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INSTITUTIONAL AND ADMINISTRATIVE-LAW FRAMEWORK FOR EXTRAJUDICIAL PROTECTION OF BUSINESS ENTITIES IN THEIR RELATIONS WITH PUBLIC ADMINISTRATION

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Abstract. This article examines the administrative and legal framework governing the system of subjects exercising extrajudicial control over public administration in the field of entrepreneurial activity in Ukraine. The relevance of the topic is determined by the growing importance of ensuring effective protection of business entities in their interactions with public authorities under conditions of administrative reform, digital transformation, deregulation, and European integration. Particular attention is devoted to the role of non-judicial mechanisms capable of ensuring prompt, accessible, and procedurally flexible protection against unlawful administrative decisions, actions, or omissions. The study conceptualizes extrajudicial control as an autonomous administrative-law institution comprising a system of institutional and procedural mechanisms, including internal administrative review, administrative appeal, the Business Ombudsman, participatory oversight, and alternative dispute resolution instruments. It is argued that the effectiveness of these mechanisms depends not only on their formal legal existence but also on institutional independence, procedural accessibility, legal certainty, digitalization, transparency, and public trust. The article identifies the principal systemic weaknesses of the current Ukrainian model, including fragmented legal regulation, overlapping institutional competences, weak procedural standardization, limited enforceability of certain complaint mechanisms, insufficient digital integration, and low awareness among business entities regarding available remedies. The scientific novelty of the study lies in the doctrinal conceptualization of extrajudicial control in entrepreneurial governance as an independent administrative-law institution and in the development of a classification model of the relevant subjects according to legal nature, competence, institutional independence, legal consequences, and procedural mode of operation. The practical significance of the research lies in the possibility of applying its conclusions to improve legislation on administrative procedures, complaint mechanisms, business protection institutions, mediation, and the digitalization of administrative remedies in accordance with European standards of good administration and good governance (Council of Europe, 2007; European Commission, 2023).

Keywords: extrajudicial control, public administration, entrepreneurial activity, administrative appeal, business ombudsman, administrative procedure, public oversight, business protection.

JEL Classification: K23, K20, D73, H11, L51, O17

1. Introduction

In the contemporary development of public administration, the effective protection of the rights and legitimate interests of business entities in their interactions with public authorities has become a matter of both doctrinal and practical significance (Averyanov, 2004-2005; Bevzenko & Panova, 2018). In Ukraine, this issue has acquired particular urgency in the context of administrative reform, digital transformation of public services, deregulation processes, the need to improve the business climate, and the implementation of European standards of good governance within the public administration system.

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Entrepreneurial activity remains one of the spheres most directly affected by administrative decision-making. Licensing procedures, permitting systems, tax administration, customs control, inspections, regulatory enforcement, land administration, public procurement oversight, and registration procedures create intensive and continuous interaction between business entities and public administration bodies. Under such conditions, the quality, legality, and predictability of administrative decisions directly influence economic security, investment attractiveness, and the overall effectiveness of economic governance.

At the same time, the practical functioning of public administration in Ukraine demonstrates the persistence of substantial institutional and procedural challenges. Excessive bureaucratic formalism, fragmented administrative procedures, duplication of supervisory competences, procedural opacity, broad administrative discretion, delays in complaint review, and insufficient procedural guarantees continue to create significant barriers to entrepreneurial activity. As a result, business entities are often compelled to resort to judicial proceedings even in situations where effective non-judicial administrative remedies should be available.

Against this background, extrajudicial control over public administration becomes a particularly important component of contemporary governance. Unlike judicial protection, which frequently involves substantial financial costs, procedural complexity, and lengthy proceedings, extrajudicial mechanisms may offer more accessible, prompt, and flexible instruments for restoring violated rights, preventing abuse of administrative power, and strengthening administrative accountability.

The development of such mechanisms corresponds to broader European administrative standards, particularly legality, proportionality, transparency, accountability, legal certainty, procedural fairness, and effective protection of private rights (Council of Europe, 2007; European Code of Good Administrative Behaviour, 2002). These standards increasingly shape the modernization of Ukrainian public administration, especially following the adoption of the Law of Ukraine "On Administrative Procedure".

However, despite the practical significance of non-judicial remedies, Ukrainian administrative-law doctrine still lacks a sufficiently systematic understanding of the institutional architecture of subjects exercising extrajudicial control over public administration in the entrepreneurial sphere. Existing academic discussion often focuses on isolated mechanisms – administrative appeal, parliamentary oversight, ombudsman institutions, or complaint review procedures – without conceptualizing them as elements of a coherent administrative-law institution.

This creates both theoretical and practical difficulties. The absence of a systematic doctrinal framework contributes to fragmented regulation, overlapping competences, uncertainty regarding institutional roles, and reduced effectiveness of available remedies.

Accordingly, the identification, classification, and analysis of the system of subjects exercising extrajudicial control over public administration in entrepreneurial activity constitutes an important doctrinal and practical task. Its resolution may contribute not only to academic development within administrative law but also to the modernization of public administration institutions and the strengthening of business protection mechanisms in Ukraine.

2. Literature Review

Issues of administrative accountability and the protection of private actors against unlawful administrative interference occupy an important place in contemporary administrative-law scholarship. The transformation of public governance from a traditional command-administrative model toward service-oriented governance has significantly expanded scholarly attention to procedural guarantees, accountability mechanisms, complaint review institutions, and alternative forms of dispute resolution.

Within Ukrainian administrative-law doctrine, substantial contributions to the understanding of administrative procedure, legality control, and protection of private rights have been made by scholars such as V. Averyanov, T. Kolomoiets, V. Bevzenko, H. Panova, M. Smokovych, E. Demskyi, and other researchers (Averyanov, 2004-2005; Smokovych, 2012; Kolomoiets, 2012; Bevzenko & Panova, 2018; E. Demskyi, 2008). Their work provides the doctrinal foundation for understanding legality review, administrative accountability, institutional guarantees of lawful governance, and procedural protection in public-law relations.

