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FEATURES OF BUSINESS RELOCATION IN WARTIME: EVIDENCE FROM UKRAINIAN ENTREPRENEURS

Анотація. Бойові дії та загроза окупації змушують бізнес переїжджати до більш безпечних регіонів. Це дослідження має на меті виявити детермінанти прийняття рішень, виклики і стратегії релокації та відновлення у новій локації, які пов'язані з операціями і командою. Для цього проаналізовано, оприлюднені на Інтернет-ресурсах напівструктуровані та нарративні інтерв'ю з представниками підприємств, релокованих у більш безпечні регіони України, та місцевої влади. Фінальна вибірка – 80 підприємств. Дослідження показало, що основними критеріями вибору нової локації (після безпеки) є зручна логістика і наявність відповідного майданчика для розміщення виробництва. Найбільшими викликами під час переїзду визнано небезпеку для життя, організацію транспорту та демонтаж/завантаження обладнання. З морально-психологічного погляду головна проблема полягала у переконанні працівників переїхати. Як наслідок, найбільшим викликом під час відновлення бізнесу у новій локації стало створення команди за відсутності місцевих працівників з відповідною кваліфікацією. Що стосується бізнес-стратегії у нових умовах, то основна тенденція така: великі компанії впроваджують інноваційні підходи до організації виробництва та управління, середні та малі підприємства змінюють асортимент або профіль діяльності, адаптуючись до потреб воєнного часу та/або приймаючого регіону. Дослідження виявило позитивний вплив релокації підприємств на економіку та інфраструктуру приймаючих громад. Більше того, є підстави стверджувати, що переміщення внаслідок війни значної кількості промислових підприємств у непромислові західні регіони України змінює економічну мапу України. Після війни український підприємець планує відновлювати рідний регіон, а відкрите у новій локації підприємство продовжить працювати як підрозділ. Ці висновки мають враховуватися урядом під час планування повоєнного відновлення. Крім того, у поточних умовах глобальної невизначеності щодо перебігу війни уряди та підприємства мають розробити плани дій на випадок екстрених ситуацій, які б містили опис політики підштовхування щодо своїх співробітників.

Ключові слова: релокація бізнесу, повномасштабна війна, безпека, стратегія, команда

JEL Classification: D22, R11, R30

Absztrakt. A katonai hadműveletek és a megszállás veszélye arra kényszeríti a vállalkozásokat, hogy biztonságosabb régiókba költözzenek. E tanulmány célja, hogy meghatározza a döntési meghatározó tényezőket, kihívásokat és stratégiákat az áttelepülés és a helyreállítás új helyre történő áthelyezésével kapcsolatban a műveletekkel és a csapattal kapcsolatban. E célból félig strukturált és narratív interjúkat elemeztek az Ukrajna biztonságosabb régióiba áttelepült vállalkozások képviselőivel és az interneten közzétett helyi hatóságokkal. A végső minta 80 vállalkozásból állt. A felmérésből kiderült, hogy az új helyszín kiválasztásának fő szempontjai (a biztonság után) a kényelmes logisztika és a termeléshez megfelelő helyszín rendelkezésre állása. Az áthelyezési folyamat során a legnagyobb



kihívásként az életveszélyes helyzeteket, a szállítási intézkedéseket és a berendezések leszerelését/elrakodását jelölték meg. Erkölcsi és pszichológiai szempontból a fő problémát az jelentette, hogy a munkavállalókat meg kellett győzni a költözésről. Ennek eredményeképpen a vállalkozás új helyen történő újraindítása során a legnagyobb kihívást a megfelelő képesítéssel rendelkező helyi alkalmazottak hiányában a csapatépítés jelentette. Az új környezetben az üzleti stratégiát illetően a fő tendencia a következő: a nagyvállalatok innovatív megközelítéseket vezetnek be a termelés és az irányítás terén, míg a közép- és kisvállalkozások a háborús idők és/vagy a fogadó régió igényeihez igazodva megváltoztatják termékínálatukat vagy profiljukat. A tanulmány megállapította, hogy a vállalkozások áthelyezése pozitív hatással van a fogadó közösségek gazdaságára és infrastruktúrájára. Továbbá okkal feltételezhető, hogy a háború következtében jelentős számú ipari vállalkozásnak Ukrajna nem ipari jellegű nyugati régióiba történő áttelepülése megváltoztatja Ukrajna gazdasági térképét. A háború után az ukrán vállalkozók azt tervezik, hogy újjáépítik szülőföldjüket, és az új helyen megnyitott vállalkozás egységként működik tovább. Ezeket a megállapításokat a kormánynak figyelembe kell vennie a háború utáni helyreállítás tervezésénél. Ezenkívül a háború lefolyásával kapcsolatos jelenlegi globális bizonytalansági környezetben a kormányoknak és a vállalkozásoknak olyan vészhelyzeti terveket kell kidolgozniuk, amelyek tartalmazzák a munkavállalók számára a ösztönzési politika leírását.

