

ADMINISTRATIVE AND LEGAL SUPPORT OF ECONOMIC FREEDOM AND ENTREPRENEURIAL ACTIVITY IN UKRAINE

Roman Holovko¹

Abstract. The *subject* of the study is the administrative and legal framework for ensuring economic freedom and entrepreneurial activity in Ukraine. The research focuses on constitutional and legislative guarantees, the role of public administration, judicial protection, and the impact of bureaucracy, corruption, and wartime restrictions on entrepreneurship. Special attention is given to Ukraine's European integration and the potential of international best practices – particularly deregulation and digitalization – for strengthening economic freedom. *Methodology.* The methodological basis combines general scientific and special legal methods, including formal-legal, systemic, comparative, and dialectical analysis. These approaches made it possible to examine Ukraine's administrative-legal mechanisms, evaluate their effectiveness, and compare them with EU standards and international experiences. The *aim* of the work is to define the essence of economic freedom as a legal and economic category, analyze Ukraine's administrative-legal instruments for securing entrepreneurship, identify systemic weaknesses in their application, and propose strategies for reform aligned with European Union standards and post-war reconstruction priorities. The *results* of the study shows that Ukraine has established a multi-level system of guarantees for economic freedom, including constitutional rights, sectoral legislation, administrative procedures, and judicial review. However, excessive bureaucracy, corruption risks, incomplete harmonization with the *acquis communautaire*, and emergency wartime measures continue to undermine business confidence. International case studies (Poland, Estonia, Lithuania) demonstrate that systemic deregulation, digitalization of administrative services, and institutional continuity can transform administrative law into a driver of entrepreneurship and competitiveness. *Conclusion.* Administrative law in Ukraine plays a dual role: it can either restrict or promote economic freedom depending on the quality of design and enforcement. Strengthening deregulation, judicial independence, anti-corruption safeguards, and full digitalization are essential for ensuring genuine entrepreneurship. Harmonization with EU law should serve not only as a legal obligation but also as a roadmap for modernization and integration into the European economic and legal space.

Keywords: economic freedom, entrepreneurship, administrative law, deregulation, digitalization, European integration, Ukraine, wartime governance, economic security.

JEL Classification: K23, L51, L26, H12, F15, O33

1. Introduction

The concept of economic freedom has long been recognized as a crucial determinant of both national prosperity and individual well-being. It is commonly defined as the ability of individuals and businesses to make autonomous economic choices within a predictable and transparent institutional framework (North, Wallis & Weingast, 2009). In this sense, economic freedom functions simultaneously as a legal and economic category: it reflects the degree of protection of property rights, the effectiveness

of governance, and the stability of economic policy (Friedman, 1962; Heritage Foundation, 2023).

Administrative law plays a decisive role in shaping the conditions under which entrepreneurship develops. By regulating licensing, registration, taxation, public procurement, and administrative oversight, it establishes the "rules of the game" for entrepreneurs (Bytiak, 2012). Excessive bureaucracy, corruption, or inconsistent procedures may significantly restrict economic freedom, raising transaction costs and deterring investment (Acemoglu & Robinson, 2012).

¹ International University of Business and Law, Ukraine
E-mail: Golovkoroman22@gmail.com
ORCID: <https://orcid.org/0009-0007-9344-1823>



Conversely, simplified and transparent procedures, digitalization of administrative services, and safeguards against arbitrary state interference contribute to a favorable entrepreneurial climate (OECD, 2021). Therefore, the administrative-legal dimension of economic freedom directly affects the competitiveness of the national economy and its integration into global markets (World Bank, 2020).

Ukraine provides a particularly relevant case study for exploring these dynamics. Since independence, the country has undertaken several waves of reform to reduce state interference in business, liberalize the economy, and harmonize domestic regulations with European Union standards (Aver'yanov, 2010; Kuzio, 2023). Important steps include the adoption of the Law on Administrative Procedure (2022) and the expansion of e-government tools such as the "Diia" platform (Ministry of Digital Transformation of Ukraine, 2022). At the same time, challenges remain acute: overlapping administrative procedures, regulatory fragmentation, and corruption risks continue to undermine entrepreneurs' confidence (Transparency International, 2023). The extraordinary conditions of wartime governance have further complicated this environment, as the state has been forced to balance liberalization of business activity with measures of economic security and resource mobilization (Rohatiuk et al., 2024).

