THE IMPACT OF STATE POLICY ON THE ECONOMIC SECURITY OF ENTERPRISES IN UKRAINE: CURRENT CHALLENGES AND STRATEGIC RESPONSES

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Abstract. *This article investigates the influence of state policy on the economic security of enterprises in Ukraine under conditions of systemic instability and wartime disruption. The purpose of the study is to reveal the mechanisms through which government actions contribute to strengthening or weakening the resilience of businesses operating in a high-risk environment. The research focuses on identifying key priorities and implementation challenges within the national economic security framework as it pertains to enterprise-level outcomes. Particular attention is given to institutional coherence, regulatory consistency, and fiscal strategies, as well as the capacity of policy instruments to address structural vulnerabilities and regional disparities. The methodological approach involves logical-analytical assessment based on conceptual generalization, empirical modeling, and qualitative synthesis of policy mechanisms and economic indicators. The study applies comparative diagnostics and longitudinal analysis to interpret the dynamics of enterprise development, investment activity, and regulatory adaptation during 2020–2024. The research highlights the growing dependence of business survival on state-supported tools, especially under conditions of military threat, infrastructure collapse, and fiscal pressure. It identifies specific state interventions such as preferential tax regimes, emergency financial support, and public-private partnerships as essential instruments that determine the adaptive capacity of enterprises. The study demonstrates that the effectiveness of these measures is closely tied to the degree of transparency, institutional capacity, and strategic alignment across different levels of governance. The results confirm that while some policy tools have mitigated immediate risks, the sustainability of enterprise recovery depends on long-term systemic reforms and coordinated integration with international development agendas. Furthermore, the findings show that regional inequality in policy implementation and limited access to financial instruments continue to inhibit broad-based recovery. The article concludes that economic security cannot be ensured through isolated interventions but requires an integrated policy environment that addresses both immediate threats and long-term structural transformation in the post-war period.*

Keywords: *state policy; economic security; enterprises; Ukraine; wartime economy; institutional reform; fiscal policy; investment climate; business resilience; anti-crisis management; strategic response.*

JEL Classification: H12, H55, H56, G14, G38

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Introduction. The economic security of enterprises in Ukraine is currently under unprecedented strain due to a convergence of external and internal challenges, including full-scale military conflict, global economic instability, technological transformation, and volatile market conditions. These factors have heightened the vulnerability of Ukrainian businesses, which now operate in an environment marked by disrupted supply chains, energy crises, currency volatility, and escalating cyber threats. In this context, economic security is not only a matter of business survival but also a prerequisite for sustainable development and national economic resilience.

Amid these challenges, the role of state policy in shaping and safeguarding the economic security of enterprises has become increasingly pivotal. Government intervention through regulatory frameworks, fiscal incentives, and crisis management strategies significantly influences the ability of businesses to withstand and adapt to ongoing disruptions. Tax relief programs, targeted financial support, and public-private partnerships are just some of the tools that can either mitigate or exacerbate enterprise-level risks depending on their design and implementation. At the same time, the international dimension of state policy - especially in the form of cooperation with global partners—has opened new avenues for stabilizing the business environment and attracting external resources.

Given the scale and complexity of modern threats, an in-depth analysis of how state policy affects economic security at the enterprise level is both relevant and necessary. Understanding this relationship is crucial for designing strategic responses that enhance business resilience, ensure competitiveness, and foster long-term economic recovery in Ukraine. Economic security threats are multifaceted and arise from a mix of geopolitical, financial, infrastructural, and regulatory factors. Therefore, a comprehensive and adaptive policy approach is essential to address these risks and support the continuity and growth of Ukrainian enterprises under wartime and postwar conditions.

Literature review. The concept of economic security of enterprises has become increasingly significant in the context of global crises and geopolitical instability. Scholars generally define economic security as the capacity of enterprises to operate effectively, remain financially resilient, and adapt to changing external conditions while minimizing exposure to systemic risks (Yermoshenko, 2012; Grytsenko, 2019). In Ukraine, this issue has gained particular urgency due to the dual impact of long-standing economic reforms and the acute disruption caused by the full-scale Russian invasion in 2022.