At the same time, Ukrainian scholarship has historically focused more intensively on judicial control over public administration than on non-judicial mechanisms of accountability. Judicial review has traditionally been regarded as the principal guarantee against unlawful administrative conduct, while extrajudicial mechanisms have often remained analytically secondary.

Existing research concerning extrajudicial protection tends to focus on separate institutional mechanisms rather than systemic institutional analysis. Academic works address administrative appeals, complaint review procedures, mediation, ombudsman institutions, and certain forms of regulatory oversight; however, these mechanisms are rarely examined as interconnected elements of a unified institutional framework.

The adoption of the Law of Ukraine "On Administrative Procedure" significantly strengthened doctrinal interest in administrative complaint procedures, procedural guarantees, participation rights, impartiality requirements, and principles of good administration. This legislative development created a stronger normative basis for discussing extrajudicial protection in contemporary Ukrainian administrative law (Law of Ukraine "On Administrative Procedure", 2022).

The entrepreneurial sphere, however, possesses distinct specificities. Business entities do not interact with public administration merely as ordinary participants in administrative procedures. They are exposed to particularly intensive regulatory, supervisory, fiscal, licensing, and permitting intervention. Accordingly, the system of legal safeguards protecting entrepreneurship requires separate doctrinal analysis.

Foreign scholarship likewise increasingly emphasizes diversified accountability mechanisms beyond judicial review. European administrative scholarship, in particular, stresses that contemporary governance requires multiple institutional instruments capable of resolving disputes, reviewing legality, correcting administrative error, and restoring violated rights in accessible and proportionate ways (Council of Europe, 2007; European Commission, 2023).

Nevertheless, despite growing scholarly attention to administrative accountability, the specific issue of the institutional system of subjects exercising extrajudicial control over public administration in entrepreneurial governance remains insufficiently developed both conceptually and institutionally.

Thus, the existing scholarship creates a solid theoretical foundation for further analysis but does not exhaust the issue of institutional architecture, legal nature, and classification of subjects exercising extrajudicial control in the field of entrepreneurial activity.

3. Methodology

The methodological framework of this study combines doctrinal legal analysis with institutional, systemic, comparative, and structural-functional approaches.

The formal legal method is used to analyse normative legal acts regulating administrative procedures, complaint review mechanisms, business protection instruments, parliamentary oversight, ombudsman institutions, and broader accountability mechanisms within public administration.

The systemic method makes it possible to examine extrajudicial control not as a fragmented collection of isolated remedies, but as a coherent administrative-law institution comprising interrelated institutional and procedural mechanisms.

The structural-functional method is applied to identify the legal roles, competences, procedural functions, and institutional significance of various subjects exercising extrajudicial control.

The comparative method is used to identify relevant European approaches concerning administrative accountability, good governance, procedural fairness, and the protection of private actors in public-law relations.

Institutional analysis makes it possible to assess the practical effectiveness, independence, structural limitations, and governance capacity of relevant institutions.

The empirical basis of the study includes Ukrainian legislation governing administrative procedure, public administration, complaint review, business protection, regulatory governance, and ombudsman mechanisms, as well as European governance documents relating to good administration and regulatory quality.

The study is limited by its predominantly doctrinal and institutional character. It does not include large-scale quantitative empirical assessment of complaint effectiveness or institutional performance, which remains a promising direction for future research.

4. Results and Discussion

4.1. Concept and Legal Nature of Extrajudicial Control over Public Administration in the Field of Entrepreneurial Activity

In contemporary administrative-law doctrine, extrajudicial control over public administration should be understood as a system of legal and institutional mechanisms aimed at reviewing, correcting, preventing, or terminating unlawful, unreasonable, disproportionate, or procedurally defective actions of public administration bodies without recourse to judicial adjudication (Council of Europe, 2007; Law of Ukraine "On Administrative Procedure", 2022).

Its principal function lies in ensuring administrative accountability while maintaining procedural accessibility, institutional flexibility, efficiency, and proportionality in the protection of private rights.

Unlike judicial review, extrajudicial control does not necessarily rely upon adversarial proceedings, strict procedural formalism, or binding adjudicative authority. Instead, it encompasses a broader range of institutional instruments, including complaint review procedures, internal administrative supervision, ombudsman mechanisms, mediation, consultative oversight, and participatory accountability mechanisms.

From a doctrinal perspective, extrajudicial control should not be perceived merely as a secondary alternative to judicial protection. On the contrary, in contemporary governance systems, it performs an independent preventive, corrective, and accountability-oriented function. Judicial review often remains indispensable for resolving complex legal disputes and ensuring authoritative rights protection; however, effective public administration also requires flexible non-judicial mechanisms capable of resolving disputes before they escalate into formal litigation.

Within entrepreneurial governance, the significance of such mechanisms is particularly pronounced. Business entities frequently depend on rapid administrative decisions, and even temporary procedural failures may result in direct economic harm, regulatory disruption, reputational damage, or loss of market opportunities.

Thus, extrajudicial control in entrepreneurial governance should be conceptualized not simply as a complaint mechanism, but as a broader administrative-law institution designed to ensure legality, accountability, procedural fairness, and effective protection of business entities in their interaction with public authorities.

4.2. Public Administration Bodies as Subjects of Extrajudicial Control

A central place within the system of extrajudicial control belongs to public administration bodies themselves, particularly those exercising internal administrative supervision, hierarchical review, complaint reconsideration, and institutional oversight over subordinate administrative structures.

At first glance, the inclusion of public administration bodies within the system of extrajudicial control may appear conceptually paradoxical, since the same institutional framework that produces administrative decisions simultaneously performs the function of reviewing their legality and procedural correctness. Nevertheless, modern administrative governance recognizes internal administrative review as one of the principal instruments for ensuring legality, administrative efficiency, and prompt correction of administrative error (Averyanov, 2004-2005).

