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SUPPORT OF SMALL AND MEDIUM-SIZED ENTERPRISES AT THE LEVEL OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF MARITAL STATE

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Abstract. *The purpose of the study is to identify the role of local self-government bodies and communities in stimulating the development of small and medium-sized enterprises in the conditions of decentralization and military aggression. To achieve the goal, the following general scientific methods were used: systematization, analysis, synthesis, theoretical generalization, statistical analysis. The sequence of actions regarding stimulation of small and medium entrepreneurship by local self-government bodies under the conditions of decentralization has been summarized. The contribution of small and medium-sized enterprises to the economy of Ukraine in comparison with other countries of the world has been analyzed. A generalization of possible measures of stimulatoin development of small and medium-sized businesses by the public sector at the local level has been carried out. Successful examples of the development of local communities which is ensured by their focus on the use of available competitive opportunities and resources have been presented. The problems faced by small and medium-sized enterprises in communities during the coronavirus pandemic have been identified and the consequences of reduced work and orders have been argued, which led to a reduction in the ability to pay taxes and fill the local budget. The size of the total direct losses of small and medium-sized businesses from the beginning of the war to the beginning of August and the average expected result of business sales by the end of 2022 have been estimated. The share of enterprises that completely or partially stopped their activities during the five months of the war has been revealed. The experience of interaction of representatives of the public sector at various levels in the direction of activation of entrepreneurship development has been summarized. Proposals regarding participatory planning of events and selection of tools for supporting small and early entrepreneurship in communities have been provided. The theoretical value of the work lies in the development of the issue of determining the functions of territorial communities to support small and medium-sized enterprises. It was concluded that liberalization measures indicate that the government is aware of the relationship between the degree of economic freedom and the pace of post-war economic recovery of Ukraine. The practical value lies in the formation of proposals regarding the directions of support of small and medium-sized businesses by local self-government in the period of post-war economic development.*

Keywords: *small and medium-sized business; entrepreneurship; military aggression; communities; local self-government bodies; small and medium-sized business support tools; relocation.*

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ПІДТРИМКА МАЛОГО ТА СЕРЕДНЬОГО ПІДПРИЄМНИЦТВА НА РІВНІ ТЕРИТОРІАЛЬНИХ ГРОМАД В УМОВАХ ВОЄННОГО СТАНУ

Сментина, Н. В. Підтримка малого та середнього підприємництва на рівні територіальних громад в умовах воєнного стану. *Вісник соціально-економічних досліджень* : зб. наук. праць. Одеса : Одеський національний економічний університет. 2022. № 3-4 (82-83). С. 81–94.

Анотація. Метою дослідження є виявлення ролі органів місцевого самоврядування та громад щодо стимулювання розвитку малого та середнього підприємництва в умовах децентралізації та військової агресії. Для досягнення поставленої мети використано такі загальнонаукові методи: систематизації, аналізу, синтезу, теоретичного узагальнення, статистичний аналіз. Узагальнено послідовність дій щодо стимулювання малого та середнього підприємництва з боку органів місцевого самоврядування за умов децентралізації. Проаналізовано внесок малих та середніх підприємств в економіку України порівняно з іншими країнами світу. Проведено узагальнення можливих заходів стимулювання розвитку малого та середнього бізнесу публічним сектором на локальному рівні. Наведено успішні приклади розвитку територіальних громад, що забезпечено їх фокусуванням на використанні наявних конкурентних можливостей та ресурсів. Виявлено проблеми, що постали перед малими та середніми підприємствами в громадах в період пандемії коронавірусу та аргументовано наслідки скорочення роботи та замовлень, що призвело до скорочення можливості сплачувати податки та наповнювати місцевий бюджет. Оцінено розмір загальних прямих збитків малого та середнього бізнесу з початку війни до початку серпня та середнього очікуваного результату продажів бізнесу за підсумками 2022 року. Виявлена частка підприємств, що за п'ять місяців війни припинили повністю або частково свою діяльність. Узагальнено досвід взаємодії представників публічного сектору різних рівнів у напрямі активізації розвитку підприємництва. Надані пропозиції стосовно партисипативного планування заходів та добору інструментів підтримки малого та середнього підприємництва у громадах. Теоретична цінність роботи полягає у розвитку питання визначення функцій територіальних громад для підтримки підприємств малого та середнього бізнесу. Зроблено висновок, що лібералізаційні заходи свідчать, що уряд усвідомлює взаємозв'язок між ступенем економічної свободи і темпами повоєнного економічного відновлення України. Практична цінність полягає у формуванні пропозицій щодо напрямків підтримки малого та середнього бізнесу місцевим самоврядуванням у період повоєнного розвитку економіки.

