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CHALLENGES OF INTERNALLY DISPLACED ENTREPRENEURS IN SMALL MACHINE-BUILDING ENTERPRISES IN DNIPO

Dnipro, one of Ukraine’s major industrial centres, has become a destination for entrepreneurs displaced by the Russian invasion and occupation of Melitopol. In April 2024, a small enterprise specialising in the production and repair of turbines relocated from Melitopol to Dnipro. Forced to abandon its facilities and networks, the enterprise had to rebuild operations from the ground up. This case illustrates both the resilience of Ukraine’s industrial sector and the formidable challenges faced by internally displaced persons (IDPs) in restarting businesses under conditions of war.

The turbine enterprise relocation meant losing machinery, established supply chains, and long-standing client relationships. In Dnipro, the producers had to secure new premises, purchase equipment, and re-establish trust with customers. Beginning anew required extraordinary perseverance and highlighted the vulnerability of industrial enterprises uprooted by conflict.

Without collateral or established networks in Dnipro, the enterprise struggled to access credit. Reliance on personal savings and limited grants restricted modernisation and expansion. Financial insecurity left the business at a disadvantage compared to established competitors.

Machine-building enterprises depend on stable electricity, transport, and supply chains. Relocated producers faced logistical bottlenecks and shortages, particularly in sourcing raw materials. These disruptions slowed production and made it difficult to meet client demands.

Displacement scattered skilled workers. The turbine enterprise had to recruit and train new staff in Dnipro, often while coping with shortages of specialised expertise. This slowed recovery and required additional investment in workforce development.

Registering the enterprise, obtaining licenses, and navigating taxation in a new city posed significant obstacles. IDPs unfamiliar with Dnipro’s bureaucratic environment faced delays and administrative burdens that consumed valuable time and resources.

Rebuilding reputational capital was another challenge. The turbine enterprise had to reintroduce itself to Dnipro’s industrial ecosystem, competing with established firms for contracts. Without long-standing networks, securing stable markets proved difficult.

The trauma of displacement compounded these challenges. Entrepreneurs carried the emotional weight of losing their hometowns while simultaneously shouldering the responsibility of rebuilding businesses. This stress affected risk-taking, planning, and long-term vision.

Supporting IDP-led machine-building enterprises is vital for both humanitarian and economic reasons. Policies should focus on: targeted financial support and microcredit programmes, simplified registration and licensing procedures for displaced businesses, training and workforce development initiatives, and networking platforms to connect IDP producers with local and international markets.

The story of the turbine enterprise that relocated from Melitopol to Dnipro in April 2024 exemplifies resilience in the face of adversity. Their challenges – financial, infrastructural, human, and psychological – are immense, yet their determination underscores the potential of displaced communities to contribute to Ukraine’s industrial recovery. With coordinated support, such enterprises can transform displacement into opportunity, strengthening both Dnipro’s economy and Ukraine’s path toward resilience.