

CHAPTER 3

**STRENGTHENING THE SECURITY OF UKRAINIAN STRATEGICALLY
IMPORTANT ENTERPRISES AS A BASIS FOR THE NATIONAL
ECONOMY SUPPORTING AND RESTORING****ABSTRACT**

The study is devoted to solving the problem of strengthening the security of strategically important enterprises in Ukraine by developing effective forms of implementing the state regulatory policy in this direction. The issues of identification of strategically important enterprises and the formation of their security at the state level as a basis for supporting and restoring the national economy have been updated. The study assessed the level of Ukrainian economic security, which confirmed the need to strengthen it, primarily through the revitalization of business entities. Deregulation of entrepreneurial activity is the basis for the efficient and stable functioning of Ukrainian businesses. In this aspect, considering the key provisions of the Draft Plan for the Recovery of Ukraine, the strategic directions for the deregulation of business activities in Ukraine, including strategically important enterprises, have been determined. One of them is the state regulatory policy institutional support regulatory policy improvement.

The analysis of the existing institutional support of the state regulatory policy in relation to strategically important enterprises has been carried out. The basis for the formation of effective forms of the state regulatory policy implementation of support and strengthening the security of strategically important enterprises is the need to improve the current legislation, the formation of effective institutional and organizational support and the clustering of national economy on the basis of strategically important enterprises with the possibility of creating integrated corporate structures.

The study proposes a model for the process of assessing the effectiveness of the implementation of the state regulatory policy to ensure the security of strategically important enterprises, which provides the regulatory authorities with a tool to influence its level ensuring economic development and social stability in Ukraine in the future.

KEYWORDS

Strategically important enterprises, security, economic security, state regulatory policy, business environment, martial law, financial support, institutional support.

The national economy of Ukraine has been functioning for the last year in the conditions of unprecedented challenges and threats caused by the military aggression of the Russian Federation. The support and restoration of the economic system depend on the efficiency of the economic entities activities, primarily those that are critically important in terms of ensuring national economy security. The status of such economic entities can be legitimately defined as strategically important. In the Ukrainian institutional environment, the concept of "strategic importance enterprising for the state economy and security" has been used with the aim of ensuring the implementation of national interests in the sphere of state property privatization and reducing possible threats to the state economic security. In the conditions of war, the problem of identifying strategically important enterprises and forming their security at the state level acquires special relevance and requires the development of effective forms of state regulatory policy implementation of in this direction.

3.1 ASSESSMENT OF THE UKRAINIAN ECONOMIC SECURITY LEVEL

The military aggression of the Russian Federation, which entailed a number of unprecedented threats, has actualized the issues of Ukrainian economic security strengthening as the basis for the stability of both country's functioning and ensuring national security generally. The study is based on the application of both comparative analysis principles and the indicator method in assessing the economic security level. To summarize the data on the sample, descriptive statistics methods have been used applying such statistical indices as the mean value and standard deviation, which enabled to assess the impact of sub-indices on the Ukrainian economic security level.

According to the Guidelines for calculating the Ukrainian economic security level [1], the components of economic security are: production, demographic, energy, foreign economic, investment and innovation, macroeconomic, food, social, and financial security.

The production security indicator characterizes the state and development of the production sector. Its level determines the efficiency of the use of the country's production capacities, the possibilities of modernization and expanded reproduction, the innovativeness of production and the competitiveness of the national economy.

Demographic security is defined as the state of protection of the country and society from demographic threats. A sufficient level of demographic security ensures the development of Ukraine on the basis of balancing the demographic interests of the state and society in accordance with the constitutional rights of Ukrainian.

The energy security indicator is a state of the economy that ensures efficient use of energy resources, a sufficient number of energy producers and suppliers in the energy market, and availability, differentiation and environmental friendliness of energy resources.

Foreign economic security implies coherence between foreign economic activity and national economic interests. Its sufficiency is characterized by minimizing the state's losses from negative external economic factors and the possibility of creating the necessary conditions for economic development.

The investment and innovation security indicator allows to characterize the state of the economic environment in a country. It shows the level of development of high-tech production, integration of research and production, and deepening of the national economy's specialization in the production of high value-added products.

Macroeconomic security characterizes the achievement of a balance in macroeconomic reproduction proportions.

The food security indicator shows the ability of production to meet the needs of society for food of appropriate quality, provided that it is balanced and affordable.

Social security characterizes the ability of a country to ensure a high standard of living for its population.

The financial security indicator reflects the state of the country's financial system, the ability to create financial conditions for stable social and economic development, the ability to ensure its resilience to financial shocks and imbalances, and to create conditions for achieving the integrity and unity of the country's financial system.

The structural components of financial security are as follows: banking security, non-banking financial sector security, debt security, budget security, currency security, and monetary security.

Banking security characterizes the level of financial strength and stability of the country's banking institutions, which, in turn, makes it possible to ensure a high level of efficiency of the country's banking system. The security of the non-banking financial sector determines the level of development of the insurance and stock markets, and the satisfaction of society's needs for financial instruments and services. Debt security characterizes the level of the country's domestic and foreign debt, the efficiency of using domestic and foreign loans, and the optimal ratio of these loans. The budgetary component of financial security is determined by the ability to ensure financial stability and solvency of public finances. The level of public confidence in the national currency and its stability determine currency security. Monetary security is a state of the monetary system that allows providing national economic entities with high-quality and affordable credit resources in amounts and on terms favorable for achieving economic growth of the national economy.

In order to substantiate the priority areas for restoring Ukraine's economic development and security, and to identify priority measures to support financial stability and restore critical infrastructure, it is necessary to analyze the level of economic security by certain sub-indices. Such an approach will allow to identify the level of each component of economic security and outline the strategy of the state regulatory policy.

Based on the Guidelines for calculating the Ukrainian economic security level and official data from Ministry of Economy of Ukraine, the absolute values of indicators of the economic security components have been calculated and integral indicators have been determined, summarized in the **Table 3.1**.

Based on the estimation of the average levels of the components of the economic security integral indicator, it is legitimate to note that the following components are in the unsatisfactory zone: production, demographic, energy, financial and social (within 40–59 %); in the danger zone (20–39 %) foreign economic, macroeconomic and investment and innovation. The most

unstable situation during the period under study has been observed in the dynamics of energy security (standard deviation 5.87) and macroeconomic security (standard deviation 4.91). The most stable indicators for 2013–2020 are investment and innovation (1.77) and social security (2.26).

● **Table 3.1** Integral indicators of the Ukrainian economic security components for 2013–2020 years

Indicator	2013	2014	2015	2016	2017	2018	2019	2020	max	min	Average value	Standard deviation
Integral indicator of production security, %	49	51	47	58	59	58	57	54	59	47	54.13	4.61
Integral indicator of demographic security, %	46	45	43	46	40	41	39	40	46	39	42.50	2.88
Integral indicator of energy security, %	39	47	45	58	54	53	49	49	58	39	49.25	5.87
Integral indicator of foreign economic security, %	29	32	33	35	36	36	40	44	44	29	35.63	4.69
Integral indicator of investment and innovation security, %	35	30	33	30	30	31	31	31	35	30	31.38	1.77
Integral indicator of macroeconomic security, %	39	33	30	38	37	40	45	43	45	30	38.13	4.91
Integral indicator of food security, %	86	94	92	92	91	90	89	85	94	85	89.88	3.09
Integral indicator of social security, %	62	57	55	56	59	59	60	59	62	55	58.38	2.26
Integral indicator of financial security, %	50	40	35	38	40	45	42	40	50	35	41.25	4.56
Integral indicator of economic security, %	47	45	44	48	48	49	49	48	49	44	47.25	1.83

Note: compiled by the author according to [1, 2]

The presence of the noted problematic aspects in the Ukrainian economic security confirms the level of the integral indicator (**Fig. 3.1**).

With the maximum value of the country's integral indicator level of economic security at 100 %, the largest was observed in 2018–2019. The drop in the level of economic security in 2015 is associated with the military aggression of the Russian Federation in the east of the country, and in 2020 with the COVID-19 pandemic and the quarantine restrictions caused by it [3].

