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## **ETHICAL LEADERSHIP IN PUBLIC-PRIVATE PARTNERSHIPS FOR ENHANCING SOCIAL PROTECTION POLICY IN UKRAINE: LESSONS FROM INTERNATIONAL PRACTICES**

*The article examines the role of ethical leadership in developing effective public-private partnerships (PPPs) for enhancing social protection policies in Ukraine. The research analyzes international best practices of socially responsible business leadership and their potential adaptation to Ukrainian realities in 2025. The study reveals that ethical leadership principles, including servant leadership, conscious capitalism, and stakeholder-oriented approaches, can significantly improve collaboration between public authorities and business entities in addressing social protection challenges. The analysis demonstrates that successful implementation of PPP mechanisms in social protection requires leaders who prioritize social value creation over short-term profits, demonstrate transparency and accountability, and foster trust-based relationships with stakeholders. The article identifies key success factors for ethical leadership in Ukrainian PPPs, including value-driven decision-making, stakeholder engagement, sustainable development orientation, and institutional capacity building. The research concludes that adopting ethical leadership approaches in public-private partnerships can enhance the effectiveness of social protection policies while building resilient communities and promoting sustainable development in post-war Ukraine. The findings suggest that institutional frameworks supporting ethical leadership development are crucial for successful PPP implementation in the social protection sector.*

**Keywords:** *ethical leadership, public-private partnerships, social protection policy, public administration, corporate social responsibility, Ukraine, sustainable development*

Introduction. The ongoing transformation of Ukraine's public administration system amid unprecedented challenges requires innovative approaches to policy implementation,

particularly in the social protection sector. The intersection of public governance and business ethics has emerged as a critical factor in developing effective solutions for social challenges. In 2025, as Ukraine continues its European integration path while addressing post-war reconstruction needs, the role of ethical leadership in public-private partnerships has become increasingly significant for enhancing social protection policies [1].

The traditional paradigm of public administration, characterized by hierarchical structures and limited private sector involvement, has proven insufficient to address complex social challenges facing Ukrainian society. The Ministry of Social Policy of Ukraine has recognized the need for innovative partnerships with business entities to strengthen social protection systems and improve service delivery [2]. This recognition aligns with global trends toward collaborative governance models that leverage both public authority and private sector efficiency. Ethical leadership emerges as a fundamental prerequisite for successful public-private collaboration in social protection. Unlike conventional leadership approaches focused primarily on economic outcomes, ethical leadership emphasizes values-driven decision-making, stakeholder engagement, and long-term societal benefit creation. This approach is particularly relevant for Ukraine, where building trust between public institutions and business entities remains a critical challenge for effective governance.

Literature Review and Problem Statement. Contemporary research on public-private partnerships in social protection reveals significant gaps in understanding the role of ethical leadership in ensuring partnership effectiveness. While extensive literature exists on PPP mechanisms and social protection policies separately, limited attention has been given to the intersection of ethical leadership, public administration, and business collaboration in addressing social challenges.

International studies by Carroll and Freeman demonstrate that successful PPP implementation requires leadership approaches that transcend traditional profit-maximization models, with stakeholder theory providing theoretical foundations for understanding how ethical leadership can enhance PPP effectiveness [3]. The European Union's emphasis on sustainable development goals and responsible business conduct has influenced Ukrainian policy development, particularly through the Association Agreement which establishes clear expectations for incorporating international standards of governance and business ethics into domestic practices [4].

Recent developments in Ukraine's PPP legislation, including the enhanced role of the Public-Private Partnership Agency, reflect growing recognition of the need for systematic approaches to partnership development. However, implementation challenges persist, particularly in ensuring that PPP projects deliver genuine social value rather than merely transferring public risks to private entities [5]. The problem of ethical leadership in Ukrainian PPPs is further complicated by historical legacies of corruption and weak institutional capacity, making trust-building between public and private actors particularly challenging in the social protection sector.

**Formulation of Article Goals.** The primary objective of this research is to analyze the potential for ethical leadership approaches to enhance public-private partnerships in Ukraine's social protection sector. Specific objectives include:

- Examining international best practices of ethical leadership in socially oriented business and their applicability to Ukrainian PPPs

- Identifying key principles and mechanisms for implementing ethical leadership in public-private collaboration

- Analyzing current challenges and opportunities for developing ethical leadership capacity in Ukrainian public administration

- Developing recommendations for enhancing PPP effectiveness through ethical leadership approaches in the social protection sector

**Presentation of Main Research Material with Full Justification of Obtained Scientific Results.** International experience demonstrates that servant leadership principles can significantly enhance PPP effectiveness in social protection. The concept of leadership as service, exemplified by organizations like Southwest Airlines and Starbucks, emphasizes putting stakeholder needs before organizational self-interest. In the context of Ukrainian social protection, this approach suggests that both public officials and business leaders should prioritize citizen welfare over short-term political or economic gains.