The doctrinal justification for this model lies in the principle of hierarchical administrative accountability. Superior public authorities possess competence to supervise subordinate administrative structures, assess legality and procedural compliance, eliminate violations, and restore violated rights without judicial intervention.

In Ukraine, such powers are exercised by ministries, central executive authorities, supervisory agencies, local executive bodies, and other institutions authorized to review complaints against subordinate administrative actions.

In the entrepreneurial sphere, this mechanism acquires particular importance due to the frequency and intensity of administrative interaction between business entities and regulatory institutions. Licensing authorities, tax administrations, customs bodies, registration authorities, inspectorates, competition regulators, and permitting institutions all exercise significant regulatory influence over entrepreneurial activity.

Administrative errors in such contexts may take the form of unlawful refusals, procedural delays, excessive discretion, disproportionate sanctions, failure to provide administrative services, or violations of participation rights.

Internal administrative review offers several practical advantages:

– procedural accessibility;
– relatively low financial cost;
– faster response compared to judicial proceedings;
– reduced procedural formalism;
– potential preservation of constructive institutional relationships between business entities and administrative authorities.

At the same time, this model is subject to legitimate criticism. Internal review mechanisms frequently suffer from limited institutional independence, administrative corporatism, procedural opacity, and reduced trust among complainants.

Where complaint review occurs within the same administrative hierarchy responsible for the contested act, concerns naturally arise regarding impartiality, objectivity, and genuine willingness to correct administrative misconduct.

Accordingly, public administration bodies remain indispensable subjects of extrajudicial control, but their effectiveness depends on meaningful procedural safeguards ensuring transparency, impartiality, reasoned decision-making, and accountability.

4.3. Administrative Appeal as a Core Mechanism of Extrajudicial Protection

Administrative appeal occupies a particularly central position within the architecture of extrajudicial protection due to its universality, procedural accessibility, and direct relationship to legality review. Within administrative-law doctrine, administrative appeal is generally understood as a legally established procedure through which a private person may challenge administrative acts, actions, or omissions before a competent administrative authority rather than through immediate judicial recourse (Law of Ukraine "On Citizens' Appeals", 1996; Law of Ukraine "On Administrative Procedure", 2022).

Its legal significance lies in the fact that it combines several important protective functions within the administrative system itself, including legality review, correction of administrative errors, institutional accountability, and procedural protection of individual rights and legitimate interests.

As O. Kuzmenko notes, administrative appeal serves not only as a mechanism for correcting administrative errors, but also as an important procedural guarantee for protecting private persons in relations with public administration (Kuzmenko, 2019).

Unlike judicial review, which operates externally through the court system, administrative appeal allows administrative institutions to reassess their own decisions and potentially correct unlawful or inappropriate conduct without resorting to formal litigation.

For business entities, administrative appeal performs an especially important protective role because entrepreneurial activity frequently depends upon rapid and predictable administrative decision-making. Business operations often require timely interaction with public authorities concerning permits, licensing, taxation, customs administration, regulatory supervision, and other forms of administrative authorization. In such circumstances, delayed, unlawful, or disproportionate administrative decisions may produce immediate economic consequences, including financial losses, operational disruption, reputational harm, or exclusion from commercial opportunities. Common examples include refusal to issue licenses or permits, cancellation of registration actions, adverse tax decisions, customs determinations affecting import or export operations, sanctions resulting from administrative inspections, regulatory enforcement measures, or exclusion from public procurement procedures. In these contexts, legal protection must often be both effective and prompt.

For this reason, judicial review alone cannot always function as the exclusive protection mechanism. Although courts remain essential guarantors of legality and rights protection, judicial proceedings are often associated with procedural complexity, evidentiary burdens, financial costs, and significant time requirements. For many entrepreneurs, particularly small and medium-sized enterprises, litigation may represent a costly and strategically burdensome option. Administrative appeal therefore serves as a practical first-line remedy capable of offering faster and more accessible protection while preserving the possibility of subsequent judicial review where necessary.

The progressive institutionalization of administrative procedure in Ukraine has significantly strengthened the legal foundations of this mechanism. The adoption of the Law of Ukraine "On Administrative Procedure" represents an important step toward modernization of administrative governance, as it establishes clearer procedural standards concerning complaint rights, participation guarantees, access to administrative reasoning, impartiality, procedural predictability, and broader principles of fair administrative decision-making. This development reflects a gradual convergence of Ukrainian administrative law with European governance standards emphasizing accessible remedies, procedural fairness, and principles of good administration (Council of Europe, 2007). In doctrinal terms, this legislative development enhances the legal maturity of administrative appeal as an institutional mechanism of entrepreneurial protection.

However, despite these positive developments, substantial practical limitations remain. The first major problem concerns fragmentation of legal regulation. Complaint procedures remain dispersed across numerous sector-specific legislative frameworks, often characterized by inconsistent procedural deadlines, differing evidentiary requirements, varying competence rules, and uneven procedural guarantees. Such fragmentation undermines legal certainty and makes the complaint process more difficult for entrepreneurs to navigate effectively.

The second major challenge concerns institutional dependence. In many cases, administrative appeals are reviewed within the same hierarchical administrative structure responsible for adopting the contested decision. Although this model may provide procedural convenience and administrative efficiency, it also creates legitimate concerns regarding impartiality and objectivity. Business entities may perceive such review mechanisms as formalistic procedural exercises rather than genuinely corrective accountability instruments, which weakens institutional trust.

A third limitation concerns inconsistent implementation of corrective decisions. Even where complaints are formally upheld, the practical enforcement of corrective measures may be delayed, only partially implemented, or institutionally resisted. This reduces the practical effectiveness of administrative appeal and may discourage reliance on non-judicial remedies.

A fourth challenge concerns insufficient digital accessibility. Contemporary entrepreneurial governance increasingly requires technologically efficient complaint infrastructure capable of supporting fast and transparent communication between business entities and administrative institutions. Ideally, complaint systems should provide online submission, procedural tracking, automated notifications, digital document exchange, and transparent status monitoring. Without such infrastructure, complaint procedures remain unnecessarily bureaucratic, time-consuming, and administratively burdensome.