Ключові слова: малий та середній бізнес; підприємництво; військова агресія; громади; органи місцевого самоврядування; інструменти підтримки малого та середнього бізнесу; релокація.

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1. Introduction

Now the economy of Ukraine has faced a shock, which can be called the biggest in its history due to a full-scale military invasion, which struck all the links of the economic system of the state. It can be argued that there has been a decrease in the production of the

main types of products, including goods that are the basis of export potential, the blocking and destruction of a number of ports remains a significant problem, which entails a significant reduction in foreign trade. Among the primary problematic economic issues, it should be noted the destruction of the transport-logistics, social, trade and engineering-technical infrastructure of a number of administrative agencies of the state, as well as the problem of a significant outflow of personnel abroad, which threw them out of active economic life. However, above all, the development of the national economies of countries, the standard of living of the population and communities are closely related to the support and development of small and medium-sized businesses and entrepreneurship, which, for example, are the economic pillar and provider of jobs in the developed countries of the world.

2. Aim and methodology of research

The purpose of the study is to identify the role of local self-government bodies and communities in stimulating the development of small and medium-sized enterprises in the conditions of decentralization and military aggression. To achieve the goal, the task was formulated to investigate approaches to supporting small and medium-sized businesses in conditions of decentralization, to analyze the impact of military aggression on the functioning of small and medium-sized businesses, to determine the main areas of support for entrepreneurs under martial law, and to outline the prospects for the renewal of entrepreneurial activity. To achieve the goal, the following general scientific methods were used: systematization, analysis, synthesis, theoretical generalization, statistical analysis.

3. Literature review, shortcomings and problem statement

Various aspects of the study of the conditions, features, principles of support and development of small and medium-sized businesses are outlined in the works of many domestic and foreign scientists. So, for example, N. V. Hryshina investigated the effectiveness of using the potential of small entrepreneurship to ensure sustainable economic growth [1, p. 2]. D. Clark focused on the latest trends in the creation and functioning of small and medium-sized enterprises (SMEs) in the European Union [2]. İşkurak E. & Dikmen C. analyzed the factors causing the collapse of SMEs and methods of preventing them [3]. V. L. Dykan and O. V. Shramenko formed strategic guidelines for state regulation of small and medium-sized business entities [4, pp. 48–49]. V. L. Akulenko and others focused on determining the role and place of small and medium-sized businesses in the formation of financial relations at the local level [5, p. 147]. P. Pounder emphasizes the active role of local self-government bodies and proves the existence of a close connection between local entrepreneurship and local development [6, pp. 139–140]. Meanwhile, an urgent question that was raised by the time and modern conditions of the functioning of SMEs is the study of the role of local self-government in supporting such enterprises in the conditions of martial law.

In Ukraine, despite the declarative emphasis on the importance of small and medium-sized businesses for the development of the economy, recent years prove the existence of quite significant problems in its functioning. The decentralization reform, which was supposed to lead to the formation of additional revenues for community budgets, was also aimed at stimulating the development of small and medium-sized businesses. Meanwhile, the full-scale invasion of Russia affected not only the life of every citizen of Ukraine, but also the business, which faced the issues of destruction, relocation, and the impossibility

of economic activity. Meanwhile, entrepreneurs should become active participants in the processes of supporting and rebuilding the national economy, which is possible only with the support of local authorities and the effective interaction of local self-government bodies and small and medium-sized business entities.

4. The main material research

Success in the economy depends on the ability of managers at various levels to form adequate strategic plans and ensure the effectiveness of their practical implementation, in order to realize the significant potential of post-war economic revival. The development of private initiative and entrepreneurship, which are the basis of competitive business [7], is gaining priority in Ukraine.