The servant leadership model addresses a critical challenge in Ukrainian PPPs: the perception that private sector involvement in social services primarily benefits business interests rather than citizens. By adopting servant leadership principles, Ukrainian PPP leaders can demonstrate genuine commitment to social value creation. This involves transparent communication, participatory decision-making, and measurable outcomes that directly

benefit vulnerable populations [6]. Implementation of servant leadership in Ukrainian PPPs requires institutional changes that support long-term thinking and stakeholder engagement. The Ministry of Social Policy's ongoing digital transformation initiatives provide opportunities to enhance transparency and citizen participation in social protection program design and delivery. Digital platforms can facilitate continuous feedback mechanisms that hold PPP leaders accountable to beneficiary communities.

The conscious capitalism model, exemplified by companies like Whole Foods Market and TOMS, offers valuable insights for Ukrainian PPP development. This approach recognizes that business success and social impact are mutually reinforcing rather than competing objectives. For Ukrainian social protection PPPs, conscious capitalism principles suggest focusing on creating shared value that benefits all stakeholders rather than merely optimizing cost efficiency.

The application of conscious capitalism to Ukrainian PPPs requires redefining success metrics to include social outcomes alongside financial performance. This involves developing comprehensive impact measurement systems that capture improvements in citizen welfare, community resilience, and long-term sustainability. The Public-Private Partnership Agency of Ukraine has begun incorporating such metrics into project evaluation frameworks, but further development is needed to ensure meaningful social impact assessment [7].

Ukrainian PPP leaders can learn from international examples of purpose-driven organizations that maintain profitability while addressing social challenges. The key insight is that ethical leadership involves making business cases for social investments rather than treating social responsibility as an add-on to core business activities. This approach is particularly relevant for Ukraine's reconstruction needs, where PPP projects must contribute to both economic recovery and social cohesion.

International best practices emphasize the importance of comprehensive stakeholder engagement in ethical leadership. Companies like Zappos and The Body Shop demonstrate how authentic stakeholder relationships can create sustainable competitive advantages while delivering social benefits. For Ukrainian PPPs, this translates into systematic engagement with citizen groups, civil society organizations, and community leaders throughout project lifecycles. The challenge for Ukrainian PPP leaders is building trust in contexts where historical experiences with public-private collaboration have often favored elite interests over

citizen welfare. Ethical leadership approaches emphasize transparency, accountability, and participatory governance as mechanisms for rebuilding trust. This requires moving beyond compliance-based approaches to embrace proactive stakeholder engagement strategies [8]. Successful stakeholder engagement in Ukrainian PPPs involves creating multiple channels for citizen input and feedback. This includes traditional consultation processes as well as innovative digital platforms that enable ongoing dialogue. The goal is to ensure that PPP projects reflect genuine community needs rather than assumptions about what communities require.

International examples highlight the importance of transparency in building sustainable partnerships. Organizations like Charity: water demonstrate how radical transparency can enhance stakeholder trust and project effectiveness. The «100% model» ensures that all donor contributions directly support project activities rather than administrative costs, creating clear accountability for resource utilization. For Ukrainian PPPs, transparency mechanisms must address both financial accountability and social impact measurement. This involves public reporting of project outcomes, regular stakeholder updates, and independent monitoring of service delivery quality. The implementation of e-governance platforms provides opportunities to enhance transparency through real-time data sharing and citizen access to project information [9]. Accountability mechanisms in Ukrainian PPPs should include citizen complaint systems, independent oversight bodies, and regular performance reviews that include social impact assessments. These mechanisms help ensure that PPP projects deliver promised benefits while providing opportunities for continuous improvement based on stakeholder feedback.

Ethical leadership in PPPs requires continuous innovation and adaptation to changing social needs. International examples like BetterMe's response to war-related disabilities in Ukraine demonstrate how ethical leaders can rapidly adapt business models to address emerging social challenges. This adaptive capacity is particularly important for Ukrainian PPPs operating in dynamic and uncertain environments. The development of adaptive capacity in Ukrainian PPPs involves creating organizational cultures that encourage experimentation, learning, and rapid response to changing circumstances. This requires leadership approaches that balance planning with flexibility, enabling partnerships to evolve based on experience and changing stakeholder needs [10]. Innovation in Ukrainian PPPs should focus on developing solutions that address multiple social challenges simultaneously. For example, employment

programs for veterans can be combined with skills development initiatives that support broader economic recovery objectives. This integrated approach maximizes social impact while creating synergies between different policy objectives.