The academic discourse on economic security in Ukraine has evolved over the past two decades, initially focusing on market transformation, institutional weaknesses, and corruption (Kryvoruchko, 2007; Melnyk, 2010), and more recently on the vulnerabilities exposed by hybrid warfare, cyber threats, and energy dependence (Bilorus et al., 2020; Tkachuk, 2021). Studies by Ukrainian economists emphasize that the war has transformed the very nature of economic security—shifting it from a long-term strategic concept to a matter of daily operational survival for thousands of enterprises (Zbarazska, 2023; Dmytrenko & Khomenko, 2022).

State policy is increasingly viewed as a critical determinant of enterprise-level security. International literature underscores the importance of government intervention in times of crisis through fiscal support, monetary policy, and institutional reforms (OECD, 2020; World Bank, 2022). In Ukraine's case, researchers such as Varnaliy and Luzhetskyi (2022) argue that policy decisions taken during wartime—such as tax relief, emergency lending programs, and regulatory flexibility—directly shape the resilience and adaptive capacity of businesses. The government's role in infrastructure recovery, investment promotion, and digital transformation also figures prominently in policy analyses (Ministry of Economy of Ukraine, 2023; EBA, 2024).

A separate stream of literature focuses on public-private cooperation and the effectiveness of tools such as public procurement preferences, innovation grants, and credit guarantees. According to USAID (2022) and the European Business Association (2024), these mechanisms can serve as buffers against market failures but must be transparent and predictable to be truly effective. Recent empirical studies point to the positive impact of state-backed programs like "5-7-9% Loans" and "Diia.Business" on the survival and growth of SMEs in wartime (Hvozdevych, 2023; Poplavska, 2024).

At the same time, multiple sources highlight structural limitations in Ukraine's state policy framework, including legislative instability, slow judicial reform, and bureaucratic inefficiencies (Transparency International, 2023; IMF Country Report No. 22/283). Frequent amendments to tax laws and unclear regulatory changes are seen by both domestic and foreign investors as major deterrents to long-term planning and capital inflow (Kaleniuk, 2022; UNCTAD, 2023).

Finally, literature on economic recovery in post-conflict states offers useful comparative insights. Studies on post-war economies in the Balkans and the Caucasus suggest that coordinated state policy, targeted investment in infrastructure, and integration into regional markets are essential for rebuilding enterprise resilience (EBRD Transition Report, 2021; Collier & Hoeffler, 2004). These findings inform strategic recommendations for Ukraine's recovery, particularly in the context of EU integration and access to international aid.

In summary, the literature reflects a growing consensus that the economic security of enterprises in Ukraine cannot be achieved without a robust and coherent state policy, capable of responding to immediate threats while also fostering long-term competitiveness. However, scholars caution that state intervention must be not only supportive but also consistent, transparent, and aligned with broader economic reforms and international standards.

Aims. The primary aim of this study is to critically assess the impact of state policy on the economic security of enterprises in Ukraine, particularly in the context of ongoing military conflict, geopolitical instability, and economic transition. The study seeks to determine the effectiveness of government interventions—both immediate and strategic—in mitigating threats to enterprise survival and resilience. It also aims to identify the structural and institutional constraints that hinder policy implementation and limit its impact on enterprise-level security. By exploring the interplay between crisis management mechanisms, regulatory reforms, financial instruments, and international partnerships, the research aspires to develop a comprehensive understanding of how state policy can be optimized to foster economic stability and long-term competitiveness in the Ukrainian business sector. The ultimate objective is to formulate practical recommendations for enhancing the strategic alignment, coherence, and responsiveness of economic security policies in wartime and postwar contexts.

Methodology. This research employs a qualitative-analytical methodology grounded in a multidisciplinary review of academic literature, official policy documents, and statistical data from Ukrainian and international sources. The analysis integrates conceptual insights from economic security theory, public policy analysis, and crisis management studies. Empirical evidence is drawn from national statistical agencies, government reports, and data published by organizations such as the National Bank of Ukraine, the Ministry of Economy, the European Business Association, and international institutions including the World Bank and IMF. Key policy instruments and institutional frameworks are examined in relation to their stated objectives, operational mechanisms, and documented outcomes. Special attention is given to longitudinal trends in foreign direct investment, enterprise demographics, and fiscal interventions. The method of logical structuring is applied to identify causal relationships between state policy actions and changes in the economic security environment for enterprises, with a focus on critical periods between 2020 and 2024.

