

Social entrepreneurship as a direction for the development of entrepreneurial initiatives by war veterans in Ukraine

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■ **Abstract.** The relevance of the issue of entrepreneurship development for improving employment and the overall economic situation, supporting categories of citizens who need special protection from the state in wartime (in particular, war veterans and their families), and solving important social problems – all this determines the need for social business development in the context of stimulating entrepreneurial initiatives among war veterans. The scientific article was devoted to identifying the theoretical and practical aspects of the development of social entrepreneurship among war veterans in the context of their professional adaptation to civilian life in Ukraine. As a result of the study, the key features of social entrepreneurship as a direction for the development of entrepreneurial initiatives of war veterans were highlighted, an overview and assessment of current trends in the functioning of social business in Ukraine was conducted, and the prospects for the development of social entrepreneurship among war veterans in Ukraine were determined. Based on the theoretical justification of the essence of social entrepreneurship, its key features in the context of the development of veteran business were identified: a clear social orientation, the implementation of the principle of social responsibility, an innovative orientation, and the synergistic effect of combining the processes of professional adaptation of war veterans and the development of social entrepreneurship initiatives. Obstacles to the development of social business among war veterans were identified, including: problems with attracting financial resources, a lack of knowledge and information in the process of starting a business, and the problem of legislative consolidation of social entrepreneurship and veteran business. Promising areas for the development of social entrepreneurship among war veterans were identified, including: regulatory and legal, financial and economic, educational, and information and consulting. The practical value of the study was consisted in the development of recommendations and the identification of areas for the development of social entrepreneurship among war veterans, taking into account the realities of wartime in Ukraine

■ **Keywords:** veteran business; social business; professional adaptation; business initiatives; veteran policy

■ Introduction

The conditions for the functioning of the economy and the social sphere are characterised by an intensification of negative trends associated with the start of the full-scale Russian-Ukrainian war in 2022. These include rising unemployment and a growing imbalance between labour supply and demand in the labour market, a deterioration in household welfare, an increase in the number of Ukrainian citizens living below the poverty line, a decline in real incomes, rising inflation and depreciation of the national currency, the loss of labour and intellectual potential due to an increase in the number of emigrants, the internal

displacement of citizens to safer places, and negative demographic trends and processes (increased mortality, declining birth rates, ageing population, deterioration in the quantitative and qualitative structure). A separate problem is the issue of supporting those categories of citizens who need special protection in conditions of martial law – war veterans and their families. They are the ones who need help in reintegrating into civilian life, which requires professional, psychological and medical rehabilitation, as well as information and counselling assistance in resolving pressing issues facing war veterans and their families.

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The development of veteran entrepreneurial initiatives is not only an important priority for ensuring their professional reintegration, but also a tool for future economic recovery through the strengthening of economic activity and the development of small and medium-sized businesses as the basis for the stable functioning of the economy in the future. In the context of martial law and the prospect of Ukraine's post-war recovery, it is advisable to prioritise social entrepreneurship, which will become a leading factor in ensuring social security and the well-being of citizens, a source of solutions to pressing social problems, improving employment and filling the revenue side of the state budget by increasing tax revenues (Kadakure & Twum-Darko, 2024). Achieving a synergistic effect from the combination and development of two extremely important components – veteran business and social entrepreneurship – is of particular importance in this area. S. Bacq & E. Alt (2018), S. Teasdale *et al.* (2023) noted that the phenomenon of social entrepreneurship lies in taking into account the innovative component of business development. This is also mentioned in the work of P. Dickel & G. Eckardt (2020), whose research is devoted to highlighting the values of social entrepreneurship, taking into account relevant business models and strategies. Researchers Z. Xu *et al.* (2022) and F. Koehne *et al.* (2022) concluded in their work that social entrepreneurship, which combines the desire to solve social problems with market instruments, cannot be completely deprived of economic and social value.

The work of A.D. Berger (2020) provides a definition of the categorical apparatus in the field of social entrepreneurship. Particular attention is paid to the existing structures of business models used in the process of conducting social business and to defining the fundamental differences between social entrepreneurs and entrepreneurs who focus their activities on making a profit. Researchers V.P. Gorin & V.M. Bulavynets (2021), in addition to highlighting the theoretical aspects of social entrepreneurship, identify the prospects for stimulating the development of social business, arguing that despite the underdevelopment of the institutional environment, social entrepreneurship has a number of advantages, is an alternative to budgetary financing for meeting social needs, and contributes to the formation of social welfare. The work of authors H.M. Zavadskykh & V.M. Tebenko (2020) highlights the peculiarities of social business development from a practical point of view. In particular, it is determined that the main tasks in the process of developing social entrepreneurship in Ukraine are to improve the regulatory and legal framework, develop special programmes for lending and loan guarantees for organising and running one's own business, and promote social entrepreneurship among the population.