Kulcsszavak: üzleti áttelepülés, teljes mértékű háború, biztonság, stratégia, csapat

Abstract. Fighting and the threat of occupation are forcing businesses to move to safer regions. This study aims to identify the decision-making determinants, challenges and strategies of relocation and recovery in a new location related to operations and team. For this purpose, semi-structured and narrative interviews published on Internet resources with representatives of enterprises relocated to safer regions of Ukraine and local authorities were analyzed. The final sample is 80 enterprises. The study found that the main criteria for choosing a new location (after safety), are convenient logistics and the availability of a relevant site for locating production. When preparing for a move and during the move, the main problems are danger to life, organizing transport and dismantling/loading equipment. From a moral and psychological point of view, the main issue is to persuade employees to relocate. As a result, the biggest challenge when restarting a business in a new location was creating a team in the absence of local workers with relevant skills. As for business strategies in the new conditions, the main trend is this: large companies are introducing innovative approaches to organizing production and management, medium and small enterprises are changing their product range or activity profile, adapting to the needs of wartime and/or the host region. The study revealed the positive effects of relocating businesses on the economy and infrastructure of host communities. Moreover, there is reason to argue that the relocation of a large number of industrial enterprises to the non-industrial western regions of Ukraine due to the war is changing the economic map of Ukraine. After the war, the Ukrainian entrepreneur plans to restore his native region, while the enterprise opened in a new location will continue to operate as a division. These findings should be taken into account by the government when planning post-war recovery. Additionally, in the current climate of global uncertainty about the progress of the war, governments and businesses must develop contingency plans that include nudge policies for their employees.

Key words: business relocation, full-scale war, safety, strategy, team

Problem description. Russian aggression forced not only people to become refugees and internally displaced persons; businesses were also forced to leave the combat zone, front-line and occupied territories. “Russia left us no choice but to get together and almost completely move our enterprise to another region,” says the director of the enterprise relocated from the Donetsk region [1]. Under the government

Business Relocation Program, 840 enterprises moved to safer regions of Ukraine, of which 667 are already operating in a new location [2]. All stages of relocation – decision making, moving, recovery in a new location – are associated with material losses and psychological trauma. These immediate consequences of Russian aggression and the experiences of entrepreneurs must be documented and analyzed in order to become accessible and understandable to the global community. In this regard, the Ukrainian academic community faces the following tasks: (i) to contribute to the creation of a record of the Russian-Ukrainian War by collecting and systematizing materials documenting the experiences of relocation, resilience, and social responsibility of businesses during the war; (ii) describe the strategies and behavioral patterns of entrepreneurs who relocate their business during the war, at the institutional and sociocultural levels; (iii) summarize best practices in business relocation and its support by local governments in host regions. This paper is, apparently, the first in the designated field.

Literature review. Previous studies mainly focus on identifying the determinants of the decision of intra-country or international relocation. Obviously, these factors depend on the reason for the relocation. In peacetime, the relocation of enterprises is caused by the search for more favorable conditions for operating and doing business. Therefore, companies' relocation decisions are influenced by the availability of a workforce with appropriate skills [3], as well as low taxes, especially when combined with the geographical proximity of the destination country [4]. But there is no doubt that uncertainty negatively affects the likelihood of moving [5]. At the same time, the decision to relocate depends on the type of company. For example, firms belonging to multinational groups are more likely to move their operations to another country [5].

Knowledge-intensive companies tend to leave states with a higher share of manufacturing for states with a smaller share, but choose to move to states where employment is more concentrated in manufacturing [6].

However, in wartime, the relocation of enterprises is a special form of relocation, since it is forced. Its main factor is the search for a safe region, other factors are secondary. The topic of business relocation during the war has become the subject of discussion in the Ukrainian academic community. Scientists focus on developing relocation strategies [7, 8] or methodological support for management decision making [9].

However, these works are theoretical in nature and do not take into account the experience of entrepreneurs who relocated their businesses. While oral histories of business relocation must be documented and studied to understand the social and economic consequences of modern full-scale war.

Research goal: To investigate wartime business relocation and identify the decision-making determinants, challenges and strategies of relocation and recovery in a new location related to operations and team.

Methodology and Data. In our opinion, the purpose of this explanatory research dictates the use of oral history and interview methods. However, due to the limitations caused by full-scale war, we were forced to use document analysis and a convenient



non-probability sampling method. Therefore, we collected semi-structured and narrative interviews (one-time and multiple-time) published on Internet resources with the owners and managers of relocated enterprises. We also collected interviews with representatives of regional military administrations and local governments, since they have high knowledge about the problems and activities of enterprises relocated to their regions. The interview publication period is from April 2022 to December 2023. The final sample size is 80 enterprises. Table 1 shows that the sample is sufficiently representative of the enterprise relocation structure.