Results. In the face of profound economic disruptions caused by military conflict, global instability, and internal structural vulnerabilities, Ukraine has adopted a comprehensive and evolving framework of state policy aimed at safeguarding the economic security of enterprises. This policy framework integrates both immediate response mechanisms and long-term strategic measures designed to stabilize the business environment, support enterprise resilience, and promote sustainable economic development.

The table 1 presents a structured overview of the main directions and corresponding instruments of Ukraine's state policy in the domain of economic security for enterprises. Each direction reflects a broad strategic priority area, such as fiscal reform, regulatory simplification, or financial support, while the associated instruments refer to specific tools, programs, or institutional mechanisms used to implement these strategies. The description column provides a concise summary of how each instrument functions in practice and the specific challenges it seeks to address.

This table is especially relevant in the context of Ukraine's recovery planning, integration with the European Union, and the growing demand for transparency and strategic coordination in public policy. It underscores the need for an adaptive, data-driven, and institutionally robust policy environment capable of supporting enterprise activity under high-risk conditions.

By analyzing the intersection of state priorities and practical instruments, this framework contributes to a more systematic understanding of how the Ukrainian government is working to maintain and restore the country's productive capacity, rebuild trust in the business environment, and lay the foundation for long-term economic resilience.

Table 1. The state policy of economic security of enterprises of Ukraine

Main Direction of State Policy	Main Instruments of State Policy	Description
Crisis Management and Stabilization Support	State Budget Allocations and Grants	Provides emergency funding, compensation for losses, and relocation support for businesses operating in conflict zones.
Regulatory Simplification and Legal Certainty	Legislative Reforms	Implements legal reforms to simplify business regulations and ensure flexible legal frameworks during wartime.
Fiscal and Tax Incentives	Preferential Tax Regimes	Applies reduced taxes, tax exemptions, and special regimes (e.g., Diia.City) to stimulate business resilience and investment.
Access to Finance and Investment Support	Loan Guarantee Mechanisms	Offers subsidized loans (5-7-9%), credit guarantees, and state-backed financial products to enhance liquidity and access to capital.
Public-Private Partnerships and Infrastructure Restoration	Public Procurement Preferences	Rebuilds destroyed infrastructure and boosts domestic production through partnerships and procurement reforms.
Digitalization and Cybersecurity Enhancement	E-Governance Platforms, Cybersecurity Investments	Supports digital transformation and cyber resilience using platforms like Diia and investments in digital infrastructure.
International Integration and Donor Coordination	EU Accession Tools and Association Agreements	Promotes alignment with EU laws, secures macro-financial aid, and ensures access to foreign markets and donor funding.
Support for Innovation and Sectoral Diversification	Innovation Grants, R&D Subsidies, Sectoral Strategies	Encourages technological modernization and competitiveness through targeted investments in key industries and innovation.

Source: systematized by authors

Current challenges of state policy on the economic security of enterprises in Ukraine. In the context of war, global economic volatility, and structural transformation, the state policy of Ukraine aimed at ensuring the economic security of enterprises faces a wide range of complex and interrelated challenges (Figure 1).