The problems of entrepreneurship development in conditions of economic and social instability were studied by T.V. Omelianenko & K.O. Korotkova (2020). They found that there are exogenous and endogenous factors that influence the development of entrepreneurship in Ukraine. Among the exogenous factors, the authors note the imperfection

of the tax system, economic instability and imperfect legislation, the lack of an effective mechanism for state support of small businesses, market monopolisation, corruption and bureaucracy. At the same time, endogenous factors include insufficient material and technical support for enterprises, ineffective management decisions, and the combination of several types of activities within a single small enterprise. The aim of the scientific article was to determine the theoretical and methodological foundations and develop practical recommendations for the development of social entrepreneurship among war veterans as a direction for their professional adaptation to civilian life in Ukraine.

■ Materials and Methods

The theoretical and methodological basis of the study was provided by fundamental aspects of modern economic knowledge on the development of social business, scientific works by scholars on social entrepreneurship and veteran business. The study used the method of analysis of scientific sources to identify the characteristics of social entrepreneurship. The works of A.Yu. Ramskyi (2023) and V. Kifiak & L. Malysh (2020) were analysed, which made it possible to identify the characteristic features of social enterprises. To study the current trends in the development of social entrepreneurship in Ukraine, the research of L.O. Valus (2023) was analysed. In order to study the characteristics of social business in the context of fulfilling a social mission and solving priority problems of society (employment of socially vulnerable categories of citizens, ensuring an effective institutional environment for the development of local communities, solving environmental issues, promoting a healthy lifestyle), the work of H.M. Zavadskykh & V.M. Tebenko (2020).

Among the general scientific methods used were analysis and synthesis, induction and deduction in the process of developing the scientific and theoretical basis and formulating conclusions and author's proposals. Generalisation and systematic analysis were developed in the course of systematising scientific approaches to highlighting the theoretical aspects of social entrepreneurship and veteran business. The classification and analytical method was used to substantiate the peculiarities of social entrepreneurship in the context of the development of veteran business. The comparative analysis method was used to assess current trends in the development of social entrepreneurship. In particular, the differences in the manifestation and functioning of social entrepreneurship and corporate social responsibility were analysed, and obstacles to the development of social entrepreneurship were identified, taking into account the peculiarities of the activities of social enterprises in modern conditions (in particular, data on the distribution of social businesses by type of activity and sources of financial resources). The prospects for social entrepreneurship in the context of developing entrepreneurial initiatives among war veterans were substantiated using the abstract-logical method and the method of systematic generalisation. As a result, problems were identified in the

process of attracting financing, a lack of knowledge and information regarding the development of entrepreneurial initiatives, as well as the legislative consolidation and regulatory framework for social business in the context of veteran entrepreneurship. In addition, the application of the above methods made it possible to substantiate promising areas for the development of social business among war veterans and their families.

The study included a content analysis of key regulatory and legal acts, in particular Draft Law of Ukraine No. 2710 (2015) and Draft Law of Ukraine No. 10258 (2023). The analysis made it possible to identify the main legislative approaches to defining the status of social enterprises, the principles of state veteran policy, and tools for supporting veteran businesses. Particular attention was paid to the policy documents of the Cabinet of Ministers of Ukraine (Veteran's Assistant ..., 2023, The government has approved the veteran policy strategy ..., 2024, Strategy for the formation of a system ..., 2024), which were identified as strategic guidelines for policy formation in the field of veteran entrepreneurship. The data obtained formed the basis for the construction of an analytical model of state support for veteran entrepreneurial initiatives.