Unfortunately, the economy of Ukraine in pre-war times can be characterized as quite bureaucratized and inflexible, therefore monopolies played a major role in the formation of export potential, the concentration of which fell on a narrow segment of raw materials industries, such as metallurgy and agriculture [8]. With the adoption in December 2014 of amendments to the Budget and Tax Codes of Ukraine, a new stage of budget decentralization began, the purpose of which is to expand the rights of local self-government bodies and increase the level of independence of local budgets [9, pp. 39–40]. The main responsibilities for ensuring the conditions of economic and social development of territorial communities were assigned to local authorities [10, pp. 64–65]. In particular, this was aimed at stimulating the employment of the local population and the development of small and medium-sized businesses.

First of all, the decentralization reform was supposed to lead to an increase in the amount of tax revenues directed to local budgets, which can be used for the development of territorial communities through the development of infrastructure and the implementation of measures to improve the quality of life of the population. Among the priorities of the use of additional funds from local budgets should also be mentioned the stimulation of the development of small and medium-sized businesses (Fig. 1).

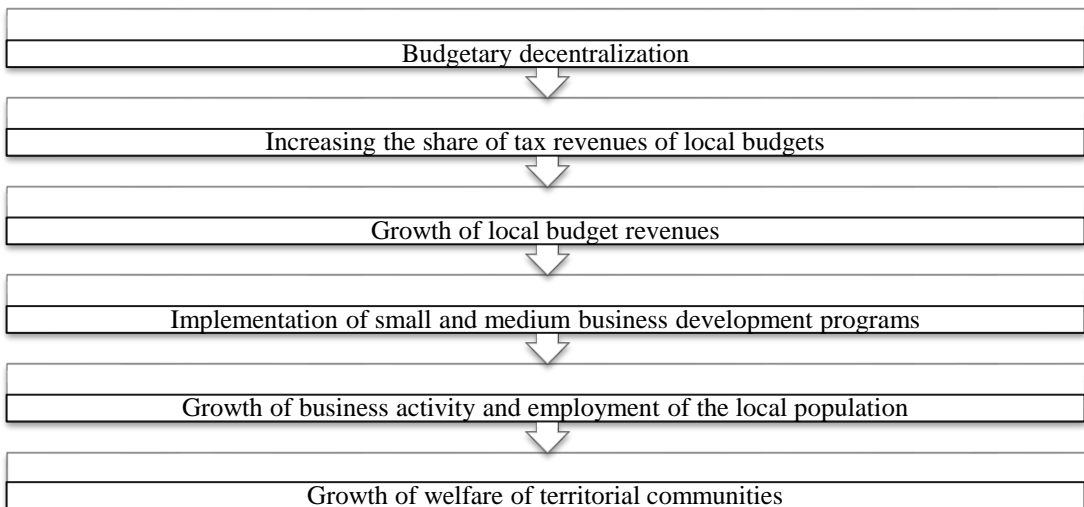


Fig. 1. The sequence of stimulation of small and medium entrepreneurship by local self-government under the conditions of decentralization

Source: developed by the author

In general, as of 2020, small and medium-sized businesses can be called the basis of the country's economy – such enterprises brought 55% of GDP to the Ukrainian economy (Fig. 2), and in 2021 their contribution was estimated at 60% of GDP, 7 million jobs and 40% of tax revenues to the budget.

