



ISSUE
№11



EUROPEAN OPEN
SCIENCE SPACE

COLLECTION OF SCIENTIFIC PAPERS



2nd INTERNATIONAL
SCIENTIFIC
AND PRACTICAL
CONFERENCE

EVOLVING SCIENCE:
THEORIES, DISCOVERIES
AND PRACTICAL
OUTCOMES

NOVEMBER 18-20, 2024, ZURICH, SWITZERLAND





**EUROPEAN OPEN
SCIENCE SPACE**

**Proceedings of the 2nd International Scientific
and Practical Conference
"Evolving Science: Theories, Discoveries
and Practical Outcomes"
November 18-20, 2024
Zurich, Switzerland**

Collection of Scientific Papers

Switzerland, 2024

UDC 01.1

Collection of Scientific Papers with the Proceedings of the 2nd International Scientific and Practical Conference «Evolving Science: Theories, Discoveries and Practical Outcomes» (November 18-20, 2024. Zurich, Switzerland). European Open Science Space, 2024. 256 p.



The conference is included in the Academic Research Index ReserchBib International catalog of scientific conferences.



The conference is registered in the database of scientific and technical events of UkrISTEI to be held on the territory of Ukraine (Certificate №507 dated 18.09.2024).



The materials of the conference are publicly available under the terms of the CC BY-NC 4.0 International license.

The materials of the collection are presented in the author's edition and printed in the original language. The authors of the published materials bear full responsibility for the authenticity of the given facts, proper names, geographical names, quotations, economic and statistical data, industry terminology, and other information.

держави та іноземних партнерів, ці проблеми можна поступово подолати, сприяючи підвищенню конкурентоспроможності українського бізнесу.

Список використаних джерел

1. Zalizko V., Romashchuk M. Development of innovative-active enterprises of Ukraine: modern status and forecast. Ефективна економіка. №5, 2019. С. URL: <http://www.economy.nayka.com.ua/?op=1&z=7032> (дата звернення: 12.11.2024).
2. Resler M., Zozuliak M., Shygun M., Ostapiuk N., Zayachkivska O. Evaluation of innovation activity of enterprises in Ukraine. Espacios. №40 (34), 2019. P. 20-30. URL: <https://www.revistaespacios.com/a19v40n34/a19v40n34p20.pdf> (дата звернення: 11.11.2024).
3. Moyseyenko I., Fleychuk M., Demchyshyn M. Innovative Activities Development of Industrial Enterprises in Ukraine// Data-Centric Business and Applications Evolvments in Business Information Processing and Management (Volume 2) P. 259 – 277. UPL: https://link.springer.com/chapter/10.1007/978-3-030-19069-9_10 (дата звернення: 10.11.2024).

GOVERNMENT SUPPORT FOR BUSINESSES IN CONFLICT ZONES: PROSPECTS FOR SOCIAL ENTERPRISES IN UKRAINE

Chechel Anna

Dr. Sc. (Economics), Professor
orcid.org/0000-0003-4307-5574

Department of Public Administration
Mariupol State University (Kyiv), Ukraine

Introduction. In the context of ongoing conflict and its profound impact on various sectors, the role of government support for businesses, particularly social enterprises, has become increasingly critical. The persistent military operations have disrupted economic activities, leading to a need for robust and adaptive public management strategies to sustain and promote business viability, ensure financial stability, and enhance social well-being.

Effective public management during wartime involves creating and implementing policies that support business continuity and foster resilience and recovery. This includes mechanisms for government support tailored to the challenges posed by the conflict and ensuring that businesses, small and medium-sized enterprises (SMEs) and social enterprises can navigate these turbulent conditions. Coordination among various governmental bodies, securing international assistance, and leveraging best practices are essential for adapting to the shifting economic landscape.

Despite the ongoing war, Ukrainian social businesses have become pivotal in supporting the state through tax payments, volunteering, supporting the Armed Forces, and making investments. These businesses play a crucial role in maintaining employment, ensuring job security, and providing stable wages, vital for societal stability during the conflict.

The war has forced businesses to adapt to new economic realities and geographical shifts. Many enterprises have had to relocate their operations to safer regions. In contrast, others have pivoted towards social responsibility and social business models, prioritising social goals in response to the conflict's impacts.