Table 1.
Distribution of regions among the final sample of relocated enterprises and in Ukraine*

No. (%) of relocated enterprises in the final sample					No. (%) of relocated enterprises in Ukraine		
Origin region		Host region					
Kharkiv	17	Lviv	23	28.8%	199	26.5%	
Donetsk	16	Chernivtsi	10	12.5%	78	10.4%	
Kyiv	16	Ivano-Frankivsk	10	12.5%	70	9.3%	
Zaporizhzhia	9	Dnipropetrovsk	7	8.8%	65	8.7%	
Luhansk	9	Vinnytsia	7	8.8%	43	5.7%	
Kherson	5	Zakarpattia	7	8.8%	120	16.0%	
Dnipropetrovsk	3	Khmelnyskyi	5	6.3%	62	8.3%	
Chernihiv	3	Cherkasy	4	5.0%	24	3.2%	
Mykolaiv	2	Kirovohrad	2	2.5%	17	2.3%	
		Ternopil	2	2.5%	51	6.8%	
		Volyn	2	2.5%	18	2.4%	
		Odessa	1	1.3%	3	0.4%	
N	80	N	80	100%			
No. (%) of relocated enterprises in sample regions and total					89.3%	750	840

* Source: author's development using data [2]

Results and discussions. The results of the study are presented according to the stages of enterprise relocation.

1. Deciding on relocation and searching for a new location

1.1. Why/how was the decision to relocate made? (Multiple response). The answers to this question were distributed as expected. 48 respondent enterprises indicated “Danger to workers, destruction of production facilities due to hostilities/shelling” as the reason. Every fourth enterprise names either “Temporary occupation” or “Proximity to an active combat zone, in addition to physical danger, creates problems with logistics, raw materials, and sales markets”; and 9 – “Risk of occupation”. That is, 29 enterprises (36%) a priori deny the possibility of cooperation with the occupation authorities.

1.2. Have you prepared for relocation in the event of a full-scale war? So, the decision to move has been made, but has a relocation plan been developed in advance? “No, “we didn’t believe in it, so we didn’t have any plans to move before the first day

of the invasion,” 68% of respondents answered approximately like this. 25% prepared partially, that is, at the level of “they started withdrawing cash in 2 weeks”, “filled the tanks full with gasoline”, etc. Only 8% said: “Yes, “before the outbreak of a full-scale war, we developed an action plan in the event of an emergency”. The distribution of answers does not depend on the region, nor on the size and type of business. Even those for whom this was already the second (after 2014) relocation did not believe in a full-scale war and did not plan a new relocation. But, as the CEO of the Foxtrot retail chain, where the plan was developed, emphasizes, “it needed to be adjusted to take into account the real scale of the invasion” [10].

1.3. Did you take advantage of the government's Business Relocation Program when making a decision on relocation? Only 22% of enterprises used the government program when deciding on relocation. The main reason is that the government also did not have a pre-designed business relocation program. Therefore, in the chaos of the first weeks of the war, entrepreneurs began to independently look for ways to save their business. A representative of the Zakarpatska Regional Military Administration recalls [11] that “this was all done by phone call”. They called and said: “Find me a site, find me a warehouse.” “It was un-systematized mutual assistance.” Only in mid-March did the government develop a Business Relocation Program and then a corresponding online platform. And “... everything worked like a system. The entrepreneur indicated the requirements, then business support departments were involved, and a dialogue ensued” [11]. As the top manager of the relocated enterprise said [12], “... they called us by phone from literally every region, they sent us options, data on sites ...”.

1.4. Why did you choose this particular city (village) for business relocation? Figure 1 shows that the Top 2 selection criteria are: (i) Convenient logistics/geographical location (for some it is the proximity of the border with the EU, for others it is the central regions, because “you can get anywhere in one day”, or proximity to their region); (ii) Availability of a site for production facility. It should be emphasized that 18% indicated as a selection criterion “Mutual understanding with the local authorities regarding the location of production and housing for employees.” “I filled out the form at 7:30 p.m., and already at 8 p.m. Lyuba from the city council in Khotyn called and said: “We want to see your enterprise with us.” ... And then I realized that the city was interested in me as a manufacturer,” says director of LXL Enterprise LLC [13].

1.5. What type of relocation did you choose? 54% of enterprises carried out a complete relocation, 29% – partial, and 17% – mixed (opening a new division with the relocation of part of the staff). It is obvious that entrepreneurs chose the type of relocation based on their own judgments about the progress of the war and the possibilities of transporting equipment.