The ongoing process of European integration and the urgent task of post-war reconstruction highlight the need to rethink the role of administrative law in securing economic freedom. Ukraine's alignment with the *acquis Communautaire* requires strengthening guarantees for entrepreneurs, reducing bureaucratic burdens, and enhancing judicial protection of economic rights (European Commission, 2023). This research addresses the existing gap by analysing Ukraine's administrative-legal framework for entrepreneurship through the lens of global standards and by assessing how administrative law can function as a driver of both economic freedom and economic security in times of systemic transformation.

2. Administrative and Legal Mechanisms of Ensuring Economic Freedom in Ukraine

The constitutional framework of Ukraine establishes economic freedom as one of the fundamental values of the legal and political order. Article 42 of the Constitution of Ukraine (1996) guarantees the right to entrepreneurial activity not prohibited by law, protects fair competition, and prohibits the abuse of monopoly position in the market. In addition, Article 13 defines that land, its subsoil, natural resources, and other property belong to the Ukrainian people, while Article 41 enshrines the inviolability of private property and mechanisms of its protection.

These provisions are not merely declarative – they determine the vector of state policy, obliging the government to maintain a balance between regulation in the public interest and ensuring entrepreneurial freedom (Constitution of Ukraine, 1996).

In practice, constitutional guarantees form the legal foundation for the state's economic policy. They serve as a benchmark for assessing the constitutionality of legislative or administrative acts that restrict business activity. The Constitutional Court of Ukraine, in its jurisprudence, has repeatedly emphasized that restrictions on economic freedom are permissible only if they are proportionate and justified by public necessity (Constitutional Court of Ukraine, 2002).

In comparative perspective, Ukraine's constitutional provisions are consistent with European standards. Article 16 of the Charter of Fundamental Rights of the European Union (2000) secures the freedom to conduct business, while the jurisprudence of the Court of Justice of the EU interprets this right broadly, connecting it with principles of proportionality, non-discrimination, and legal certainty (Craig & de Búrca, 2020). Therefore, Ukraine's constitutional model reflects a European trajectory, but the effectiveness of these guarantees depends on their implementation through legislation and practice.

The operationalization of constitutional principles occurs through a set of sector-specific legislative acts. The Law of Ukraine "On Entrepreneurship" (1991) laid the groundwork for market transformation after the collapse of the Soviet system, affirming the general freedom of economic activity and defining the legal status of entrepreneurs. The Law "On Protection of Economic Competition" (2001) aligns Ukrainian practice with EU competition law, prohibits anti-competitive concerted actions, and empowers the Antimonopoly Committee of Ukraine to apply remedies against market abuse (Kolpakov, 2011).

Investment freedoms are provided by the Law "On Investment Activity" (1991), which regulates forms of domestic and foreign investment, and the Law "On State Support of Investment Projects with Significant Investments" (2020), which created special instruments such as investment agreements with government guarantees. These measures aim to increase investor confidence by reducing risks associated with Ukraine's unstable environment.

A milestone was the adoption of the Law "On Administrative Procedure" (2022), which systematized the general rules of administrative decision-making. The law introduced the principles of legality, proportionality, transparency, and good governance into administrative processes, ensuring that public authorities act predictably and are accountable in their relations with entrepreneurs (Tymoshchuk, 2003; Verkhovna Rada of Ukraine, 2022). Scholars argue that this codification represents a breakthrough in

the protection of economic rights, bringing Ukraine closer to the European tradition of the *Rechtsstaat* (Bytiak, 2012; Aver'yanov, 2010).

Thus, the legislative framework provides a multi-level system: basic freedom of entrepreneurship, competition rules, investment guarantees, and procedural safeguards. However, the effectiveness of this framework still depends on enforcement, which remains a challenge under conditions of corruption and administrative overload.