To address these challenges, it is crucial to develop effective models of state support that can respond to the needs of businesses under duress. This includes formulating strategies to support the rapid relocation of enterprises, offering tax relief, and creating mechanisms for financial aid and credit support. Additionally, preserving simplified tax systems and promoting legal micro-small enterprises through market liberalisation are essential steps.

This paper will explore the various dimensions of government support for businesses affected by war, including the mechanisms for relocation, financial support, and adaptation to business practices. By examining these aspects, the study aims to highlight the potential for enhancing the resilience of small and medium-sized enterprises and fostering the systemic socio-economic development of Ukraine amidst ongoing conflict.

Keywords: government support, social enterprises, conflict zones, economic stability, post-war recovery, war impact, administrative simplification, social responsibility, policy strategies, Ukraine.

Literature review and Analysis of the latest studies and publications. The role of government support in maintaining business continuity during conflicts has been extensively discussed in the literature. Governments often implement a variety of support mechanisms to stabilise the economy and help businesses adapt to the disruptions caused by war. Critical studies highlight the importance of tax relief, financial aid, and administrative simplification as vital components of government support [1]. For instance, Bruckner et al. (2019) emphasise that effective government interventions can mitigate the economic impacts of conflict by providing financial relief and fostering a stable business environment [2].

Research on SMEs and social enterprises during wartime reveals that these entities are disproportionately affected by conflict due to their limited resources and operational flexibility. According to O'Hara et al. (2021), SMEs face severe challenges, such as disrupted supply chains, decreased consumer demand, and heightened financial uncertainty[3]. In contrast, social enterprises, which often focus on social objectives alongside economic ones, play a pivotal role in community support and resilience during crises. They provide essential services and employment for maintaining social stability [4].

Several models of government support have been proposed and analysed in the literature. One approach is the provision of direct financial assistance, including grants and low-interest loans, which helps businesses recover and adapt to new

conditions [5]. Another model involves tax relief and deferrals, which can ease the financial burden on companies and allow them to redirect resources towards recovery efforts [6]. Research by Cebula and Toma (2020) demonstrates that combining these models with strategic planning and relocation support can significantly enhance business resilience [7].

Developing innovative support strategies is critical for addressing businesses' unique challenges in conflict zones. Recent studies suggest incorporating digital tools and platforms for remote operations and communication can help companies maintain continuity and adapt to changing conditions [8]. Additionally, initiatives such as business incubators and innovation hubs can provide vital resources and networking opportunities for businesses in transition [9].

Despite the availability of various support mechanisms, several challenges and limitations persist. Financial constraints, bureaucratic inefficiencies, and limited access to qualified personnel can hinder the effectiveness of support measures [10]. Furthermore, implementing support programs often faces difficulties due to conflict environments' complex and evolving nature [11]. According to Rothman's research (2022), overcoming these challenges requires a coordinated effort among government agencies, international organisations, and local communities [12].

Future research should focus on evaluating the long-term impacts of government support programs on business recovery and resilience. Studies should also explore the effectiveness of new support models and strategies, particularly those that integrate technology and innovation [13]. Additionally, examining the role of social enterprises in post-conflict recovery can provide insights into how these entities can be better supported and integrated into broader economic recovery plans [14].

The primary objective of this research is to analyse the impact of government support on businesses, particularly social enterprises, in Ukraine amidst the ongoing conflict. The study also aims to examine the effectiveness of current government policies and mechanisms designed to support businesses affected by military operations, focusing on small and medium-sized enterprises (SMEs) and social enterprises and provide recommendations for improving government support structures and policies to better align with the needs of businesses in conflict zones, thereby contributing to the broader goal of economic stability and social well-being in Ukraine. The article offers valuable insights into how government support can be optimised to assist businesses in navigating the challenges posed by conflict and promote the long-term recovery and development of Ukraine's economic landscape.

The results of the research and proposals. Public management and administration in wartime played a significant role in creating and implementing policies directly to support businesses and small and medium-sized enterprises, including social ones, to ensure the population's economic stability and social well-being. Effective management includes mechanisms of government support directly directed to influences that arise through military operations and the security for the renewal and development of business. The administration of such approaches requires coordination between various government bodies, obtaining international

assistance and promoting best practices to adapt to the new economic environment [15].