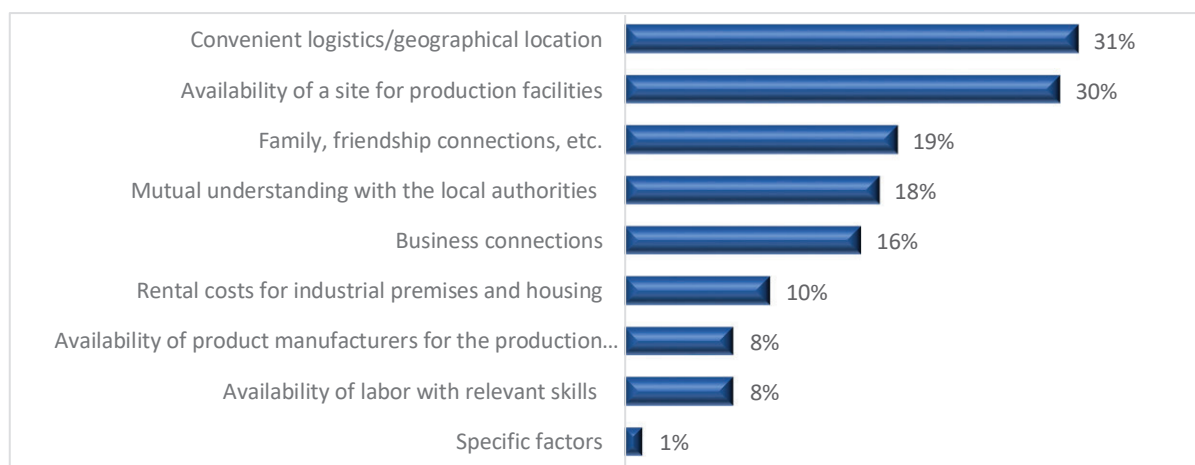


Fig. 1. Distribution of answers to the question: Why did you choose this particular city (village) for business relocation?*

*Multiple response other than safety

2. Moving.

2.1. *What was the hardest/scariest part about moving your business?* For 25% it is Preparing to move under shelling and close combat. The following are the answers: Evacuation under fire (19%), Dangerous, difficult and long road (18%), It was difficult to organize transport (15%), It was difficult to dismantle and load equipment (14%). For 13% of enterprises there was no transportation as such; they say that “everyone here started from scratch.” However, 21% of entrepreneurs do not share their experiences.

2.2. *Were you able to relocate your company team?* The most painful topic is maintaining the team. Only 2.5% of enterprises transported almost their entire staff and families. 47.5% of enterprises moved less than 10% of their employees (“Out of 900 workers, I moved only 7” [14]), 36.25% – less than 50%, and 37.25% – more than 50% of their employees. It is difficult to persuade people to leave their homes. Here is how the director of Neverdark LLC talks about it [14]: “I wanted to move production facilities even before the war, when conversations began about a possible invasion. But the employees did not want to leave, they did not believe that the war would start. And when the war started, they didn’t want to go because they didn’t understand where. ... Therefore, first the company management had to find a relocation location, take photographs, shoot a video of where they would work and live, and show all the conditions to the employees. And only then they said ok, we are ready.” Of course, there are many personal reasons for not relocating with your business. But, for example, an interview [15] with the director of the Branch of UBS Retail PRJSC Ukpostach confirms the conclusions of previous studies about the dependence of the decision to evacuate on the level of education: “As for management and engineers, 99% of them moved with the enterprise to Vinnytsia. While only 15% of the workforce agreed to leave the Kharkiv region, along with the plant.”

2.3. *Were you able to transport the equipment (raw materials, finished goods) in full?* Only 22% of enterprises were able to remove equipment (raw materials, finished goods) in full, 68% were able to remove it partially, and 10% report that nothing was taken out.

2.4. *For what reasons did the enterprise not transport equipment (raw materials, finished goods) in full?* (Multiple response; a question for those who did not transported the equipment in full). Firstly, 60% of those enterprises that did not transport equipment in full initially decided on partial or mixed relocation. Others report the following reasons: We didn't have time (the territory was temporarily occupied) (29%), Large equipment (difficult to dismantle and transport) (18%), Physical loss due to shelling (16%), Dangerous or impossible (due to siege) to transport (13%), Lack of infrastructure for relocation (2%), Transport restrictions (2%). For example, the director of AGK Ukraine LLC says [16]: "We did not have the opportunity to relocate from Rubizhne, because since February 24 there have been fighting and heavy shelling in the Luhansk region, so we are creating capacities from scratch. When we decided to go, there were two things that could be taken – personal belongings and company developments."