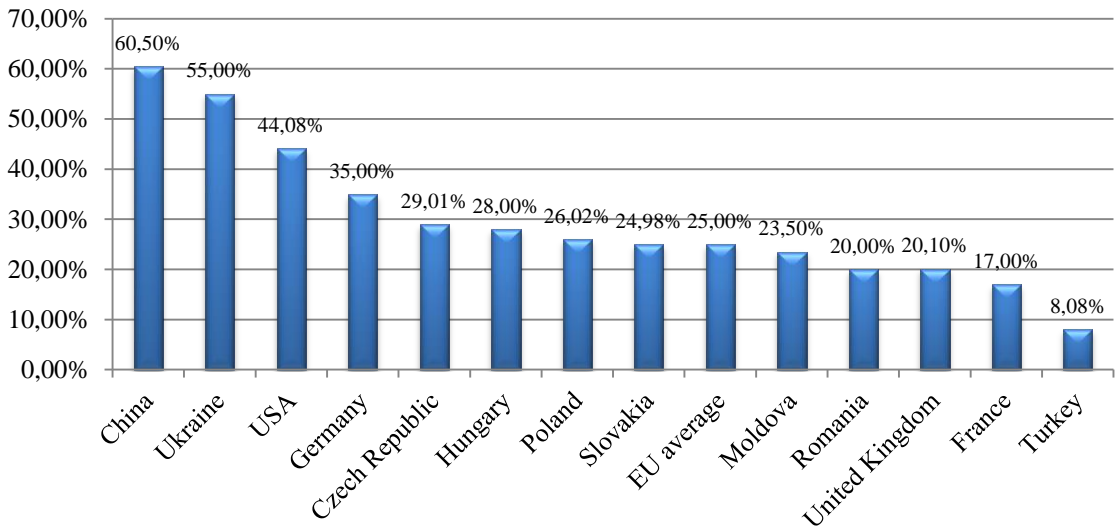


Fig. 2. Contribution of small and medium-sized enterprises to the economy of Ukraine and other countries, 2020 (share of GDP, %)

Source: compiled according to [11; 12; 13]

SMEs make up 99.97% of the total number of entrepreneurs (both legal entities and individual entrepreneurs) in the country, they can be called the dominant social and economic force, providing jobs for almost 82% of the workforce and generating 65% of total sales. The majority of SMEs in Ukraine work in wholesale and retail trade (42.9%), but in recent years one could note a trend towards an increase in the number of such enterprises in the IT sector (10.6% in 2019, which is 2 times higher than in 2015) [13].

Meanwhile, if we evaluate the quantitative component, it is noted that there are more small and medium-sized enterprises in our country than on average in the countries of the European Union, while the efficiency of filling the budget from taxes and generating profit is estimated to be almost 10 times lower.

Within the framework of decentralization, the development of local self-government, the creation of united territorial communities with expanded resources and powers implies an increase in their financing and economic attractiveness. United territorial communities should become points of economic growth with a common vision of the goal and the development of new management, to ensure the growth of human potential, the availability of education, and the provision of a decent standard of living. It is up to each community to determine priority areas at its own discretion. It is clear that, for example, for rural areas, priority is given to the development of branches of the agrarian-industrial complex, stimulation of farming. Communities with existing industrial potential establish cooperation with foreign investors to attract additional capital from potential partners in the fields of mechanical engineering, instrument engineering, etc.

Among the possible measures to stimulate the development of small and medium-sized businesses, we single out [14, p. 8–11]:

- cooperation of local self-government bodies with the banking sector to implement a system of affordable loans for small and medium-sized businesses;
- differentiated tax policy, for example, in the form of benefits for entrepreneurs in rural and depressed areas;
- building a simplified and understandable system of interaction between small and medium-sized businesses and tax authorities;
- activation of the leasing services sector for small and medium-sized enterprises;
- implementation by local governments of transparent programs to support small and medium-sized businesses.

The most important advantage of decentralization is that local communities can keep a significant percentage of the earned funds in their own budgets, but the expanded rights also come with greater responsibilities. For example, local self-government must ensure the operation of schools and hospitals, maintain infrastructure, develop the social and cultural environment, that is, it must create conditions for the work of businesses that pay taxes.

Among the successful examples of the development of territorial communities with the use of available competitive opportunities and resources, we can name the Pokrovsk OTG of the Dnipropetrovsk region, which before the start of military aggression was a leader in the development of dairy cooperatives, which managed to attract not only internal, but also external investments. Within the community, not only enterprises for the production of high-quality dairy products, but also a large training center for small and medium producers were created. The Pechenezhyn community of the Ivano-Frankivsk region initiated the creation of a cooperative for the cultivation and storage of raspberries; Barska and Severynivska OTG of Vinnytsia region launched the “apple cluster” project, which won grant funding from the EU. Among the examples of the development of the tourism industry, we can cite Volynsk Golobsk OTG, which focused on the development of tourism projects due to the presence of various monuments of nature, history and culture; a resource center was opened in Tsarychansk OTG (Dnipropetrovsk Oblast) to support the tourist business and related areas (production of souvenir products, provision of transport services). The activities of the Kochubeyiv OTG in the Kherson region were aimed at the development of the sewing industry – the plans of the local authorities indicated the opening of new workshops for the production of clothes and bed linen; in the Donetsk region, Soledar OTG concentrated its efforts on the development of new lines for the purification and packaging of table salt, which had an export orientation to European countries; emphasis was placed on hydropower at the Vasylykiv OTG of the Dnipropetrovsk region, the construction of a mini hydroelectric power station was initiated to create new jobs and ensure uninterrupted energy supply [15].