The optimal zone for the level of economic security is an indicator of more than 80 % (80–100 %), satisfactory 60–79 %, unsatisfactory 40–59 %, dangerous – the range of 20–39 %, critical – less than 20 % (0–19 %). For the entire analyzed period 2013–2020, the level of economic

security was at an unsatisfactory level (40–59 %), but did not go beyond the safe zone. At the same time, the predicted negative dynamics of the integral indicator, described by a polynomial trend line, confirms the current realities in connection with the war in Ukraine.

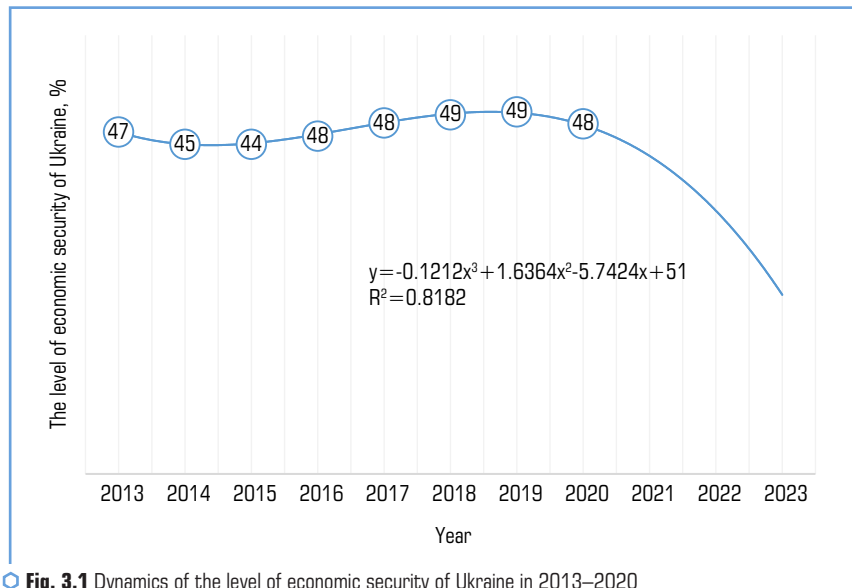


Fig. 3.1 Dynamics of the level of economic security of Ukraine in 2013–2020

Note: compiled by the author

In order to strengthen economic security, public authorities should actively implement regulatory measures in the following areas.

1. Support domestic market. In order to stabilize and restore the national economy, it is necessary to further reduce the regulatory and administrative burden on business, in particular through the introduction of deregulation measures based on a risk-based approach to develop business self-regulation; introduce new and expand existing support tools for small and medium-sized businesses, including financial ones [4]. It is legitimate to define the food and light industry, the IT sector as a priority for the resuscitation of the domestic market. Regulatory support needs a machine-building complex. Total defense spending in 2023 exceeds 1 trillion UAH. Thus, at least a partial renewal of the capacities of the military-industrial complex through the use of enterprises of the machine-building complex can become a significant factor in the industrial production growth [5].

2. Support for monetary stability. It is worth noting that since the beginning of the full-scale invasion of the Russian Federation, a number of financial support instruments have been used. In April 2023, the Financial Stability Board created a working group for the development of the domestic debt market with the participation of representatives of the National Bank of Ukraine and

the Ministry of Finance of Ukraine. The working group was established as part of the implementation of the Memorandum on Economic and Financial Policy with the International Monetary Fund, according to which Ukraine undertook to avoid emission financing of the state budget and develop the domestic debt market by expanding and diversifying the circle of investors in government securities, including through the return of non-residents to domestic bond market. In addition, since May 2023, the procedure for assessing the stability of the banking system in wartime conditions has begun. Also, in order to strengthen market incentives for banks to attract fixed-term deposits of the population in the national currency, reduce risks for the foreign exchange market, the operational design of monetary policy has been updated, providing for a reduction in the rate on deposit certificates and the introduction of new limited three-month deposit certificates at a fixed rate at the accounting level [6]. These changes help protect citizens' savings from inflationary depreciation, reduce price pressures, and promote a culture of time savings in the hryvnia.

3. Restoration of balance in foreign and domestic trade. Military aggression has led to an increase in the disproportion between the internal and external trade markets. Limiting the process of currency laundering from the Ukrainian market should be an element of restoring economic security.

4. Restoration of infrastructure. The main task should be considered the restoration of the energy infrastructure, constantly suffering as a result of targeted enemy attacks. At the same time, it is reasonable to consider as shifts the adaptation of both businesses and households to the risks of deep blackouts, the improvement of the technology for protecting and restoring energy facilities.

Consequently, modern threats to the Ukrainian economic security are both modern military and structural by nature. Attacks on infrastructure facilities, the occupation of some parts of Ukrainian territory, the budget crisis and other challenges have exacerbated problems in the functioning of the national economy. In order to restore Ukrainian economic development and security, it is necessary to support the domestic market, take measures to further support financial stability and restore critical infrastructure.

3.2 ANALYSIS OF BOTH BUSINESS ENVIRONMENT AND STATE REGULATORY POLICY IN THE ASPECT OF STRENGTHENING ECONOMIC SECURITY UNDER MARTIAL LAW

The experience of the world's leading countries shows that a favorable business environment is one of the main factors of economic growth. In this regard, the state regulatory policy should be aimed at improving the regulatory environment, including through deregulation. Deregulation implies the abolition of regulatory restrictions and inefficient control procedures, excessive licensing, outdated certification, monitoring and other restrictions on business activities.

Regulatory reform in Ukraine aimed at improving the business environment began in 1997 with the creation of a special institution for the development and implementation of regulatory policy in the field of entrepreneurship – the State Committee of Ukraine for Entrepreneurship Development. Since then, the State Committee for Entrepreneurship Development has suspended

about 90 regulatory acts that hindered business activity. The legislative basis for the formation of a favorable regulatory environment was laid down by the Decrees of the President of Ukraine "On Elimination of Restrictions Hindering the Development of Entrepreneurial Activity" of February 03, 1998 and "On Some Measures for Deregulation of Entrepreneurial Activity" of July 23, 1998. These Decrees identified deregulation as one of the priority areas of reforming economy's state regulation and outlined a number of priority measures to improve the business environment. In 1998 and 1999, as part of implementation of the provisions of these decrees, the State Committee for Entrepreneurship Development reviewed, approved, and commented on more than 300 draft regulatory documents. In some cases, the economic benefits of deregulation amounted to tens of millions hryvnia saved by entrepreneurs, consumers and the public sector. In general, the conditional economic effect of the Committee's actions to deregulate business activities, according to international experts (USAID), amounted to about \$ 450 million [7].

Despite the positive results from the abolition of regulations that hindered the development of entrepreneurship, these measures were not enough to bring about qualitative changes in the business environment. There was a need to create a mechanism for effective influence on economic and social processes, to introduce such principles of state regulatory policy that would ensure that the process of creating a new regulatory act would best meet the needs of society.

In 2000, the President of Ukraine adopted the Decree of the President of Ukraine "On the Introduction of a Unified State Regulatory Policy in the Field of Entrepreneurship", which laid down the foundations and procedure for the implementation of state regulatory policy in the field of entrepreneurship. In particular, it defined the procedure for adopting regulatory acts, which was aimed at improving their quality and efficiency and reduced the costs of business entities and the state. At the same time, by adopting the Law of Ukraine "On Licensing of Certain Types of Economic Activity", a new model of state regulation of the licensing sphere is being formed as an integral part of the deregulation process.

The noted positive changes in the regulation of the regulatory framework for entrepreneurship in 1997–2000 became the basis for the legislative consolidation of the principles of state regulatory policy and the extension of their effect to the entire sphere of economic activity. In 2003, the Law of Ukraine "On the Principles of State Regulatory Policy in the Sphere of Economic Activity" was adopted, the norms of which met international standards, and their implementation allowed to reduce state interference in the activities of business entities and partially eliminate obstacles to the development of economic activity in Ukraine by introducing mandatory assessment of the economic efficiency of regulatory acts.