Despite these limitations, administrative appeal remains the most structurally important component of the system of extrajudicial protection. Its universality, relative accessibility, and direct corrective function make it a foundational instrument of entrepreneurial rights protection in public-law relations. Accordingly, its further procedural harmonization, institutional strengthening, and technological modernization should be treated as a strategic priority of contemporary administrative reform.

4.4. Business Ombudsman as a Specialized Subject of Extrajudicial Control

A particularly important institutional subject within the contemporary system of extrajudicial protection of entrepreneurial rights is the Business Ombudsman (Cabinet of Ministers of Ukraine, 2014). Unlike traditional internal administrative review mechanisms, which operate within hierarchical administrative structures and may therefore raise concerns regarding impartiality, the Business Ombudsman represents a specialized institutional mechanism specifically oriented toward protecting business entities from unlawful, unfair, disproportionate, or otherwise abusive conduct by public authorities. Its emergence reflects the broader transformation of contemporary administrative governance toward more flexible, specialized, and stakeholder-oriented accountability mechanisms.

The institutional significance of the Business Ombudsman lies in its multifunctional nature. It serves not merely as a complaint-handling body, but as an institution combining complaint review, mediation, reputational oversight, policy feedback, and advocacy for business rights protection. More broadly, ombudsman institutions traditionally perform accountability and rights-protection functions within democratic governance systems, while the Business Ombudsman represents a specialized adaptation of this institutional model to the sphere of entrepreneurial activity. Its practical relevance is particularly significant in regulatory environments characterized by bureaucratic complexity, administrative opacity, corruption risks, or excessive regulatory pressure.

In Ukraine, the Business Ombudsman has become one of the most visible and practically effective mechanisms of extrajudicial business protection. Its functions extend beyond complaint registration and may include complaint investigation, communication with public authorities, identification of administrative misconduct, recommendations for corrective action, analysis of systemic governance failures, and facilitation of dialogue between business entities and public administration. This multifunctional role distinguishes the institution from conventional complaint-review mechanisms and strengthens its practical relevance within the broader system of administrative accountability.

From a doctrinal perspective, the Business Ombudsman occupies an intermediate institutional position between administrative oversight, mediation, advisory accountability, and reputational governance. Unlike courts, it lacks binding adjudicative authority; unlike executive bodies, it does not exercise hierarchical administrative control; and unlike enforcement institutions, it lacks coercive powers. Its influence instead derives from institutional credibility, expertise, relative independence, transparency, public visibility, and persuasive authority.

As R. Gregory and P. Giddings observe, ombudsman institutions frequently derive their effectiveness less from coercive authority than from credibility, public visibility, and persuasive institutional influence (Gregory & Giddings, 2000).

This model creates both advantages and limitations.

Its principal strengths include accessibility, business orientation, procedural flexibility, reduced formalism, relatively rapid response, and lower levels of institutional confrontation compared with judicial proceedings. At the same time, its principal weaknesses include the absence of binding powers, dependence on voluntary compliance by public authorities, limited enforceability, and sensitivity to broader political and institutional support. Nevertheless, despite these limitations, the Business Ombudsman performs an essential governance function by increasing the visibility of administrative abuse, lowering barriers to complaint initiation, and strengthening entrepreneurial confidence in non-judicial remedies. Accordingly, its further institutional strengthening should remain an important element of administrative modernization and entrepreneurial rights protection.

4.5. Public Councils, Consultative Institutions, and Participatory Oversight

Contemporary public administration increasingly recognizes that effective accountability cannot be ensured exclusively through traditional mechanisms of hierarchical review or formal complaint procedures. While classical administrative control has historically relied upon internal supervision, institutional subordination, and legally formalized complaint resolution, modern governance theory emphasizes that accountability within democratic administrative systems requires a broader and more pluralistic institutional architecture. Effective governance increasingly depends not only on formal legality and coercive oversight, but also on stakeholder participation, public scrutiny, communicative accountability, and structured dialogue between public institutions and the actors affected by administrative decision-making. This transformation reflects a broader conceptual evolution in administrative law, where public administration is understood not merely as a hierarchical authority exercising unilateral control, but as an accountable institutional system operating within a framework of transparency, responsiveness, and participatory legitimacy.

Within this context, public councils, consultative bodies, business associations, expert advisory institutions, and analogous participatory structures may be regarded as complementary subjects of extrajudicial control over public administration. Although these institutions generally do not possess the classical attributes of enforcement authority associated with administrative supervision or adjudicative complaint mechanisms, their role in the governance of accountability should not be underestimated. Their legal and institutional significance lies not in coercive intervention or direct modification of administrative acts, but in their capacity to contribute to oversight through monitoring, transparency enhancement, articulation of stakeholder concerns, institutional feedback, and public communication. In this sense, they represent an important component of contemporary accountability ecosystems, particularly within administrative environments characterized by regulatory complexity and frequent interaction between public authorities and private economic actors.

In the sphere of entrepreneurial governance, the practical relevance of participatory oversight institutions is particularly significant. Business activity is highly sensitive to the quality, predictability, and responsiveness of administrative regulation, and many governance failures affecting entrepreneurship emerge not only through isolated unlawful acts, but through systemic regulatory dysfunction, procedural inefficiency, institutional opacity, or recurring maladministrative practices. Participatory institutions may contribute meaningfully to addressing such problems by identifying systemic regulatory barriers that create unnecessary burdens for entrepreneurial activity, highlighting recurring administrative abuses affecting business actors, monitoring the practical implementation of regulatory decisions, participating in policy development discussions, representing collective business concerns within institutional dialogue, and strengthening procedural transparency through public scrutiny. Their contribution is therefore not limited to individual dispute resolution, but extends to broader governance improvement and institutional accountability.

