

CHAPTER 1

MODERN TRENDS IN PUBLIC ADMINISTRATION

EVALUATING POLICY ALTERNATIVES FOR THE ECONOMIC REINTEGRATION OF UKRAINIAN VETERANS

Nazar Syvak¹

¹Robertson School of Government, Regent University in Virginia Beach, Virginia, United States, e-mail: nazasyv@regent.edu, ORCID: <https://orcid.org/0009-0001-2893-4038>

Citation:

Syvak, N. (2024). Evaluating Policy Alternatives for the Economic Reintegration of Ukrainian Veterans. *Public Administration and Law Review*, (4(20), 4–19. <https://doi.org/10.36690/2674-5216-2024-4-4-19>

Received: December 02, 2024

Approved: December 28, 2024

Published: December 30, 2024



This article is an open access article distributed under the terms and conditions of the [Creative Commons Attribution \(CC BY-NC 4.0\) license](#)



Abstract. Once the Russo-Ukrainian war comes to an end with a Ukrainian victory, millions of Ukrainian veterans will return home. Ukraine will face a unique challenge of the economic reintegration of demobilized soldiers that has not been seen since WWII, and that will be exacerbated by social tensions and economic instability. This article analyzes the traditional and modern policy approaches toward veteran reintegration, including education and certification training programs, employment programs for veterans, and the legalization of private military companies. The analysis identifies short-term and long-term impacts on economic stability, social cohesion, and the labor market. The policy alternatives are analyzed to determine their implementation feasibility, impact on social tensions and post-war reconstruction, and the approaches' effectiveness, efficiency, equity, institutional feasibility, and ethics in achieving the policy goals. Findings highlight the significant risk of economic destabilization and social tension if the reintegration process is not adequately managed. Developing a comprehensive veteran policy is integral for a post-war period, and this work provides a contribution to the field by examining approaches to the economic reintegration of demobilized veterans and setting a stage for further research. The proposed policies include modernized education initiatives, employment incentives for businesses, and regulated frameworks for PMCs, each addressing distinct facets of veteran reintegration. This study underscores the necessity of a comprehensive and multi-faceted veteran policy that aligns with Ukraine's post-war reconstruction and socio-economic goals. It provides foundational insights for policymakers and sets the stage for future research on large-scale veteran reintegration in modern conflict contexts.

Keywords: Ukraine; veterans; veteran policy; veteran reintegration; policy analysis; economic reintegration.

JEL Classification: H 55, H 56, I 18, I 38

Formulas: 0; **fig.:** 0; **table:** 1; **bibl.:** 38

Introduction. As the Russo-Ukrainian war draws to an anticipated conclusion with a Ukrainian victory, the nation faces an unparalleled challenge: the economic reintegration of millions of demobilized soldiers. This process, unprecedented since World War II, is compounded by Ukraine's economic instability and social tensions. The transition from active military service to civilian life will demand comprehensive policies to address not only immediate employment and financial needs but also long-term socio-economic stability.

Literature review. It has been 10 years since the start of the Russian hybrid aggression against Ukraine and 2 years since the Russian full-scale invasion of February 2022. Tens of millions of Ukrainians were affected by the war, and millions joined the Ukrainian Armed Forces (UAF) and other structures to defend Ukrainian sovereignty. There is no officially published data, but experts and government officials estimate that more than a million Ukrainians were mobilized to service since the start of the war (Hordiichuk, 2022), with 700,000 joining the UAF, 300,000 joining other defense and security forces (Slovi I dilo, 2023), and plans to mobilize 500,000 more in the future (Kobzar, 2023). This would constitute millions of people going through military service, and the number will only continue to grow as the war goes on. It is estimated that more than 500,000 Ukrainians received veteran status between 2014 and the full-scale invasion of 2022 (Zabelina, 2024), and it is estimated far to exceed 4 million after the end of the war, the figure that also includes family members of deceased service members who qualify for veteran benefited status (Pravda, 2023).

With the help of its Western partners, there is a clear feasibility of Ukraine winning the war and restoring its territorial integrity. Once the active phase of the Russo-Ukrainian war ends and transitions into the postbellum, UAF personnel will be demobilized. Hundreds of thousands of former soldiers will need to get back into civilian life, starting a complex and delicate process of reintegration (Elnitsky & Kilmer, 2017). Thus, a comprehensive public policy initiative is required to address the challenges veterans will face after returning from military service. These include physical and psychological treatment, monetary compensation, social adaptation programs, veteran housing benefits, etc. (Kingma, 1997). In addition, demobilized military personnel would effectively lose their occupation and source of income, thus making economic security and employment a crucial part of the reintegration process (Buck, 2021) for more than 4 million Ukrainian veterans and their family members.

Unfortunately, there is a lack of policy analysis literature evaluating approaches to mass demobilization. However, there is literature that looks at aspects of demobilization, such as psychological reintegration of veterans, social adaptation, re-entering to the civilian job market, etc., as well as studies of smaller-scale reintegration of military personnel or combatants. The existing studies can broadly be divided into three categories. The first one reviews the demobilization policies after the world wars of the XX century. There are studies on US demobilization after WWI (Samuelson, 1943) and WWII (McEnaney, 2011), and British demobilization after the Second World War (Pope, 1995). While these studies provide some important insights into how the demobilization process for millions of soldiers was approached previously, this type of literature has three main shortcomings when applying it as a policy guide

for the Ukrainian case. Firstly, the studies review the instances of the early- to mid-20th century, the socio-economic conditions of which were much different from today. Secondly, it lacks modern approaches, as significant technological and civil advancements have been made since the mid-20th century. Thirdly, the post-war economic and political conditions will be vastly different between the US and the UK in the 20th century and Ukraine. The US and the UK were superpowers with great economic potential, and Ukraine, on the other hand, would rely on economic support from Western countries after the war and would not have a sufficient economic base to execute the demobilization process on its own, so the approaches employed by those states cannot be fully replicated. It is also important to note that cases of the USSR, Germany, and Japan cannot be applied to Ukraine as the USSR arguably fully failed the socio-economic reintegration of its veterans while Germany and Japan were occupied after the end of WWII.