In recent years, the state regulatory policy has been aimed at improving and simplifying the legal regulation of economic relations, reducing the interference of state bodies in the activities of business entities. The full-scale invasion of the Russian Federation has become an unprecedented threat to the functioning of the business environment in Ukraine. This is confirmed by official data from the Center for Innovation Development, the Office for Entrepreneurship and Export Development, and the national project Diia.Business, according to which in 2022 there was the lowest dynamics of opening new business entities over the past three years (**Fig. 3.2**).

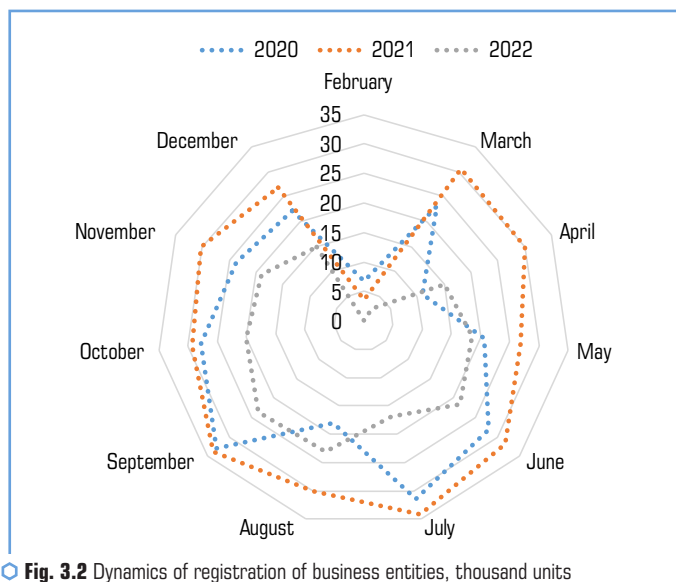


Fig. 3.2 Dynamics of registration of business entities, thousand units
Note: compiled by the author according to [8]

The level of country's economic security directly depends on the activity of economic entities. The military anger of the Russian Federation led to the closure, temporary cessation of the functioning of many companies, inflicted large financial losses on them due to the destruction of production facilities, infrastructure, and the suspension of investment projects. Support, stabilization and recovery of the national economy in times of war depend on the ability of economic entities to adapt to changes in the external environment, in particular, the promptness of decision-making in terms of maintaining production capacities, jobs, readiness for relocation and the level of state regulatory policy effectiveness.

It should be noted that in the first six months of the war, more than 78 thousand business entities closed, 419 went bankrupt. Since the beginning of the full-scale invasion of the Russian Federation, only in July, the number of newly created entities exceeded the number (**Fig. 3.3**).

It should be noted that the total amount of direct damage caused by the aggressor state during the year of the war to individuals – entrepreneurs and legal entities is estimated by experts at \$ 13 billion, of which \$ 9 billion is damage caused to large and medium-sized businesses [2].

The need to preserve entrepreneurial potential and form the foundation for the return of business, forced to suspend operations, required the introduction of operational regulatory tools to support business entities. At the same time, the effectiveness of the implemented regulatory instruments was determined by the optimal combination of the levers of the state regulatory policy: legal, administrative and economic. The ability to discuss the presence of legal levers in the struc-

ture of regulatory policy enables it to be possible for certain legal acts to belong to regulatory ones. At the same time, the concept of state regulatory policy, given in the Law of Ukraine "On the Fundamentals of State Regulatory Policy in the Sphere of Economic Activity", provides for the presence of administrative and economic levers, the distinction between which is conditional. After all, in order to use the economic regulator, public authorities must first make an administrative decision. Any administrative regulator, encouraging enterprises to carry out certain actions, at the same time indirectly affects individual economic processes [9].

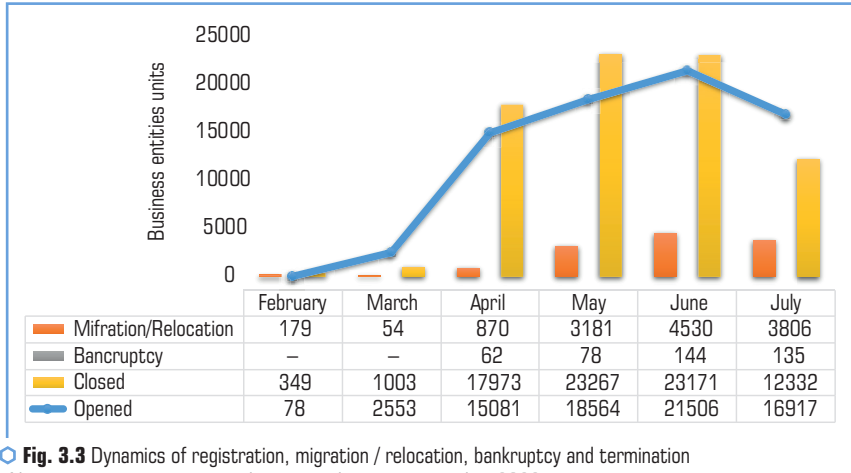


Fig. 3.3 Dynamics of registration, migration / relocation, bankruptcy and termination of business entities activity in Ukraine in February – December 2022
Note: compiled by the author according to [8]

Implemented during March-December 2022, regulatory tools for resuming business activity as part of the wartime state regulatory policy implementation included:

- business relocation program implementation to safe territories;
- financial support for business by unifying approaches, expanding goals and the circle of participants for the state programs "Affordable loans 5–7–9 %" and "Affordable financial leasing 5–7–9 %" implementation, as well as the provision of loan guarantees on a portfolio basis; grant programs implementation for starting a new business, developing entrepreneurship and training (micro-grants for creating your own business, grants for the development of a processing enterprise, state funding for planting a garden, greenhouse development funds, a grant for the implementation of a start-up, including IT sphere, funds for training IT specialties);
- formation of a state order for products in order to support the production activity of business entities;
- amendments to the tax legislation in the direction of reducing the fiscal burden on business entities;

– implementation of a number of bills to deregulate the business environment, which included, in particular, the digitalization of public services and the deregulation of the contractual labor relations regime for small and medium-sized businesses [10].

These regulatory tools have enabled to intensify the business work, to minimize obstacles to its development. According to the latest data from the Ministry of Economy, since the beginning of the relocation program, 761 enterprises have moved to safe regions, of which 588 are successfully operating in new places, 274 are in the process of searching for a suitable location or method of transportation [11]. Since the launch of the program "Affordable loans 5–7–9 %", as of December 2022, 17,359 loan agreements have been concluded for a total of UAH 72.24 billion (including 13,089 loan agreements for a total of UAH 38.39 billion by public sector banks) [12]. Since the beginning of the government program "Own business" implementation, projects of more than 3 thousand entrepreneurs have been financed for a total amount of about UAH 776.8 million. Due to the expansion of the partnership program of the Export Credit Agency by joining it with JSC CB "PrivatBank", which provides for lending to businesses for the foreign economic contracts implementation under credit expert agency insurance coverage without additional material collateral, it has enabled to simplify access to financing for business entities exporting products [13, 14].

As part of the financing program (in the amount of \$ 2 billion) for agricultural enterprises and small and medium-sized businesses, approved by the Board of Directors of the International Finance Corporation (IFC) in December 2022, it has been planned to actively attract foreign investors. A feature of the program is the permission of the IFC Corporation management, as an exception for Ukraine, to cooperate with state-owned companies. The IFC Board of Directors has approved two special projects for the private sector, both for the French company EnVivo, which has agribusiness in Ukraine; war risk insurance (through MIGA) for Raiffeisen Bank [15]. In December 2022, the Entrepreneurship Development Fund signed a loan agreement with AB "Ukrhasbank" in the amount of UAH 150 million to finance investment projects of small and medium-sized businesses in the field of energy saving as part of the project "Refinancing of energy efficient investments energy supply". During the project implementation, new approaches to lending are introduced, based on both international environmental and social standards of the Sustainable Development Finance Policy [16].