Public administration serves as both a guarantor and a potential constraint on economic freedom. On one hand, it is responsible for creating a favourable regulatory climate, simplifying procedures, and ensuring accessibility of administrative services. Deregulation initiatives, such as the reduction of mandatory licenses and permits, have significantly lowered entry barriers for small and medium-sized enterprises (SMEs) (OECD, 2021). Moreover, the digital transformation of public services, embodied in the "Diia" platform, enables entrepreneurs to register businesses, obtain permits, and pay taxes online, thereby reducing transaction costs and opportunities for corruption (Ministry of Digital Transformation of Ukraine, 2022).

On the other hand, public authorities must ensure compliance with standards in the spheres of labor protection, environmental regulation, consumer rights, and taxation. Excessive liberalization without adequate control could lead to social inequality, exploitation, or market monopolization. Hence, the task of public administration is to maintain a balance: fostering entrepreneurial initiative while safeguarding the public interest (Aver'yanov, 2010).

Nevertheless, corruption within administrative structures remains a significant obstacle. Reports by Transparency International (2023) indicate that bureaucratic discretion often leads to rent-seeking practices. The persistence of "informal payments" undermines both domestic trust and foreign investor confidence. Therefore, administrative reform must be accompanied not only by simplification and digitalization but also by institutional guarantees of integrity, including stronger oversight and independent anti-corruption bodies.

The system of guarantees in administrative law aims to protect entrepreneurs against unlawful, arbitrary, or excessive interference by state bodies. These guarantees include several levels of defense:

1. **Judicial review.** Administrative courts play a central role in reviewing the legality of acts or omissions of public administration. This mechanism ensures that entrepreneurs can challenge unlawful decisions, recover damages, and defend their right to fair treatment (Bytiak, 2012). Case law of administrative courts increasingly recognizes the need to prioritize

proportionality and legitimate expectations in business-related disputes.

2. **Procedural safeguards.** The Law on Administrative Procedure (2022) introduces key principles such as the right to be heard, the obligation of authorities to issue reasoned decisions, deadlines for consideration of applications, and the possibility of appeal. These safeguards are designed to align administrative decision-making with European standards of due process (Verkhovna Rada of Ukraine, 2022).

3. **Specialized institutions.** The Business Ombudsman Council, created in 2014 with donor support, provides an independent mechanism for entrepreneurs to report cases of unfair treatment by authorities. Its recommendations, while not binding, often lead to corrective action and signal Ukraine's commitment to improving the investment climate (OECD, 2021).

4. **International legal guarantees.** Ukraine's obligations under the EU Association Agreement and its candidate status for EU membership impose requirements to harmonize national legislation with the *acquis communautaire*. This includes strengthening property rights, judicial independence, and safeguards for entrepreneurs (European Commission, 2023).

The effectiveness of these guarantees is vital for both domestic and foreign stakeholders. Research demonstrates that predictable administrative safeguards and independent courts are positively correlated with sustainable economic development and investment inflows (Mungiu-Pippidi, 2015). For Ukraine, enhancing these guarantees is particularly important in the post-war context, as they will determine the country's capacity to attract capital for reconstruction and secure long-term economic growth.

3. Challenges and Problems of Administrative and Legal Regulation of Economic Freedom in Ukraine

Despite multiple deregulation efforts, Ukrainian entrepreneurs still face a heavy administrative burden. According to the World Bank Doing Business indicators (2020), Ukraine improved its ranking in business registration and taxation, yet complex licensing and permit procedures remain a barrier for SMEs. Many regulatory functions are duplicated across ministries and agencies, creating a lack of coordination and increasing compliance costs. Excessive reporting requirements and delays in administrative decision-making undermine the predictability of the business environment (North, Wallis & Weingast, 2009).

Another persistent problem is the proliferation of sectoral regulators with overlapping mandates. For example, environmental and sanitary inspections often impose contradictory requirements, leading to legal uncertainty for businesses. This lack of

"regulatory coherence" contradicts the principles of good governance and creates opportunities for rent-seeking practices within administrative structures (Acemoglu & Robinson, 2012).

Corruption remains a systemic obstacle to realizing economic freedom. Transparency International (2023) notes that Ukraine, despite some progress, continues to face high corruption risks in areas such as customs, tax administration, and public procurement. Entrepreneurs often report being subject to "informal payments" in exchange for accelerated administrative procedures or favorable decisions.