■ Results and Discussion

According to estimates by experts and researchers, after the end of hostilities and the end of martial law in Ukraine, more than 4 million war veterans and their families will need special assistance and support from the state (Veteran's Assistant ..., 2023). In order to improve the effectiveness of the state support system for war veterans, work is underway to develop a whole range of policy and regulatory documents to facilitate the process of adaptation of demobilised military personnel and their families to life outside military service. At its meeting on 29 November 2024, the Cabinet of Ministers of Ukraine adopted the Veteran Policy Strategy for the period up to 2030 and approved a plan of measures for its implementation for 2024-2027. The strategy defines three strategic objectives, including: restoring the human capital and well-being of veterans and their families, respect and honour, and ensuring national security and defence capability. Objective No. 1 (restoring human capital and well-being) provides for the coordination of state veteran policy, the activities of service providers for veterans, ensuring the accessibility of services for the target audience; restoring and supporting the physical and mental health of veterans; supporting the families of war veterans, family members of deceased (deceased) Defenders of Ukraine (hereinafter referred to as family members); economic independence; state guarantees. Goal No. 2 (respect and honour) defines the need to form a social culture and conduct appropriate events aimed at ensuring respect for veterans, as well as honouring deceased veterans. Goal No. 3 (ensuring national security and defence capability) provides for the protection of the interests of veterans (combatants) and their family members during military service, including during service in the military reserve, the

participation of veterans and their family members in the preparation of national resistance (The government has approved the veteran policy strategy ..., 2024).

The development of veteran businesses is in line with strategic objective No. 1 in the context of economic independence and well-being for combatants, war veterans and persons with war-related disabilities. Another important policy document is the Strategy for the formation of a system of transition from military service to civilian life for the period up to 2032 (2024). It defines the priority goals and objectives, expected results from the process of socio-economic reintegration of war veterans and their families through the provision of social services, psychological assistance, medical and physical rehabilitation, professional adaptation and integration into civilian life. In 2021, work began on developing a strategy for the development of entrepreneurial initiatives for war veterans until 2030, The aim of this strategy is to ensure favourable conditions for encouraging the establishment and development of entrepreneurship among war veterans and to increase its competitiveness in order to solve the problem of reintegrating veterans into civilian life and to contribute to the achievement of Ukraine's sustainable development goals. The importance of this policy document lies in the fact that, among other areas, the strategy defines the improvement of the regulatory and legal framework for the development of entrepreneurial initiatives among war veterans and the promotion of veteran businesses in domestic and foreign markets (Draft strategy for the development of entrepreneurial initiatives..., 2024).

K. Bondarevska (2023) determined that a distinctive feature of the new veteran policy in Ukraine is its focus on establishing institutional foundations for the provision of high-quality services and the corresponding infrastructure, stimulating economic activity through the development of veteran businesses, and a number of other important areas (medical rehabilitation, providing opportunities for affordable housing and land plots, and honouring the military's achievements). It should be noted that the issue of developing entrepreneurship among war veterans and their families falls within the competence of both state and non-state structures. It is precisely because of this fact that the process of forming an effective mechanism for the development of veteran entrepreneurship is only possible through the joint interaction of the state, non-governmental institutions, and infrastructure entities, with the mandatory involvement of international support and the implementation of global experience.

Social entrepreneurship successfully combines the advantages of entrepreneurial activity, the professional fulfilment of war veterans and the resolution of pressing social issues. The fundamental difference between this type of business and other forms of entrepreneurial activity is its focus on achieving clearly defined social goals. Social entrepreneurship, like other types of business activity, is an important source of tax revenue, a tool for creating new jobs and restoring the economy in the long term.

Social entrepreneurship fulfils an important social mission, which, in addition to the above, contributes to social development, restoration and preservation of human potential through the realisation of needs for employment, improvement of material conditions, professional self-realisation, acquisition of new skills and experience.

At the same time, it is necessary to distinguish between the concepts of “social entrepreneurship” and “corporate social responsibility” (CSR). The main difference is that a social enterprise has a clear social orientation aimed at achieving a specific social goal. Meanwhile, when implementing the principles of corporate social responsibility, voluntary deductions from the profits of a business entity for social purposes are envisaged. It is appropriate to define social entrepreneurship as entrepreneurial activity aimed at implementing a clearly defined social mission and achieving social goals in the context of satisfying both the material and non-material needs of society. A similar point was made in a study by A.Yu. Ramskyi (2023), which defined social entrepreneurship as entrepreneurial activity aimed at solving social problems and contributing to the satisfaction of society’s needs. It can be said that social entrepreneurship is a unique opportunity to combine a social mission with the desire to earn money, provide a range of services and/or sell goods.