The second category examines the US approach toward veteran reintegration during its global military involvement in Vietnam, Iraq, Afghanistan, etc. There are studies analyzing a range of aspects of veteran reintegration. Collins et. Al. (2014) reviewed the US employment programs available for veterans, Elnitsky and Kilmer (2017) studied the social reintegration for military service personnel and their families and Bound and Turner (2002) analyzed the GI Bill and how it impacted veteran education. This is the most developed type of literature, and a variety of analyses ranging from statistical data to policy evaluation is available on every single topic. The studies are of high quality and provide a great overview of policy approaches taken toward veteran reintegration. The only challenge in applying this literature to the analysis of demobilization policies is that there is a lack of comparative analysis between different policy options in different socio-economic circumstances. While the US example is a great source of policy initiatives, it would be unwise to overfocus on one approach.

The last set studies the reintegration of rebels and militia after small interstate conflicts or civil wars. Many studies have been conducted on the topic, capturing examples from different countries, socio-economic conditions, and time periods. The area is well-studied, however, almost none of the policy approaches developed could be applied to the Ukrainian case. This kind of literature focuses on unstable countries with weak central governments and comparatively small militias. For example, in his analysis for the USAID conference, Kingma (1997) reviewed the post-war demobilization in Sub-Saharan Africa and Central America since the late 1980s. It reviewed demobilization processes that included 6 – 73 thousand soldiers and analyzed approaches such as buying out weapons from ex-fighters, demobilization of child soldiers, humanitarian assistance for demobilized personnel, etc. While general frameworks and analysis methods could be duplicated to study the case of Ukraine, the policy approaches are not compatible with the Ukrainian scenario.

Thus, this research would not only contribute by providing policy alternatives for Ukrainian demobilization but would also present approaches that would deepen the available study on how to tackle mass demobilization.

Aims. The focus of the article is to review policy approaches toward the economic reintegration of veterans without focusing on the social or psychological aspects of reintegration. The limited scope of analysis allows for a deeper study and examination of policy approaches. The research strives to provide a general analysis of available policy alternatives to set a foundation for further research on the topic of the economic reintegration of veterans.

Methodology. The research utilizes a comparative policy analysis framework to assess feasibility, efficiency, equity, and institutional capacity.

Results. The demobilization process risks critically spiking unemployment rates, exacerbating social problems, and destabilizing the economic and political situation in the country. Demobilization would create a sudden influx of working-age individuals entering the job market that is negatively impacted by war destruction and economic stagnation. This would lead to Ukrainian veterans facing unique challenges while transferring into a civilian career that differs from the obstacles faced by typical unemployed citizens (Elnitsky & Kilmer, 2017). Certain technical occupations will get oversaturated as veterans will be able to utilize the marketable skills they gained during military service, while demobilized personnel might lack the skill set to re-qualify for other fields. Following the demobilization, many veterans would suffer from disabilities because of war-related psychological and physical traumas (Buck, 2021), which would limit their career prospects and put them at a disadvantage in job searching. The significance and scope of the issue require governmental involvement, especially as the Ukrainian state and society would have a moral responsibility to support Ukrainian veterans who defended the country and its citizens against the Russian invasion.

Another potential consequence of demobilization is the drop in the Ukrainian economy. The post-war period would be a time of economic hardship, and the addition of hundreds of thousands of veterans who lost their source of income would become an extra challenge. Many veterans would require governmental support in health and psychological rehabilitation, financial assistance, training and education, etc. Without a comprehensive policy in addressing military personnel demobilization paired with preparatory economic policies, the Ukrainian government risks exacerbating economic stagnation.

Besides the direct economic consequences of rising unemployment, it could also lead to social destabilization, resulting in rising crime and poverty. The policy alternatives selected to address military personnel demobilization should thus also consider the potential consequential problems and not only concentrate on the main objective of getting veterans employed.

The start of the demobilization process will become a proximate cause for all the socio-economic problems mentioned above. However, it is the lack of preparations and the absence of a developed demobilization policy that would constitute the underlying root cause. Currently, the Ukrainian government does not have a clear understanding of the scope of the problem and has not prepared a strategy to approach it. The lack of a comprehensive policy approach toward demobilization is a problem, but it also creates a window of opportunity for the creation of a developed policy.

Taking Kindgdon's (1984) framework into account, the convergence of multiple streams can be seen. The Ukrainian society is currently bringing up the issue of the need for a comprehensive veteran policy, and the problem of a lack of a demobilization strategy is getting high on the agenda (Deputy Minister for Veterans Affairs of Ukraine, personal interview, February 25, 2024), creating the problem stream. The Ukrainian government and NGOs are presenting their initial approaches to how to address the future challenge, and although no well-rounded strategy has been created yet, there is a sign of a policy stream being developed (Vyhovska, 2023). On the political stream side, many Ukrainian politicians, including President Zelenskyy, expressed the need for a more well-developed policy toward veterans, referring to it as the "policy of the heroes" (President of Ukraine, 2023).

Because of the socio-economic significance and scale of the issue, it is crucial for the Ukrainian government to develop a comprehensive policy for the economic reintegration of veterans. Ukrainians will have a moral and ethical obligation to support the veterans in their transition to civilian life. However, the scope of the challenge and the number of people involved do not allow charity and non-profit organizations to address the issue effectively. That is why the government should take over the main role and develop an applicable policy solution.

