

ENTERPRISES RELOCATION UNDER MARTIAL LAW IN UKRAINE: SOME ASPECTS

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To begin with, the ongoing Russian-Ukrainian war since 2014 has significantly disrupted the administrative processes of the authorities and the continuity of public administration systems. In addition, physical infrastructure and businesses have suffered significant damage, resulting in the need for their relocation.

The scientific interest in this issue is mainly focused on the analysis of ‘human movement’ and, accordingly, ‘relocation packages’ (for example,

Katie Goodwin's research on relocation issues)¹, while the authors of this research will focus on certain aspects of enterprise relocation.

Thus, the full-scale invasion of Ukraine by Russia forced Ukrainian enterprises to relocate to safer regions of the country, moving their production facilities and people mainly to the western regions.

There are three types of relocation: full, partial, and mixed, depending on the area of activity, production characteristics, sales markets, and other issues². Accordingly, the relocation of production in Ukraine is carried out in two directions: transferring production from the war zone to safe regions of the country and expanding production locally. In particular, the CMU Order No. 246-p of 25.03.2022 'On Approval of the urgent measures plan to relocate (if necessary) the production facilities of business entities from the territories where hostilities are ongoing and/or threatened to hostilities to a safe area' approved the following measures³.

Currently, there is a government program for the relocation of enterprises⁴ implemented by the Ministry of Economy in cooperation with regional state administrations, Ukrzaliznytsia and Ukrposhta. To participate in the program, you need to register on the digital engagement platform⁵. Any enterprise located in the area of active hostilities can apply for state aid to relocate its production facilities. To do this, you need to contact the Ministry of Economy and fill out an application.

For example, remote from active hostilities regions – Transcarpathian, Ivano-Frankivsk, Lviv, Ternopil, Khmelnytskyi, Chernivtsi, Vinnytsia, Volyn and Rivne regions – are directly involved in the Program as host

¹Goodwin Cathy (1993). «A Conceptual Theory of Relocation», in E-European Advances in Consumer Research. Volume 1, eds. W. Fred Van Raaij and Gary J. Bamossy, Provo, UT: Association for Consumer Research, Pages: 366-370. URL: <https://www.acrwebsite.org/volumes/11473/volumes/e01/E-01> (дата звернення: 22.03.2025)

² Посібник з релокації підприємств: Покроковий план дій підприємств з релокації. URL: <https://golocal-ukraine.com/wp-content/uploads/2022/10/relokacziya-pidpriemstv.pdf> (дата звернення: 20.03.2025)

³ Про затвердження плану невідкладних заходів з переміщення в разі потреби виробничих потужностей суб'єктів господарювання з територій, де тривають бойові дії та/або є загроза бойових дій, на безпечну територію: Розпорядження КМУ № 246-р від 25.03.2022 р. URL: <https://zakon.rada.gov.ua/laws/show/246-2022-%D1%80#Text> (дата звернення: 21.03.2025)

⁴ Програма релокації підприємств. URL: <https://me.gov.ua/Documents/Detail?lang=uk-UA&id=3e766cf9-f3ca-4121-8679-e4853640a99a&title=ProgramaRelokatsiiPidprimstv> (дата звернення: 22.03.2025)

⁵ Платформа для релокації бізнесу в безпечніші регіони. URL: <https://auction.e-tender.ua/#/register> (дата звернення: 22.03.2025)

territories⁶. After a positive decision is made to relocate, the company receives a package of state support, which includes the following options: selection of a location for the company's facilities; assistance with transportation to the new location; assistance in resettling employees and recruiting new employees; support in restoring logistics, purchasing raw materials and finding markets⁷.

Thus, the implementation of a comprehensive government program for the enterprises relocation not only preserves industrial capacities, but also contributes to the country's economic recovery by optimizing the allocation of resources and developing new production facilities in safe regions.