From a doctrinal perspective, such institutions should be understood as mechanisms of soft accountability rather than classical coercive control. Their influence operates through indirect but nonetheless legally and institutionally meaningful channels. These include the issuance of recommendations, expert analytical assessments, participation in public consultations, facilitation of institutional dialogue, application of reputational pressure through public criticism or visibility, and activation of transparency mechanisms capable of exposing maladministration or procedural deficiencies. Unlike formal administrative oversight bodies, these institutions generally do not produce directly binding legal consequences capable of compelling corrective administrative action. However, the absence of direct enforceability does not render them legally irrelevant. Contemporary governance increasingly recognizes that accountability is not exhausted by formal sanctioning power. Institutional influence may be exercised through persuasive authority, informational legitimacy, and public scrutiny in ways that materially affect administrative behavior.

This perspective reflects an important shift in modern administrative doctrine, where participatory legitimacy is increasingly valued alongside traditional legality-based models of administrative accountability. Democratic governance requires not only lawful administration, but administration that remains responsive to affected stakeholders and open to institutional feedback. Administrative decisions affecting entrepreneurial activity are particularly suitable for such participatory engagement, given their direct impact on investment conditions, regulatory predictability, compliance burdens, and broader economic confidence. Structured stakeholder involvement may therefore enhance not only transparency and procedural fairness, but also the substantive quality of administrative governance by incorporating practical expertise and real-world economic perspectives into regulatory decision-making.

At the same time, the effectiveness of participatory oversight depends fundamentally on institutional authenticity rather than merely formal existence. The creation of consultative bodies or public councils as nominal governance structures does not automatically generate meaningful accountability. Where such institutions function only symbolically, lack genuine independence, possess no practical access to decision-making processes, or operate merely as decorative institutional mechanisms designed to simulate participation without substantive influence, their practical significance is substantially diminished. Symbolic participation risks undermining rather than strengthening institutional legitimacy, as affected stakeholders may perceive such mechanisms as performative rather than genuinely responsive.

Meaningful participatory oversight therefore requires several substantive conditions, including procedural access to relevant administrative information, genuine opportunities to articulate concerns, institutional willingness to engage with recommendations, sufficient independence from administrative capture, and practical channels through which feedback may influence governance outcomes. Without these conditions, participatory institutions risk becoming formalistic appendages rather than functional elements of accountability governance.

Accordingly, participatory oversight should be understood as a complementary rather than primary component of the system of extrajudicial control. It cannot substitute for formal complaint mechanisms, supervisory review, judicial protection, or legally binding administrative accountability instruments. However, when institutionally authentic and procedurally meaningful, participatory mechanisms may significantly strengthen the broader architecture of entrepreneurial protection by enhancing transparency, improving communication, identifying systemic governance failures, and reinforcing democratic accountability within public administration. In this sense, they represent an increasingly important dimension of modern administrative-law governance rather than merely optional institutional accessories.

4.6. Alternative Dispute Resolution and Mediation Mechanisms

A further promising component of the system of extrajudicial control over public administration in the sphere of entrepreneurial activity concerns the development of alternative dispute resolution mechanisms, particularly mediation (Law of Ukraine "On Mediation", 2021).

The incorporation of mediation into the broader framework of administrative-law protection reflects an important transformation in contemporary governance philosophy. Traditional administrative governance historically developed within a model based primarily on hierarchical command, imperative authority, unilateral administrative decision-making, and coercive enforcement. Within such a framework, disputes between public authorities and private actors were generally addressed through formal administrative review procedures or judicial adjudication, both of which were structured around vertical power relationships and legally formalized conflict resolution. However, modern administrative governance increasingly recognizes that not all disputes arising within public-law relations require adversarial confrontation or coercive intervention. Instead, there is growing acknowledgment of the value of more flexible, proportionate, cooperative, and dialogue-oriented mechanisms capable of resolving conflicts efficiently while preserving institutional legitimacy and reducing unnecessary procedural escalation.

Mediation represents one of the most significant manifestations of this broader institutional transformation. Its legal significance lies in the possibility of resolving disputes through structured communication facilitated by a neutral intermediary, rather than through formal adjudication imposed by an authoritative decision-maker. Unlike classical complaint procedures or judicial review, mediation does not primarily focus on determining legal fault or imposing corrective sanctions. Rather, its objective is to facilitate constructive dialogue between conflicting parties, clarify the underlying sources of disagreement, and support the development of mutually acceptable solutions within legally permissible boundaries. This approach reflects a shift from purely coercive models of administrative accountability toward more responsive and service-oriented governance practices.

Within the context of entrepreneurial governance, mediation offers particularly significant practical advantages because many disputes between business entities and public administration do not arise solely from clear legal illegality or deliberate administrative abuse. In many cases, conflicts emerge from communication failures, procedural misunderstandings, interpretative ambiguity, bureaucratic delays, discretionary disagreements, or administrative complexity rather than direct violations of legal norms. Entrepreneurial activity frequently depends upon continuous interaction with regulatory institutions concerning licensing, permits, inspections, compliance monitoring, reporting obligations, and administrative authorizations. Within such environments, misunderstandings or procedural friction may generate disputes that are substantial in practical terms but not necessarily appropriate for adversarial adjudication.

Examples of disputes potentially suitable for mediation may include disagreements concerning licensing procedures, permit-related conflicts, disputes arising during administrative inspections, compliance disagreements involving regulatory expectations, procedural delays in administrative decision-making, or conflicts concerning the interpretation of administrative requirements. In many such situations, coercive adjudication may be neither necessary nor optimal. The substantive problem may not involve unlawful conduct requiring authoritative correction, but rather uncertainty, communication breakdown, or procedural rigidity capable of being resolved through negotiated clarification, procedural accommodation, consensual correction, or de-escalation of institutional conflict. Mediation therefore offers a practical mechanism for addressing administrative disputes in a manner proportionate to their actual nature and complexity.