It should be noted that in addition to successful cases of the functioning of local communities, there is a significant number of those that could not ensure their own financial capacity even before the start of the military aggression. Among the main problems should be mentioned the lack of experience of the subjects of entrepreneurial activity, the lack of knowledge in the field of marketing and management of the organization of production and sales. United territorial communities should develop

measures that will contribute to the improvement and development of small and medium-sized businesses, increase the volume of products and their sale on the sales markets [16].

Unfortunately, already during the period of quarantine measures related to the impact of the coronavirus pandemic, the share of small and medium-sized enterprises in communities faced a reduction in work and orders, which led to a reduction in the ability to pay taxes and fill the local budget. The most acute problem for enterprises in the north and south of the country during the pandemic was the problem of reduced demand; while in the Western, Central and Eastern regions, delays or failure to deliver orders were more serious problems (Table 1).

Table 1

Business challenges during the pandemic (% by region)

	West	Center	North	East	South
Decrease in demand	49,1	58,8	68,4	64,9	64,1
Canceled customer orders	50,4	58,1	50,8	57,6	57,3
Difficulties with attracting financing	57,5	55,4	58,8	64,2	63,2
Delays or failure to deliver an order	64,6	69,6	65,0	66,9	62,4
Blocked sales channels	22,1	27,7	28,2	28,5	22,2
Penalties for unfulfilled obligations	50,4	48,0	60,5	58,9	50,4
Delay in payments or inability to make them	30,5	25,7	32,8	37,7	41,0

Source: developed according to data [17]

According to the report “COVID-19 in Ukraine: Impact on Households and Businesses”, almost two-thirds of respondents in a survey of owners of micro, small and medium-sized enterprises said that the pandemic has “significantly” affected the way they do business (57.4%) more than a third of the companies were forced to “partially” cease operations (39.6%) and less than a third (29.7%) to completely cease operations [17].

In addition, in addition to quarantine measures, the business conditions continued to affect the activities of Ukrainian SMEs. For example, according to the Doing Business comparison rating of business conditions (compiled by the World Bank), which is formed based on the results of a comprehensive study of the state of reforms according to 10 key indicators of economic results and reforms in 2020, Ukraine was ranked 64 out of 190 countries (+7 points in comparison with the rating of the previous year). The main attention when compiling the rating is focused on the rules that apply to small and medium-sized enterprises in 11 areas (creation, obtaining building permits, connection to energy supply, property registration, access to credit, investor protection, tax policy, foreign trade, ensuring contractual relations, solving the problem of insolvency, access to the workforce). If we talk about individual components of Ukraine’s rating, the country took the highest 20th place for the “construction permits” component, 37th place for the “access to credit” criterion, and 45th place for the “protection of the rights of minority shareholders” component. The lowest places were obtained by the criteria of “connection to power grids” (128th position) and “solving insolvency problems” (146th position) [18].

It should be noted that by February 24, 2022, a significant number of modern tools for the economic development of territories had been developed in Ukraine, but under the conditions of martial law, the needs and the state of business development changed significantly under the influence of force majeure circumstances. According to the IMF

forecast, as a result of the war, Ukraine's economy may shrink by 10% in 2022, the country's GDP will lose 35%, and this scenario assumes that the war will not drag on for years [19]. According to NBU estimates, the war led to the loss of about 50% of "unproduced" GDP, which can be expressed as UAH 50 billion losses every week [20].

The metallurgical industry is in a difficult situation, it is characterized by a high dependence on the transportation of products by sea, and a larger share of enterprises is concentrated in the zone of active hostilities. Agricultural, manufacturing and logistics enterprises are territorially bound, that is, they are limited in mobility. Manifestations of invasion can be noted not only in industry, but also in agriculture: about 10% of arable land was not available for the sowing campaign, and this was directly reflected both on the export potential of the country and on the budgets of all levels [21]. Agricultural business is particularly suffering due to shortages of manpower, fuel, fertilizers and working capital, and due to the blockade of ports, there was no opportunity to export grain for a long time. Companies in the field of information technologies were preparing for military tests for business even during the pandemic – 92% of IT enterprises had a well-developed plan of action and were able to relocate offices quite quickly, they undoubtedly have high mobility, meanwhile factories and farms are characterized by a complete lack of opportunity displacement, which led to the loss of fixed assets. The logistics market suffered significant losses, for example, "Nova Poshta" in the first weeks of the war turned back 95% of cargo deliveries, but the company managed to restore about 1/5 of the network quite quickly. It should be noted that a significant part of businesses located in war zones and temporarily occupied territories is lost and destroyed.