Certain financial support for entrepreneurial activity through the implementation of credit, state grant programs, programs for financing investment projects, primarily in the field of energy supply, as well as expanding partnerships for more efficient implementation of export mechanisms, has become an important factor in strengthening financial stability and an engine of business activity in high-risk conditions.

Amendments to the Tax Code enabled to introduce a new temporary mechanism for taxing business entities aimed at supporting their functioning. In particular, it is rightful to note that enterprises with an income of up to 10 billion hryvnias are given the opportunity to become payers of the single tax of the 3rd group, which provides for: a tax rate of 2 % of income (instead of 18 % of income tax); VAT (20 %) is not applied to operations on the territory of Ukraine; there is no limit

on the number of employees [17]. Changes in tax legislation, state programs implementation of financial support for business enabled to conduct business even in wartime.

The deregulation of the business environment involved a number of measures implementation to abolish requirements for obtaining licenses and permits for most types of activities, liberalizing labor relations, abolishing inspections and the absence of sanctions for late reporting, simplifying requirements for labeling food products, digitizing state services and services. Thus, by Resolution No. 314 of March 18, 2022, the Cabinet of Ministers of Ukraine introduced the declarative principle of acquiring the right to conduct economic activity without the need to obtain documents of a permissive nature, licenses, etc. Adoption of the Resolution enabled to significantly simplify the procedure for opening a business entity and became a significant step in the deregulation of economic activity, since instead of about 600 types of licenses and permits, only about 50 remained valid.

Changes to the Labor Code introduced during martial law contributed to the liberalization of labor relations. Among the main innovations: the simplified system introduction of dismissal and reduction of employees in the zone of active hostilities, the possibility of suspending the employment contract and increasing working hours from 40 to 60 hours per week, as well as reducing the number of mandatory days off to one day.

Significant relaxations have taken place in the field of tax reporting and payment of taxes, which simplifies the conduct of business activities in wartime conditions. In particular, taxpayers received the right to submit tax and other reports within 90 calendar days after the abolition of the legal regime of martial law, and therefore the responsibility for late submission of reports during martial law and 90 days after its termination also does not be applied. Also, during the period of martial law, financial sanctions do not be applied for violations related to the use of recorder of payment transactions (RRP).

It is noteworthy the significant deregulation of economic activity in the agrarian sphere. In addition to a number of legislative changes, which were aimed at supporting farmers by reducing the price of fuel and preventing its potential shortage, the Ministry of Agrarian Policy and Food of Ukraine during the martial law also canceled additional seed certification procedures, in particular, by recognizing foreign certificates, as well as the need registration of agricultural machinery. The validity of the license for the storage, transportation and use of pesticides has been extended for 90 days after its termination or cancellation.

Measures to deregulate entrepreneurial activity included the development of digitalization of public services and services. At the end of May 2022, the Ministry of Digital Transformation, together with the Ministry of Economy and BRDO (Better Regulation Delivery Office), announced the introduction of a new service for business on the Diia portal – eDeclaration. This electronic document, which execution takes no more than three minutes, enables to immediately start business and is intended to replace 374 types of permits. The Declaration service can be used by business owners whose permits have expired; individual entrepreneurs who, under martial law, have changed their place of doing business and need a license; entrepreneurs who changed the type of activity in connection with the war. The Ministry of Digital Transformation also launched beta testing of

a new service on the Diia portal – automatic registration of limited liability companies, aimed at simplifying the registration procedure for business entities and saving time for public registrars.

Important measures in the direction of deregulation and improvement of the conditions for the entrepreneurial activity implementation are the support by the Verkhovna Rada of Ukraine of draft laws No. 5371 and No. 5161. The first is aimed at deregulating the regime of contractual labor relations for small and medium-sized businesses and reducing the administrative burden on entrepreneurial activity. At the same time, contractual regulation of labor relations involves strengthening the principles of market self-regulation in terms of salaries, the workers' rights to salaries and their protection, receiving annual paid holidays and holidays without pay. Draft law No. 5161 introduces a new specific form of an employment contract with non-fixed working hours. Accordingly, the employee enables to combine both official work with several employers and have basic social guarantees.

In October 2022, the President of Ukraine signed the law "On Amendments to the Tax Code of Ukraine and Certain Other Legislative Acts of Ukraine on the Peculiarities of Taxation of Entrepreneurial Activities of Electronic Residents", which has come into force on April 1, 2023 and provides for a special status for foreigners to conduct business in Ukraine. The law is aimed at creating favorable conditions for both foreigners and stateless persons who have received e-resident status to register as an individual entrepreneur and conduct business without crossing the border. The introduction of this regulatory tool enables to create a positive investment climate, contribute to the national economy restoration and development, increase the gross domestic product and tax revenues to the state budget.

The indicated measures of deregulation of entrepreneurial activity have become the basis for the formation of a favorable regulatory environment in the context of martial law. Noting the positive changes, it is legitimate to note the need to continue deregulation. This is confirmed by the data of a study conducted in November 2022 by the Center for Innovation Development, Office for Entrepreneurship and Export Development, the national Action project and Advanter Group [18]. 16 % of surveyed business entities noted a decrease in the tax burden, 12 % – improving the conditions for doing business, 75 % – noted the need to continue the deregulation of entrepreneurial activity under martial law as a basis for supporting and restoring the national economy of Ukraine.

Since the beginning of the full-scale invasion of the aggressor on the territory of Ukraine, a number of regulatory measures have been taken to find additional sources of funding, attract international organizations to provide grants, etc. One of the main state grant programs to support business in times of war is legitimate to define the project "eРодога"/"eWork", which provides for the provision of grants for the entrepreneurship start training and development. The grant program is implemented in a number of areas, including the provision of micro-grants for starting a business ("Own business"); providing grants for the implementation of Start-up; financing of training in specialties in the field of IT; financing the development of orchards and greenhouses; grants for the processing enterprise development. In the "Own business" direction, 900 applications for a microgrant were received in four months of 2023, and 136 winners enable to receive up

to UAH 250,000 of financial support for the business projects implementation providing the creation of more than 300 new jobs. In general, in 2023, UAH 1.8 billion is allocated in the Ukrainian state budget of for 10,000 microgrants [19].

In March 2023, the Cabinet of Ministers of Ukraine announced the expansion of the list of non-refundable grants under the Work program with areas for veteran businesses [20]. Thus, veterans are able to receive up to UAH 250,000 of state funding to start their own business if one new job is created. Co-financing is also provided (70 % of state financial resources and 30 % of the entrepreneur's own funds) for both combatants' family members and combatants with experience in doing business. At the same time, the size of the grant is UAH 500,000 and 1 million, respectively.

Another state business support program, which started on February 1, 2020, is the Affordable Loans 5–7–9 % program. As part of its implementation, since the beginning and till the end of March 2023, business entities received loans from partner banks totaling UAH 185.58 billion. Since the beginning of the war launched by the Russian Federation against Ukraine, a number of changes have been made to the program related to the unification of approaches, the expansion of goals and the circle of participants, which enabled to provide financial support to a larger number of business entities. The dynamics of the level of financial support for business under the program "Affordable loans 5–7–9 %" is shown in **Fig. 3.4**.