The weakness of enforcement mechanisms exacerbates this problem. Even though the Law on Administrative Procedure (2022) established clear principles of legality and transparency, the practical implementation depends on the integrity of public officials. Anti-corruption institutions such as NABU, SAPO, and the High Anti-Corruption Court provide accountability, but their effectiveness is limited by political pressure and lack of resources (Mungiu-Pippidi, 2015).

The full-scale war against Ukraine has introduced extraordinary restrictions on entrepreneurship. Martial law allows the state to impose price controls, requisition property, regulate foreign exchange operations, and limit certain categories of trade (Rohatiuk et al., 2024). While these measures are necessary for national defense and economic security, they also reduce the scope of economic freedom and create uncertainty for investors.

The destruction of infrastructure, disruption of supply chains, and occupation of territories further complicate the situation. Many businesses face forced relocation, loss of property, or suspension of operations. At the same time, emergency wartime decisions are often made with limited transparency, bypassing ordinary legislative or administrative procedures (Åslund, 2022). This raises questions about the proportionality of restrictions and the mechanisms for compensation of losses.

Ukraine's European integration agenda defines harmonization of national legislation with the *acquis communautaire* as one of the central priorities of legal and institutional reform. This process is not merely a political declaration but a legal requirement that stems from the EU-Ukraine Association Agreement (2014) and from Ukraine's candidate status for EU membership granted in 2022 (European Council, 2022). The *acquis* includes competition law, state aid regulation, investment protection, consumer rights, administrative justice, and broader principles of rule of law. For entrepreneurs, alignment with these standards means predictable rules, protection against arbitrary state intervention, and access to the EU's single market.

However, the process of approximation remains incomplete and fragmented. In the sphere of

competition law, Ukraine has made progress by strengthening the powers of the Antimonopoly Committee of Ukraine (AMCU), but the system still suffers from insufficient independence, limited resources, and weak enforcement of decisions. While EU law requires strict control over cartels and abuse of dominant positions, Ukrainian practice often shows selective enforcement, undermining fair competition (Kolpakov, 2011). Similarly, the state aid regime – a cornerstone of EU competition policy – remains only partially implemented. Although Ukraine adopted a basic framework law in 2017, monitoring mechanisms and notification procedures have yet to reach EU-level standards (European Commission, 2023). This creates risks of distorted competition and non-transparent allocation of public resources.

In the field of investment protection, Ukraine still lacks full compliance with EU norms on investor-state dispute settlement and the protection of foreign direct investment. While national legislation provides guarantees against expropriation and discriminatory treatment, enforcement remains problematic due to delays in judicial reform. European standards require not only formal guarantees but also an independent judiciary capable of resolving disputes fairly and efficiently. Yet, Ukraine continues to face criticism for inconsistent judicial practices, political interference, and insufficient protection of property rights (Freedom House, 2023). These shortcomings directly affect investor confidence and slow down Ukraine's integration into the European economic space.

Another major gap lies in administrative justice and good governance standards. The adoption of the Law on Administrative Procedure (2022) was an important step toward the European model of *Rechtsstaat*, establishing general principles of legality, transparency, and proportionality in relations between public administration and citizens. Nevertheless, its effective implementation is still uncertain, as many public authorities lack sufficient capacity, training, and internal regulations to apply the new law in practice. Furthermore, mechanisms of regulatory impact assessment (RIA) and stakeholder consultation – widely applied in EU countries – are either missing or implemented in a highly formalistic manner in Ukraine. In the EU, new regulations are subject to economic impact analysis, cost-benefit assessment, and broad public consultation before adoption (Craig & de Búrca, 2020). In Ukraine, by contrast, consultation often occurs *pro forma*, without meaningful engagement of business associations or civil society. This reduces trust in the regulatory process and increases the risk of overregulation.