There are three main sets of institutions that are working on developing and implementing policies toward veterans in Ukraine (Laputina, 2023). The first one is the Ministry of Veterans Affairs, which was created in 2018. Having limited resources, the ministry takes on the role of governmental coordinator of the Ukrainian veteran policy (Laputina, 2023). It does not have an outlined comprehensive strategy toward veterans (Vyhovska, 2023), but it is currently working on developing a policy proposal for the Ukrainian government titled "On the Main Principles of State Veteran Policy." However, a specific approach toward the economic reintegration of veterans is still being formulated (Deputy Minister for Veterans Affairs of Ukraine, personal interview, February 25, 2024).

Secondly, each regional and local administrative institution in Ukraine has a department responsible for implementing veteran policy in their district. It goes in line with the Ukrainian decentralization reform that diversifies authority to local governments. While local administrations do not play a significant role in policy formulation, they are actively involved in policy implementation.

The last 'unofficial' set of institutions is comprised of NGOs and veteran advocacy groups. These include Veteran Hub, "Принцип", "Юридична сотня", and Veteranka (Vyhovska, 2023) that draft their own policy proposals, work with stakeholders, and advocate for developing an inclusive veteran policy. Veteran Hub assumes to have the only formulated proposal for the Ukrainian veteran policy (Vyhovska, 2023). However, it does not provide a fully developed set of alternatives for how to address the demobilization process in terms of economic reintegration.

Despite all the research conducted on the topic in Ukraine, there is a strong need for systematic policy analysis. There is no comprehensive vision of how to address future veteran reintegration, and ground policies are just being drafted. Both the Ukrainian government and civic society claim to be actively working on developing

policy approaches for the public problem, which would suggest that the policy cycle is currently in the policy formulation stage. According to Kraft and Furlong (2021), policy analysis is especially crucial at this stage, and this research would provide additional information that could guide policy formulation.

Policy goals. The case of Ukrainian demobilization will pose a unique challenge for the 21st century. The Russo-Ukrainian war became the largest conflict in Europe since WWII, and the demobilization of millions of service members has not been seen in developed countries since the mid-20th century. The issue of the economic reintegration of Ukrainian veterans is further complicated by additional challenges like economic instability, potential social tensions, and financial restrictions on social policies. Because of these, an appropriate policy option should address or at least not exacerbate problematic preconditions in addition to addressing the main public issue. Three main policy goals can be outlined that would help identify the best policy alternative.

The first one is the economic reintegration of demobilized veterans. Once demobilized service members leave the military, they lose their main source of income while transitioning into civilian life. An appropriate policy alternative should preemptively address the challenge of unemployment and provide veterans with resources that will assist them in gaining a job. The main quantitative objective is the employment of 80% of veterans within 3 years after the start of the demobilization process. The National Bank of Ukraine estimates the unemployment rate to get to 16.5% in 2024 and drop to 14.7% in 2025 (NBU, 2023). As demobilization would bring a rapid influx of the workforce, a rise in unemployment is inevitable, but an 80% benchmark provides enough margin to account for that. In addition, the unemployment metric would not include veterans who are psychically and psychologically unable to join the workforce in any capacity but include veterans with disabilities who are ready to work. A 3-year period would grant enough time for a chosen policy to be fully implemented and for veterans to process the transition, undergo the needed treatment or training, and get back into civilian life.

The second goal includes the promotion of social stability. Economic recession and scrutiny resulting from war could exacerbate social tensions and lead to the rise of crime, poverty, and protests. There are many studies that identify a correlation between crime rates and unemployment or poverty (Raphael & Winter-Ebmer, 2001; Imran et al., 2018). There is also a history of organized crime in Ukraine (Slovo i Dilo, 2020), and the demobilization of service members with combat experience without clear prospects of employment could bring them to join criminal organizations. The demobilized personnel would also experience a drop in wages as the average salary in Ukraine is 17,937 UAH per month (UkrInform, 2023), while the minimum mobilized soldiers receive is 33,000 UAH as a base salary plus additional payouts ranging from 30,000 to 100,000 UAH if a soldier is involved in combat missions (Nedashkivskyy, 2024). The wage drop could exacerbate social instability even if enough jobs are created for veterans, the view which is also supported by the Ukrainian Ministry of Veterans Affairs (Deputy Minister for Veterans Affairs of Ukraine, personal interview, February 25, 2024). Therefore, a chosen policy alternative should effectively target the

aspects of social stability development. The quantitative metrics of the second goal constitute a rise in property crime and organized crime rates of no more than 20%, which was an average rise in such crimes during economically unstable situations in Ukraine (Slovo i Dilo, 2020; Slovo i Dilo, 2021).

Lastly, the policy alternative should contribute to Ukraine's economic development. After the end of the war, Ukraine would enter into a period of economic stagnation, which would require competent economic policies that effectively rebuild Ukrainian economic potential and facilitate economic development. The chosen policy alternative should complement such efforts and aim at employing veterans in areas that would benefit the Ukrainian economy and not merely serve as redundant employment places just for veterans to have jobs. Ukraine currently has 12,5 million people involved in the workforce, out of which 1 million are mobilized in the army (KSE, 2023) and would eventually get back into the job market after the Ukrainian victory in the war. The quantitative goal is for the chosen policy alternative to make the total GDP output of Ukrainian veterans getting back into the workforce correspond to the average GDP output of civilian Ukrainian employees within 3 years of policy implementation.

Proposed policy alternatives. Throughout the last century, numerous policy options were employed that targeted the economic reintegration of combatants and service members. However, recent policy solutions for the reintegration of service members, which were used in African and Balkan countries that had relatively small civil wars, are too small in scale and cannot be applied in Ukraine. The most applicable policy initiatives would come from the US and Britain, which had experienced large demobilizations, but also from modern proposals that have not yet been fully tested.