2.5. *How was the equipment (raw materials, finished goods) transported?* (Multiple response; a question for those who transported the equipment). Figure 2 illustrates the distribution of answers to this question. Only 21% of enterprises managed to transport their property via Ukrzaliznytsia and/or Ukrposhta trucks under the relocation program, free of charge. Why so few? Firstly, the program started almost a month after the start of a full-scale war. Secondly, at the beginning of the program it was necessary to "get in line, wait, but we no longer had time," entrepreneurs say. Thirdly, the program operates only where there are no active hostilities, so "we were refused." 8% of enterprises transported equipment themselves, but received compensation under the Program. The director of TD Kontakt LLC says [1] that they "paid astronomical amounts of money", "but the state really returned the money spent to us. Not all, but 75%, but this is a really crazy amount." However, 74% of enterprises were not receiving compensation at the time of the interview.

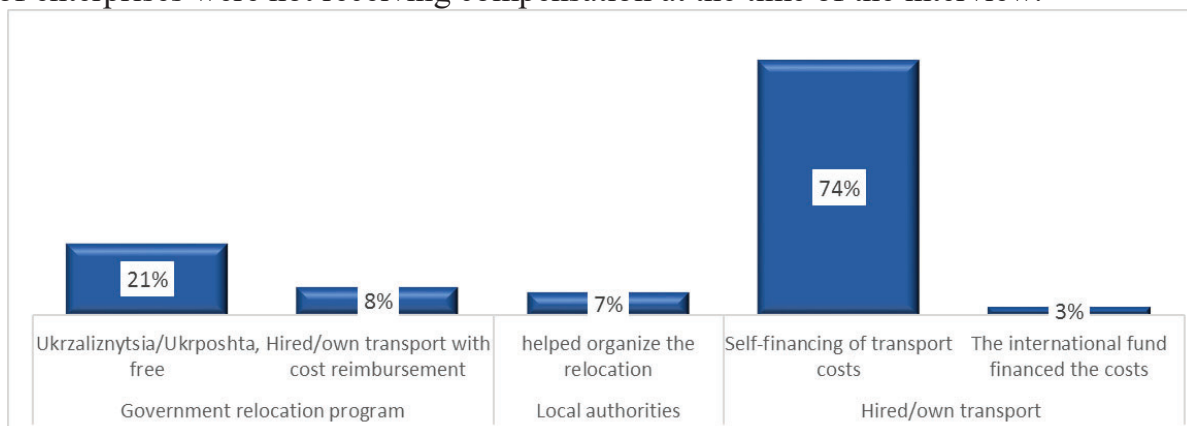


Fig. 2. Distribution of answers to the question: How was the equipment (raw materials, finished goods) transported?*

*Multiple response; a question for those who transported the equipment, etc.

3. Business recovery in a new location.

3.1. *What challenges did you face, what was the most difficult for you during the recovery of the business in a new location?* The move resolved the safety issues, but in the new location new difficulties arise both with the resumption of the enterprise’s activities and with the restoration and adaptation of its employees. “Unfortunately, everyone is in such a deep psychological hole that even those who moved to Ivano-Frankivsk work at 30-50%,” explains the founder of Collar Company LLC [17]. As the distribution of answers in Figure 3 shows, for 35% of enterprises the main challenge is “Assemble a team”.

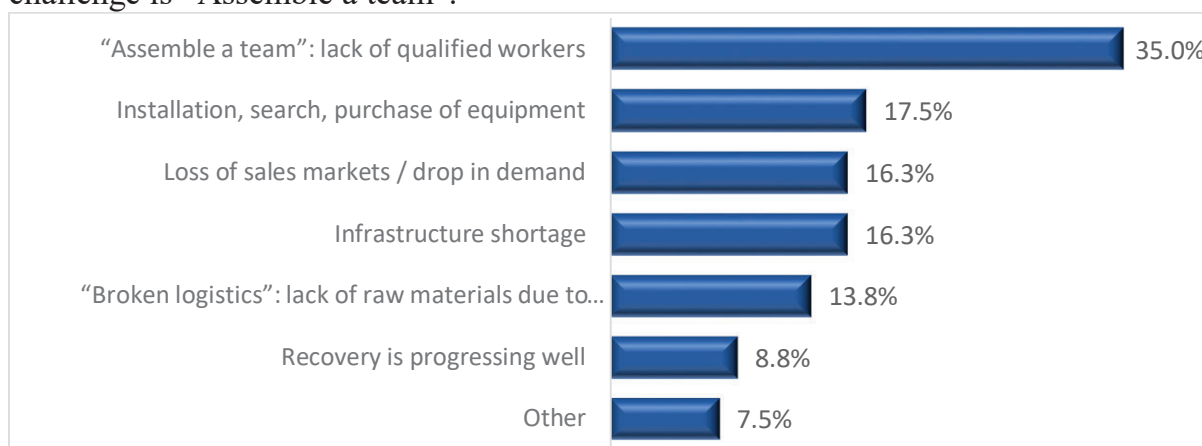


Fig. 3. Distribution of answers to the question: What challenges did you face, what was the most difficult for you during the recovery of the business in a new location?*