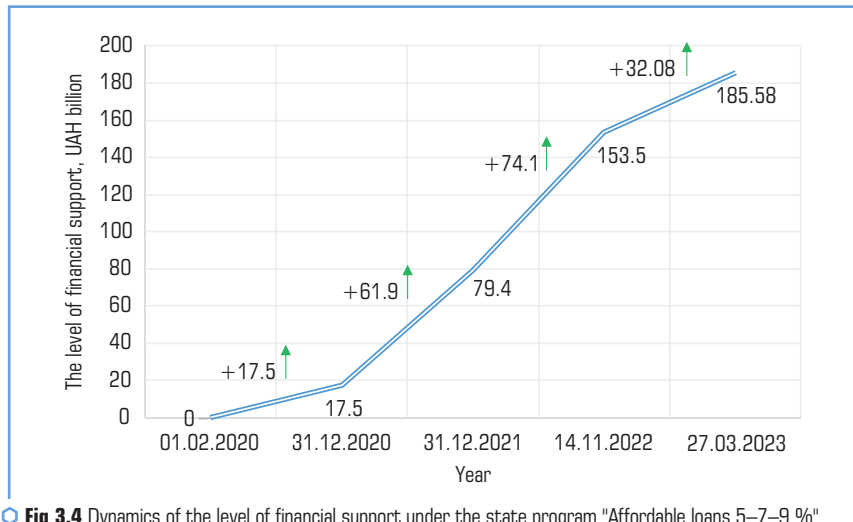


Fig 3.4 Dynamics of the level of financial support under the state program "Affordable loans 5–7–9 %"
Note: compiled by the author according to [21]

During the war period, under the program, loan agreements were concluded in the amount of UAH 95.96 billion, of which UAH 870 million were investment loans; UAH 7.33 billion – anti-crisis loans; UAH 4.37 billion – refinancing of previously received loans, UAH 26.54 billion – loans for

agricultural producers; UAH 56.76 billion – financing of anti-war goals. In order to economically restore the affected regions, the Cabinet of Ministers of Ukraine, at the initiative of the Ministry for the Reintegration of the Temporarily Occupied Territories of Ukraine, at the beginning of April 2024 decided to allow entrepreneurs from the territories of possible hostilities and de-occupied territories to participate in the program [10, 21].

At the same time, international organizations are actively providing financial support to Ukrainian business. Thus, within the framework of the USAID program "Competitive Economy of Ukraine", grant projects "Business Continuity and Resumption" (financing the development of new products, digitalization of business processes, development of organizational potential), "Support for business participation in trade events" were launched. Grants for the implementation of business projects, investment projects, business relocation are also offered by the European Bank for Reconstruction and Development, the German government company Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Danish Refugee Council (DRC), the European Union under the EU4Environment program, the International Organization for Migration and the United Nations Agency for Migration (grant program under the project "Development of small and medium-sized enterprises: Economic integration of internally displaced persons and business resumption") and others.

It is important that both state and international grant programs implemented in modern conditions also aim to support innovative projects, develop the sphere of cybersecurity, healthcare, education, infrastructure, that is, they are aimed at forming the basis for the post-war recovery of the Ukrainian economy.

A certain financial support for business through the implementation of credit, grant state programs, programs for financing investment projects, as well as the expansion of international partnerships in this direction is an important factor in strengthening financial stability, a driver of business activity in conditions of high wartime risks [22] and, of course, the basis for the national economy successful recovery in the post-war period

The implementation of regulatory tools to support and develop the national economy should be systematic and consistent and based on the principles of creating a favorable regulatory environment. In order to restore the national economy, it is necessary to further reduce the regulatory and administrative burden on business by introducing deregulation measures based on a risk-based approach for the development of business self-regulation, which involves a transparent licensing system formation and partnerships development both between business entities and state regulatory authorities.

3.3 IMPROVING THE INSTITUTIONAL SUPPORT OF THE STATE REGULATORY POLICY IN TERMS OF STRENGTHENING THE STRATEGICALLY IMPORTANT ENTERPRISES SECURITY IN UKRAINE

The national economy of Ukraine has been functioning for the past year in the face of unprecedented challenges and threats caused by the military aggression of the Russian Federation.

Support and restoration of the economic system depends on the efficiency of business entities, primarily those that are critical in terms of ensuring the national economy security.

A constructive analysis of the current legislation enables to assert that there is no definition of the concept of "strategically important enterprise". There is only a list of state-owned objects of strategic importance for the state economy and security, as well as criteria for classifying business entities as having strategic importance for the state economy and security.

For the first time, a list of enterprises of strategic importance was given in the Decree of the Cabinet of Ministers of Ukraine "On approval of the list of enterprises of strategic importance for the economy and security of the state" August 21, 1997 (repealed). At the same time, the criteria for granting such status to business entities were determined six years later by the Decree of the Cabinet of Ministers of Ukraine "On determining the criteria for classifying enterprises (organizations) as having strategic importance for the economy and security of the state" dated May 15, 2003. Both the list and the criteria for classifying enterprises as strategically important were constantly changing without proper scientific justification and official explanation.

It is worth noting that the Decree of the Cabinet of Ministers of Ukraine dated January 30, 2019 approved the Procedure for the formation and maintenance of the State Register of Import Substitution and Cooperation in Strategic Industries, according to which the military-industrial complex, aviation, space engineering (including shipbuilding), metallurgical and chemical industries. However, there is no clear definition of the concept of "enterprises of strategic importance for the state economy and security" in the legislation.

Scientists propose to consider enterprises of strategic importance as ensuring the economic independence of the country, its statehood. R. Prokopiev proposes to define an enterprise that is of strategic importance for the economy and security of the state as a business entity of the public sector of the economy, which owns or holds objects of state property, including the corporate rights of the state in the authorized capital of business entities and which is responsible for at least one of criteria determined by the legislation of Ukraine on the specified legal relations, and/or in the prescribed manner included in the list of enterprises of strategic importance for the state economy and security [23].

The concept of "strategically important enterprise" is revealed in the studies of A. L. Baland, V. P. Pavlenko, O. Iu. Rudchenko as an enterprise whose activities have a significant impact on the national economy safety and efficiency, its innovative development, as well as the livelihoods of the population through the implementation of scientific and technical, innovative, export, infrastructure potential, the production of progressive, socially significant or import-substituting products due to the presence of special operating conditions or a strategic effect as the ability to obtain an economic effect or prevent losses due to the inability to realize the interests of the future development of an enterprise or a relevant field of activity [24].

A number of scientists consider strategically important for the state defense, security and economy such enterprises that contribute to the national interests implementation and national security requirements in the military, social, economic, scientific and technological, environmental

or other fields due to the presence of a strategic effect as the ability to provide a dominant long-term impact on the situation in a certain industry (region, market) [25].

The main disadvantage of certain scientific approaches is the inclusion in strategically important enterprises of exclusively subjects of economic state ownership. It is while the majority of high-tech and innovative enterprises are privately or collectively owned.

In view of the foregoing, it is proposed to classify as strategically important enterprises of any form of ownership that produce critically important, unique products (works, services), which activities have a significant impact on the protection of national economic interests and the level of both the national economy and the country as a whole.

The lack of a unified scientifically based approach not only to the interpretation of the content, but also to the definition of the category that characterized strategically important enterprises, the imperfection of the current legislation are the main reasons for the lack of an effective mechanism for state regulation of the strategically important enterprises activities in terms of ensuring national interests and the national economy security.

The basis for the development of effective forms of state regulatory policy implementation in the direction of ensuring the strategically important enterprises security is the existence of an effective institutional environment. Therefore, it is legitimate to determine the conceptual provisions of institutionalism and neo-institutionalism as a theoretical and methodological basis for studying the institutional support of state regulatory policy in the aspect of strengthening the security of strategically important enterprises.

Institutional approach, i.e. the study of the activity and interaction of economic agents through the prism of institutions, is recognized as a general research method, due to the emphasis on the structural and functional principles of construction and the formal legal characteristics of the economic system, it makes it possible to determine the interdependence and relationship between changes in institutional structures and the activities of economic agents [26].

The deepening of the conceptual principles of the institutional support of the state regulatory policy implies, first of all, the specification and systematization of the categorical apparatus.

The analysis of scientific approaches to the definition of the categories "institute" and "institution" enables to conclude that their economic content is homogeneous and the degree of consistency differs. It is legitimate to consider the institution as a system, while the institute is the institution basic indivisible element [27].

J. R. Commons, a representative of the "old institutionalism", characterizes institutions in a narrow sense, as "a system of laws or natural rights within which individuals act as prisoners" and in a broad sense – "collective action to control, liberalize and expand individual activity" [28]. The concept of "institutions", according to the approach of the founder of neo-institutionalism D. Nort, covers any kind of restrictions created with the aim of directing human interaction in a certain direction [29].