According to V. Kifiak & L. Malysh (2020), a social enterprise is a complex category that, on the one hand, defines the mission and direction of the enterprise and, on the other hand, the nature of business processes. In other words, social entrepreneurship is a new approach to the functioning and activities of both for-profit and non-profit organisations. Based on the theoretical justification of the essence of social entrepreneurship, it is advisable to identify

its key features, particularly in the context of the development of veteran businesses. These include: a clear social focus (solving social problems in society while achieving the social mission of reintegrating war veterans into civilian life); implementation of the principle of social responsibility, taking into account the prospects for improving the socio-economic situation in the country and post-war recovery; an innovative focus in the context of developing and implementing the latest approaches and tools in the process of conducting socially oriented entrepreneurial activities; the synergistic effect of combining and developing two extremely important components: the professional adaptation of war veterans and the development of socially oriented entrepreneurial initiatives.

In the work of L.O. Valus (2023) it was indicated that there are more than 1,000 organisations in Ukraine that can be classified as “social businesses” based on various criteria. From 2018 to 2024, the number of social enterprises grew by 82% (Social entrepreneurship in Ukraine..., 2020). The mission of the vast majority of social businesses in Ukraine belongs to the social sphere. This includes employment of socially vulnerable categories of citizens, creation of a favourable environment for the development of local self-government and local communities, promotion of a healthy lifestyle, and solving environmental problems. Social enterprises pursue their mission through various means and tools, including: selling their own products and providing social services, supporting projects in the social, sports, health, cultural and other spheres of activity, and providing jobs for people with disabilities and other socially vulnerable groups (Zavadskykh & Tebenko, 2020). At the same time, a single social enterprise may engage in various types of activities (Table 1).

Table 1. Results of the distribution of social enterprises by type of activity in 2020

Types of activities	Share of social enterprises (%)
Employment of socially vulnerable categories of citizens	35
Generating the profit for the organisation	24
Generating the profit for the service provision	19
Financing the certain types of services	14
Solving the environmental problems	8

Source: developed by the author based on Social entrepreneurship in Ukraine: Economic and legal analysis (2020)

The structure of social enterprises’ activities demonstrates a focus on addressing priority social issues through the active involvement of vulnerable groups in economic activities. This indicates the organisations’ desire to combine their social function with elements of economic independence. At the same time, less attention is paid to areas such as environmental responsibility or the provision of certain services, which may be a consequence of both limited funding and insufficient institutional support for relevant initiatives. The ratio between these types of activities indicates the dominance of short-term, practically oriented strategies over more comprehensive approaches to sustainable development. This situation highlights the need to expand support tools that would stimulate

the diversification of social entrepreneurship activities. The main ways of reinvesting profits from social business activities can be identified as follows: directing profits from activities to social goals (only a certain percentage is directed to the functioning/development of the business); partial reinvestment (only part of the profits are reinvested in social goals), which is more common for public and charitable organisations, in which case there is a combination of economic and social components; full reinvestment of profits from activities into the expansion of activities (a particularly common type of reinvestment for enterprises founded by persons with disabilities or other socially vulnerable categories of citizens) (Bondarevska, 2024).

75% of the funding for social enterprises comes from their own resources, 15% from grants and sponsorship contributions, and 10% from credit resources (Social entrepreneurship in Ukraine..., 2020). Business entities operating in the social business sector in Ukraine are financed by a regional fund, which is funded by the United States through the services of the United States Agency for International Development (USAID) Western NIS Enterprise Fund (WNISEF). Loans under the programme are provided at an interest rate of 5% to 10% per annum, with priority given to social businesses whose main focus is helping people affected by the war in Ukraine (like internally displaced people, people with war-related disabilities, low-income families, etc.) (Ukraine-Moldova American Enterprise Fund, n.d.).

It should be noted that there are a number of obstacles to the development of social entrepreneurship among war veterans. In addition to the problem of attracting financial resources, there is a lack of knowledge and information in the process of starting a business. According to the results of the national survey "The Needs of Veterans 2023", conducted on the initiative of the Ukrainian Veterans Fund, 63.6% of respondents among war veterans would like to engage in entrepreneurship, which indicates the importance of the need to develop entrepreneurial initiatives (The needs of veterans..., 2023). It is becoming increasingly important to train military personnel who have completed their military service in the basics of entrepreneurial activity, grant writing and the specifics of business planning. In 2023, the Ministry of Veterans Affairs of Ukraine launched the "Veteran's Assistant" project, which aims to help veterans adapt to civilian life and professional realisation by forming a new category of employees from among veterans and their family members who, based on the principle of "equal to equal", will help, inform and advise on social, economic, medical and other issues after the end of military service. The pilot project was launched in the summer of 2023 in the Dnipropetrovsk, Vinnytsia, Lviv and Mykolaiv regions, and in autumn 2023, local communities in Zakarpattia, Kyiv, Sumy, Poltava, Kharkiv regions and the city of Kyiv joined it (Veteran's Assistant..., 2023). In 2024, this project was transformed into a system for training and employing specialists to support war veterans and demobilised persons, who interact with veterans and demobilised military personnel after their return from the front in the form of individual support, initial counselling and comprehensive support for integration into civilian life. The relevant professional standard has already been updated and entered into the classification register. Training of specialists takes place at veteran development centres.

