dissemination.

Ukraine has been at war with Russia since 2014. This war had a significant impact on the country's economy, in particular on the level of public debt [3].

According to the data of the Ministry of Finance of Ukraine, as of the end of 2021, the total public debt of Ukraine amounted to 3.3 trillion UAH or about 110 billion US dollars [10]. This is approximately 54% of the country's GDP. Despite the fact that the public debt has increased in recent years, Ukraine maintains a sufficient level of financial stability. However, the war led to significant spending on weapons, equipment, and other needs, which became a factor in increasing the public debt. To ensure the financing of Ukraine's military needs, the Ministry of Finance issued additional bonds, and provided guarantees and loans. The government also received financial assistance from international organizations such as the International Monetary Fund and the European Union.

In addition, the war has also caused significant economic loss and reduced production in regions controlled by Russia, particularly in Crimea and Donbas. It also had a significant impact on the public debt, as the Government had to allocate additional funds for the recovery of the economy and provision of social assistance for the affected regions. These aspects are the basis for further scientific research.

Conclusions. Managing public debt is an important task for every country. Because growing public debt can lead to increased risks of financial instability, lower confidence in the economy, and higher cost of debt capital.

For countries facing a growing public debt problem, there are several possible debt management strategies. One of these methods is the reduction of state budget expenditures, in particular on social programs, defense, and infrastructure. It is also possible to increase state revenues, in particular by increasing taxes and introducing new tax instruments. Another method of managing public debt is its restructuring, which involves the revision of debt repayment terms, reduction of interest rates, and other loan conditions. This method can help reduce the cost of debt and reduce the financial pressure on the country. It is also possible to attract investments to reduce public debt. Investors can invest in government bonds, which allows for raising funds to finance budget expenditures and reduce the need for loan capital.

Finally, economic development can help reduce public debt by increasing government revenues and reducing spending on social programs. Economic growth can provide a more stable financial situation, reduce unemployment and increase consumer-spending power.

In each country, the strategy of public debt management may differ depending on the specifics of its economy, financial system, and political situation. Therefore, it is very important that the country has a clear and effective public debt management plan that takes into account the country's specific needs and capabilities.

When managing public debt, it is also important to pay attention to the risks that may affect the state of the debt. For example, rising interest rates, crises in capital markets, and declining economic growth can worsen the state of public debt.

In difficult economic situations, states can turn to international financial institutions, such as the International Monetary Fund, for financial assistance and methodological recommendations for public debt management. However, it is worth remembering that such assistance may have certain conditions and restrictions that may significantly affect the economic and political situation in the country.

All these factors emphasize the importance of effective public debt management and the need for long-term planning. If a country can act wisely and effectively manage its public debt, then it can ensure stable and sustainable development of the economy, which will contribute to increasing the well-being of its population.

It is also worth emphasizing the importance of conducting an effective public debt management policy in Ukraine, taking into account military realities and post-war recovery. Since, there is a probability that the public debt of Ukraine will exceed the volume of the economy, that is, for the first time in its history, Ukraine will have such a significant volume of public debt relative to the economy.

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