The challenge of harmonization is aggravated by wartime governance. Under martial law, Ukraine has resorted to accelerated and sometimes extraordinary decision-making procedures, which prioritize speed

and security over inclusiveness and transparency. While this approach may be justified by urgent defense needs, it slows down the institutionalization of EU-style governance practices. For instance, certain wartime decrees on currency regulation, trade restrictions, or property requisition were adopted without full parliamentary deliberation or stakeholder input, creating uncertainty for businesses. The risk of divergence between short-term emergency measures and long-term EU obligations is evident: unless carefully managed, Ukraine might institutionalize practices that contradict *acquis* standards, undermining both domestic trust and international credibility (Rohatiuk et al., 2024).

At the same time, harmonization with EU standards should not be perceived as a purely technical process of legislative transposition. It also involves the transformation of administrative culture. European integration demands a shift from a command-and-control mentality toward service-oriented governance, where public administration acts as a partner rather than a controller of business (Aver'yanov, 2010). Without such a cultural change, even formally aligned laws may remain ineffective in practice.

Finally, there is a strategic dimension to the problem. If Ukraine successfully bridges the gaps in harmonization, it will secure not only access to the EU internal market but also long-term guarantees of economic freedom and investment stability. Conversely, failure to align could result in limited market access, reduced international support, and reputational costs. In this regard, harmonization should be viewed as a condition for post-war reconstruction, since EU membership prospects directly affect investor confidence and the inflow of external capital needed for rebuilding the country (World Bank, 2023).

4. International Experience and Lessons for Ukraine

Post-socialist countries of Central and Eastern Europe provide valuable insights for Ukraine's trajectory toward a liberalized and Europeanized economic system. Poland is often cited as a success story of rapid economic transformation. Its deregulation programs of the 1990s drastically reduced the number of licenses and administrative approvals, creating favorable conditions for SMEs. The establishment of independent competition authorities and harmonization with EU *acquis* in preparation for accession ensured predictability for investors (Balcerowicz, 1995). Today, Poland ranks among the leading regional economies, showing how consistent legal and administrative reform can unlock entrepreneurial potential.

Estonia represents another model, where digital transformation became the cornerstone of

public administration reform. The introduction of e-government platforms and electronic business registries enabled entrepreneurs to register companies online within hours. The famous "e-Residency" program further expanded Estonia's attractiveness as a business hub, allowing foreign entrepreneurs to conduct business digitally under Estonian jurisdiction (Margetts & Naumann, 2017). By reducing face-to-face interaction with officials, Estonia not only simplified procedures but also drastically minimized corruption risks.

Lithuania, like Poland, combined deregulation with proactive integration into EU markets. Its success derived from simplifying taxation for SMEs, adopting "one-stop shop" models for administrative services, and aligning its competition law with EU principles. Lithuania's experience highlights the importance of institutional continuity: reforms persisted across governments, ensuring that integration with EU norms was not reversed by domestic political changes (Schimmelfennig & Sedelmeier, 2020).

Together, these examples show that Ukraine can benefit from a dual strategy: combining the rapid deregulation typical of Poland with the digital-first approach of Estonia, while ensuring institutional continuity as in Lithuania.

International practice demonstrates that deregulation and digitalization are the most effective tools for reducing bureaucratic burdens and expanding economic freedom. In OECD countries, deregulation typically involves reviewing all existing regulations, eliminating redundant requirements, and institutionalizing regulatory impact assessment (RIA) as a mandatory stage of lawmaking (OECD, 2021). Poland's "Regulatory Guillotine" is a notable example: in the early 2000s, thousands of outdated regulations were abolished, simplifying the legal environment for business.

Digitalization complements deregulation by transferring administrative procedures into online platforms. Estonia's success illustrates how digital services – ranging from tax declarations to licensing – can transform the business environment. Importantly, digitalization not only reduces administrative costs but also increases transparency, making it harder for officials to engage in corrupt practices (United Nations E-Government Survey, 2022).

For Ukraine, which already operates the "Diia" platform, international experience suggests two key priorities: expanding the range of business-related services available online and ensuring their interoperability across agencies. Furthermore, Ukraine could adopt elements of Estonia's e-Residency model, attracting foreign entrepreneurs and positioning itself as a digital hub in Eastern Europe.

The European Union's *acquis communautaire* provides a comprehensive framework for safeguarding economic freedom and entrepreneurship. Several key elements are particularly relevant for Ukraine:

1. Freedom of establishment and free movement of services (Articles 49–56 of the Treaty on the Functioning of the EU), which guarantee entrepreneurs the right to operate across member states without discriminatory restrictions.