It should be noted that during the five months of the war, 39.9% of enterprises stopped or almost stopped their activities, if we compare their activity indicators with the similar period until February 24, 2022. The issue that Ukrainian enterprises had to solve was the issue of relocation (Fig. 3).

According to the own estimates of the owners of small and medium-sized businesses, direct losses as of 07/31/22, i.e. loss of resources, goods, fixed assets, moving costs, are estimated by 23.1% of enterprises to be approximately 10,000 US dollars, 22.7% – to the amount from \$10,000 to \$50,000. At the same time, the total direct losses of small and medium-sized businesses from the beginning of the war to the beginning of August were estimated at 87 billion US dollars. The average expected result of business sales by the end of 2022 is estimated at 50%. Regarding business revenue forecasts for 2022 compared to 2021, it was noted that 20.5 enterprises have revenue forecasts at the level of 50-80% of the 2021 level, and 20.5% – up to 20% of the previous year's revenue. period. In general, the level of the Index of business activity at the beginning of August 2022 was estimated at the level of 25.16 out of 100 points of the maximum value [22].

The government has developed a number of measures for relocated enterprises and singled out those production structures that need priority assistance. Priority types of business include those that are of strategic importance for the economy, as well as enterprises that produce essential goods (medical goods, food, water, clothing, etc.). The main support measures outline the range of issues related to the provision of premises for the location of production, housing for workers, assistance with the establishment of logistical processes and communications with the authorities of the community where the relocation is planned. Among the regions where the majority of enterprises were relocated, Lviv region should be noted, which is close to the EU borders and was relatively calm during the military

invasion. Meanwhile, according to Advanter. Group research [23], 48% of small and medium-sized businesses were unable to relocate production.

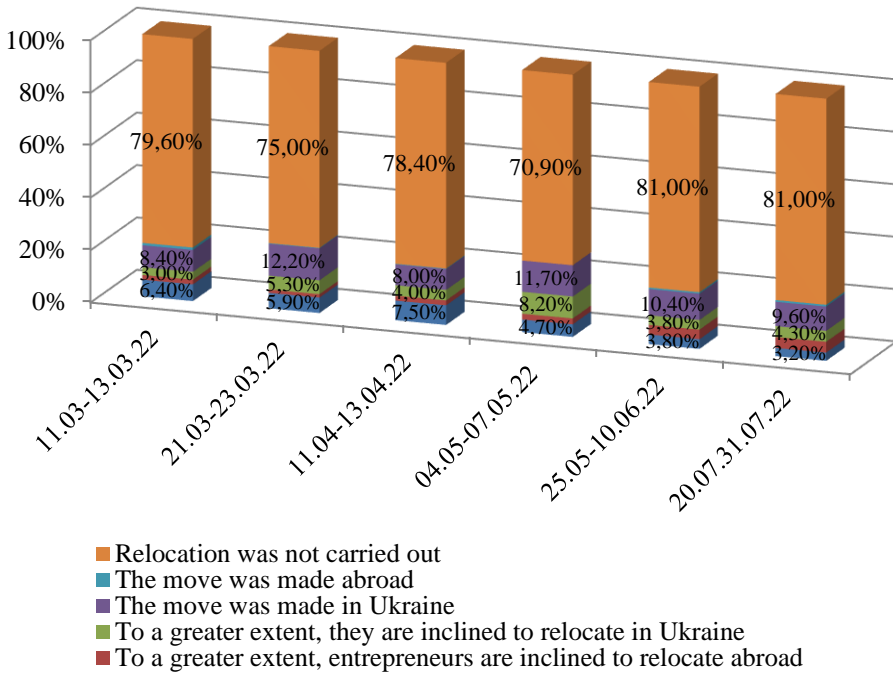


Fig. 3. Relocation of enterprises under martial law, 2022, %

Source: summarized from [22]

The above also led to the need to implement a set of important business support measures, for example, taxpayers with a turnover of up to UAH 10 billion were allowed to switch to the third group of the simplified taxation system and pay 2% of income instead of income tax and VAT. An expanded list of VAT-exempt transactions has been implemented for taxpayers of the third group of single tax, and the period of deferment of tax obligations without sanctions has been extended. In total, 40 tax and other changes were adopted, among which it should be noted (Fig. 4).