According to the poll conducted by the Ukrainian Veteran Fund, Ukrainian veterans outlined 10 main support mechanisms that they require to get back into the workforce. While some, such as housing and psychical and psychological rehabilitation, fall out of the scope of this research and are addressed by other Ukrainian policies, around a quarter of veterans expressed the need for additional education and the need for employment assistance (UVF, 2024). This is also how this issue was addressed previously, with a majority of countries employing educational benefits or employment programs for demobilized service members. Combining foreign experience with the needs of Ukrainian veterans, three main policy alternatives addressing the issue of economic reintegration, in addition to two sub-approaches for the first and second approaches, can be outlined.

Policy alternatives 1.1 and 1.2. The first policy alternative (PA 1) is to create additional education and certification training programs for demobilized soldiers. Such would include education benefits, reserved spots for veterans in state-owned universities, and modern certificate programs. There is a clear causal correlation between the level of education and the employment rate, especially in the short term (Núñez & Livanos, 2010). The same strong correlation can be seen between the level of education and income for people with disabilities (Sari et al., 2023). This would facilitate the reintegration process of demobilized personnel and provide veterans with

skills that would lead to employment. This policy alternative can be divided into two approaches that can be referred to as traditional and modern.

The traditional approach (PA 1.1) encompasses the provision of governmental grants to cover education costs at universities to gain traditional educational degrees in addition to extra housing allowances, stipends, and unemployment benefits for 1 year after graduation. The most prominent example of such a policy solution would be the Servicemen's Readjustment Act of 1944, a.k.a. GI Bill, which was introduced by the US government during WWII (Bound & Turner, 2022). The US example shows that the provision of education benefits raises collegiate attainment, with 50% of US veterans after WWII and 40% after 9/11 (Kofoed, 2010) using their benefits to obtain a degree.

There are two additional outcomes that would result from the policy employment. Firstly, the provision of housing allowances and stipends would contribute to the development of social stability, as veterans would be granted financial security as they attain their education. However, this also poses a risk of benefit exploitation when demobilized personnel enter studies for the sole reason of receiving the benefits. Secondly, an important unintended consequence of the policy is the potential negative impact on the eroding system of higher education. The Ukrainian higher education system is ineffective and unmodernized due to poor management, which is exacerbated by inefficient governmental funding (Muliavka, 2017). Providing additional funding for the system as a part of the veteran reintegration program without substantial reforms and oversight could thus stagnate the existing system.

The modern approach (PA 1.2) focuses on training courses rather than traditional degrees. Many modern job opportunities do not require a degree but need specialized skills that can be gained through certification courses. Such exist in a variety of career fields ranging from IT and marketing to auto-industry and construction. Such a program could be based on the examples of the US Veterans Retraining Assistance Program, which granted 12 months of training benefits in "high demand" occupations (Collins et al., 2014), but should be adopted with changes that would bring it to modern standards and reflect Ukrainian realities. To provide such education, the Ukrainian government would need to partner with private and non-profit organizations through grants or cooperation programs between state universities and private and non-profit organizations. Many private and non-profit entities have already developed certification courses targeting veteran reintegration. For example, the Veteranius project was established to provide Ukrainian veterans with skills and practical experience to get their first job in IT (Razom, 2020). Similar programs were created by Mate academy, SoftServe, Choice31, and many others (Malashenko, 2023). This approach is favored by the Ukrainian Ministry of Veterans Affairs, which intends to concentrate on training courses in the technical field, but no comprehensive proposals have been drafted yet (Deputy Minister for Veterans Affairs of Ukraine, personal interview, February 25, 2024).

It is important to note that both approaches would have a positive indirect long-term outcome. They would contribute to the development of a more educated Ukrainian society that, in the long-term perspective, would bring immense economic

and social benefits. Moreover, PA 1.1 and 1.2 would not have any major political or policy constraints. Similar programs are already employed in Ukraine on a lower scale, and there is high public and institutional support for such policy initiatives.

Policy alternatives 2.1 and 2.2. The second alternative (PA 2) is to develop a system of employment programs for veterans. The government can utilize two main policy tools to advance this policy proposal: the use of market incentives and regulation. While the programs can get even more nuanced and be split into general veterans' programs, those targeting veterans with service-connected disabilities, and industry-specific programs (Collins et al., 2014), this analysis will only review the programs divided into market incentives and regulation categories. The first set (PA 2.1) is implemented by providing incentives for employers, like tax breaks or low-interest business loans. Such programs were implemented by the US via the VOW to Hire Heroes Act (House Committee on Veteran Affairs, 2011) and the Work Opportunity Tax Credit (IRS, 2021). In part, these initiatives provided employers hiring veterans with tax credits as a governmental incentive to hire them. This would allow veterans to be favorably considered for a variety of positions in different sectors. The main benefit of this approach is that no direct major public financing is required to implement it, and the costs will be mainly comprised of the reduced tax revenue. On the flip side, according to the Ministry of Veterans Affairs, employers stigmatize veterans due to their psychological problems, so comprehensive psychological assistance and public awareness programs should be developed in addition to tax incentives (Deputy Minister for Veterans Affairs of Ukraine, personal interview, February 25, 2024).

Additionally, this policy initiative would stimulate businesses as they would get an incentive and economic benefits that would allow them to hire more workers and pay higher wages, eventually leading to economic growth and developing social stability. However, as an unintended consequence, the policy could lead to growing unemployment among non-veterans. The policy, thus, should carefully consider the economic incentives to boost the hiring of veterans and economic development but at the same time not to damage the job market.