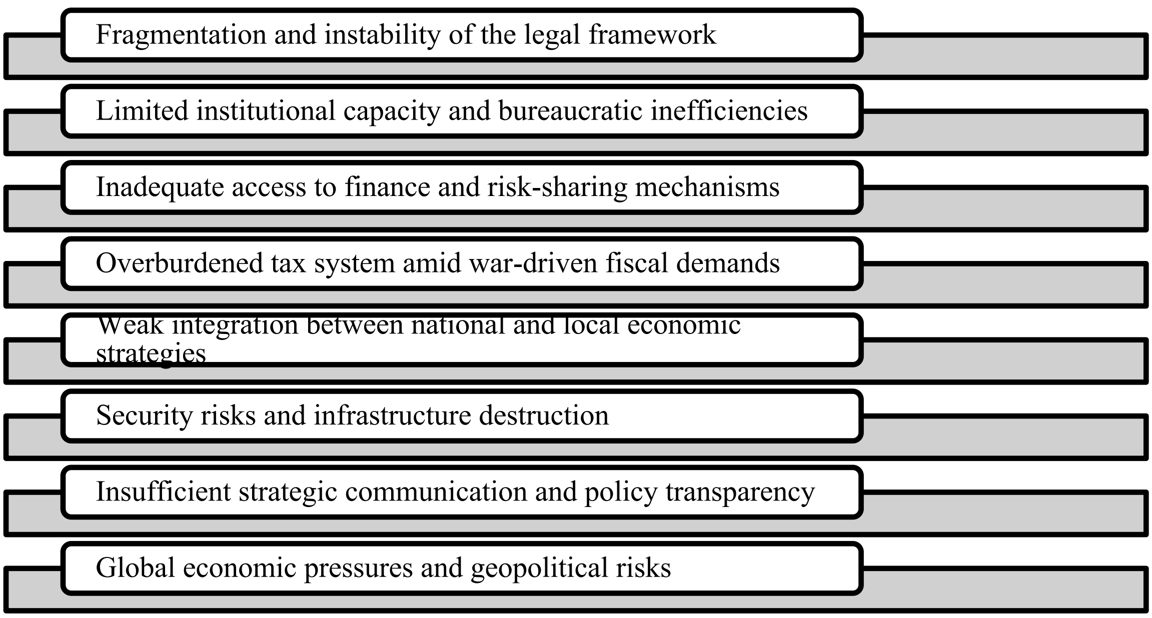

Figure 1. Current challenges of state policy on the economic security of enterprises in Ukraine

Source: systematized by authors

These challenges not only complicate the operational environment for businesses but also test the effectiveness, adaptability, and coherence of governmental strategies in safeguarding national economic interests.

1. Fragmentation and instability of the legal framework. One of the foremost challenges is the instability of the regulatory and legal environment. Frequent changes in tax legislation, labor laws, and customs regulations create uncertainty for enterprises and hinder long-term planning. Over the past five years, the Tax Code alone has undergone numerous amendments, often introduced with minimal consultation or delayed implementation guidelines. This inconsistency erodes business confidence, complicates compliance, and increases administrative costs for enterprises already operating under pressure.

According to data from the Ukrainian Parliament, the Tax Code of Ukraine - adopted in 2010 - has been amended more than 170 times by 2024. These amendments often occur without adequate stakeholder consultation or with delayed guidance, leaving businesses with legal uncertainty and increased risks of non-compliance. As a result, strategic planning becomes difficult, and businesses incur higher administrative and legal costs to remain compliant in an evolving regulatory environment.

2. Limited institutional capacity and bureaucratic inefficiencies. Despite the state's declared commitment to supporting businesses, institutional weaknesses persist at both central and local levels. Delays in the implementation of economic support programs, underfunded agencies, and overlapping mandates between ministries hinder the timely delivery of aid to enterprises. The absence of a unified system for monitoring and evaluating the effectiveness of state economic security policies also impedes strategic adjustments based on real-time data and feedback.

Despite reforms and digital advancements, Ukraine continues to face a lack of inter-agency coordination, especially in administering business support programs. A 2023 report by the State Audit Office highlighted that nearly 30% of allocated funds for enterprise recovery in war-affected regions were either delayed or unused due to administrative bottlenecks and lack of proper documentation from local authorities. Moreover, only 62% of municipalities have designated economic development units, making regional-level policy execution uneven and often ineffective.

3. Inadequate access to finance and risk-sharing mechanisms. While financial instruments such as the "5-7-9%" lending program and partial loan guarantees are in place, access to affordable financing remains constrained, particularly for small and medium-sized enterprises (SMEs). Many businesses lack the collateral or credit history required by banks, while existing state support is often insufficient to cover war-related losses or infrastructure destruction. Moreover, the absence of a comprehensive state-backed insurance mechanism for war-related risks further discourages private investment and limits enterprise recovery.

Although programs like "Affordable Loans 5-7-9%" exist, access to affordable capital remains a bottleneck. According to the National Bank of Ukraine, only 21% of SMEs were able to secure loans in 2023 under this program. Many were disqualified due to lack of collateral, weak credit history, or insufficient documentation. Meanwhile, the demand for war insurance for enterprise property far exceeds supply, with no comprehensive national scheme yet implemented. As a result, investors and lenders are reluctant to engage with higher-risk sectors or regions, particularly near the frontlines.

Ukraine's investment climate between 2020 and 2024 was shaped by an exceptionally turbulent mix of domestic and global challenges. The full-scale war, economic instability, and the heightened risk of capital loss have significantly undermined investor confidence. The resulting outflow of foreign capital has constrained enterprise development, while the lack of accessible long-term financing has delayed the modernization of production capacities and slowed innovation adoption.