From the perspective of contemporary good governance, mediation aligns closely with several important administrative principles. First, it reflects the principle of proportionality by offering less intrusive and less adversarial solutions where coercive intervention would be excessive. Second, it promotes procedural efficiency by reducing the time and resources required for dispute resolution compared with formal complaint review or litigation. Third, mediation enhances accessibility by providing business entities with a potentially less formal and less intimidating mechanism for protecting their interests. Fourth, it contributes to conflict prevention by resolving disagreements before they escalate into entrenched adversarial disputes. Finally, mediation reduces institutional hostility by encouraging communication and cooperation rather than confrontation, thereby supporting healthier long-term relationships between entrepreneurs and regulatory authorities.

The practical advantages of mediation within entrepreneurial governance are therefore considerable. It may significantly reduce procedural costs for both business entities and public institutions, accelerate dispute resolution, alleviate judicial burden by preventing unnecessary litigation, preserve ongoing institutional relationships that are often essential for future regulatory interaction, and facilitate less adversarial approaches to conflict management. These benefits are particularly relevant in modern economic governance, where administrative responsiveness, procedural flexibility, and institutional trust increasingly influence investment conditions and entrepreneurial confidence.

Nevertheless, the application of mediation within public-law relations remains doctrinally complex and cannot be adopted without careful legal qualification. Classical administrative law has historically been constructed around the assumption of structural asymmetry between public authorities and private actors. Public administration does not operate as an ordinary contractual party possessing unrestricted negotiating autonomy. Instead, administrative bodies exercise legally delegated public authority and remain bound by principles of legality, competence, equality, accountability, and protection of public interest. Unlike private actors in civil disputes, public authorities are not entirely free to compromise, waive obligations, or negotiate outcomes independently of their statutory mandates.

This structural asymmetry creates legitimate doctrinal concerns regarding the compatibility of mediation with the principles of administrative legality. One concern involves preservation of legality, since mediated outcomes must not result in agreements contrary to mandatory legal norms. A second concern relates to protection of public interest, which public authorities are obligated to safeguard regardless of the preferences of individual disputing parties. Third, mediation raises questions regarding prevention of abuse, particularly where unequal bargaining positions or informal administrative influence may distort genuinely voluntary settlement. Finally, mediation requires clear recognition of the limits of administrative discretion, since not all administrative decisions are legally negotiable or procedurally flexible.

Despite these concerns, contemporary administrative doctrine increasingly conceptualizes public administration not merely as a command authority, but as an accountable, service-oriented, and problem-solving institution operating within democratic governance frameworks. This conceptual transformation creates doctrinal space for the cautious integration of mediation into appropriate categories of public-law disputes. Mediation becomes acceptable not as a substitute for legality, but as a complementary procedural instrument operating within clearly defined legal boundaries. Its legitimacy depends upon ensuring that negotiated outcomes remain consistent with statutory requirements, do not undermine public interest, and preserve institutional accountability.

In the context of Ukrainian entrepreneurial governance, the practical implementation of mediation within administrative disputes remains relatively limited. The institutional culture of public administration has historically favored formal hierarchical decision-making rather than consensual conflict resolution, and practical procedural models for mediation in public-law disputes remain underdeveloped. However, the institutional potential of mediation is substantial. Its gradual development, supported by appropriate legislative clarification, procedural safeguards, and institutional experimentation, could significantly strengthen the overall system of non-judicial entrepreneurial protection. By offering flexible, efficient, and less adversarial mechanisms for dispute resolution, mediation may reduce unnecessary escalation of administrative conflicts while contributing to a more responsive and modern model of public governance.

4.7. Classification of Subjects of Extrajudicial Control

One of the principal doctrinal tasks in the analysis of extrajudicial control within the system of administrative-law protection of entrepreneurial rights is the systematization of its institutional architecture. The contemporary administrative environment is characterized by the coexistence of numerous institutions exercising various forms of non-judicial oversight over public administration, each possessing distinct legal foundations, procedural mandates, institutional competences, and functional purposes. Such multiplicity creates a significant need for the development of a coherent classification model capable of identifying the legal nature of these institutions, clarifying their institutional functions, delineating competence boundaries, and explaining their procedural roles within the broader framework of entrepreneurial protection. In the absence of such a systematic doctrinal approach, scholarly understanding remains fragmented, legislative regulation tends to develop inconsistently, and business entities face practical uncertainty regarding the mechanisms available for protecting their rights in relations with public authorities.

The doctrinal significance of classification extends beyond purely theoretical considerations.

R. Melnyk emphasizes that systematic classification in administrative law is essential for ensuring conceptual clarity, consistency of legal regulation, and effective practical application of legal remedies (Melnyk, 2014).

A properly constructed classification framework performs an important methodological function by transforming a dispersed set of institutional arrangements into an analytically coherent legal system. It allows for the identification of structural relationships between different mechanisms of administrative accountability, facilitates comparative analysis of their effectiveness, and contributes to more rational legislative development. From a practical perspective, classification also enhances legal certainty by making administrative remedies more intelligible and predictable for potential applicants. For entrepreneurs interacting with complex systems of public administration, clarity regarding the nature, competence, and procedural characteristics of available protection mechanisms is essential for effective access to remedies.

Accordingly, the system of subjects exercising extrajudicial control over public administration in the sphere of entrepreneurial activity may be classified according to several interrelated criteria, each reflecting a distinct dimension of administrative-law analysis.

The first classification criterion concerns legal nature. From this perspective, institutions exercising extrajudicial control may be divided into several doctrinal categories. The first category includes public administrative control institutions, such as ministries, executive authorities, regulatory agencies, inspection bodies, and higher administrative organs exercising hierarchical supervision or internal administrative review. These institutions represent the classical administrative model of legality control within the public administration system itself. The second category includes specialized complaint-protection institutions, such as the Business Ombudsman and analogous mechanisms specifically designed to address grievances arising from interactions between business entities and public authorities. These institutions perform a more targeted protective function focused on entrepreneurial rights. A third category consists of parliamentary oversight institutions exercising indirect accountability functions through democratic control over executive administration. A fourth category includes participatory and consultative institutions, such as public councils, business associations, and advisory platforms facilitating civic or stakeholder involvement in accountability processes. Finally, the classification includes alternative dispute resolution mechanisms designed to resolve administrative conflicts through consensual or mediation-oriented procedures rather than formal supervisory intervention.