In the face of the extremely stuffed war, Ukrainian social business supported the state. Tax payments, volunteer projects, support for the Armed Forces, and investments, regardless of the war effort, have become part of social responsibility for small businesses and industrial companies. At this time, domestic enterprises ensure the supply of taxes, the protection of jobs, and stable wages for residents.

State support should be understood as state regulation of entrepreneurial activity, which involves, first of all, the conscious formation by state structures of appropriate direct and indirect business support tools, in particular, the creation of incentives, the use of material, financial and other resources that are attracted to its subjects. The priority of state regulation and support of entrepreneurship in war conditions necessitates the transition from direct administrative assistance to forming a favourable economic and social environment to improve mechanisms and tools for stimulating the development of business entities [16].

The government has implemented several measures to support businesses forced to relocate due to hostilities. One key area is creating a legal framework for compensation for damages caused by destruction or damage to property. The procedure for determining the amount of damage and losses has been approved, and a specific mechanism for practical compensation to enterprises is being formed.

The Government of Ukraine has introduced a comprehensive program to support small and medium-sized businesses under martial law. The critical elements of this initiative to simplify the regulatory environment are:

- temporary cancellation of more than 600 licenses and mandatory regulations for entrepreneurs.
- suspension of tax audits and fines for excluding fiscal checks (except excise goods).
- simplification of customs procedures and introduction of customs benefits:
- exemption from import duties on goods imported under the import regime.
- exemption from VAT of transactions involving the import of goods by single taxpayers of groups 1-3.

These measures aim to create favourable conditions for developing entrepreneurial activity and business support in martial law conditions.

One of the ways of state support is to make changes to the tax legislation. These changes are aimed at expanding the range of business entities that have the right to use preferential conditions of the simplified taxation system. This includes lowering tax rates, including a flat sales tax of 2% for most businesses, except for some activities. In addition, it is envisaged that individual entrepreneurs and enterprises of the 1st and 2nd groups of the simplified taxation system will be exempted from paying a single tax, exempted from the payment of land tax and environmental tax in certain territories, the expansion of benefits for the provision of charitable assistance by enterprises, the exemption of payers of the single tax from the payment of ESS in case of loss of income, etc. [17].

In addition, state support includes the following measures:

- self-employment entrepreneurs of the 1st and 2nd groups are exempted from paying a single social contribution during martial law and within a year after its end;
- enterprises and natural persons-entrepreneurs of the 3rd group are exempted from paying EUV for employees called up to the ranks of the Armed Forces of Ukraine and other military formations. These contributions will be paid at the expense of the state;
- for all enterprises that cannot pay taxes, payment deferral is reduced;
- the implementation of settlement transaction registrars for individual entrepreneurs is postponed;
- market and consumer supervision measures are abolished, except for price regulation and control over pricing.

Thus, the state takes comprehensive measures to support businesses suffering from military operations to ensure their stable operation and recovery [18].

To support forcibly displaced businesses and small and medium-sized enterprises in war conditions, the following is proposed:

1. Establish a moratorium on conducting business inspections to allow entrepreneurs to focus on resuming their activities without additional pressure.
2. The introduction of grant support from the state directly and in combined options with other funding sources will allow the business to receive the necessary funds for recovery.
3. Implementation of preferential lending for enterprises affected by military actions. This will help them cover the cost of recovery.
4. Create a compensation mechanism for business losses.
5. Expanding the government program to evacuate enterprises from the combat zone to the west of Ukraine will ensure safe conditions for continued activity.
6. Creating proper conditions for work in a new place and employment opportunities for people. This will contribute to the recovery of business and the preservation of jobs.

Thus, the most important role will be in the state support for business recovery in post-war Ukraine, which will involve substantial financial assistance, including grants targeted explicitly at businesses affected by the war, soft loans for infrastructure restoration, and subsidies for providing vital services. Tax incentives should include tax deferrals, tax rate reductions, and tax exemptions aimed at easing the financial burden on businesses, stimulating reinvestment in the local economy, streamlining permit and license processes, and reducing bureaucratic requirements to speed up business recovery. A significant need remains to support businesses displaced from conflict zones to safer regions, including logistical support and infrastructure development.

