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VETERAN BUSINESS: PARADIGMATIC SHIFT IN AGRICULTURAL ECONOMY AND MANAGEMENT TECHNOLOGY

A key element of the Marshall Plan for Ukraine in the field of economic policy is the development of small and medium-sized enterprises, including the establishment of a veteran business institute as a response to the philosophy of the Ukrainian Peace Formula and the Government's Priority Action Plan for 2024. Ukrainian society is increasingly aware that small business in the countryside is one of the key conditions for post-war recovery, balancing socio-economic development between the countryside and the city, and forming new paradigmatic shifts in the rural economy management system.

Ukraine in the Plan for the Ukraine Facility [5] announced a course for the formation of a socially oriented rural society, which requires titanic shifts in the field of overcoming the monopoly of latifundia [2; 4], the development of competition and prioritization in the system of budgetary support of management technologies for the creation and support of the ontogenesis of veteran business, its integration with chains of formation of local added value. One of the short-term priorities of socio-economic policy in the countryside is comprehensive economic growth, which cannot be achieved without the integration of Ukrainian war veterans who received the status of russian-Ukrainian war veterans, whose number at the end of the armed conflict will potentially vary from 1.2 million to 5 million people [1] with the expansion of the institute of small and medium-sized businesses, imbued with the spirit of patriotism and the best European practices.

In the pre-war period, the development of small and medium-sized businesses

in the countryside was regulated by the Strategy for the development of small and medium-sized businesses in Ukraine for the period until 2020, approved by the Decree of the Cabinet of Ministers of Ukraine dated May 24, 2017 No. 504-p. and Concept of development of rural areas, approved by the order of the Cabinet of Ministers of Ukraine dated 23.09.2015 No. 995-p, which were aimed at creating a favorable regulatory environment, expanding access to financing, simplifying tax administration, promoting exports, competitiveness, skill development, and supporting innovation. However, as a result of their implementation, the problems of small and medium-sized businesses have not changed, but on the contrary, they have worsened due to the regulation of business, the lack of access to cheap credit resources, and the low purchasing power of the population, its focus on imported food products or niche food products with a low degree of added value.

At the same time, with the beginning of the full-scale aggression of rf against Ukraine and the operations of the Defense Forces of Ukraine to liberate the occupied rural areas, the environment in which small and medium-sized businesses operate has changed significantly, forming new contours of socio-economic reality, one of the significant manifestations of which is the veteran as a potential bearer of the corresponding military-colored business culture.

Before the full-scale invasion of rf on the territory of Ukraine during the war phase in the east, the Ministry of Veterans Affairs of Ukraine started work on the preparation of the Strategy for the Development of Business Initiatives of War Veterans for the period until 2030 [3]. A successful veteran entrepreneur who actively develops his own business, his community, and the state – this is how the creators defined the goal that should be achieved as a result of the implementation of this strategy. Since its initiation, the relevance of veteran business strategizing under the influence of the duality of the mass of the war-ravaged rural economy and the number of veterans of the russian-Ukrainian war has shifted from a sectoral regulatory act to a comprehensive management system that should harmoniously ensure the use of the entrepreneurial potential of veterans for the post-war recovery of Ukraine.

During the large-scale aggression of rf, support for veteran business is also considered through the prism of the Strategy for the Formation of the System of Transition from Military Service to Civil Life for the Period Until 2032, which was approved by the Government in 2023. One of the directions of which is the formation of an institutional system for the involvement of veterans of russian-Ukrainian war in farming. For this, it is appropriate to use the US experience in creating and ensuring the functioning of specialized regulatory institutions and non-commercial network organizations such as the U.S. Small Business Administration, Institute for Veterans and Military Families, Bunker Labs, Warrior Rising and Dauntless Veteran Foundation, whose activities are aimed at solving the problems of veteran business in general and as an object of the rural economy in particular.

The need to transform the veteran business management system is also conditioned by the need to ensure the implementation of the “negotiation framework” regarding Ukraine’s membership in the EU under Chapter 20 “Entrepreneurship and Production”, namely:

the negotiation process will accelerate legal and political reforms with the aim of harmonizing Ukrainian legislation with the EU regulatory framework, which will mean the need for rapid adaptation to the new regulatory environment, in particular in the part of the architecture of the pro-European model of rural development and the management system for the development of veteran businesses in rural areas;

veteran business in a village will be able to count on expanding access to financial resources and EU support programs, but for this, it is necessary to form effective communication channels for the distribution of this kind of information among veterans of the russian-Ukrainian war;

due to the expansion of access to the domestic food market, competition from entrepreneurs from the EU will increase, due to which the Ukrainian veterans will need to implement innovations, including in terms of “greening” of technological processes, the introduction of environmentally friendly technologies in niche production, in order to remain competitive both in the domestic food market, as well as the markets of EU member states.

In this context, the experience of Croatia [6] is interesting as a country that, on the one hand, was recently in a military conflict, and on the other hand, became a full member of the EU in terms of starting and running a veteran business, creating agricultural cooperatives of war veterans.

For the adaptation of veteran businesses, including those created in rural areas, the European Commission proposed a new mechanism of financial assistance for the Ukraine Facility to provide consistent support to Ukraine from 2024 to 2027. The structure of this mechanism is aimed at meeting both the urgent needs for adaptation to the military economy and the medium-term post-war recovery and modernization of the Ukrainian economy. It consists of three main components: financial assistance in the form of grants and loans; a special investment program aimed at attracting public and private investments; technical support and other consulting and information measures. This strategy will allow to ensure paradigmatic shifts in the rural economy and its management technologies with an emphasis on the gradual reintegration of Ukrainian soldiers who received the status of a veteran of the Russian-Ukrainian war.

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