The possibility for businesses to use the simplified taxation system and pay a single tax, if the annual turnover does not exceed UAH 10 billion, the limit on the number of employees for enterprises has been removed

The I and II groups of FOPs may not pay the ESS if they do not receive income

II-III groups of FOPs may not pay EUV for employees mobilized to the Armed Forces

The owners of lands located in the territories where the fighting is going on are temporarily exempted from paying the tax

Fig. 4. Tax and other changes to support business during aggression

Source: developed by the author

Meanwhile, it seems interesting to study the experience of interaction on issues of revitalizing the development of entrepreneurship with representatives of regional state (today – military) administrations and territorial communities. According to the survey, 76.1% of Ukrainian business representatives do not interact with representatives of administrations and territorial communities (Fig. 5).

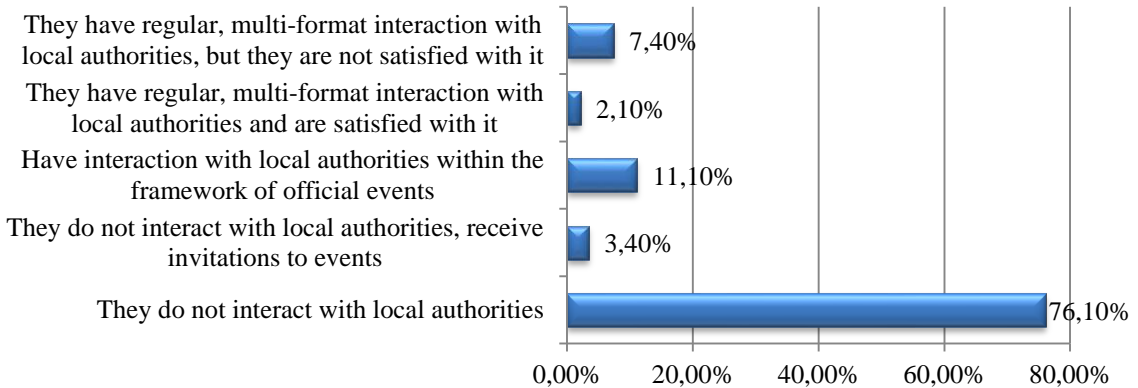


Fig. 5. Experience of interaction with representatives of regional state (military) administrations and territorial communities on revitalizing the development of entrepreneurship, 2022, %

Source: summarized from [22]

Surveys also showed that 82.7% of business representatives do not know about entrepreneurship support programs from territorial communities and regional state administrations because weren't involved in such programs in its location [22].

Among the positive economic trends, it should be noted that the country's business is making efforts to resume work. The results of research conducted by the European Business Association show that 47% of companies have fully resumed work, and 50% of enterprises are working partially (among them, 37% have reduced their geographical location, 17% have moved their work online, 16% have closed part of offices and retail outlets) [22]. Meanwhile, it was noted that it was the small business that faced the greatest difficulties due to the fact that it does not have a large safety margin.

To support entrepreneurial activity, the National Council for the Restoration of Ukraine was created, which includes more than 20 working groups, which, in particular, will pay attention to B2B development to find potential business partners in Ukraine and on foreign markets, and create new product supply chains. The Small and Medium Enterprise Development Office (SMEDO) with the support of the FORBIZ project within the framework of the European Union program – EU4Business has proposed a model of business information support, thanks to which basic support can be deployed on the basis of existing infrastructure and available sources of community funding. The model was tested as part of a pilot project in 2019–2020 for 12 communities from the Chernihiv, Cherkasy, Zaporizhia, and Ternopil regions of Ukraine.