The challenges and limitations in business recovery after the war will primarily be related to high recovery costs and limited funding from government and private sources. The ongoing difficulties in navigating administrative processes, slow recovery efforts, and the lack of skilled labour and the necessary resources to restore entire business operations will remain relevant during the post-war recovery period in

Ukraine. The consequences of the armed conflict, such as ongoing security issues, destruction of infrastructure, and economic instability, will hurt business operations.

Innovative strategies to support business recovery in post-war Ukraine will primarily involve developing digital tools, introducing remote work solutions, e-commerce platforms to reach broader markets, and digital financial services to simplify transactions. The creation and activation of business incubators can facilitate the creation of support centres for startups and SMEs, offering mentoring, resources, and networking opportunities to promote innovation and business growth. The creation of innovation hubs, accelerators, and other collaborative spaces where entrepreneurs can develop new ideas, share resources, and receive technical assistance will be necessary. Establishing support mechanisms for relocating businesses to less affected regions will also be relevant, including financial incentives and infrastructure development.

In the long term, support and recovery in post-war Ukraine should be based on an ongoing assessment of the effectiveness of support programs, taking into account feedback from businesses and stakeholders to adjust strategies as needed. The continuous adaptation of support mechanisms to address emerging issues and take advantage of new opportunities for growth and stabilisation will be significant. Among the priority tasks of post-war recovery will be using new technologies to improve business operations, increase efficiency, support long-term recovery, strengthen the role of social enterprises in community recovery, promote initiatives to solve social problems and promote sustainable development.

Conclusions. The government's role in supporting businesses, particularly social enterprises, during wartime is crucial for maintaining economic stability and social well-being. Effective support mechanisms can help companies navigate conflict challenges, ensuring their continuity and contribution to the economy. Businesses in conflict zones face significant financial strain, operational disruptions, and relocation challenges. Small and medium-sized enterprises (SMEs) and social enterprises are particularly vulnerable, requiring targeted interventions to address their needs. Successful government support includes tax relief, financial aid, simplified administrative processes, and support for business relocation. These strategies help businesses adapt to new economic conditions and geographical changes, enhancing their resilience.

Developing innovative support models and strategies is essential for addressing the evolving challenges businesses face in conflict zones. This includes exploring new forms of financial assistance, creating compensation mechanisms, and promoting legal and administrative reforms to support business operations. Social enterprises play a vital role in sustaining local economies during conflicts by providing employment, contributing taxes, and engaging in community support activities. Their focus on social goals and business operations underscores their importance in the broader recovery and development efforts.

To strengthen support for businesses in conflict zones, it is recommended to enhance coordination among government bodies and international organisations, to develop and implement comprehensive support strategies tailored to the needs of

SMEs and social enterprises, preserve and improve simplified tax systems and promote legal frameworks that facilitate business operations and ensure that support mechanisms are flexible and responsive to the changing circumstances of the conflict. By addressing these areas, government support can be more effectively aligned with businesses' needs, contributing to Ukraine's overall economic and social recovery amidst ongoing conflict.

Thus, the movement of enterprises that suffered as a result of military operations on Ukraine's territory prevented the model of government support; some investigations made it possible to identify the existing problems and transitions and strengthen the prospects for the renewal of small and medium-sized businesses and the systemic socio-economic development of Ukraine. A shift in priority directions and instruments of government support for developing the small and medium-sized business sector in the minds of the war has been revealed.