The successful implementation of ethical leadership in Ukrainian PPPs requires supportive institutional frameworks that incentivize value-driven behavior. This involves reforming procurement processes, performance measurement systems, and partnership governance structures to prioritize social outcomes alongside financial efficiency. The current legislative framework provides a foundation for such reforms, but implementation requires sustained political commitment and administrative capacity development. Key institutional reforms should include the development of ethical leadership competency frameworks for public officials involved in PPP management. These frameworks should specify the knowledge, skills, and attitudes required for effective ethical leadership in public-private collaboration. Training programs should emphasize practical application of ethical principles in complex partnership environments.

The establishment of ethics oversight mechanisms is crucial for maintaining ethical standards in PPP implementation. This includes ethics committees with representation from public, private, and civil society sectors. These committees should have authority to investigate ethical concerns and recommend corrective actions when partnerships fail to meet ethical standards.

Developing ethical leadership capacity requires systematic investment in professional development for both public officials and private sector partners. This involves creating educational programs that combine theoretical understanding of ethical leadership with practical skills for partnership management. International exchange programs can provide exposure to successful PPP models while building networks of ethical leaders. Leadership development programs should address both individual and organizational dimensions of ethical leadership. Individual development focuses on personal values, decision-making skills, and stakeholder engagement capabilities. Organizational development addresses systems, processes, and cultures that support ethical behavior in partnership contexts.

The integration of ethical leadership principles into university curricula for public administration and business programs can help build long-term capacity for ethical PPP leadership. This involves developing case studies based on Ukrainian experiences and

creating opportunities for students to engage with real PPP challenges through internships and project-based learning.

Ethical leadership in PPPs requires comprehensive measurement systems that capture both quantitative outcomes and qualitative impacts. This involves developing indicators that reflect the values and priorities of all stakeholders, not just those that are easily measurable. Social return on investment methodologies can provide frameworks for assessing the broader value created by PPP projects. Performance measurement systems should include regular stakeholder feedback mechanisms that enable continuous improvement in partnership effectiveness. This involves both formal evaluation processes and informal feedback channels that capture stakeholder experiences and perceptions. The goal is to create learning systems that enhance partnership performance over time.

Impact assessment should extend beyond immediate project outcomes to consider long-term effects on community resilience, social cohesion, and institutional capacity. This longitudinal perspective is particularly important for social protection PPPs, where benefits may emerge gradually and require sustained partnership commitment to achieve.

Ethical leadership approaches to risk management emphasize shared responsibility and transparent communication about potential challenges. This involves identifying risks that could undermine social objectives and developing mitigation strategies that protect vulnerable stakeholders. Risk-sharing arrangements should ensure that private partners have incentives to maintain service quality and social impact even when facing financial pressures. Sustainability planning requires considering environmental, social, and financial dimensions of partnership viability. This involves developing business models that can maintain social benefits over extended periods while adapting to changing circumstances. Sustainability planning should include exit strategies that protect citizen interests if partnerships need to be terminated or restructured.

The development of sustainability frameworks should involve all stakeholders in defining what constitutes successful long-term outcomes. This participatory approach helps ensure that sustainability planning reflects diverse perspectives and priorities rather than focusing solely on financial viability.

Conclusions. The analysis of international best practices reveals significant potential for ethical leadership approaches to enhance public-private partnerships in Ukraine's social

protection sector. The adaptation of servant leadership, conscious capitalism, and stakeholder-oriented models to Ukrainian contexts can address critical challenges in building trust, delivering social value, and ensuring sustainable partnership outcomes. Key findings indicate that successful implementation of ethical leadership in Ukrainian PPPs requires systematic institutional development, capacity building, and performance measurement reforms. The establishment of supportive policy frameworks, combined with practical leadership development programs, can create enabling environments for ethical partnership practices.

The research demonstrates that ethical leadership is not merely an idealistic aspiration but a practical necessity for effective PPP implementation in complex social protection contexts. The Ukrainian experience of managing social challenges amid ongoing conflict provides unique insights into the resilience and adaptability required for ethical leadership in crisis conditions. Future research should focus on developing Ukrainian-specific models of ethical leadership that account for cultural, institutional, and historical factors while building on international best practices. Longitudinal studies of PPP implementation outcomes can provide evidence of the effectiveness of different ethical leadership approaches in achieving social protection objectives.

The transformation of Ukraine's social protection system through ethical public-private partnerships represents both a significant opportunity and a considerable challenge. Success will require sustained commitment from political leaders, public administrators, and business executives to prioritize social value creation and stakeholder engagement in all partnership activities.

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