Summarizing the views of representatives of the "new institutionalism", it is advisable to define an institution as a system of norms and rules covering both formal and informal norms

that regulate relations between economic entities and imply the existence of appropriate organizational structures in order to achieve certain goals.

New institutionalism comprehends informal institutions as complementary to formal ones. According to D. Nort's approach, formal institutions are rules formed by people, laws and constitutions issued by the state and approved by parliaments, while informal institutions are unwritten rules (customs, traditions, social conventions and codes of conduct). At the same time, unwritten rules are deeper than formal ones, often complement them and even effectively affect the economy if this influence manifests itself over a long period [30].

Institutions are a form of manifestation of institutions. The essential characteristics of this category can be both legal norms and the procedure for establishing links between them, "which enables to streamline (regulate) relations between subjects of law in order to give them a sustainable character, for which appropriate organizational structures and control bodies are created" [31]. The concept of "institution" is basic for the theory of institutionalism and denotes a certain custom, order adopted in society, as well as their consolidation through law or organization.

The contextual analysis enabled to define institutional support as a process of formation of institutions and institutions consolidated in the form of organizations (state bodies, enterprises, infrastructure), laws and rules in the process of the economy functioning market mechanism evolution.

Institutional security of strategically important enterprises can be legitimately considered as a set of state and non-state institutions that ensure the formation of legislative, organizational and economic conditions necessary for the implementation of an effective state regulatory policy in the direction of ensuring the strategically important enterprises security.

As part of the institutional support of the state regulatory policy, it is advisable to distinguish two components:

- institutional and legal support is a normative form of functions implementation of state and non-state institutions in the direction of ensuring the security of strategically important enterprises;
- institutional and organizational support is a system of organizations (authorities) that ensure the formation of effective forms of state regulatory policy implementation in the direction of ensuring the strategically important enterprises security.

To date, the system of legal acts regulating the activities of strategically important enterprises in Ukraine includes the Decree of the Cabinet of Ministers of Ukraine "On determining the criteria for classifying state-owned objects as having strategic importance for the state economy and security" dated November 03, 2010 and Decree of the Cabinet of Ministers of Ukraine "On approval of the list of state-owned objects of strategic importance for the state economy and security" dated March 4, 2015.

As has been mentioned above, none of the legislative acts defines the concept of "strategically important enterprises", and the criteria for classifying business entities as such are exclusively quantitative (product share on the market, average number of full-time employees, volume of taxes paid) and they are based on belonging to a certain industry branches. Supporting the opinion of a number of scientists [24, 25], given the significant shortcomings of quantitative indicators

in the context of the dynamics of changes in the national and world economies, it is believed that the criteria for determining strategically important enterprises should be supplemented with qualitative indicators. Qualitative characteristics, determined by an expert, enable to establish the value of an enterprise for protecting national economic interests and strengthening the competitiveness and the national economy security. In the context of the war launched by the Russian Federation against Ukraine, this task is of strategic importance. The identification of enterprises that can increase the national space security, including the economic one, strengthen the country's defense potential and the implementation of the state regulatory policy to support their operation is the basis for ensuring national security.

As for the institutional and organizational support, there is no specially authorized body responsible for implementing the state regulatory policy of supporting and strengthening the strategically important enterprises security. The lack of clear coordination and distribution of functional responsibilities among public authorities complicates the formation of an effective mechanism for state regulation of strategically important enterprises.

Thus, the institutional environment for ensuring security strategically important enterprises in Ukraine can definitely be considered undeveloped. In order to form effective forms of the state regulatory policy implementation to support and strengthen the strategically important enterprises security, a number of measures must be taken.

1. To develop scientifically based legal approach to granting the status and determining the features of the functioning of strategically important enterprises, which provides for the legislative consolidation of the concept of "strategically important enterprises" and the addition of criteria for classifying business entities to this category with qualitative indicators.

2. To improve the institutional and organizational support of the state regulatory policy to maintain and strengthen strategically important enterprises security, which determines the need to create a specially authorized body and conduct systematic monitoring of the strategically important business entities functioning.

3. To carry out clustering of the national economy based on strategically important enterprises with the ability to form integrated corporate structures, which increase the level of competitiveness and the national economy security, and minimize threats to national interests.

Institutional provision of economic security in Ukraine requires clarification in determining the forms, relationships, mutual influences of components, carrying out transformations to increase its level. Thus, special attention requires the search for new methods, forms and means of the level of economic security regulating.

It is worth noting that currently there is no normative definition of the concept of economic security of either an enterprise or any other form of doing business in the current legislation of Ukraine. However, in Ukraine there are separate legislative acts regulating certain aspects of the enterprises economic security. In particular, the Law of Ukraine "On the basic principles of state supervision (control) in the field of economic activity", which defines the general principles of state supervision (control) over compliance with the law in the field of economic activity, as well as the

Law of Ukraine "On the protection of economic competition", which determines the procedure for preventing unfair competition and ensuring equal conditions for all market players. At the same time, there is no clear definition of the category "economic security of a business entity" in the national legislation. In this regard, the problem of the lack of precise criteria and indicators of both economic security of economic structures state one remains, which could be used at the state level to monitor and control the economic security level.

Considering the experience of the EU, let's note that the security of economic entities of the EU countries is regulated by a number of legal acts, which include: Regulation (EU) 2016/679 on the protection of individuals regarding the processing of their personal data and the free movement of such data; Directive (EU) 2016/943 on the protection of know-how and confidential information; Directive (EU) 2019/770 on certain aspects of the implementation of electronic commerce in the internal market; Regulation (EU) 2019/1020 on ensuring the free movement of goods on the internal market; Directive (EU) 2014/95 on the disclosure of mistreatment, environmental liability and social behavior.

As for the practical experience of the EU member states in terms of ensuring the economic security of business entities, in Germany one of the ways to determine the level of economic security of enterprises is to use various business models and rating systems. For example, Deutsche Bank assesses the financial performance of enterprises and assigns them a rating that reflects their level of economic security. In addition, there are special rating agencies, such as Creditreform and Euler Hermes, which also assess risks and assign ratings to enterprises [31]. There is also a special economic reporting system that obliges businesses to publish their financial statements and other information about their activities. This allows assessing the financial stability and efficiency of enterprises and determining their level of economic security level.

The country has developed a regulatory framework that regulates the issues of ensuring the enterprises economic security. In particular, according to the Restriction of Competition Act (GWB), the German government has the right to inspect and control the activities of enterprises in matters of competition, as well as to prevent and eliminate the consequences of negligence and abuse in the economic sphere. The Bankruptcy and Reorganization Act (InsO) establishes rules and procedures for the event that an enterprise cannot pay its obligations to creditors and provides for the possibility of reorganizing an enterprise in order to maintain its activities and prevent bankruptcy. The Personal Data Protection Act (DSGVO), which establishes the rules for the collection, storage and use of personal data, is aimed at protecting private information and ensuring the security of data processing [32].

In addition, there are special bodies that are engaged in ensuring economic security at different levels. For example, the Federal Agency for Technical Supervision (TÜV) checks the technical safety of products and equipment used in factories; The Federal Occupational Safety Agency ensures the safety and health of workers in the workplace.

It is important to note that the legal and regulatory framework for the security of economic agents in Germany is quite developed and complex, and includes not only federal laws, but also the laws of individual states, regulations, standards and recommendations.

In France, at the level of state security agencies, which include, in particular, the Ministry of the Interior, the Ministry of Economy and Finance, the Ministry of Defense and others, monitoring and analysis of economic risks and threats are carried out. They monitor changes in the market, track financial and economic risks, and study the situation in sectors of the economy that are critical to national security [33].