*Multiple response other than limited budget

As can be seen from Figure 1, only 8% of enterprises named “Availability of labor with relevant skills” as a criterion for choosing a new location, while 47.5% moved less than 10% of their employees. But, unlike the eastern regions of Ukraine, the western regions are not industrial, so the problem of training arose, and this is not a quick process. For the same reason, there is a shortage of industrial and warehouse infrastructure, which was named by 16%. Loss of sales markets, falling demand, “broken logistics” are national challenges in conditions of a full-scale war. For instance, the co-founder of TM Be Easy says [18]: “Demand for children’s and adult clothing has decreased significantly because the lion’s share of potential customers has moved abroad.” However, almost 9% of entrepreneurs say that everything is going well.

3.2. *What business recovery strategy have you chosen?* (multiple response). The war taught people and businesses to find opportunities in change and do things they would not have thought of before. Table 2 shows that only 61.3% of enterprises maintained their product range. Other enterprises, due to shrinking sales markets in Ukraine, changing needs or capabilities in wartime, change their assortment or even profile. As the director of Olmek PE says [19]: “Previously, we repaired mine equipment. After the relocation, we repurposed ourselves for the utility sector.” “We faced a challenge – we have neither a production facility nor warehouses. There is

nothing but a brand and a part of people,” says CEO Chumak PJSC [20]. In order not to lose this, Chumak produces goods at the facilities of competitors in Ukraine and abroad. Relocated enterprises are ready to experiment, for example, Suziria Group [12] introduced a lean-approach (of Toyota) to organizing production in a new location, and Foxtrot [10] decentralized management.

Table 2.

Distribution of answers to the question: What business recovery strategy have you chosen? (multiple response)*

Business recovery strategies/approaches	No. (%) of enterprises
Maintaining product range	49 (61.3)
Production of new types of products while maintaining the main range	21 (26.3)
Entering foreign markets	18 (22.5)
Re-profiling of activities	10 (12.5)
Territorial diversification	8 (10.0)
Introduction of innovative approaches/technologies	6 (7.5)
Price-quality optimization	3 (3.8)
Outsourcing	2 (2.5)
Production of products at the facilities of competitors/partners	2 (2.5)
Concentration of production processes within a production group	1 (1.3)
Restructuring of warehouse logistics	1 (1.3)
Reformatting of the management system	1 (1.3)
Business process update	1 (1.3)
Merging a business with similar internally displaced persons-entrepreneurs	1 (1.3)

* Source: author's development

3.3. How was the issue of housing for employees and their families resolved? Managers and owners of enterprises are developing their own strategies to support the team in the new conditions. First of all, regarding the housing of relocated workers. For many, this is a painful and sensitive topic, which is why 43% of those who managed to relocate their employees avoided it. 19% reported that local authorities helped resolve this issue at least initially. But employees of 26% of relocated enterprises rent housing, although some enterprises reimburse these expenses. In addition, if the premises allowed, then living rooms, an office and production were located together (11%) or accommodation was organized in a hostel/hotel (4%). One enterprise builds housing for employees at its own expense.

3.4. How does the company take care of its employees in the new conditions? The distribution of responses in Figure 4 shows that the managers of 21% of the relocated enterprise took care of housing for employees in some form, 19% did not fire employees, and 11% did not reduce wages. “Now we are taking “stupid” steps from a business point of view, supporting employees with loan funds, but tomorrow this will save the company,” says the founder of Collar Company LLC [17].



Fig. 4. Distribution of answers to the question: How does the company take care of its employees in the new conditions?*

*Answers from those who were able to relocate employees

3.5. *Have you hired employees from the local community?* Given the shortage of their own workers, relocated enterprises hire both local residents and internally displaced persons (IDPs). At the time of the interview, 71% of relocated enterprises employed their own employees, local residents and IDPs; 16% – only their own employees; and 13% – only local residents and IDPs (their employees have not relocated).

3.6. *Who helped in business recovery?* As can be seen from Figure 5, the relocated enterprises were not left alone with their problems. “Changing the direction of work is also an extraordinary challenge. But thanks to the support of the Canadian Project We Prosper, the Rural Women Business Network and friends, we successfully overcame difficulties and gained enormous experience and knowledge,” says the co-owner of the farm [21]. 43% of business executives report assistance from local authorities, such as: searching for relevant production facilities, providing rental benefits, and grant programs. The most advanced in this sense is the Lviv Regional Military Administration, which has developed two grant programs for financial support for relocated businesses.