For the development of entrepreneurship in communities, the USAID grant program has been implemented, including [24]:

– the USAID program for agrarian and rural development – AGRO (implementation period: November 15, 2019 – November 14, 2024) with sub-grants for the implementation of “Support to MSMEs in the grain sector in access to grain storage and drying services”. The goal of the project is to accelerate the economic development of rural territorial communities, introduce more advanced management mechanisms into the agricultural sector, encourage more productive, modern and profitable activities of micro, small and medium-sized agricultural producers integrated into the competitive markets of Ukraine and foreign countries. Among the results of the project, the following are stated: an increase in the income of small and medium-sized enterprises in the agrarian sector; expanding the access of agricultural small and medium-sized enterprises to financial resources; creation of a fair and transparent agricultural land market; reduction of corruption in the sector of agricultural production;

– the USAID program “Competitive Economy of Ukraine” (implementation period: October 16, 2018 – October 15, 2023), which was launched to develop a powerful, multilateral and open economy through support for startups and small and medium-sized enterprises to increase internal and external competitiveness. Among the main tasks of the program, assistance in creating a business environment, supporting the development of innovative industries and enterprises, and promoting the development of export operations are declared. Additionally, USAID Competitive Economy of Ukraine launched a USAID KEU grant program to support business continuity and recovery, including business relocation or recovery, expansion into foreign markets, maintaining the level of existing business opportunities and/or improving them.

– the USAID project “HOVERLA” (“Accountability, Advocacy and Decentralization of Local Self-Government”), which started partnership with 40 communities of Zhytomyr, Zakarpattia, Odesa and Rivne regions on September 2, 2022. The project aims to support the Government of Ukraine in the implementation of the decentralization reform and to contribute to the development of legislation in the field of decentralization, to strengthen the capacity of local self-government bodies and to activate the involvement of citizens at all levels. Each partner community will receive comprehensive support to improve the institutional capacity of local self-government bodies, improve management practices, service delivery and local economic development. The support plan will also ensure that the community’s capacity to respond to emergency situations is strengthened, local governments will be able to use the procurement tool, and local organizations will have access to grant programs.

5. Research results

Thus, small and medium-sized enterprises are highly adaptable market entities that contribute to social and regional development, which play a significant role in such areas as trade, construction, services, mechanical engineering, energy, chemical industry, and instrument making. It is noted that under the conditions of decentralization, the level of well-being of territorial communities can be increased by directing the funds received as a result of budget decentralization to stimulate the development of small and medium-sized businesses. The main function of the development of united territorial communities is to ensure economic growth, expanded reproduction of the territory’s economy, activation of investment cooperation and development of small and medium-sized businesses. It is the development of entrepreneurship that will ensure the creation of new jobs, the tax filling

of community budgets and the provision of quality services to the residents of the territory. Meanwhile, in the period of village aggression, the issue of implementing programs to stimulate small and medium-sized enterprises, providing conditions for development to relocated enterprises needs further justification and development.

6. Conclusions

In the period of post-war economic recovery, community leadership should direct efforts to create jobs with decent working conditions and wages, for example, through:

- stimulating interest in creating new jobs;
- stimulating the development of a competitive and economically active population through training, advanced training, and retraining;
- creation of investment conditions for the development of priority industries;
- development of economic potential through the implementation of conditions for cooperation of small and medium-sized enterprises, joint use of production infrastructure, vehicles, machinery and equipment to reduce the cost of production and costs;
- promoting the conditions for the development of fair competition in the field of small and medium-sized businesses, increasing the competitiveness of products.

The formation of a favorable business environment should remain the main priority of community activities, and this requires improvement of management functions, further coordination of actions between local bodies of executive power and self-government. With limited financial resources, local communities can increase informational support for entrepreneurs, implement measures to popularize local products among community residents.

The applied liberalization measures show that the government is aware of the relationship between the degree of economic freedom and the pace of economic development, therefore the initiated initiatives should be strengthened in the future and be implemented in the strategy of post-war economic recovery of Ukraine. Such a strategy should include measures to minimize the regulatory influence of administrative institutions, simplify permit procedures, optimize the tax burden, stimulate the development of small and medium-sized businesses, startups and innovative projects, and create a favorable investment climate. State support for the development of small and medium-sized businesses during the post-war reconstruction of the country should be involved in solving the problems of strategic development, including the formation of a support system for startups; implementation of incentives for business growth; facilitating access to financing; stimulating the introduction of innovations; expansion of product export opportunities.

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