2. Competition law and state aid control, which ensure that market players operate under fair conditions and that public support does not distort competition.

3. Principles of good administration (Article 41 of the Charter of Fundamental Rights of the EU), obliging authorities to act transparently, provide reasoned decisions, and respect due process.

4. Consumer and investor protection directives, which strengthen trust in markets and create safeguards against abuse.

For Ukraine, gradual approximation to these standards is both a challenge and an opportunity. Full alignment will require not only legislative transposition but also the development of independent institutions capable of enforcing EU-style protections. The European Commission (2023) emphasizes that progress in judicial reform, competition enforcement, and anti-corruption measures will be decisive for Ukraine's EU accession and for the credibility of its business climate.

The findings of this study reveal a complex interplay between administrative law, economic freedom, and entrepreneurship in Ukraine. On the one hand, the constitutional and legislative framework demonstrates significant progress toward ensuring the basic guarantees of entrepreneurial activity. On the other hand, the persistence of excessive bureaucracy, corruption risks, and incomplete harmonization with the *acquis communautaire* undermines the effectiveness of these guarantees in practice. This duality reflects the transitional nature of Ukraine's legal system, which is simultaneously liberalizing, modernizing, and adapting to extraordinary wartime challenges.

A first critical point concerns the tension between regulation and freedom. As shown in section 4, administrative law provides mechanisms that are essential for creating a predictable legal environment: licensing, registration, tax oversight, and judicial review. Yet, as demonstrated in section 5, these same mechanisms often become barriers when they are overly complex, fragmented, or implemented in a discretionary manner. This confirms the thesis of North, Wallis and Weingast (2009) that the institutional quality of governance determines whether regulation supports or suppresses economic freedom.

Second, the Ukrainian case illustrates that bureaucratic burdens and corruption risks are not merely technical issues but structural obstacles to development. Entrepreneurs face significant transaction costs, which not only limit domestic innovation but also discourage foreign investment. The widespread

perception of unpredictability in administrative decision-making erodes trust in state institutions and fosters the shadow economy. By contrast, international experiences such as Poland's deregulation or Estonia's digitalization demonstrate that institutional reforms can radically reduce such barriers, fostering an environment of entrepreneurial confidence.

Third, the research highlights the importance of digital transformation as both a tool of simplification and a safeguard against corruption. Ukraine's Diia platform represents a step in this direction, but its impact remains partial due to limited coverage of services and uneven implementation. Estonia's model shows that comprehensive digitalization of administrative processes can drastically reduce face-to-face interactions with officials, thereby minimizing opportunities for discretionary abuse (Margetts & Naumann, 2017). For Ukraine, further expansion of e-governance and the integration of blockchain-based transparency tools could significantly strengthen guarantees of economic freedom.

Fourth, the European integration dimension plays a dual role. On one side, EU standards provide a clear roadmap for reform, anchoring Ukraine's modernization process. On the other, incomplete harmonization with the *acquis communautaire* – particularly in areas of competition law, state aid control, and judicial independence – poses significant challenges (European Commission, 2023). Without consistent enforcement, formal legal transposition risks becoming symbolic rather than substantive. The lesson from Lithuania and other Central European states is that continuity and political consensus are essential for ensuring that reforms are not reversed by domestic political fluctuations (Schimmelfennig & Sedelmeier, 2020).

Finally, Ukraine's wartime context underscores the delicate balance between economic freedom and economic security. Emergency measures, such as export controls or property requisitions, may be justified by national defense needs, but they also restrict entrepreneurship and create uncertainty for investors (Rohatiuk et al., 2024). The challenge for Ukraine is to design administrative mechanisms that preserve flexibility during crises while avoiding long-term institutionalization of exceptional practices. The risk of "emergency becoming normality" must be carefully mitigated to prevent structural erosion of economic freedom.