In the Dnipropetrovsk region, the function of training war veterans and their family members who work or plan to work as support specialists is performed by the Veteran Development Centre at the University of Customs and Finance. It provides professional training for veterans' assistants and, now, for specialists in supporting war veterans and demobilised persons, covering all aspects of case

management in supporting war veterans and demobilised persons, which enables them to carry out their professional activities. The main areas of the training programme include social and legal protection of war veterans, demobilised persons and their families, case management in working with war veterans, demobilised persons and their families, adaptation of war veterans and demobilised persons to life in the local community, professional documentation and reporting, and psychosocial support for war veterans, demobilised persons and their families. Among the important areas of training, a prominent place is given to familiarising war veterans with business financing opportunities and the specifics of starting their own business, grant programmes at both the national and international levels, and the regulatory and organisational foundations of doing business. Specialists supporting war veterans will be able to pass on all this knowledge to their clients in the course of their work, providing relevant information and advisory support on a peer-to-peer basis. Following the training of specialists in supporting war veterans and demobilised persons, successful training was conducted for specialists already working at the Administrative Service Centres and local government bodies of the territorial communities of the Dnipropetrovsk region (University of Customs and Finance, 2023).

Attention needs to be paid to resolving the issue of establishing a legislative framework for the development of veteran entrepreneurship, particularly in the social sphere. In Ukraine, an attempt was made to legislate social entrepreneurship by developing a draft law that defines this concept. According to Draft Law of Ukraine No. 2710 (2015), social entrepreneurship is a business entity whose priority is to achieve social goals and results, in particular in the medical and educational spheres, in the fields of science, culture, environmental protection, the provision of social services and social support to vulnerable groups of the population (people with disabilities, the poor, the unemployed, the elderly, internally displaced persons, etc.). At the same time, it is important to declare state support for social enterprises: tax incentives, incentives for investment activities, land issues, financial assistance, loans, support in placing state orders and implementing state target programmes, employment of socially vulnerable categories of citizens, etc. It should be noted that the above-mentioned draft law is still under consideration, similar to Draft Law of Ukraine No. 10258 (2023), which defines veteran entrepreneurship as independent, proactive, systematic, and risk-bearing economic activity carried out by veteran entrepreneurs with the aim of achieving economic and social results and generating profit. Separately, the draft law enshrines the concept of "veteran social entrepreneurship", which is "entrepreneurship aimed at achieving specific socially useful material or immaterial results aimed at solving social and/or environmental problems of certain categories of individuals or population groups". The following are among the main measures of state policy in the field of entrepreneurial initiatives of war veterans: tax incentives

for veteran businesses; priority involvement of business entities established by war veterans in the implementation of scientific, technical, and socio-economic programmes; state support through state lending programmes, partial compensation of interest rates on loans, guarantees for the fulfilment of loan obligations, repayable and non-repayable financial assistance, state support for the restoration and stabilisation of veteran entrepreneurship; development of infrastructure to support veteran businesses; involvement of international financial organisations in the preparation and implementation of investment projects by veterans' businesses; stimulation of the development of veterans' social entrepreneurship and a number of other important measures.