The second set (PA 2.2) employs setting preferences for hiring veterans for government jobs and involving veterans in government-funded projects like reconstruction or state-owned enterprises (SOEs). Such programs were implemented by the US via a variety of programs (Collins et al., 2014), including the Veterans Preference Act of 1944, which granted preferences to veterans in getting hired, reinstated, or reemployed for positions in the Federal service, and in Britain through the United Kingdom's Employment Policy after WWII (Pope, 1995). These approaches are especially favored by the Ukrainian veteran NGOs that draft their policy initiatives using the US and UK examples as well as the Ministry of Veterans Affairs. To be fully operational, the policy would need to be implemented alongside the creation of major governmental projects to generate a sufficient number of jobs for veterans to be hired. These would mainly include jobs within the building reconstruction projects and the military-industrial complex (Deputy Minister for Veterans Affairs of Ukraine, personal interview, February 25, 2024), for which the government might need to decide to pay

higher wages to maintain social stability. Additionally, preferences for disabled veterans could be instated for governmental positions, granting them favorable access to employment. Local governments are also the actors who support this initiative (Deputy Minister for Veterans Affairs of Ukraine, personal interview, February 25, 2024). Some of the funding for reconstruction projects would go through the local government, benefiting the local budgets. The creation of SOEs and the infrastructure rebuilding would also be a major boost for local economies, supporting not only the veterans but also the local residents.

The main policy consequence to consider is the inevitable increase in the government's role and share in the economy. While competent public management would only lead to economic growth, the history of Ukrainian public management inefficiency poses a risk for corruption and exacerbation of problems within the Ukrainian bureaucracy. The employment of this alternative would require major institutional and structural reforms, strict oversight, and accountability. It is also important to note that hiring veterans for reconstruction projects would be a temporary fix for the outlined problem. Once the projects are completed, new jobs will need to be created for veterans to have employment. However, if executed effectively, the policy would have crucial long-term benefits to Ukrainian economic development by rebuilding infrastructure and security by growing the military-industrial complex.

Policy alternative 3. Lastly, a more modern and unexplored approach (PA 3) is the legalization of private military companies (PMC). Quazi PMCs already exist in Ukraine under the cover of security agencies and operate in parts of Africa and Asia (Roshchyna, 2020). As soldiers with battlefield experience will get demobilized and have limited job opportunities or insufficient wages, many would potentially join “grey zone” PMCs to get employed. The creation of the legal framework would thus prevent potential social destabilization and generate jobs, businesses, and a new stream of tax revenue while granting veterans legal employment under governmental supervision. The UK and the US implemented similar initiatives after WWII to create and establish a legal framework for PMCs that were contracted out for security and military purposes (Contos et al., 2011). President Zelenskyy has already spoken in support of such, and his office started consultations with veteran organizations (Roshchyna, 2020), in addition to the Blackwater PMC founder's interest in hiring Ukrainian veterans for security services (Omeliianiuk, 2021). Currently, there are initial proposals put out by the Main Directorate of Intelligence to develop PMCs based on the existing regiments (Deputy Minister for Veterans Affairs of Ukraine, personal interview, February 25, 2024). While the initiative would not be fully successful in granting employment to the majority of veterans, it could provide high-paying positions for those interested in continuing service in the military field after demobilization and would stimulate the Ukrainian economy by creating new business opportunities.

Policy evaluation. Based on previous implications and theory, all policy alternatives could attain the outlined policy goals. However, what would be the preferred policy alternative for Ukraine? Using the evaluative criteria for public policy proposals outlined by Kraft and Furlong (2021), four main criteria will be employed to evaluate the alternatives and choose the best one. For each criterion, all five policy

approaches will be discussed from most to least applicable and assigned 1-3 points based on their compliance with the criterion.

Effectiveness. The first one is effectiveness, measuring if the proposal can attain the policy goal. The most effective proposals would include PA 1.2 and PA 2.1, getting 3 points. As noted above, they are capable of addressing the economic reintegration and complying with the three outlined goals. However, the economic reintegration of demobilized veterans is part of a more comprehensive and complex problem of veteran reintegration into civilian life. The proposals would not be fully effective without complimentary programs like government cooperation with NGOs, psychological rehabilitation, or the development of the economy.

PA 2.2, while initially effective, would lack long-term effectiveness. Major reconstruction would eventually end, leaving the involved veterans unemployed again. Additional post-program policies are required for PA 2.2 to be fully able to grant stable employment for demobilized military personnel. The lack of governmental capacity and effective public management in Ukraine also poses a risk to the successful policy implementation.

PA 1.1 is moderately effective. While foreign research shows a positive correlation between traditional education and employment, the Ukrainian realities bring substantial challenges. In the 1940s, when the US introduced the GI Bill, 5.5% of males and 3.8% of females had a college degree (US Census Bureau, 2023). In Ukraine, the figure is more than 40% for those over 25 (The World Bank, 2019), and Ukraine is experiencing education inflation when higher education does not possess the same benefits to getting employment as it used to (Omelianiuk, 2021). It is for this reason that it is hard to fully justify that the proposal will fully address economic reintegration, and thus, it gets 2 points for the metric.

PA 3 would only be fully effective in achieving 2 out of 3 goals. It is a narrowly specialized approach and will not be suitable for application to a majority of Ukrainian veterans. However, it has its distinct features that should be studied further, including its highest potential in mitigating social instability and developing the security sector, bringing additional tax revenue.

Efficiency. Secondly, the efficiency of each policy proposal will be analyzed using the cost-effectiveness analysis. Further policy analysis on the topic would highly benefit from employing a nuanced cost-benefit analysis to study the outlined policy alternatives, but the scope of this research does not allow for full economic research of each alternative.

PA 1.2, PA 2.1 and PA 2.2 are moderately costly in their execution while effective in reaching the goals. PA 1.2 would require governmental grants to educational NGOs and funding for veterans' stipends, but its quick turnaround combined with long-term economic gains outweigh the investment. PA 2.1 and PA 2.2 would mainly involve institutional costs and unrealized gains from reduced taxes, as no major direct funding will be required for policy implementation.

PA 3 would require the least amount of governmental funding to achieve the policy goals. While assessed using lower policy effectiveness expectations, the implementation would not require direct funding with costs comprising of expenses on

PMC regulation policy developers and creation of governmental oversight organizations. The policy would also cut expenses in maintaining social stability in addition to bringing tax revenue from a new business field.