In sum, the discussion demonstrates that administrative law in Ukraine is both a risk and a resource. When misapplied, it reinforces bureaucratic inertia and corruption; when reformed and aligned with European standards, it becomes a catalyst for entrepreneurship, competitiveness, and sustainable development. The international experience of Poland, Estonia, and Lithuania proves that systemic

deregulation, digitalization, and Europeanization can transform administrative law from a restrictive framework into a driver of economic modernization. For Ukraine, achieving this transformation will be decisive not only for post-war reconstruction but also for its long-term integration into the European economic and legal space.

5. Conclusion

The analysis of Ukraine's administrative and legal framework for ensuring economic freedom reveals a dual reality. On the one hand, the constitutional guarantees, the adoption of sectoral laws, and the recent codification of administrative procedures demonstrate the country's progress in aligning with European standards. On the other, persistent problems – excessive bureaucracy, corruption risks, incomplete harmonization with the *acquis communautaire*, and wartime restrictions – continue to undermine the full realization of entrepreneurial freedom.

First, Ukraine's legal system provides a solid foundation for economic freedom. Constitutional provisions safeguard entrepreneurship, private property, and fair competition. Legislative acts on entrepreneurship, investment, and administrative procedures have introduced mechanisms for protecting business interests. However, the implementation of these norms remains uneven, often hindered by discretionary practices and weak institutional enforcement.

Second, administrative law plays a paradoxical role. When designed and applied effectively, it creates a predictable environment that lowers transaction costs and fosters trust. Yet when overburdened by bureaucracy, fragmentation, and corruption, it becomes a barrier to economic initiative. The Ukrainian case demonstrates that the decisive factor is not the

mere existence of legal norms but their capacity to be enforced consistently and transparently.

Third, the wartime context has sharpened the contradictions between economic freedom and economic security. Emergency measures, while necessary for national defense, risk becoming structural limitations if not carefully managed. Ukraine must ensure that exceptional restrictions remain temporary and that long-term reconstruction policies restore and expand the scope of entrepreneurial rights.

Fourth, international comparisons underline that reform is possible and effective. Poland's deregulation, Estonia's digital governance, and Lithuania's continuity of European integration provide clear lessons for Ukraine. They demonstrate that deregulation, digitalization, and alignment with EU law can transform administrative systems into drivers of growth and competitiveness.

Finally, Ukraine's path forward requires a comprehensive strategy:

- deep deregulation to eliminate redundant procedures and limit discretionary powers;
- digital transformation of administrative services, expanding the scope and interoperability of platforms like Diia;
- judicial reform and anti-corruption safeguards to guarantee equal treatment and strengthen investor confidence;
- full harmonization with EU *acquis communautaire*, ensuring that Ukrainian entrepreneurs operate under standards consistent with those of the European single market.

In conclusion, the future of Ukraine's entrepreneurship depends on its ability to transform administrative law from a restrictive framework into a guarantor of economic freedom and a driver of modernization. This transformation will be decisive not only for post-war reconstruction but also for Ukraine's long-term integration into the European economic and legal space.

References:

- Acemoglu, D., & Robinson, J. (2012). *Why nations fail: The origins of power, prosperity, and poverty*. Crown.
- Aver'yanov, V. (2010). *Public administration: Theory and practice*. Kyiv: Yurinkom Inter.
- Åslund, A. (2022). *Ukraine: What went right, what went wrong, and how to rebuild*. Peterson Institute for International Economics.
- Balcerowicz, L. (1995). *Socialism, capitalism, transformation*. Central European University Press.
- Bytiak, Y. (2012). *Administrative law of Ukraine*. Kharkiv: Pravo.
- Charter of Fundamental Rights of the European Union. (2000). *Official Journal of the European Communities*, C 364/1, 1–22.
- Constitution of Ukraine. (1996). *Vidomosti Verkhovnoi Rady Ukrainy*, No. 30, Art. 141.
- Craig, P., & de Búrca, G. (2020). *EU law: Text, cases, and materials* (7th ed.). Oxford University Press.
- European Commission. (2023). *Ukraine Facility: EU support for recovery and modernization*. Brussels: European Commission. Available at: <https://ec.europa.eu>
- European Council. (2022). *European Council conclusions on Ukraine, 23 June 2022*. Brussels: European Council. Available at: <https://www.consilium.europa.eu>