In addition, the responsibility for ensuring economic security exists with the enterprises themselves. Enterprises can independently analyze the economic security level and conduct internal audits. There are a number of regulations that establish requirements for organizing the activities of enterprises in order to ensure economic security. In particular, it applies to the Laws on the Modernization of the Economy (*Loi de modernisation de l'économie*) of August 4, 2008, which contains provisions to promote competition, reduce bureaucracy and improve the regulation of enterprises; "On the protection of enterprises and their territorial integrity" (*Loi de sauvegarde des entreprises et de leurs territoires*) of August 6, 2015, containing provisions on protecting enterprises from bankruptcy, supporting both small and medium-sized enterprises, developing economically underdeveloped regions and providing conditions for creating new jobs; "On financial security" (*Loi de sécurité financière*) of August 1, 2003, containing provisions for ensuring the financial stability and reliability of the financial market functioning, regulating the activities of financial institutions and protecting investors [34].

These regulations are designed to ensure the economic security of businesses in France, as well as to increase their competitiveness and sustainability. They establish rules and requirements for the activities of enterprises in various industries, which helps to increase the efficiency of activities and reduce possible risks.

In addition, there are a number of tools helping enterprises to determine and ensure their economic security. In particular, the French Association of Entrepreneurs and Employers (MEDEF) analyzes economic risks and threats at the level of the national economy and develops proposals for state policy in the economic security field not only government agencies, but also private companies, since it is important for ensuring the sustainable development of the economy as a whole.

Ensuring the economic security of enterprises in France is based on the interaction of both state bodies and business entities.

An important role in ensuring the economic security of enterprises in Poland is played by legal acts regulating the functioning of business and ensuring its protection. Such acts include the Code of Economic Law (*Kodeks Spółek Handlowych*), which establishes the rules for the implementation of economic activities, as well as the protection of the entrepreneurs's rights in court; the Law on Protection of Competition (*Ustawa o ochronie konkurencji i konsumentów*), which purpose is to prevent unfair competition and ensure equal conditions for all market players; Enterprise Support Law (*Ustawa o wspieraniu przedsiębiorczości*), establishing support mechanisms for small and medium-sized enterprises, enabling them to remain competitive and grow [35].

In addition, Poland has state programs and projects aimed at ensuring the economic security of enterprises. Thus, the National Program for the Support of Small and Medium Business Go to

Brand aims to increase the competitiveness of Polish companies and promote their development, which is the basis for safe operation.

In Poland, the issues of economic security of enterprises are dealt with by various state bodies and institutions. In particular, the activities of the Ministry of Development, Labor and Technology (Ministerstwo Rozwoju, Pracy i Technologii) are aimed at ensuring the development of the country's economy, creating favorable conditions for business development; National Bank of Poland (Narodowy Bank Polski) deals with implementation of monetary policy, stabilization of the financial system and protection of the interests of economic agents; Entrepreneurship and Innovation Committee (Komitet do Spraw Przedsiębiorczości i Innowacyjności) develops and implements legislative acts aimed at supporting the development of entrepreneurship and innovation in the country. These institutions are effectively cooperating in the direction of ensuring the economic security of Polish enterprises.

Considering the European experience in ensuring the enterprises economic security, it is possible to formulate a number of recommendations for Ukraine: developing a comprehensive plan for ensuring the enterprises economic security, including the necessary regulatory acts and mechanisms to ensure their implementation; creating a centralized state structure responsible for enterprises economic security ensuring and coordination the activities of other state bodies; establishing transparent business rules for businesses, including protecting the rights of entrepreneurs in court and preventing unfair competition [36]; developing support mechanisms for both small and medium-sized enterprises in order to maintain their competitiveness and growth.

3.4 MODELING THE PROCESS OF EVALUATING THE STATE REGULATORY POLICY EFFECTIVENESS FOR ENSURING STRATEGICALLY IMPORTANT ENTERPRISES STRATEGY

Efficiency is a complex economic category that reflects the ratio between the obtained results resources spent to achieve them. The content of the efficiency category is complex and multifaceted: there is no single definition of this concept.

The concept of "efficiency" is often identified with the category of "effectiveness". It due to the fact that efficiency from the Latin *efectus* means result, effectiveness or efficiency. At the same time, these terms are not identical. Based on this, the task of more accurate economic identification of the efficiency category arises.

According to the classical definition of efficiency, the minimum advance of capital should lead to the maximum surplus value. In modern conditions, this definition does not reflect the whole essence and content of the concept of "efficiency". Like other most general categories of economic science, the concept of efficiency is constantly evolving, and its content is gradually changing and becoming more complex.

Some economists consider efficiency as the ability to bring an effect, the effectiveness of a process, project, etc., which are defined as the ratio of the effect, result to the costs that

ensured this result [37]. In turn, the effect is the result achieved in various forms of manifestation (material, monetary, social, etc.).

Many economists support the definition of efficiency as the effectiveness of a certain action, process measured by the ratio between the obtained result and the costs (resources) that caused it [38].

In the works of W. Kip Viscusi, J. M. Vernon and J. E. Harrington, devoted to the economic theory of regulation, the effectiveness of regulatory policy is measured by maximizing the net benefits that regulatory measures can bring to society [39].

Thus, the state regulatory policy effectiveness can be legitimately defined as the ability to ensure the national economy development and improve the welfare of citizens based on balancing the interests of business entities, society and the state.

The state regulatory policy effectiveness depends on the economic feasibility and effectiveness of regulatory measures. Regulatory measures are proposed to be understood as measures that are carried out by regulatory authorities through the adoption of relevant regulatory acts and are aimed at ensuring the socio-economic development of both the country and regions, improving the welfare of citizens [40].

Considering the provisions of the current regulatory framework in the field of state regulatory policy implementation, it is legitimate to note the following. The Law of Ukraine "On the Fundamentals of the State Regulatory Policy in the Sphere of Economic Activity" defines efficiency as one of the principles of the state regulatory policy. At the same time, the regulatory policy effectiveness is defined as ensuring that, as a result of the regulatory act, the maximum possible positive results are achieved at the expense of the minimum necessary expenditure of economic entities, citizens and the state.

It is legitimate to determine the following criteria for the effectiveness of the state regulatory policy implementation:

1. Efficiency – the degree of achievement of both tactical and strategic goals.
2. Economic feasibility – the degree of resources usage in the process of achieving the set goals.
3. Quality – the level of compliance with legally established requirements for the production order.

Summarizing approaches to the interpretation of the concept of "efficiency", it can be argued that efficiency is a complex category, which is formed under the influence of a combination of both external and internal factors. In this regard, the process of evaluating the effectiveness of the state regulatory policy implementation requires a comprehensive and balanced approach.

Since efficiency is a multi-vector and diverse category, its evaluation is a tool that can be used to determine how the state regulatory policy implementation corresponds to the level of the country's strategic goals, the level of the national economy development.

The study and generalization of domestic and foreign methods and techniques for assessing the effectiveness of the state regulatory policy development enabled to develop a methodology for assessing the effectiveness of the state regulatory policy implementation, based on balancing the interests of stakeholders: the state, business entities and citizens. The process of evaluating

the effectiveness of the state regulatory policy implementation includes a number of successive stages (Fig. 3.5).