PA 1.1 would require the most funding and time to implement. The government would need to allocate funding to cover tuition, living expenses, and stipend for between 2 years of education for a master's and 4 years for a bachelor's degree for tens or even hundreds of thousands of Ukrainian veterans. Combined with the uncertain effectiveness of the policy, it is graded as 1 for efficiency.

Equity. The third is equity of a policy alternative in benefiting different groups of demobilized veterans, including disabled and healthy veterans and veterans of different ages and levels of education. The benefits provided by PA 1.2 and PA 2.2 would most evenly be distributed in their support of demobilized veterans. Specialized courses would be beneficial for a large portion of veterans, as 26% of veterans expressed the need for additional education (VFU, 2024). PA 1.2 would also not exclude disabled veterans and veterans of different ages and levels of education, as short courses with high prospects of employment would pose a great incentive. PA 2.2 as regulation would apply to all veterans, but the creation of additional programs for disabled veterans would make sure that this group is not excluded.

PA 1.1 and PA 2.1 have a lower level of equity. PA 1.1 would not be fully suitable for older veterans who make up a large portion of those currently serving in the Ukrainian military and have work experience, thus, potentially opting for getting back into their career fields rather than getting additional education. Many would also find it hard to commit 2-4 years to education, getting limited financial support in stipends, which typically equate to less than minimum wage. PA 2.1 would mainly benefit those with work experience and education who would qualify for employment and use the governmental incentives as an additional reason to hire them.

PA 3 targets a more limited category of veterans who are interested in continuing their career in the military or security field, as well as are psychically able to join PMCs. These nuances would greatly limit the applicability of the policy toward the majority of veterans.

Institutional feasibility. Lastly, the institutional feasibility of the proposed policies should be reviewed. PA 1.2, PA 2.1, and PA 3 would not require significant institutional involvement to implement the policy initiatives. The Ukrainian government possesses the needed institutional capacity to successfully implement these policy alternatives.

PA 1.1 would require moderate institutional involvement from state universities and the Ministry of Education. The Ukrainian educational system is already struggling to effectively develop the Ukrainian education policy and a sudden influx of veteran students could pose a major challenge.

In order to be effective, PA 2.2 would require major institutional involvement. The Ukrainian government would need to allocate significant human and organizational resources to build SOEs, recruit veterans, and make sure that SOEs and reconstruction projects are profitable and efficient. Ukrainian SOEs and their public management have a long history of being prompt to corruption and inefficiency,

making the implementation of PA 2.2 challenging from the institutional capacity standpoint.

Ethics. Although not a selected metric, it is also important to review the ethics of the proposed policy alternatives. While PA 1 and PA 2 are fully aligned with universal ethics in the moral duty to support those in need, especially as they made a choice of great sacrifice in protecting others, PA 3 has some questionable moral considerations. The legalization of PMCs as a security and military training business would not go against ethical considerations. However, the employment of PMCs in international military conflicts does not go in line with universal ethics and, in some cases, can violate the International Humanitarian Law and Laws of Armed Conflict. Careful considerations are required in the PA 3 is selected for implementation.

Evaluation. Using the 1-3 scale of assigning points to five policy alternatives, the following table can be created:

Table 1. Evaluation of policy alternatives

	PA 1.1 (traditional)	PA 1.2 (modern)	PA 2.1 (market incentives)	PA 2.2 (regulation)	PA 3
Effectiveness	2	3	3	2	2
Efficiency	1	3	3	3	3
Equity	2	3	2	3	1
Institutional feasibility	2	3	3	1	3
Total	7	12	11	9	8

Source: developed by the author

Based on the evaluation, PA 1.2 would be the most applicable policy alternative, with PA 2.1 coming in second place. It is important to note that both alternatives have their shortcomings that, interestingly, could be addressed by a complimentary implementation of PA 1.2 and PA 2.1. On the one hand, PA 1.2 would benefit greatly from an additional post-program that intensifies employers to hire veterans who have just finished training and received new skills. On the other hand, PA 1.2 would mitigate the equity concerns of PA 2.1 by providing veterans with marketable skills.

Discussion. The most effective policy approach would be to implement PA 1.2 and PA 2.1 together. Ukrainian veterans outlined additional education and employment opportunities as their main needs after demobilization, and together, these two approaches could support them most effectively. The implementation of PA 1.2 would require the Ukrainian government to cooperate with private organizations, NGOs, and state educational institutions to develop requalification courses for demobilized personnel. Such courses should not last more than one year, provide marketable skills, and teach skills in preferred areas that require the workforce. The government would need to provide grants to cover the tuition costs for veterans as well as allocate funding for living expenses, rehabilitation, and other assistance required for veterans.

Complimentary to PA 1.2, the government should create a set of economic incentives for businesses to hire veterans. The US implemented a similar initiative by providing tax credits, but in the Ukrainian case, it could be done by reducing taxes the employers should pay for employees, which is currently at 20% of the employee's salary. The government could also provide additional incentives for hiring disabled

veterans to grant them preferred employment opportunities. Paired with having a highly skilled workforce as a result of training from PA 1.2, Ukrainian veterans would get employment in a variety of fields.

There are two problems that might arise during the policy implementation. Firstly, a deeper study of the Ukrainian economy is required to determine the preferred economic areas and not oversaturate the job market with the same professions. Secondly, there is a prevalence of the “gray economy” in the Ukrainian job market when employees are paid additional funds unofficially to reduce the taxable amounts. Because of this, the tax incentives could prove to be not a significant stimulus for employers, and more aggressive regulative measures to combat the “gray economy” would need to be implemented first.

It would be crucially important to constantly monitor the policy implementation. The evaluative metrics involve economic measures such as the level of unemployment among veterans and economic output in terms of GDP and social stability measures of property crime and organized crime rates. These could relatively easily be obtained by governmental institutions, making policy evaluation relatively straightforward. It would also be important to measure veteran satisfaction with the policies and compare the state of the Ukrainian economy, society, and security before and after the policy implementation.