The second classification criterion concerns institutional competence. Institutions involved in extrajudicial control differ significantly in terms of the scope and specialization of their authority. General competence institutions possess broad authority across multiple sectors of public administration and may address a wide range of administrative complaints or supervisory matters. Sector-specific regulatory oversight bodies, by contrast, operate within narrowly defined administrative domains such as taxation, customs, licensing, competition regulation, or financial supervision, where specialized expertise is required. Complaint-review mechanisms constitute a distinct category focused specifically on examining grievances submitted by affected individuals or business entities regarding administrative action or inaction. Mediation-oriented institutions represent another competence category, emphasizing negotiated dispute resolution rather than adversarial review. Advisory accountability structures, meanwhile, perform primarily consultative or monitoring functions, contributing to administrative oversight without exercising direct decision-making authority. This competence-based classification helps clarify institutional specialization and reduces doctrinal ambiguity regarding overlapping mandates.

The third classification criterion concerns the degree of institutional independence, which constitutes one of the most significant variables affecting the legitimacy and practical effectiveness of extrajudicial control. Institutions may first be classified as internally dependent administrative review bodies, where complaint examination occurs within the same administrative hierarchy responsible for the contested decision. Such mechanisms often provide procedural convenience and administrative efficiency, but may raise concerns regarding impartiality and institutional self-protection. A second category includes relatively autonomous complaint mechanisms, which maintain a degree of operational separation from traditional administrative hierarchies while still lacking full institutional independence. A third category consists of institutionally independent oversight bodies possessing stronger structural guarantees of autonomy, thereby enhancing objectivity and public credibility. Finally, participatory public institutions represent a distinct category in which oversight functions are exercised through stakeholder involvement rather than conventional hierarchical authority. This criterion is especially important because institutional independence directly affects procedural legitimacy, complainant trust, perceived fairness, and ultimately the practical effectiveness of administrative remedies.

The fourth classification criterion concerns the legal consequences produced by institutional activity. Not all mechanisms of extrajudicial control generate identical legal effects, and this distinction is crucial for understanding their protective capacity. Some institutions produce binding administrative consequences capable of directly modifying legal positions, annulling administrative acts, or compelling corrective action. Other institutions issue recommendatory decisions, which may carry significant persuasive or political influence but lack formal binding force. Advisory institutions represent a further category, contributing expertise, consultation, or systemic recommendations without producing individualized enforceable outcomes. Negotiated dispute-resolution mechanisms, including mediation-based structures, generate legal consequences through consensual agreement rather than unilateral administrative authority. Classification according to legal consequences provides important insight into the actual enforceability and practical utility of different protection mechanisms.

The fifth classification criterion concerns procedural mode of operation. Institutions exercising extrajudicial control may function through fundamentally different procedural models, each reflecting distinct administrative philosophies and practical objectives. Complaint-review mechanisms operate through formal consideration of grievances submitted by affected parties and typically culminate in administrative findings or recommendations. Supervisory review institutions function through broader oversight processes aimed at legality control, compliance monitoring, or correction of administrative irregularities. Mediation-oriented structures emphasize dialogue, negotiation, and consensual dispute resolution. Consultative accountability mechanisms rely on participatory engagement, advisory processes, and stakeholder communication rather than formal adjudicative procedures. Hybrid institutions combine multiple procedural functions, integrating complaint review, mediation, consultation, monitoring, or supervisory intervention within a single organizational framework. This procedural classification demonstrates the diversity of operational models through which administrative accountability may be exercised.

Taken together, this classification demonstrates that extrajudicial control should not be reduced to isolated complaint procedures or narrowly understood mechanisms of administrative appeal. Rather, it constitutes a complex multi-level institutional architecture integrating legality review, accountability oversight, procedural correction, participatory governance, dispute prevention, and alternative conflict resolution. Such a perspective reflects the evolution of modern administrative law away from purely hierarchical models of control toward more pluralistic and functionally differentiated systems of governance accountability.

From a doctrinal standpoint, the proposed classification represents an important contribution to understanding the administrative-law structure of entrepreneurial protection. By systematizing institutional diversity within a coherent analytical framework, it strengthens conceptual clarity, supports legislative modernization, and enhances practical understanding of available remedies for business entities operating within public-law relations.

4.8. Systemic Deficiencies of the Existing Model

Despite the formal existence of multiple institutional mechanisms intended to provide extrajudicial protection for entrepreneurial rights, the current Ukrainian system of administrative control remains characterized by substantial structural, procedural, and institutional weaknesses that significantly limit its practical effectiveness. Although the expansion of non-judicial accountability mechanisms may formally suggest progress in the development of administrative safeguards, the actual functioning of the system reveals persistent deficiencies that undermine accessibility, predictability, and institutional trust. These shortcomings indicate that formal institutional proliferation has not yet translated into the creation of a coherent and functionally effective system of business protection within public-law relations.

M. Bovens argues that effective public accountability depends not merely on the existence of formal institutions, but on whether those institutions provide meaningful mechanisms through which conduct can be explained, assessed, and corrected (Bovens, 2007).

The first major structural problem concerns the fragmentation of legal regulation. The normative framework governing extrajudicial control mechanisms is dispersed across numerous legislative acts, subordinate regulations, sector-specific procedural instruments, and institutionally distinct administrative rules developed at different stages of legal and institutional reform. As a consequence, the regulatory environment lacks systemic coherence, conceptual unity, and procedural consistency. Rather than operating as elements of an integrated protection framework, many mechanisms function in relative isolation, governed by different procedural logics and normative assumptions. This fragmentation creates significant legal uncertainty for business entities seeking administrative protection, particularly regarding the identification of available remedies, the determination of competent institutions, applicable procedural deadlines, admissibility requirements, and the legal consequences of complaint proceedings. In practice, entrepreneurs may face considerable difficulty in navigating the institutional architecture of administrative accountability, which reduces the accessibility and practical effectiveness of extrajudicial remedies.