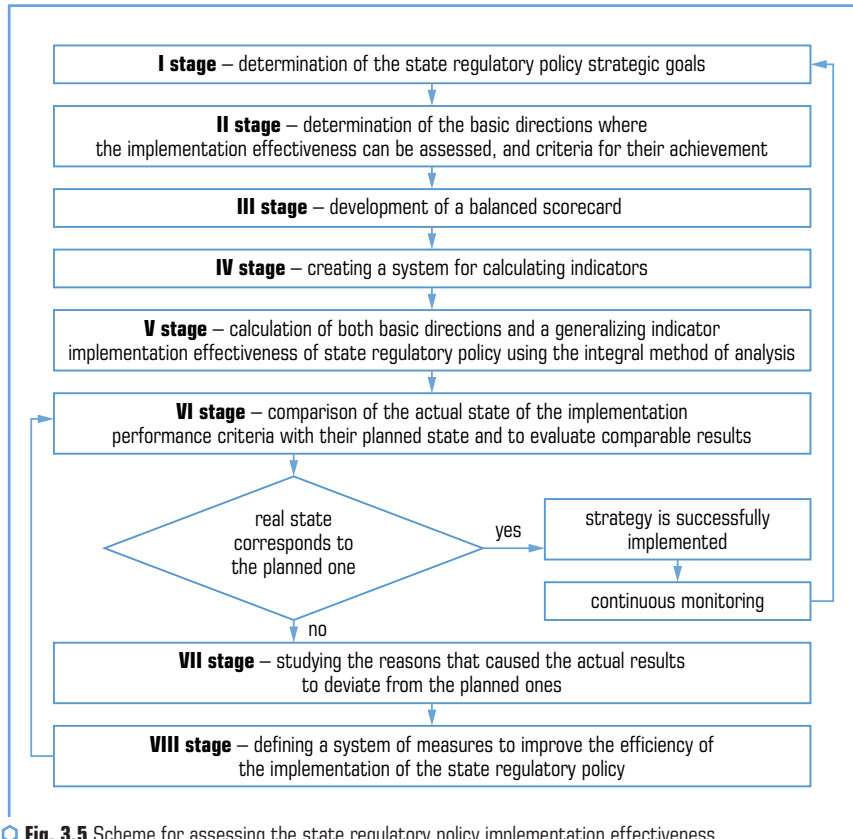


Fig. 3.5 Scheme for assessing the state regulatory policy implementation effectiveness
Note: compiled by the author

At the first stage, the strategic goals of the state regulatory policy are determined considering the interests of the state (ensuring the growth of the national economy and its competitiveness in the world market), business entities (profit maximization) and citizens (improving living standards and ensuring the social guarantees implementation).

The second stage of the algorithm for evaluating the effectiveness of the state regulatory policy implementation also involves the definition of performance criteria. In a general sense, criteria is a sign on which basis the quality of both economic objects and processes has been assessed, alternatives have been compared, and objects and phenomena have been classified.

Thus, the criterion of implementation efficiency should be understood as either a sign or a set of signs, on which basis the current level of efficiency in the state regulatory policy implementation and the ability to improve it have been determined. Such criteria should include, in particular, the growth of gross domestic product at the macro level and the growth of revenues of business entities at the micro level.

As a part of the third stage, a system of evaluation indicators has been developed and approved for each direction, and causal relationships of indicators, areas of implementation and criteria for their evaluation have been determined.

The selection of indicators is quite important, since the reliability of the results assessing the effectiveness of the state regulatory policy implementation depend on their objectivity and comprehensiveness. The formation of a system of indicators at the macro level has been legitimately carried out on the basis of a representative sample in terms of the development indicators of the production, financial, investment, foreign economic, scientific and technological, energy and social spheres, and at the micro level – according to the indicators of the business sector. In this case, it is advisable to use a typical selection method, which provides for a preliminary distribution of the general population into relatively homogeneous categories, from which a random sample is then proportionally carried out.

At the fourth stage, algorithms for calculating the estimated indicators for each direction have been determined. Since the comprehensive methodology for assessing the effectiveness of the implementation of the state regulatory policy includes both quantitative and qualitative indicators, the definition of quantitative indicators is carried out by applying the appropriate formulas based on statistical data, and qualitative indicators – by applying scoring based on the expert survey method.

The estimation of both basic directions effectiveness and the generalizing indicator effectiveness of the state regulatory policy implementation using the integral method of analysis has been carried out as a part of the fifth stage.

The next step is to compare the actual state of the implementation efficiency criteria with their planned state, as well as evaluate the results of the comparison. If the actual level corresponds to the planned one, then the regulatory activity of the authorities is directed to support or increase. Otherwise, there is a transition to the seventh stage, at which the study of the reasons for the unsatisfactory state of the efficiency of the implementation of state regulatory policy is carried out.

The final stage provides for the determination of a system of measures to improve the efficiency of the state regulatory policy in the areas indicated above.

Thus, the assessment of the effectiveness of the implementation of the state regulatory policy is the basis for increasing its level. The maximum effect is possible only with a comprehensive and systematic approach to the implementation of regulatory measures and mandatory monitoring of their effectiveness, which should be carried out directly by the regulatory authorities. A special role in ensuring the effectiveness of the implementation of state regulatory policy belongs to the State Regulatory Service of Ukraine and its territorial offices.

CONCLUSIONS

The assessment of the Ukrainian economic security level indicates the need to strengthen it, primarily through the revitalization of business entities. Deregulation of entrepreneurial activity is the basis for both efficient and stable functioning of business in Ukraine. In this aspect, considering the key provisions of the Draft Ukraine Recovery Plan, it is advisable to determine the following strategic directions for deregulating business activities in Ukraine.

1. Spreading the declarative principle of entrepreneurial activity with the simultaneous transformation of the state supervision system (reorientation from controlling to service approaches, increasing the level of advisory support to business entities).
2. Creation of the Unified register of permits and transfer of all licenses and permits in electronic form, especially in the territories where hostilities are taking place.
3. Introduction of a declarative principle for permits for construction work at industrial facilities, as well as construction work for the creation of processing enterprises in agriculture on agricultural land.
4. Spreading the practice of digitalization of public services and full digitalization of licensing and licensing procedures.
5. Increasing the level of involvement of business entities in the processes of development and decision-making aimed at simplifying the regulatory environment (in particular, the development of regulatory acts, their discussion and revision, which is provided for by the provisions of the Law of Ukraine "On the fundamentals of state regulatory policy in the field of economic activity").
6. Improving the mechanism for protecting business from the state (institutionalization of the Business Ombudsman Council, resuming the survey of business entities ABCA (Annual Business Cost Assessment) considering their interests).
7. Ensuring the effective operation of the Economic Security Bureau as a key body in the field of combating economic crimes.

Deregulation of entrepreneurial activity is the basis for business both efficient and stable functioning in Ukraine. The implementation of regulatory tools to support and develop the national economy should be systematic and consistent and based on the principles of creating a favorable regulatory environment. In order to restore the national economy, it is necessary to further reduce the regulatory and administrative burden on business by introducing deregulation measures based on a risk-based approach for the development of business self-regulation, which involves the formation of a transparent licensing system and the development of partnerships between economic entities and state regulatory authorities. Considering the European integration course of Ukraine, it is legitimate to determine the study of the experience of the EU countries in the regulatory environment formation and its implementation in Ukraine as a promising direction for further research.

In the conditions of war, the objective condition for strengthening the country's defense capability, supporting and restoring the economy, strengthening the security of the national space and protecting national interests is legitimately determined to ensure the operation and security of

strategically important enterprises. Considering that security is implemented by business entities, at the same time, the need to create a favorable institutional environment, which is the prerogative of public authorities, has been noted. In this context, an analysis of the existing institutional support of the state regulatory policy in relation to strategically important enterprises has been carried out. The basis for the formation of effective forms of the state regulatory policy implementation of support and strengthening the security of strategically important enterprises is the need to improve the current legislation, the formation of effective institutional and organizational support and the clustering of the national economy on the basis of strategically important enterprises with the possibility of creating integrated corporate structures.

The proposed model of the evaluation process provides the regulatory authorities with a tool to influence the level of efficiency in the implementation of the state regulatory policy to ensure the safety of strategically important enterprises. The main advantages of the process proposed model for assessing the effectiveness of the state regulatory policy implementation can be legitimately identified as follows:

- 1) it is based on an integrated approach to assessing such a complex phenomenon as efficiency;
- 2) the main sources of information are official statistics;
- 3) it contains both quantitative and qualitative indicators;
- 4) it is not well-established and may change directions depending on the purpose of the analysis.

In general, the obtained results are the basis for the formation and implementation of the state regulatory policy in the direction of strengthening the strategically important enterprises security in the future ensuring economic development and social stability in Ukraine in the future.

CONFLICT OF INTEREST

The authors declare that they have no conflict of interest in relation to this research, whether financial, personal, authorship or otherwise, that could affect the research and its results presented in this paper.

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