In addition, the introduction of a mechanism for connecting relocated enterprises to the legal regime of existing industrial parks/production clusters (for example, in the Western region) also meets the current needs: Transcarpathian region – tourism and recreation and machine-building potential; Ivano-Frankivsk region – tourism and energy potential, etc.)⁸

Overall, Russia's armed aggression has created unprecedented challenges for Ukraine's public administration system, which requires a comprehensive and adaptive approach to resolving critical situations⁹. Therefore, it is necessary to develop a state programme for business relocation, which would clearly regulate the instruments and procedure for providing financial support. In addition, according to researchers M. Melnyk and I. Leshchuk, in order to restore and continue the functioning of industrial enterprises in Ukraine, the list of permitted critical imports of industrial equipment and

⁶ Чубарь О. Г., Гапак Н. М. (2023). Релокація бізнесу на Закарпаття: аспект іт-сфери. Економіка країни і регіонів в умовах воєнного стану та аспекти повоєнного відновлення / відп. за випуск д.е.н., проф. С. О. Якубовський. Львів-Торунь. С. 67. URL: https://dspace.uzhnu.edu.ua/jspui/bitstream/lib/55279/1/Чубарь_Гапак_ОНУ_Мечникова_21_квітня_2023.pdf (дата звернення: 22.03.2025)

⁷ Що потрібно знати бізнесу про програму релокації підприємств. URL: <https://dp.tax.gov.ua/media-ark/news-ark/print-578425.html> (дата звернення: 16.03.2025); Програма релокації підприємств. URL: <https://www.spfu.gov.ua/ua/news/8717.html> (дата звернення: 21.03.2025)

⁸ Мельник М. І. та Лещук І. В. (2022). Особливості, проблеми та стимули релокації національного виробництва в умовах війни. *Регіональна економіка*. № 2. С. 98. URL: https://re.gov.ua/re202202/re202202_094_MelnykMI,LeshchukhIV.pdf (дата звернення: 21.03.2025)

⁹ Круглов В.В., Терещенко Д.А. (2024). Виклики публічного управління під час воєнного стану. Публічне управління XXI століття: нові виклики і трансформації в умовах війни : XXIV Міжнародний науковий конгрес (24 травня 2024 рік, м. Харків, Україна) : збірник наукових матеріалів/ редкол. Л.О. Белова [та ін.]. Харків : Харківський національний університет імені В.Н. Каразіна. С. 305

components necessary for production should be supplemented¹⁰. After all, the process of enterprises relocation in Ukraine under martial law is critical to ensuring the continuity of economic activity and the functioning of public administration, in particular due to the need to adapt legal norms to new challenges caused by external aggression.

Thus, the introduction of martial law directly affected the implementation of the fundamental public administration principles, law and order, the activities of business entities and the provision of basic services to citizens, as in these realities their implementation is not effective enough, which led to the need for relocation. Thus, relocation during martial law is an extremely important legal process that helps to ensure the protection of business entities and the population in crisis times. As it involves the relocation of businesses, employees and material resources from the regions where hostilities are taking place to safer areas, this process requires proper and effective legal regulation, prompt response, and adaptation to new challenges and threats posed by a full-scale invasion.

Undoubtedly, we can state that today the government's comprehensive enterprises relocation program, which ensures their relocation to safe regions by providing support in choosing a location, transporting, resettling employees, restoring logistics and finding new markets, is effective. This ensures the functioning of industrial facilities and promotes the development of production in safe regions, which is essential during martial law in Ukraine. At the same time, it should be added that in order to optimize the enterprises relocation process, it is necessary to clearly regulate not only the mechanisms for providing financial support, but also the procedure for the production facilities relocation, as the CMU Order No. 246-r of 25.03.2022 provides only for a plan of urgent relocation measures. In addition, there is a need to expand the list of critical enterprises to restore production capacity in more segments of the economy.

¹⁰ Мельник М. І. та Лещух І. В. (2022). Особливості, проблеми та стимули релокації національного виробництва в умовах війни. *Регіональна економіка*. № 2. С. 98. URL: https://re.gov.ua/re202202/re202202_094_MelnykMI,LeshchukhIV.pdf (дата звернення: 21.03.2025)