- Freedom House. (2023). *Nations in transit 2023: Ukraine country report*. Freedom House. Available at: <https://freedomhouse.org>
- Friedman, M. (1962). *Capitalism and freedom*. University of Chicago Press.
- Heritage Foundation. (2023). *2023 index of economic freedom*. The Heritage Foundation. Available at: <https://heritage.org/index>
- Kolpakov, V. (2011). *Administrative law of Ukraine*. Kyiv: Yurinkom Inter.
- Konstytutsiyni Sud Ukrainy. (2002). *Decision on economic rights (case materials)*. Kyiv: Constitutional Court of Ukraine.
- Kuzio, T. (2023). *Russian imperialism and Ukrainian resistance: Nation, identity and war*. Routledge.
- Margetts, H., & Naumann, A. (2017). Government as a platform: What can Estonia show the world? *Government Information Quarterly*, 34(4), 784–793. DOI: <https://doi.org/10.1016/j.giq.2017.09.002>
- Ministry of Digital Transformation of Ukraine. (2022). *Diia: Digital state services during the war*. Kyiv: MDT. Available at: <https://thedigital.gov.ua>
- Mungiu-Pippidi, A. (2015). *The quest for good governance: How societies develop control of corruption*. Cambridge University Press.
- North, D. C., Wallis, J. J., & Weingast, B. R. (2009). *Violence and social orders: A conceptual framework for interpreting recorded human history*. Cambridge University Press.
- OECD. (2021). *Regulatory policy outlook 2021*. OECD Publishing. DOI: <https://doi.org/10.1787/38b0fdb1-en>
- Rohatiuk, I., Ivchenko, B.-Y., Kanfui, I., Solovyov, E., Yermenchuk, O., & Denysenko, O. (2024). Economic security of Ukraine in wartime: Challenges and prospects. *SocioEconomic Challenges*, 8(3), 123–134. DOI: [https://doi.org/10.21272/sec.8\(3\).123-134.2024](https://doi.org/10.21272/sec.8(3).123-134.2024)
- Schimmelfennig, F., & Sedelmeier, U. (2020). *The Europeanization of Eastern Europe*. Cornell University Press.
- Transparency International. (2023). *Corruption perceptions index 2023: Ukraine country profile*. Transparency International. Available at: <https://www.transparency.org>
- Treaty on the Functioning of the European Union. (2012). *Official Journal of the European Union*, C 326, 47–390.
- United Nations. (2022). *E-government survey 2022: The future of digital government*. United Nations. <https://publicadministration.un.org/egovkb>
- Verkhovna Rada of Ukraine. (1991a). *Law of Ukraine "On entrepreneurship"*, No. 698-XII, April 7, 1991. *Vidomosti Verkhovnoi Rady Ukrainy*, No. 14, Art. 168.
- Verkhovna Rada of Ukraine. (1991b). *Law of Ukraine "On investment activity"*, No. 1560-XII, September 18, 1991. *Vidomosti Verkhovnoi Rady Ukrainy*, No. 47, Art. 646.
- Verkhovna Rada of Ukraine. (2001). *Law of Ukraine "On protection of economic competition"*, No. 2210-III, January 11, 2001. *Vidomosti Verkhovnoi Rady Ukrainy*, No. 12, Art. 64.
- Verkhovna Rada of Ukraine. (2020). *Law of Ukraine "On state support of investment projects with significant investments"*, No. 1116-IX, December 17, 2020. *Vidomosti Verkhovnoi Rady Ukrainy*, No. 8, Art. 60.
- Verkhovna Rada of Ukraine. (2022). *Law of Ukraine "On administrative procedure"*, No. 2073-IX, November 17, 2022. *Vidomosti Verkhovnoi Rady Ukrainy*, No. 27, Art. 245.
- World Bank. (2020). *Doing business 2020: Comparing business regulation in 190 economies*. World Bank. Available at: <https://openknowledge.worldbank.org/handle/10986/32436>
- World Bank. (2023). *Ukraine economic update, spring 2023*. World Bank. Available at: <https://www.worldbank.org/en/country/ukraine/publication/ukraine-economic-update-spring-2023>

Received on: 07th of October, 2025

Accepted on: 20th of November, 2025

Published on: 24th of December, 2025