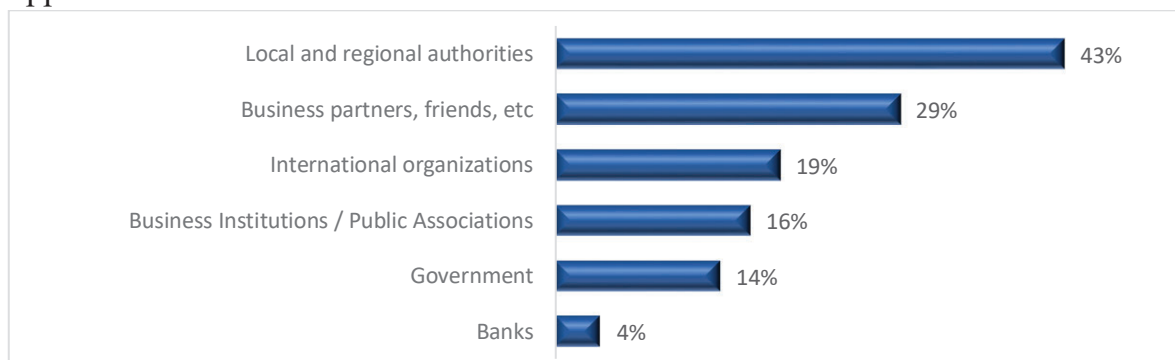


Fig. 5. Distribution of answers to the question: Who helped in business recovery?*

*Multiple response

3.7. *How does a relocated business affect the economy and livelihoods of the host community?* The relocation of enterprises cannot be understood as a way to save one's own business. This is responsibility for your employees, this is support for the national economy in times of war, this is a positive impact on the economy and livelihoods of host communities.

What does it consist of? "Creation of new jobs" and "Taxes to the local budget" are primarily mentioned by the managers/owners of enterprises and representatives of local authorities when talking about these enterprises (Fig. 6). 35% of relocated enterprises reduce the burden on communities by employing IDPs; 30% – revitalize abandoned industrial and commercial buildings; 26% are restoring the economies of Western regions after the deindustrialization of the 1990s. The activities of 5% of enterprises are aimed at solving environmental problems.

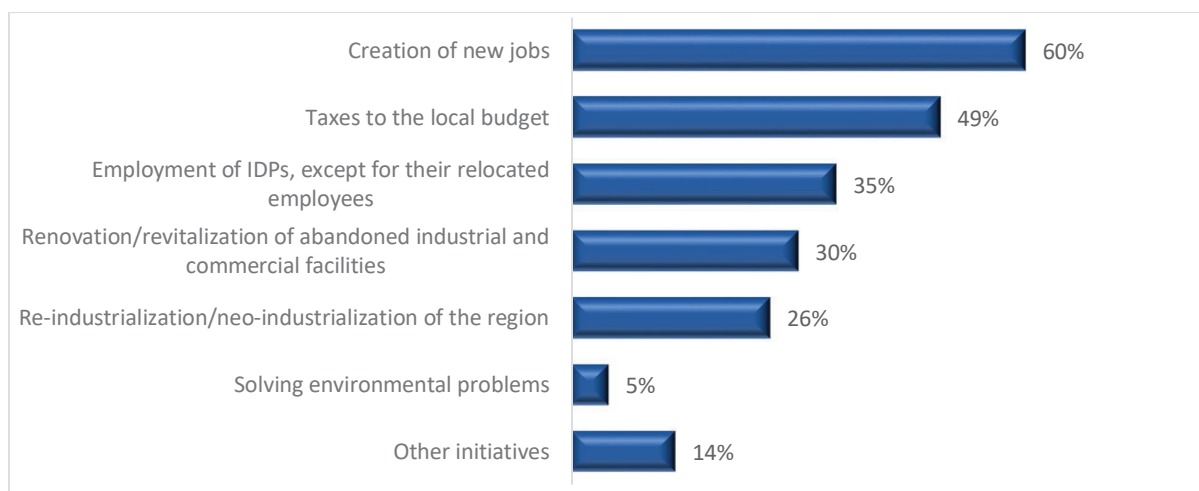


Fig. 6. Distribution of answers to the question: How does a relocated business affect the economy and livelihoods of the host community?*

*Multiple response

4. Plans for "tomorrow" and for "after the war"

4.1. *What are your plans for the short and medium term?* Entrepreneurs from our sample are predominantly optimistic and quite willing to share their plans (Fig. 7).

First of all, this is scaling the business and entering the foreign market. According to entrepreneurs, this is facilitated by receiving grants. At the same time, 18% of entrepreneurs plan to resume production/services that were suspended due to lost production capacity and lack of funds, and 15% plan to ensure the sustainable functioning of the part of the enterprise that remained in the front-line zone. This demonstrates the desire to return to their hometowns and revive them after the war.