The investment environment during this period was characterized by sharp fluctuations, as shown in Table 2.5, with key disruptions caused by the COVID-19 pandemic and the Russian invasion of Ukraine. These crises reshaped investor behavior, forcing many to either suspend or withdraw projects amid rising uncertainty and physical security risks.

Table 2. Key factors influencing the investment climate in Ukraine (2020–2024)

Year	Key Factor	Description of Impact	Change in FDI Volume (% vs. 2019)
2020	COVID-19 Pandemic	Global economic slowdown, reduced business activity, investor caution	-34%
2021	Post-pandemic Recovery	Gradual rebound, state support for businesses, improved market sentiment	-18%
2022	Full-Scale Invasion	Severe capital outflows, suspension of investment projects, infrastructure losses	-62%
2023	Wartime Adaptation and External Support	Initial recovery, partial investor return, early reforms	-40%
2024	EU Integration & Stabilization	Improved investor sentiment, strategic investments, multilateral cooperation	-25%

Source: compiled by the author based on State Statistics Service of Ukraine data

Although a modest recovery began after the initial shock of the pandemic in 2020, foreign direct investment (FDI) volumes have consistently remained below pre-crisis levels. The Russian invasion in early 2022 had an especially severe impact, prompting many foreign investors to freeze or cancel operations due to elevated risk exposure and the destruction of key infrastructure.

Nonetheless, signs of resilience have emerged. Ukraine has begun adjusting to wartime economic conditions, and a number of international companies have resumed activities. New investors - particularly those with a long-term view of Ukraine's post-war recovery - have started exploring opportunities in strategic sectors such as infrastructure, energy, and manufacturing. In 2023, the total revenue of companies with foreign investment that submitted financial reports reached UAH 189 billion, indicating a gradual rebound in business activity.

According to the National Bank of Ukraine, the stock of foreign direct investment stood at USD 55.79 billion as of March 31, 2024. This figure is nearly equivalent to the level seen in Q1 2021 (USD 55.96 billion) but remains approximately 15% below the volume registered immediately before the onset of the full-scale war.

Despite persistent geopolitical and macroeconomic headwinds, Ukraine's investment climate has shown signs of stabilization, supported by institutional reforms, EU integration processes, and increased international engagement. While FDI recovery remains uneven and fragile, strategic investments and donor-backed initiatives are playing a crucial role in maintaining economic resilience and laying the foundation for long-term development.

4. Overburdened tax system amid war-driven fiscal demands. The introduction of wartime fiscal measures—such as the increase in the military levy and higher taxes on banking profits—has significantly raised the financial burden on enterprises. Although these steps are necessary to sustain the national defense, they pose risks to business liquidity, especially in sectors operating on thin margins. The lack of tailored tax relief or differentiated policies for war-affected regions and industries also reduces the policy's sensitivity to regional disparities and sectoral vulnerabilities.

In response to the war, Ukraine introduced its first wartime tax increases in 2024, including a hike in the military levy from 1.5% to 5% and a 50% profit tax on banking institutions. While necessary for defense spending, these policies have placed an additional strain on businesses already suffering from inflation, supply disruptions, and workforce shortages.

According to a 2024 survey by the European Business Association (EBA):

- the Tax Index dropped to 2.64 out of 5, indicating a pessimistic outlook;
- only 5% of businesses believed the tax system supports business development;
- 36% said the system actively hinders growth and investment. These sentiments reflect a lack of predictability and increasing fiscal pressure that complicates long-term investment planning.

5. Weak integration between national and local economic strategies. Another significant challenge is the disconnect between national economic security strategies and regional or local development plans. Many local administrations lack the resources, expertise, or autonomy to implement targeted support programs for businesses in their areas. This mismatch weakens the overall effectiveness of state policy and leads to uneven levels of economic recovery and resilience across regions, particularly in frontline or recently de-occupied territories.

Regional disparities in business recovery remain a major challenge. A 2023 analysis by the Ministry of Communities and Territories Development found that:

- only 45% of local development strategies included business continuity or economic resilience measures;
- war-affected oblasts such as Donetsk, Luhansk, Kharkiv, and Zaporizhzhia reported less than 30% execution of planned economic support programs due to funding shortfalls and limited administrative capacity. This disconnect reduces the impact of national policy efforts at the grassroots level and creates uneven recovery trajectories across the country.

