

# PUBLIC ADMINISTRATION IN WARTIME: RISK ASSESSMENT

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## ABSTRACT

*Risk management of the state administration process is a multifaceted problem, the positive solution of which is impossible without taking into account numerous factors affecting the subject and objects of administration. Usually, the practice of public administration corresponds to a complex approach to risk management, which simultaneously involves the application of actions of an economic, organizational and technical nature.*

*The substantiation of the theoretical principles of risk management at the level of public authorities has not yet become a component of the theory of public administration. In the study, based on the results of the generalization of the review of the problem, a proposal is presented regarding the use of state management mechanisms to minimize possible risks.*

***Keywords:** public administration, risk management, mechanisms of public administration.*

The war with Russia and the introduction of martial law in connection with this became a factor that determines the emergence of various and specific risks both for the public administration (PA) system and for Ukrainian society.

In general, risk management of the public administration process is a multifaceted problem, the solution of which depends on the level of consideration of all existing factors of influence on the subject and objects of management. Their defining feature is the public nature of the sphere of public administration, which makes it necessary to consider the issue of risk management from the point of view of applying the appropriate mechanisms of PA, such as, for example, economic, organizational or legal.

A number of studies have been devoted to the substantiation of the theoretical principles of risk management at the level of state authorities. The problem of risk management in the field of PA was considered in detail in [2, 5].

When considering the task of creating an effective risk management mechanism in the public administration system, it makes sense to take as a basis a business approach, which is defined as risk management [3, 4, 6]. A feature of this methodology is the application, depending on the task being solved, of various definitions of the term “risk”, which may be used by authorities with certain restrictions [1]. Their example is:

- risk is a quantitative measure of loss, which is determined simultaneously by

the probability of exposure to destructive factors;

- risk is a quantitative representation of the probability of a situation resulting in losses;

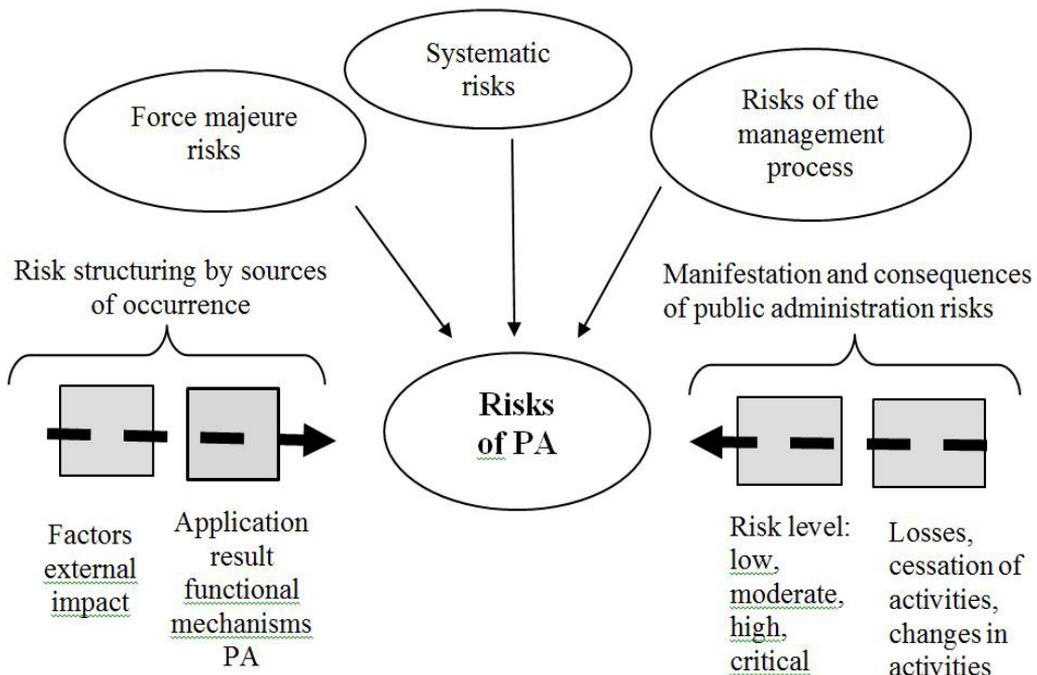
- risk is the anticipated possibility of danger.