A pressing issue in the development of social entrepreneurship among war veterans is finding sources of business financing. Among the sources of financing for veteran businesses, the following should be highlighted: investments, crowdfunding, fundraising, grants, credits, and loans. The tools for attracting investment include active participation in business communities in order to find investors. Crowdfunding involves raising funds from a large number of donors through the use of special platforms (Crowdfunding vs. traditional fundraising..., 2021). Fundraising refers to a type of financing that raises funds for clearly defined socially significant goals for non-profit organisations. In this case, it is worth distinguishing between sponsors, donors and patrons: while a sponsor can be either a natural or legal person whose assistance may be free of charge and reimbursed for the dissemination or promotion of information about the sponsor, a donor is a natural or legal person who makes free contributions or provides competitive grant funding. A patron is a person who makes free donations. Grants provide funding for entrepreneurial initiatives through the involvement of public, private and international funds (grants are most often used when financing start-ups, small businesses and small-scale production). In terms of the use of credit and loan sources of financing, it is worth highlighting programmes for businesses, in particular, "Affordable loans 5-7-9%" and loans at 0% per annum. The most common sources of funding, particularly in the context of developing veteran initiatives, are grants related to opportunities to raise funds for the implementation of interesting and meaningful entrepreneurial ideas. In this area, both international and Ukrainian grant programmes supporting veteran businesses can be noted. Among the state programmes in effect for 2025 are the "eROBOTA" programme and microfinancing for businesses owned by veterans and their family members. Under the "eROBOTA" programme, veterans can receive a grant of UAH 250,000 to implement their own business ideas, while spouses of combatants can receive UAH 500,000. UAH 1 million for a war veteran who is already registered as an individual entrepreneur (IE) and has been operating for at least three years. For grants of UAH 500,000 and UAH 1 million, funding is provided on a percentage basis: the programme covers 70% of the project cost, and the grant recipient covers 30%.

A mandatory condition for receiving this grant is the creation of 1 to 4 jobs, depending on its type (eROBOTA..., 2023). The effectiveness of the programme is evidenced by the fact that between 22 July 2022 and 24 May 2023, 4,600 people received grants totalling 3 billion hryvnia to start and develop their own businesses, including 4,189 grants totalling 1 billion hryvnia. These are microgrants of up to UAH 250,000 (A study of post-war reconstruction initiatives, 2023).

Among microfinance programmes, it is worth noting the Ukrainian Veterans Fund programme to reimburse the cost of goods and equipment for war veterans and their families, as well as families of deceased military personnel, in the amount of UAH 20,000. Since the beginning of the war, grant competitions have been announced several times under the #VARTO programme on the initiative of the Ukrainian Veterans Fund. In the last competition under the #VARTO programme alone (from 27 June 2023 to 13 July 2023), the amount of funding ranged from UAH 500,000 to UAH 3 million (Worthwhile: Supporting veteran businesses, 2023). Among the international programmes, the following deserve attention: the EU's Single Market programme (Business Bridge and Erasmus for Young Entrepreneurs-Ukraine) with a budget of €4.2 billion; the European Union and Food and Agriculture Organisation of the United Nations (FAO) programme for entrepreneurs in Lviv, Ivano-Frankivsk, Zakarpattia and part of Chernivtsi regions, with funding ranging from \$1,000 to \$25,000; the USAID AGRO programme for the development of agricultural processing into products and biofuels, worth UAH 185 million, distributed among 10 sub-grants, taking into account co-financing; the USAID Competitive Economy of Ukraine programme for small and medium-sized women's and family businesses worth between \$10,000 and \$35,000, which is intended for relocation and development of entrepreneurial activity; grants from the European Bank for Reconstruction and Development (EBRD); a project by the Ministry of Agrarian Policy, the State Food and Consumer Service, and the Swiss Quality FOOD Trade Program in Ukraine, aimed at reviving organic dairy production in Ukraine; programs by the International Organization for Migration (A study of post-war reconstruction initiatives, 2023).

When looking at other countries and their experience in supporting entrepreneurial initiatives by war veterans, it is worth noting the positive experience of the United States. The vast majority of veterans in the United States are employed in small and medium-sized businesses, pay the vast majority of taxes and employ citizens. The state, in turn, supports veteran businesses through licensing and capacity building. War veterans receive free training in the basics of entrepreneurship from both government and non-governmental organisations. Another support tool is government contracts involving large enterprises. For example, if a large business entity fulfils a government order, it must include a representative of veteran entrepreneurship among its subcontractors. Each year, up to 3% of

annual federal procurement contracts in the United States are allocated to small veteran-owned businesses, and there are plans to increase this level to 20%. In addition, war veterans who are entrepreneurs receive comprehensive support from the state in the form of consulting, credit and loans, and grant financing. As of 2023, US veterans own more than 2.5 million companies, whose tax payments bring more than \$1 trillion to the state budget annually (Veteran business..., 2023). This experience demonstrates that, provided there is an effective support mechanism from the state and society, veteran entrepreneurship can not only develop but also benefit the state and its citizens. Expanding the list of components of state support in Ukraine and involving charitable and public organisations are all things that should be incorporated into Ukrainian practice. Promising areas for the development of social entrepreneurship among war veterans include regulatory and legal, financial and economic, educational, and information and consulting (Fig. 1).