Conclusions. The issue of economic veteran reintegration requires complex approaches to make sure that the process provides the needed support for demobilized military personnel while keeping it efficient and preemptively addressing consequential problems. Modern approaches in education and market incentives for employment have shown to be the most viable policy alternatives to approach the issue. However, alternative policy solutions have additional qualities that would make the veteran policy more robust and be able to address a variety of concerns. The ability of employment regulation to quickly create jobs and the innovative approach of the legalization of PMCs should be studied further. This research provided a preliminary evaluation of five policy approaches, and further deeper analysis involving legislative research and economic calculations is integral for drafting an appropriate Ukrainian veteran policy for economic reintegration. Nevertheless, economic reintegration is one of its aspects and should not be addressed as a standalone issue without providing support in physical and mental healthcare, financial assistance, social awareness programs, housing programs, etc. A comprehensive veteran policy is required to give back to those serving Ukraine, maintain social stability, and grant a safe and prosperous future for Ukraine.

References:

1. Bardach, E., & Patashnik, E. M. (2019). *A practical guide for policy analysis: the eightfold path to more effective problem solving*. CQ Press.
2. Bound, J., & Turner, S. (2002). Going to war and going to college: Did World War II and the G.I. Bill increase educational attainment for returning veterans? *Journal of Labor Economics*, 20(4), 784–815. <https://doi.org/10.1086/342012>
3. Collins, B., Dilger, R. J., Dortch, C., Kapp, L., Lowry, S., & Perl, L. (2014). *Employment for veterans: Trends and programs*. Washington, DC: Congressional Research Service.
4. Contos, B. T., Derodeff, C., Crowell, W. P., & Dunkel, D. (2011). *Physical and logical security convergence: Powered by enterprise security management*. Syngress.

5. Elnitsky, C. A., & Kilmer, R. P. (2017). Facilitating reintegration for military service personnel, veterans, and their families: An introduction to the special issue. *American Journal of Orthopsychiatry*, 87(2), 109–113. <https://doi.org/10.1037/ort0000252>
6. Hordiichuk, I. (2022, July, 8). Міноборони назвало кількість мобілізованих українців (*The Ministry of Defense named the number of mobilized Ukrainians*). Glavcom. <https://glavcom.ua/country/incidents/minoboroni-nazvalo-kilkist-mobilizovanih-ukrajinciv-859153.html>
7. House Committee on Veterans' Affairs. VOW To Hire Heroes Act Of 2011. Retrieved from <https://veterans.house.gov/legislation/vow-to-hire-heroes-act-of-2011.htm>
8. Imran, M., Hosen, M., & Chowdhury, M. A. F. (2018). Does poverty lead to crime? Evidence from the United States of America. *International Journal of Social Economics*, 45(10), 1424–1438.
9. IRS. (2021). *Work Opportunity Tax Credit*. Internal Revenue Service. <https://www.irs.gov/businesses/small-businesses-self-employed/work-opportunity-tax-credit>
10. Kingdon, J. W. (1984). *Agendas, alternatives, and public policies*. Little, Brown.
11. Kingma, K. (1997, October). Post-war demobilization and the reintegration of ex-combatants into civilian life. In *After the War is Over What Comes Next: Promoting Democracy, Human Rights, and Reintegration in Post-Conflict Societies, Conference, USAID, Centre for Development Information Evaluation, Washington, DC*.
12. Kobzar, Y. (2023, December 24). В Міноборони пояснили, навіщо Україні ще 500 тисяч солдатів (*The Ministry of Defense explained why Ukraine needs another 500,000 soldiers*). Unian. <https://www.unian.ua/war/mobilizaciya-v-ukrajini-rustem-umyerov-poyasniv-navishcho-hochut-mobilizuvati-shche-500-tisyach-12492684.html>
13. Kofoed, M. (2020, October). *Where have all the GI Bill dollars gone? Veteran usage and expenditure of the Post-9/11 GI Bill*. Economic Studies at Brookings. <https://www.brookings.edu/wp-content/uploads/2020/10/ES-10.13.20-Kofoed-2.pdf>
14. Kraft, M. E., & Furlong, S. R. (2021). *Public policy: Politics, analysis, and alternatives*. CQ Press, an imprint of SAGE Publications, Inc.
15. KSE. (2023, August 3). Чисельність робочої сили в Україні за війну впала з 17,4 млн до 12,5 млн і продовжить знижуватися - Київська Школа Економіки (*The number of the labor force in Ukraine fell from 17.4 million to 12.5 million during the war and will continue to decrease – Kyiv School of Economics*). Interfax-Україна. <https://interfax.com.ua/news/general/926831.html>
16. Laputina, Y. (2023, November 14). Політика героїв: як держава взаємодіятиме з ветеранами (*Politics of heroes: how the state will approach veterans issues*). Ukrainska Pravda. <https://www.pravda.com.ua/columns/2023/11/14/7428750/>
17. Malashenko, I. (2023, December 22). Освітні можливості для ветеранів: безкоштовні IT-курси та навчальні програми (*Educational opportunities for veterans: free IT courses and training programs*). DOU. <https://dou.ua/lenta/articles/educational-programs-for-veterans/>
18. McEnaney, L. (2011). Veterans' welfare, the gi bill and American demobilization. *Journal of Law, Medicine & Ethics*, 39(1), 41–47.
19. NBU. (2023, April). Інфляційний звіт | Квітень 2023 року (Inflation report | April 2023). The National Bank of Ukraine. https://bank.gov.ua/admin_uploads/article/IR_2023-Q2.pdf?v=4
20. Nedashkivskyi, V. (2024, February 7). Зарплати військових у 2024 році: все, що треба знати (*Military salaries in 2024: everything you need to know*). Finance.ua. <https://finance.ua/ua/goodtoknow/zarplaty-vijskovyih-2023>
21. Núñez, I., & Livanos, I. (2010). Higher education and unemployment in Europe: an analysis of the academic subject and national effects. *Higher Education*, 59, 475–487.
22. Omelianiuik, M. (2021, July 8). Засновник ПВК "Blackwater" планував консорціум на 10 млрд і вербування українських ветеранів — Time (*The founder of PVC "Blackwater" planned a consortium for 10 billion and the recruitment of Ukrainian veterans — Time*). Suspilne Novyny. <https://suspilne.media/145768-zasnovnik-pvk-blackwater-planuvav-konsorcium-na-10-mlrd-i-verbuvanna-ukrainskih-veteraniv-time/>
23. Pope, R. (1995). British Demobilization after the Second World War. *Journal of Contemporary History*, 30(1), 65–81. <http://www.jstor.org/stable/260922>
24. President of Ukraine. (2023, June 28). Президент України пропонує розробити політику героїв щодо українських воїнів (*The President of Ukraine proposes to develop a policy of the heroes in relation to Ukrainian soldiers*). President of Ukraine – Official Online Agency. <https://www.president.gov.ua/news/prezident-ukrayini-proponuye-rozrobiti-politiku-geroyiv-shod-83889>
25. Raphael, S., & Winter-Ebmer, R. (2001). Identifying the effect of unemployment on crime. *The journal of law and economics*, 44(1), 259–283.
26. Razom. (2020). *Veteranius: about the project*. Razom for Ukraine <https://www.razomforukraine.org/projects/veteranius/>
27. Roshchyna, V. (2020, July 28). Приватні армії. Які ризики має легалізація військово-консалтингової діяльності? (*Private armies. What are the risks of legalizing military consulting?*). Hromadske. <https://hromadske.ua/posts/privatni-armiyi-yaki-riziki-maye-legalizaciya-vijskovo-konsaltingovoyi-diyalnosti>
28. Samuelson, P. A. (1943). *After the War, 1918-1920: Military and Economic Demobilization of the United States*. US Government Printing Office.

