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Inappropriate technologies of business administration of the Ukrainian aviation industry in the 21st century

An analysis of the problems of the aviation industry in Ukraine and possible ways to solve them is proposed. The specific problems of the industry during the years of independence and the period of Russia's full-scale invasion of Ukraine are indicated.

Ukraine is the territory for more than a thousand peoples and nationalities of the world that has created its own state, grown into a nation and has its own identity. In the spiritual and political life of every nation, there are events and years that are forever part of its history, consciousness, and determine the nature of its existence, place and role in global civilization processes. Today, we have events in our history that have demonstrated to the whole world the aspiration of the Ukrainian people for a free, happy, prosperous, independent life. This was confirmed by the will of the people in 1991.

Ukrainian independence is the result of a thousand-year struggle of the Ukrainian people for the right to have their own national state. The process of the state's emergence and development was long, complex, and at some stages of history quite controversial. This was due to the extremely difficult historical fate of the Ukrainian people, numerous obstacles to the formation of their national identity, and the brutal persecution of those who tried to raise the national question in the face of foreign enslavement.

Our historical memory has firmly recorded many historical pages: the destruction of golden-headed Kyiv, the Battle of Berestechko, the drama of the Poltava Battle, the insidious destruction of the Sich Republic, the Ems Decree and the Value Circular banning the Ukrainian language, the Executed Renaissance of the 1920s, the Holodomor of 1933, the Chornobyl tragedy of 1986, the annexation of the Crimea and the beginning of a full-scale invasion of 2022 [1].

The independence of our country has become a reality. Ukraine has all the formal signs of a state: a coat of arms, a flag, an anthem and a state language. Since its independence, Ukraine has gone from being a formal republic within the former USSR to a world-renowned state. One hundred and twenty three countries have recognized Ukraine as a sovereign country and diplomatic relations have been established with almost 90 countries.

Ukraine's political independence became a prerequisite for its economic independence. The primary task was the transition to a market economy, which would allow the release of the creative energy of the people and the full realization of the national economic potential.

New horizons opened up for Ukraine after it gained independence. The previous stage of Ukraine's existence in the USSR had great achievements related to civil aviation, which began to develop in Ukraine at the beginning of the XX century (1923 – "Ukrvozdukhput" airline, which became the basis for the creation of the

Soviet and then Russian “Aeroflot”). A new era in the history of civil aviation in Ukraine began with the establishment of the state aviation regulatory authority, Ukraviation, in October 1992 [2].

On September 9, 1992, Ukraine became a member of ICAO, acceding to the Convention on International Civil Aviation (statement of the Prime Minister of Ukraine dated 28.07.1992 to the US Government on Ukraine's accession to the Convention on International Civil Aviation). Two ICAO European Regional Training Centers are launched in Kyiv:

1. Aviation Safety Center (based at Boryspil International Airport and the National Aviation University) – since 1996.

2. The Center for Training of State Flight Safety Inspectors and State Airworthiness Inspectors of Civil Aircraft (based on the National Aviation University) – since 2001 [3].

In May 1993, Ukraine adopted its own Air Code [4] and rapidly established air bridges with many countries around the world. European integration became a priority for Ukraine. The National Program of Ukraine's Integration into the European Union (EU) was developed and adopted. The chosen path involves many changes in all areas, including civil aviation [5].

At the end of November 2019, a roundtable discussion was held in Kyiv on the topic “Current state and prospects of the aviation industry in Ukraine”. The event stated that over the past 10 years (from 2009 to 2019), the aviation industry in Ukraine has not received adequate state support and called on the political leadership to immediately begin addressing the systemic problems of the aviation industry in Ukraine.

The roundtable was attended by representatives of the President Office, the Ministry of Economy, State Concern “Ukroboronprom”, State Enterprises “Antonov” and “Zaporizhzhya Machine-Building Design Bureau ‘Progress’ named after Academician O.G. Ivchenko”, private joint-stock companies ‘Motor Sich’ and ‘Ukrainian Research Institute of Aviation Technology’, Kharkiv State Aviation Production Enterprise, Association “Ukaviaprom”, PJSC “FED”, Corporation ‘UAC’, LLC “Aviation and Space Systems and Technologies”, Trade Union of Aircraft Manufacturers of Ukraine, Federation of Employers of Ukraine and National Aviation University. That is, all organizations involved in the development of the Ukrainian aviation industry. The Ukrainian Institute for the Future initiated the event to raise the issues of this extremely promising industry. Even then, the participants noted that Ukraine was becoming more and more of an agrarian country, and those large projects where Ukrainian specialists would take leading positions were being ignored because that was how imperial Russia saw our state. The Soviet Union's principle that all the best should be in Moscow has been preserved and even strengthened in the aviation industry.