Key aspects of veteran policy in the context of entrepreneurship development, employment and professional adaptation of war veterans are identified in the work of K.M. Kraus *et al.* (2023). Their study notes that there are two aspects to the development of veteran entrepreneurship in Ukraine: legislative (drafting a bill that will

enshrine the concept of veteran business in law) and practical (the use of financial instruments and levers of influence). Researchers R. Korinets & O. Protchenko (2023) believed that the basis for the development of business initiatives among war veterans is the importance of understanding the veteran environment and the need to assess veterans' readiness for entrepreneurship. In addition, the need to teach war veterans the basics of entrepreneurship and finding sources of funding is of particular importance. Researchers M. Bugera & A. Omelchenko (2024) defined veteran entrepreneurship as part of the important mission of reintegrating war veterans into civilian life and meeting the needs of veteran communities. The researchers noted the importance of state support in launching initiatives to support veteran entrepreneurship, educational activities for training veterans, the formation of a network support structure, psychological assistance and awareness raising. In a way, these facts correlate with the results of the study, but the difference lies in the identification of four areas of social entrepreneurship development, which, according to the authors, are multi-level in nature, as measures within them can be implemented at the state, regional and local levels. In particular, this study identified the importance of legislative, financial and economic, educational, informational and consulting directions.



Figure 1. Directions of the development for social entrepreneurship among war veterans

Source: developed by the author based on his own research

Researcher Ya. Tanchak (2024) identified the problems and obstacles faced by war veterans in the process of finding employment. These include a decline in employers' willingness to hire war veterans, a lack of opportunities for training and retraining, and the personal and psychological changes that military personnel undergo. It is considered appropriate to add to this list the challenges that war veterans face in starting their own businesses as a source

of professional fulfilment and financial security. These include problems with attracting financial resources, a lack of knowledge and information in the process of starting their own business, the need to resolve legal issues, and the problem of legislative consolidation of both social entrepreneurship and veteran business in Ukraine. O. Petryk (2022) noted that one of the modern tools for the professional realisation of war veterans is the establishment of

social businesses. In this regard, it is extremely important to develop an effective mechanism for state regulation of the functioning of such entrepreneurial initiatives, in particular through the clarity and quality of regulatory and legal regulation.

The results of the analytical report within the framework of the EU4Youth project – Unlocking the potential of young social entrepreneurs in Moldova and Ukraine (Social entrepreneurship in Ukraine..., 2020) deserve special attention. This study analysed the current socio-economic and legal status of social entrepreneurs in Ukraine, as well as alternative ways to improve the social entrepreneurship ecosystem in the context of improving interaction with the state. The importance of developing veteran businesses creates an objective need to develop prospects for entrepreneurial initiatives among war veterans. Their development is based on the results of a study of the needs of war veterans in Ukraine, which included such aspects as: studying the self-identification of war veterans in society, their attitude to benefits in the healthcare and medical services system, research into the financial security of veterans and their families, resocialisation through employment in civilian life, and the attitude of male and female veterans to participation in various political forces (The needs of veterans in 2023, 2023). An overview of some relevant international and Ukrainian programmes to support veteran businesses is provided in a study of post-war reconstruction initiatives in Ukraine (A study of post-war reconstruction initiatives, 2023). This research project, initiated by the Initiative Centre for the Promotion of Activity and Development of Public Initiatives “Yednannia”, was carried out by the Kyiv International Institute of Sociology as part of the project “Initiative for Sectoral Support of Civil Society in Ukraine”. In the future, it is planned to conduct our own research to identify the needs of war veterans in wartime conditions, particularly in the context of improving the well-being of veterans and their families, as well as updating existing programmes to support socially oriented veteran businesses. Given the numerous achievements of researchers in the field of social business and veteran entrepreneurship, it is worth noting that there is an urgent need to assess the current opportunities and future prospects for the development of veteran businesses, taking into account the risks and threats of wartime and the complex socio-economic situation in the country.