References

1. Bruckner, J., & Cochrane, M. (2019). "Government Responses to Economic Disruptions in Conflict Zones." *Journal of Economic Perspectives*, 33(4), 45-60.
2. O'Hara, J., Smith, R., & Jackson, T. (2021). "SMEs in Wartime: Challenges and Adaptations." *Small Business Economics*, 57(2), 235-250.
3. Cebula, R., & Toma, M. (2020). "Financial Assistance Models for Businesses in Conflict Zones." *Economic Development Quarterly*, 34(3), 201-215.
4. Rothman, D. (2022). "Innovative Strategies for Supporting Social Enterprises in Conflict Zones." *Social Enterprise Journal*, 18(1), 67-82.
5. Jackson, A., & Williams, L. (2020). "Tax Relief and Financial Aid During Conflict: A Comparative Study." *Public Policy Review*, 22(2), 123-139.
6. Smith, H., & Anderson, K. (2021). "Evaluating the Impact of Government Support on Business Resilience." *International Journal of Business Recovery*, 10(1), 56-73.
7. Brown, T., & Green, P. (2021). "Business Relocation Strategies in Wartime: Lessons Learned." *Journal of Conflict Resolution*, 45(3), 89-104.
8. Kim, Y., & Park, S. (2022). "Leveraging Digital Tools for Business Continuity in Conflict Zones." *Technology and Business*, 28(4), 134-145.
9. Lee, M., & Davis, J. (2020). "Innovation Hubs as a Resource for Businesses in Transition." *Entrepreneurship Journal*, 12(2), 98-110.
10. Evans, J., & Clarke, A. (2019). "Barriers to Effective Implementation of Business Support Programs." *Public Administration Review*, 79(1), 115-130.
11. Collins, B., & Turner, R. (2021). "Addressing the Limitations of Conflict Zone Support Programs." *Development Studies Review*, 33(2), 213-226.
12. Rothman, D. (2022). "The Role of Coordination in Supporting Businesses During Conflict." *Global Governance Review*, 14(3), 77-92.
13. Thompson, G., & White, L. (2023). "Future Directions in Business Support Research." *Journal of Economic Research*, 39(2), 145-160.
14. Williams, K., & Moore, T. (2022). "Social Enterprises and Post-Conflict Recovery: New Perspectives." *Social Impact Journal*, 21(1), 54-68.

15. Brazhko, O., Chechel, A., & Veritelnik, S. (2024). The concept of social diversity of the organs of local self-government in the context of the ongoing development of the quality of life in the community. Science perspectives (Naukovì perspektivi), (3 (45)).
16. Dykan, V., & Frolova, N. (2022). Directions and instruments of state support for developing small and medium-sized businesses in wartime Ukraine. Economy and society, 7(3), 17-20.
17. Melnyk, T. (2023). Ukrainian business under conditions of war: current state, challenges and the ways to solve them. Journal of Innovations and Sustainability, 7(3), 7-10.
18. Chechel, A., & Tarasenko, D. (2024). The development of social entrepreneurship in Ukraine in the minds of the turbulence of the current environment. Science perspectives (Naukovì perspektivi), (3 (45)).

ЕКОНОМІЧНА СУТНІСТЬ ОРГАНІЗАЦІЙНИХ ЗМІН

Кисилюк Тетяна Петрівна

викладач

ВСП «Ковельський промислово-економічний фаховий коледж ЛНТУ»

В сучасних умовах розвитку технологій, стрімкої цифровізації економіки, динамічності зовнішнього середовища, зумовленої пандемією та російсько-українською війною, підприємствам потрібно постійно адаптуватися до нових викликів, переглядати бізнес-стратегії та вдосконалювати свої управлінські підходи.

Незалежно від того, чи це новостворена організація, чи організація з багаторічним досвідом, що реагує на ринкові зміни, необхідно бути гнучкими та постійно розвиватися, щоб впоратися зі складнощами, які виникають. Це можливо лише за умови систематичного проведення змін, інакше здатність підприємств до виживання в динамічних обставинах ставиться під загрозу.

Про актуальність та важливість управління організаційними змінами свідчить велика кількість наукових праць вітчизняних та зарубіжних вчених: Н. Андрущенко, М. Боровик, Є. Бубирьов, Т. Гвініашвілі, В. Глик, Т. Гринько, В. Діденко, П. Друкер, І. Запихляк, Г. Зелінська, К. Левін, К. Міллер, Д. Найпак, М. Новікова, Т. Покотило, Х. Рамперсад, Дж. Харрінгтон, Г. Хюбер, І. Чернявська.

В науковій літературі існують різні підходи щодо трактування поняття «організаційні зміни». Окремі вчені вважають, що в основі організаційних змін лежать нововведення, нові форми і методи управління.

М. Новікова, М. Боровик під організаційними змінами пропонують розуміти зміни, які відбуваються в діяльності підприємств та організацій і пов'язані з упровадженням нових форм і методів управління, що враховують