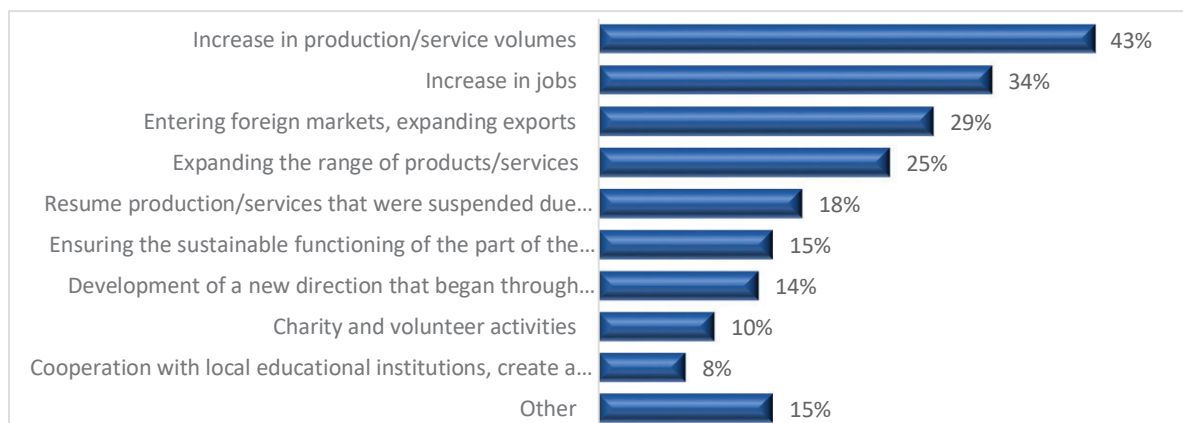


Fig. 7. Distribution of answers to the question: What are your plans for the short and medium term?*

*Multiple response

4.2. *Do you plan to stay in the new location after the war?* Now there is a lot of talk about the return of refugees/IDPs home, about “who will restore the destroyed Ukraine after the war.” Our research finds that only 22.5% of entrepreneurs plan to stay in the new location in full, the rest are determined to return and revive their hometowns (Fig. 8). But in 47.5% of cases, an enterprise opened in a new location will continue to function as a division. It should be noted that 6 enterprises from our sample have already decided to return. Some were unable to cope with the difficulties that were discussed, while others want to support their region now, even though it is dangerous there. The CEO of Ukrainian Scale Company LLC says [22]: “Now we will return production facilities, although previously there was an opinion – only after the Russian Federation disappears. We believe that our plant in Kharkiv will most likely be underground.” This is “the patriotism of a Kharkiv resident and the convincing motivation of international investors. If external global investors see prospects in Kharkiv, then it will be strange if we don’t see it.”



Fig. 8. Distribution of answers to the question: Do you plan to stay in the new location after the war?

Conclusions and prospects for further research. With this study, we contribute to the underdeveloped literature that examines business relocation during war. Unlike business relocation in peacetime, in wartime relocation is forced and the main factor in the decision to relocation is the search for a safe region, while the

decision is made in unsafe conditions and with limited time. The next criteria for choosing a new location are convenient logistics and the availability of a relevant site for locating production. Availability of workers with relevant skills is not a priority for most entrepreneurs, which also differs significantly from the findings of previous studies. When preparing for a move and during the move, the main problems are danger to life, organizing transport and dismantling/loading equipment. From a moral and psychological point of view, the biggest problem is to persuade employees to relocate: the fear of the unknown demotivates people. As a result, the biggest problem when restarting a business in a new location is creating a team in the absence of workers with relevant skills. As for business strategies in the new conditions, the main trend is this: large companies are introducing innovative approaches to organizing production and management, medium and small enterprises are changing their product range or activity profile, adapting to the needs of wartime and/or the host region. The study revealed the positive effects of relocating businesses on the economy and infrastructure of host communities. Moreover, there is reason to argue that the relocation of a large number of industrial enterprises to the non-industrial western regions of Ukraine due to the war is changing the economic map of Ukraine. After the war, the Ukrainian entrepreneur plans to restore his native region, while the enterprise opened in a new location will continue to operate as a division.

The latest findings should be taken into account by the government when planning post-war recovery. Additionally, in the current climate of global uncertainty about the progress of the war, governments and businesses must develop contingency plans that include nudge policies for their employees. Generalization and systematization of the experience of Ukrainian entrepreneurs in this study should help when planning relocation. Further activities of the government and local authorities should be aimed at supporting relocated businesses in various forms. Therefore, future research will focus on identifying the determinants of business development and integration into the host business environment by type of economic activity and enterprise size.

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