29. Sari, P. M., Bachtiar, N., & Taifur, W. D. (2023). Exploring the Correlation Between Education and Income: The Impact of Education on Persons with Disabilities in the Formal Sector. *Journal of Management, Accounting, General Finance and International Economic Issues*, 3(1), 182–196. <https://doi.org/10.55047/marginal.v3i1.907>
30. Slovo i Dilo. (2020, September 10). Чи повернулася Україна в «лихі 90-ті»: як змінився рівень злочинності з 1992 року (Has Ukraine returned to the "bad 90s": how the level of crime has changed since 1992). <https://www.slovoidilo.ua/2020/09/10/infografika/suspilstvo/chy-povernulasya-ukrayina-lyxi-90-ti-yak-zminyvshy-riven-zlochynnosti-1992-roku>
31. Slovo i Dilo. (2021, May 11). Організована злочинність: скільки груп і організацій виявили в 2015-2021 роках (Organized crime: how many groups and organizations were detected in 2015-2021). <https://www.slovoidilo.ua/2021/05/11/infografika/suspilstvo/orhanizovana-zlochynnist-skilky-hrup-orhanizacij-vyyavyly-2015-2021-rokax>
32. Slovo i Dilo. (2023, December 6). Збройні сили України: чисельність, гендерний розподіл та місце у світовому рейтингу (Armed forces of Ukraine: number, gender distribution and place in the world ranking). Retrieved from <https://www.slovoidilo.ua/2023/12/06/infografika/bezpeka/zbrojni-syly-ukrayiny-chyselnist-hendernyj-rozpodil-ta-misce-svitovomu-rejtnhu>
33. The World Bank. (2019). Дослідження сфери освіти в Україні (Research in the field of education in Ukraine). Retrieved from <https://documents1.worldbank.org/curated/en/790931568661644788/pdf/Overview.pdf>
34. UkrInform. (2024, February 26). Середня зарплата в Україні перевищила 17 900 гривень (The average salary in Ukraine exceeded 17,900 hryvnias). <https://ukrinform.ua/rubric-economy/3803239-seredna-zarplata-v-ukraini-perevisila-17-900-griven.html>
35. US Census Bureau. (2023, February). CPS Historical Time Series Tables. Retrieved from <https://www.census.gov/data/tables/time-series/demo/educational-attainment/cps-historical-time-series.html>
36. VFU. (2024, January). Онлайн Опитування серед Ветеранів та Діючих Військовослужбовців «Актуальні Потреби та Бачення Можливостей для Кар'єрного і Професійного Зростання Ветеранів» (Online Survey among Veterans and Active Military Servicemen "Current Needs and Vision of Opportunities for Career and Professional Growth of Veterans"). The Veteran Fund of Ukraine. <https://veteranfund.com.ua/wp-content/uploads/2024/02/pracevlashtuvanna.pdf>
37. Vyhovska, I. (2023, November 15). Україні треба єдина ветеранська політика. Що пропонують експертні організації? (Ukraine needs a unified veteran policy. What do expert organizations offer?). The Village. <https://www.village.com.ua/village/city/war/345193-chi-vistachit-groshey-na-obitsyani-viplati-veteranam-ivona-kostina-pro-novu-veteransku-politiku>
38. Zabelina, Y. (2024, January 24). За тих, хто у бою. Міністерка ветеранів — про гроші і квартири фронтовикам, «негативний» звіт Рахункової, мобілізацію та своє звільнення (For those who are in battle. The Minister of Veterans - about money and apartments for front-line soldiers, the "negative" report of the accounting office, mobilization and her dismissal). New Voice. <https://nv.ua/ukr/ukraine/politics/skilki-groshey-vidilili-na-veteraniv-ta-koli-vidkriyut-memorialne-kladovishche-novini-ukrajini-50386129.html>