6. Security risks and infrastructure destruction. The ongoing war presents unique challenges that are beyond the scope of conventional economic policy tools. Continuous attacks on critical infrastructure—including energy systems, transportation networks, and industrial zones—undermine the very foundation of economic activity. The state faces the dual task of rebuilding these assets while simultaneously providing immediate support to affected enterprises. However, reconstruction is capital-intensive and time-consuming, often outpacing the availability of public funds and international assistance.

The total number of enterprises in 2022 decreased to 261,924 units, marking the lowest figure for the analyzed period. The primary cause of this decline was the full-scale invasion and its consequences: physical destruction of enterprises, reduced business activity, population displacement, and limited access to resources.

Table 3. Analysis of the Dynamics in the Number of Enterprises in Ukraine (2010–2023)

Year	Total Units	Large Enterprises	%	Medium Enterprises	%	Small Enterprises	%	of which Microenterprises	%
2010	378,810	586	0.2	20,983	5.5	357,241	94.3	300,445	79.3
2011	375,695	659	0.2	20,753	5.5	354,283	94.3	295,815	78.7
2012	364,935	698	0.2	20,189	5.5	344,048	94.3	286,461	78.5
2013	393,327	659	0.2	18,859	4.8	373,809	95.0	318,477	81.0
2014	341,001	497	0.1	15,906	4.7	324,598	95.2	278,922	81.8
2015	343,440	423	0.1	15,203	4.4	327,814	95.5	284,241	82.8
2016	306,369	383	0.1	14,832	4.9	291,154	95.0	247,695	80.8
2017	338,256	399	0.1	14,937	4.4	322,920	95.5	278,102	82.2
2018	355,877	446	0.1	16,057	4.5	339,374	95.4	292,772	82.3
2019	380,597	518	0.1	17,751	4.7	362,328	95.2	313,380	82.3
2020	373,822	512	0.1	17,602	4.7	355,708	95.2	307,871	82.4
2021	370,834	610	0.2	17,502	4.7	352,722	95.1	304,650	82.2
2022	261,924	494	0.2	14,783	5.6	246,647	94.2	206,213	78.7
2023	307,852	512	0.2	14,070	4.6	293,270	95.2	254,982	82.8

Source: systematized by the author based on data from the State Statistics Service of Ukraine

The decrease in the number of microenterprises was particularly significant, as they are the most vulnerable to crisis conditions. In 2022, their number fell to 206,213 units (78.7% of all enterprises), reflecting the substantial difficulties faced by small businesses under martial law. At the same time, the share of medium-sized enterprises increased to 5.6%, possibly due to the transformation of some small businesses or the closure of the smallest business entities.

In 2023, a partial recovery in business activity was observed: the total number of enterprises increased to 307,852 units, indicating that the economy has begun to adapt to the new conditions. The recovery was primarily driven by microenterprises, whose number rose to 254,982 units (82.8% of all enterprises). This trend points to a gradual revival of entrepreneurial activity. However, the level of economic security remains low due to ongoing external instability.

As of late 2023, the Ministry of Infrastructure reported that over $36 billion worth of infrastructure, including roads, bridges, railways, and industrial facilities, had been damaged or destroyed due to hostilities. More than 70% of logistics hubs in eastern Ukraine are either non-operational or functioning at reduced capacity. Such destruction has drastically limited the ability of enterprises to access raw materials, transport goods, and maintain production lines. Reconstruction remains capital-intensive and slow, placing immense pressure on public finances and deterring private investment.

Military risks continue to have a significant impact on the dynamics of the business environment, limiting the potential for long-term planning and investment.

Key challenges include the reconstruction of destroyed infrastructure, improving conditions for investment attraction, and providing sustained support for small and medium-sized enterprises, which are vital drivers of economic growth. Further strengthening of economic security will require a comprehensive approach, including government support, international assistance, and the expansion of financing programs for entrepreneurs.

7. Insufficient strategic communication and policy transparency. A lack of clear, consistent, and accessible communication from government institutions regarding available support mechanisms, eligibility criteria, and procedural steps has created confusion among enterprises. Many businesses are unaware of the full range of assistance they can access, or they face opaque selection procedures. This undermines trust in public institutions and reduces participation in state programs designed to enhance economic security.

Confusion over eligibility criteria, unclear procedures, and fragmented communication have limited participation in state support programs. A 2023 survey by the Ukrainian Chamber of Commerce found that:

- 58% of businesses were unaware of the full range of government assistance available to them;
- 41% reported that accessing support required navigating at least three different state platforms. Such inefficiencies discourage business engagement and erode trust in public institutions, undermining the effectiveness of well-intentioned programs.