At the beginning of its independence, when Ukraine first gained this status, it was one of the seven aviation powers in the world, and over the thirty years since then, the industry has accumulated a number of problems that prevent it from operating effectively, both as a whole and as an individual enterprise.

According to a study by Defense Express magazine, if the conditions for the recovery and development of the aircraft industry are not created, and the status quo

is maintained, Ukraine is likely to lose its aviation industry over the next five years and become an agricultural country even more. In addition, such a loss will lead to stagnation of other industries – due to its high technological efficiency; one job in the aircraft industry creates up to 10-12 jobs in other industries, including science [6].

While the countries of the global aviation industry have consistently supported their domestic producers, in Ukraine, such support from the state was completely absent from 2009 to 2019, which is almost fatal for such an industry.

In 2019, the country's political leadership faced the issue of urgently creating a single center for the formation and implementation of state policy on the management of the aviation industry. All these miscalculations and shortcomings have been observed since the beginning of Russia's full-scale invasion of Ukraine.

The SC "UkrOboronprom" did not actually perform management functions, had no right to dispose of budget funds, could not finance production programs and, as a result, the critical state of the entire aviation industry was uncontrolled and threatened to be lost for Ukraine.

At the end of the second decade of the XXI century, there was no State Target Program for Scientific and Technical Development of the Aviation Industry of Ukraine for a long-term period (at least 10-15 years), which would comprehensively reflect the ways to solve the main problems of aviation industry enterprises, including with the involvement of state support, taking into account the need to complete import substitution programs, certification of aircraft and aviation industry enterprises of Ukraine according to EASA and FAA standards and the formation of demand for "Antonov" aircraft on the international and internal aviation markets, development of new promising projects, modernization and technical re-equipment of production facilities, creation and improvement of the after-sales service infrastructure, etc.

At the same time, the long-term absence of a state defense and consolidated state order for the development, production and supply of Ukrainian aircraft and simulators for the needs of the state (primarily law enforcement agencies) significantly reduces the workload of industry enterprises and impedes the promotion of Ukrainian products to international aviation markets.

Adoption of the Law of Ukraine dated 20.12.2016 N 1792-VIII "On ensuring the large-scale expansion of the export of goods (works, services) of Ukrainian origin by means of insurance, guaranteeing and cheapening of export crediting" [7] should ensure the effective operation of the Export Credit Agency and stimulate the export of Ukrainian products. Nevertheless, the difficulty and duration of obtaining loans by state enterprises in the aircraft industry, including obtaining state guarantees to attract funds for aviation programs, as well as the significantly higher cost of such funds puts Ukrainian enterprises in non-competitive conditions compared to Western manufacturers.

In recent years, "Antonov" State Enterprise has been associated with corruption scandals, management negligence and lost aircraft production. During the years of independence, the company's potential was drowned in corruption schemes and disputes among managers. But the full-scale invasion of Russia became the peak manifestation of the decline of the industry. A symbol of these problems was the loss of the world's largest aircraft, the "Mriya", which was not evacuated to Germany in time. Part of the ships were damaged due to hostilities, the airfield in Hostomel was

almost destroyed, and the workshops were under threat of shelling. During more than two years of the Great War, the management of “Antonov” completely changed, because as it turned out, there were people at the head who did not support the independent development of the enterprise at all, but were determined to serve the Russian measure, gradually subjugating and destroying the Ukrainian component in the development of new systems. The new managers were faced with the problem of finding ways to save the enterprise before it was too late. But the desired changes are not happening – in 2020, as a sign of protest, the next general director of Antonov, Oleksandr Los, resigned. The company was headed by Chief Engineer Serhii Bychkov. It is with this person that the loss of the world largest An-225 “Mriya” aircraft will be associated. In March 2023, Bychkov was arrested, and in April he was officially charged with the loss of the An-225 “Mriya” and losses of UAH 8.4 billion [8].

Vyacheslav Boguslaev, the Hero of Ukraine in a leadership position, turned out to be another traitor, who for 29 years of ownership of “Motor Sich” remained loyal to Russia even during the Russian invasion and bombing of his own plant. Boguslaev’s life and activities are symptomatic of all the years of Ukrainian independence. Now the era of “red directors” or “pro-Russian feudal lords” is coming to the end and Ukraine is turning this page of history [9].

The need for state reinvestment in the aviation industry is obvious. In world practice, it is accepted to provide state preferences for science-intensive industries (aircraft construction is undoubtedly one of them) – this contributes to the intensive development of enterprises in the industry, which as a result ensures high competitiveness of the country. As is known, the economic potential of the country depends on the potential of science-intensive and high-tech enterprises. The aviation industry provides a multifaceted economic effect for adjacent sectors of the economy, connected by a single technological chain, and creates an image of Ukraine as a developed industrial state in the world.

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