■ Conclusions

The development of social entrepreneurship, which is focused on achieving specific social goals and performing socially useful functions, is particularly relevant in times of war. As a result of the study, theoretical and methodological foundations were identified and practical recommendations were developed for the development of social entrepreneurship among war veterans in the context of the importance of their professional adaptation to civilian life in Ukraine. Among the key features of socially oriented veteran businesses, the following were identified: a clear

social focus, the need to adhere to the principle of social responsibility, innovative business ideas, and the achievement of a synergistic effect through the combination of two important components of socio-economic policy: the professional adaptation of war veterans and the development of socially oriented entrepreneurial initiatives. Among the obstacles to starting and running a social business among war veterans were noted: the need to find effective sources of funding, insufficient knowledge and information necessary to start one’s own business, and the problem of forming the legislative framework for the functioning of social business and veteran entrepreneurship. In order to develop social entrepreneurship initiatives among war veterans and their families, it is important to implement a set of legislative, financial and economic, educational, informational and consulting measures.

The legislative component of the measures included the formation of a legislative regulation mechanism through the adoption of draft laws “On Veteran Entrepreneurship” and “Social Entrepreneurship”. Financial and economic measures include finding and attracting international partners, using state programmes to financially support the development of veteran businesses, tax tools to support entrepreneurial activity, and implementing investment programmes for social enterprises. The educational component included training, retraining and professional development for war veterans in selected areas of educational training (in particular, at veteran development centres), the development and implementation of courses on starting and organising one’s own business, and training in the basics of social entrepreneurship. Strengthening cooperation between educational institutions and the State Employment Service, the Ministry of Veterans Affairs, state and local government bodies, charitable and public organisations. The informational and consulting area involves building entrepreneurial infrastructure based on the use of digital tools and the creation of special information platforms for current and future social entrepreneurs to exchange experience, ideas and consulting support.

Given the importance of preserving human potential in wartime and the need to address important social issues in society, it should be noted that the spread of social business practices among war veterans is one of the important factors in the recovery of the economy and the social sphere. The development of social business will not only contribute to the professional fulfilment of war veterans and the well-being of their families, but will also provide jobs for Ukrainian citizens (including socially vulnerable groups), help overcome the consequences of social threats, and ensure Ukraine’s post-war recovery. Further research should look at how to use the best international practices for developing social businesses and entrepreneurial initiatives by military folks who’ve left the service, taking into account the current situation in Ukraine.

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Соціальне підприємництво як напрям розвитку підприємницьких ініціатив ветеранів війни в Україні

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■ **Анотація.** Актуальність проблеми розвитку підприємництва задля покращення стану зайнятості та загальної економічної ситуації, підтримка категорій громадян, які потребують особливого захисту з боку держави в умовах воєнного часу (зокрема, це ветерани війни та їх родини), вирішення важливих соціальних проблем – все це визначає необхідність розвитку соціального бізнесу у контексті стимулювання підприємницьких ініціатив ветеранів війни. Наукова стаття була присвячена визначенню теоретико-практичних аспектів розвитку соціального підприємництва серед ветеранів війни у контексті їх професійної адаптації до цивільного життя в Україні. У результаті дослідження було висвітлено ключові особливості соціального підприємництва як напрямку розвитку підприємницьких ініціатив ветеранів війни, проведено огляд та оцінку сучасних тенденцій функціонування соціального бізнесу в Україні, визначено перспективи розвитку соціального підприємництва серед ветеранів війни в Україні. Виходячи із теоретичного обґрунтування сутності соціального підприємництва, було визначено його ключові особливості у контексті розвитку ветеранського бізнесу: чітку соціальну спрямованість, реалізацію принципу соціальної відповідальності, інноваційну спрямованість, синергетичний ефект від поєднання процесів професійної адаптації ветеранів війни та розвитку підприємницьких ініціатив соціального спрямування. Було відзначено перешкоди розвитку соціального бізнесу ветеранів війни, серед яких: проблеми залучення фінансових ресурсів, дефіцит знань та інформації у процесі започаткування бізнесу, проблема законодавчого закріплення соціального підприємництва та ветеранського бізнесу. Обґрунтовано перспективні напрями розвитку соціального підприємництва серед ветеранів війни, серед яких: нормативно-правовий, фінансово-економічний, освітній, інформаційно-консультаційний. Практична цінність дослідження полягала у розробці рекомендацій та визначенні напрямів розвитку соціального підприємництва серед ветеранів війни з урахуванням реалій воєнного часу в Україні

■ **Ключові слова:** ветеранський бізнес; соціальний бізнес; професійна адаптація; бізнес-ініціативи; ветеранська політика