8. Global economic pressures and geopolitical risks. State policy is further challenged by external macroeconomic forces such as inflation, disrupted global trade routes, and shifting investor priorities. The threat of global recession, rising energy prices, and ongoing geopolitical instability in Eastern Europe limits Ukraine's fiscal flexibility and narrows the policy space available for proactive economic measures. Moreover, attracting foreign investment remains difficult in an environment marked by high security risks and uncertain post-war trajectories.

Ukraine's economy is not insulated from external shocks. In 2023:

- inflation remained above 15%, driven by high energy prices and currency volatility;
- the current account deficit widened to 7.8% of GDP, reflecting trade imbalances and capital flight;
- FDI inflows in 2023 stood at $3.1 billion, still 40% below the pre-war 2019 level, according to the National Bank of Ukraine.

Additionally, the World Bank estimates that Ukraine will require at least $411 billion for full post-war reconstruction over the next 10 years - far exceeding domestic resources and requiring coordinated international support.

The current challenges of state policy on the economic security of enterprises in Ukraine are multidimensional, spanning legal, institutional, financial, and geopolitical domains. From legal fragmentation and financing gaps to tax burdens and infrastructure devastation, each challenge weakens the foundation upon which enterprise resilience is built. Addressing them requires not only tactical fixes but also systemic reforms, improved coordination between central and local authorities, international cooperation, and a transparent, predictable policy environment that encourages private sector engagement and long-term investment. Without significant improvements in these areas, the state's ability to safeguard the economic foundations of Ukrainian business—especially during and after the war—will remain constrained.

Strategic responses of state policy on the economic security of enterprises in Ukraine. In response to the complex and evolving challenges to the economic security of enterprises, the Government of Ukraine has adopted a range of strategic policy measures aimed at stabilizing the business environment, fostering resilience, and supporting long-term recovery. These responses are multidimensional, reflecting the need for both immediate crisis management and structural transformation in the context of war, global uncertainty, and economic transition (Figure 2).

Figure 2. Strategic responses of state policy on the economic security of enterprises in Ukraine

Source: systematized by authors

1. Emergency support and business continuity measures. One of the most urgent policy responses has been the implementation of emergency support mechanisms to ensure business continuity in wartime conditions. This includes tax deferrals, simplified regulatory procedures, partial compensation for war-related damages, and targeted grants for businesses operating in critically affected regions. The government has also facilitated business relocation programs to safer areas within Ukraine, enabling enterprises to resume operations despite ongoing hostilities.

2. Financial instruments for recovery and investment. To improve liquidity and encourage investment, the state has expanded financial instruments tailored to the needs of small and medium-sized enterprises (SMEs). Key initiatives include the "5-7-9%" low-interest loan program, state loan guarantees, and specialized credit lines through government-affiliated institutions such as the Entrepreneurship Development Fund. Efforts have also been made to involve international financial organizations—such as the EBRD, IFC, and World Bank—to co-finance recovery projects and de-risk private capital flows.

3. Regulatory reform and ease of doing business. Recognizing the need for a more adaptive and business-friendly regulatory environment, the Ukrainian government has accelerated reforms aimed at reducing bureaucratic burdens and enhancing transparency. These include streamlined procedures for business registration, tax reporting simplification, and the digitalization of public services via the "Diia" platform. Special legal regimes have also been introduced, such as the "Diia.City" framework for IT enterprises, offering preferential tax rates and flexible employment regulations.

4. Infrastructure restoration and public-private partnerships (PPPs). The destruction of critical infrastructure has necessitated large-scale public investment and the mobilization of private capital through public-private partnerships (PPPs). The state has prioritized the restoration of logistics hubs, energy networks, and industrial parks in regions of strategic importance. These infrastructure recovery initiatives are supported by the National Recovery Plan and coordinated with Ukraine's international donors, creating a foundation for enterprise revitalization and investment attraction.

5. Sectoral support and strategic industrial development. As part of its long-term vision, state policy has identified strategic sectors—such as agriculture, defense manufacturing, renewable energy, and IT—as priority areas for development. Enterprises in these sectors benefit from targeted tax incentives, export promotion programs, and R&D support. This sectoral approach aims to diversify the economic structure, reduce external dependencies, and build competitive advantages in the global market.