Building an effective risk management mechanism at the level of authorities first of all involves the identification and research of those types of risks that are specific to their activities. At the same time, the development of a mechanism for managing such risks requires the definition of management principles through the application of appropriate management mechanisms of PA [3].

The appropriate structure of the risk environment of the PA process is presented in the Figure.

According to the Figure, risk management should begin with their definition and assessment. Therefore, for further consideration of the concept of risk of the PA process, the study proposes to use a widespread definition of risk, according to which it is associated with the probability of loss of financial and material resources under conditions when there are unforeseen changes in the environment. At the same time, you can use a classification according to which all possible risks can be reduced to three main types: management process, systematic and force majeure, Figure.

**Figure. Structuring and identification of risks according to the form of their manifestation**



According to the structure of the risk environment shown in the Figure, the first stage of risk analysis should be the determination of:

- | management risk  $R_{m.r.}$ , which summarizes all the risks associated with the activity of the authority.

| systemic risk  $R_{s.r.}$ , which is characterized by financial and economic and social and political factors of influence.

| force majeure risks  $R_{f.m.r.}$ , which are critical in the process of public administration.

Thus, the overall risk  $R$  consists of the sum of management, systematic and force majeure risks:

$$| \quad \Sigma R = \Sigma (R_{m.r.} + R_{s.r.} + R_{f.m.r.})$$

Next, when applying PA mechanisms, the risk  $R$  must be presented through its probability  $P(R)$ . Knowledge of the probability of risk occurrence will allow applying such a criterion for evaluating the management process as an indicator of its effectiveness. At the same time, apart from the type of risk, the algorithm for its definition and analysis should include the following stages:

- identification of all dependent and independent influencing factors that determine the probability of risk occurrence;
- determining the level of impact of risks on the management process;
- analysis of the risk component of decisions made by authorities when performing their functions;
- analysis of the potential and real effectiveness of the management process, taking into account the risky component.

The substantiation of the theoretical principles of risk management at the level of public authorities has not yet become a component of the theory of PA. A possible approach here could be a proposal to apply PA management mechanisms to minimize the impact of risks. These include regulatory, economic, social and organizational mechanisms.

The process of risk management as a quantitative measure of danger in the implementation of the PA process is related to decision-making and requires compliance with certain principles. It has been proven that the main goal of risk management should be to reduce the probability of the occurrence of risks or to reduce the negative impact of the consequences of the risk to the accepted level.

As noted above, such management mechanisms as regulatory, economic, social and organizational should be used for risk management. At the same time, in order to minimize the risky component, they must be attributed to the representatives of the corresponding source of their occurrence, who are able to manage them more effectively.

Thus, in accordance with the specific features of the management process itself, a variant of the balanced distribution of risks and the use of necessary resources should be chosen

### **Conclusion.**

The generalization of the considered approach to the consideration of the risky component of the PA process gives reason to come to the conclusion that the concept of “management risk” in the general approach is always based on the reflection of the relationships that arise between the subject and the management object that take part in the process PA. The subject of management exerts managerial influence on the objects of management, including the state management process itself, development resources, and third parties.

Adopting such an approach as a basis allows us to move on to the definition of specific features that are inherent in risk management methods at all stages of management both during the war and post-war reconstruction:

- they are determined by the target orientation of the management process itself;
- must take into account such a mandatory condition for the organization of the management process as the occurrence of additional risks associated with the reconstruction of the country and overcoming the consequences of the war;
- their choice is conditioned by such factors as the requirements for the application of such management mechanisms as regulatory, economic, social and organizational and specific features of such an object of management, such as the process of rebuilding the economy and overcoming the consequences of war.

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