6. Strengthening cybersecurity and digital resilience. Given the rise in cyber threats, particularly from state-sponsored actors, the government has made cybersecurity a core component of economic security policy. Strategic responses include investment in digital infrastructure protection, mandatory cybersecurity protocols for critical sectors, and training initiatives to enhance the digital literacy of enterprises. Collaboration with NATO, the EU, and private tech companies has also expanded Ukraine's cyber defense capabilities.

7. International integration and investment risk mitigation. To restore investor confidence and stimulate foreign direct investment (FDI), Ukraine has focused on aligning its legal and institutional frameworks with EU standards. This includes legal harmonization in the areas of corporate governance, competition, and public procurement. Additionally, the government supports international investment insurance mechanisms to mitigate war-related risks, while actively promoting Ukraine as a destination for post-war reconstruction investments.

8. Fiscal reforms and targeted tax incentives. Strategic fiscal policy has included both austerity and incentive-based measures. While the military tax has been raised to support defense spending, the state has simultaneously offered tax relief to enterprises operating in high-risk or strategically significant sectors. Furthermore, special tax regimes have been developed for start-ups, exporters, and social enterprises to encourage innovation and job creation in the post-war economy.

9. Coordination with donors and civil society. A critical strategic response has been the institutionalization of coordination mechanisms between the Ukrainian government, international donors, and civil society organizations. Platforms such as the Multi-agency Donor Coordination Platform (MDCP) ensure transparency, minimize duplication of aid, and align external assistance with national economic priorities. Civil society also plays a monitoring role, ensuring that state interventions are efficient and equitable.

10. Institutional strengthening and policy monitoring. Finally, the state has acknowledged the need for robust institutions capable of implementing and evaluating economic security policies. Strategic responses include enhancing the analytical capacity of ministries, establishing economic monitoring units, and investing in data systems to track enterprise performance and policy outcomes. These efforts aim to create a feedback-driven policy environment that can respond swiftly to emerging threats and business needs.

The strategic responses of state policy in Ukraine reflect an evolving and adaptive approach to protecting and strengthening the economic security of enterprises amid unprecedented challenges. By combining emergency support with long-term reform, fostering international cooperation, and targeting key sectors for development, the government aims to build a more resilient, competitive, and secure economic system. However, the success of these strategies depends on effective implementation, sustained political will, and continued engagement with both domestic and international stakeholders.

Discussion. The findings reveal that state policy has become a decisive factor in determining the economic security of Ukrainian enterprises, particularly in the face of systemic shocks such as war, cyber threats, and infrastructural devastation. The analysis confirms that government responses have been multi-pronged—combining fiscal incentives, regulatory simplification, and targeted support programs. Yet, despite these efforts, significant challenges persist, including legal instability, limited access to finance, institutional fragmentation, and inadequate regional integration. Data shows that policy tools like the “5-7-9%” lending program and business relocation support have had measurable benefits, especially for SMEs. However, their reach and efficiency have been constrained by bureaucratic inefficiencies and the absence of comprehensive war-risk insurance mechanisms. Furthermore, geopolitical risks and global economic volatility have exacerbated Ukraine’s fiscal constraints, limiting the state’s capacity to act as an effective guarantor of enterprise security. Fragmented communication strategies and weak alignment between national and local policy frameworks further undermine the coherence of state interventions. Despite early signs of recovery and international support, economic resilience remains fragile and unevenly distributed across sectors and regions.

Conclusions. The study demonstrates that while Ukrainian state policy has taken significant steps to protect and support enterprises under conditions of extreme uncertainty, its effectiveness is undermined by structural and operational shortcomings. A coherent and adaptive policy framework—grounded in legal stability, institutional capacity, and coordinated implementation—is essential for sustaining economic security at the enterprise level. Strategic responses must prioritize not only immediate relief but also long-term development goals, including innovation, sectoral diversification, and integration into global value chains. Future success depends on the state's ability to harmonize fiscal demands with business viability, align domestic reforms with EU accession standards, and ensure transparent, data-driven governance. International cooperation, civil society engagement, and the mobilization of private capital through credible risk mitigation tools will be indispensable in rebuilding a secure and resilient enterprise sector in Ukraine. Ultimately, economic security must be treated not merely as a reactive policy domain, but as a foundational pillar of national recovery and sustainable development.

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