The second major weakness concerns institutional duplication and overlapping administrative competence. Multiple institutions may simultaneously possess authority to review complaints, exercise oversight functions, or address violations affecting business entities, often without sufficiently clear delineation of jurisdictional boundaries. While the existence of parallel accountability mechanisms may in theory provide additional avenues of protection, in practice such duplication frequently generates confusion, administrative inefficiency, and procedural redundancy. Entrepreneurs may be uncertain regarding which institution offers the most appropriate remedy, while public authorities may exploit institutional ambiguity to delay responsibility or redirect complaints between agencies. Overlapping competence also creates risks of inconsistent institutional responses to comparable disputes, thereby undermining equality of treatment and weakening confidence in administrative protection mechanisms.

The third significant problem concerns institutional dependence, particularly within internal administrative review procedures. In many cases, complaints against administrative decisions are reviewed within the same institutional hierarchy responsible for adopting the contested act. Although internal review mechanisms may offer procedural speed and administrative convenience, they also create legitimate concerns regarding impartiality, objectivity, and institutional self-protection. The absence of sufficient structural independence raises questions about whether such mechanisms can provide genuinely neutral assessment of administrative conduct. This problem reflects broader concerns associated with administrative corporatism, where institutional solidarity and hierarchical loyalty may weaken effective accountability. As a result, formally available remedies may be perceived as lacking substantive independence, thereby reducing their practical credibility among business actors.

The fourth deficiency concerns weak procedural standardization across institutions exercising extrajudicial control. Different complaint-handling bodies often apply inconsistent procedural rules concerning admissibility criteria, applicable deadlines, evidentiary standards, communication obligations, requirements for reasoned decision-making, and implementation procedures following complaint resolution. Such inconsistency significantly undermines legal certainty, which is a fundamental component of effective administrative justice and business protection. Predictability is essential for entrepreneurs operating within regulated economic environments, yet procedural divergence between institutions creates uncertainty regarding expectations, rights, and procedural outcomes. In the absence of harmonized procedural standards, the quality and effectiveness of administrative remedies may depend less on legal principle and more on institutional variation.

The fifth structural problem concerns limited enforceability of certain extrajudicial control mechanisms. Not all institutions exercising oversight or complaint review possess binding legal authority to compel corrective administrative action. Recommendatory institutions, advisory bodies, and ombudsman-type mechanisms may perform valuable governance functions by promoting transparency, facilitating dialogue, and exposing maladministration. However, their practical effectiveness frequently depends on voluntary compliance by public authorities rather than legally enforceable obligations. This limitation reduces the capacity of such mechanisms to provide effective protection in cases where administrative bodies are unwilling to cooperate or implement recommendations. Consequently, the formal availability of a remedy does not always guarantee substantive restoration of violated entrepreneurial rights.

The sixth challenge concerns insufficient digitalization of administrative complaint infrastructure. Modern entrepreneurial governance increasingly requires efficient, accessible, and technologically integrated systems capable of supporting rapid interaction between business entities and public institutions. However, many existing complaint procedures remain fragmented, bureaucratically burdensome, and technologically underdeveloped. Entrepreneurs may still encounter excessive reliance on paper documentation, limited online accessibility, poor procedural tracking, and insufficient digital communication tools. Such deficiencies not only reduce procedural convenience but also increase administrative costs, prolong complaint resolution, and weaken institutional transparency. In a contemporary governance environment shaped by digital transformation, underdeveloped complaint infrastructure constitutes a significant obstacle to effective business protection.

The seventh weakness concerns low levels of awareness among business entities regarding available administrative remedies and institutional competences. Even where formal complaint mechanisms exist, many entrepreneurs remain insufficiently informed about their procedural rights, the institutions authorized to provide protection, or the practical steps required to initiate administrative review. This informational asymmetry disproportionately affects small and medium-sized enterprises, which often lack specialized legal resources necessary to navigate complex administrative systems. A formally accessible remedy loses much of its practical value if potential applicants are unaware of its existence or uncertain regarding its use. Thus, awareness deficits represent not merely an informational issue, but a substantive barrier to effective access to protection.

Finally, institutional trust deficits remain among the most significant systemic challenges affecting the effectiveness of extrajudicial administrative protection. Historical experiences involving bureaucratic opacity, excessively formalistic complaint handling, weak responsiveness, and inconsistent administrative accountability have contributed to a persistent lack of confidence in non-judicial remedies. Business entities may perceive complaint procedures as symbolic rather than genuinely protective, particularly where prior experience suggests low effectiveness or administrative resistance. Institutional legitimacy depends not only on formal legal design, but also on practical credibility and demonstrated fairness. Without trust, even formally well-structured remedies may remain underutilized or strategically avoided in favor of judicial proceedings.

Thus, despite the formal expansion of institutional mechanisms for entrepreneurial protection, the current Ukrainian system of extrajudicial control remains institutionally underdeveloped in substantive terms. Its deficiencies are not limited to isolated procedural imperfections, but reflect broader systemic challenges involving fragmentation, duplication, dependence, weak enforceability, technological insufficiency, informational inaccessibility, and institutional mistrust. Addressing these weaknesses requires not merely incremental administrative adjustments, but comprehensive structural modernization aimed at creating a coherent, effective, and trusted system of administrative protection for business entities.

4.9. Directions for Modernization

The modernization of the administrative and legal framework governing extrajudicial control mechanisms for the protection of entrepreneurial rights requires the implementation of a coherent and systematic reform strategy that is consistent with contemporary European governance standards and the broader principles of good administration (European Commission, 2023).

T. Kolomoiets emphasizes that modernization of administrative law must be based on strengthening procedural guarantees, legal certainty, and effective protection of private rights in relations with public administration (Kolomoiets, 2012).

In the context of increasing administrative complexity, regulatory transformation, and the growing interaction between business entities and public authorities, isolated institutional reforms are insufficient. Instead, the development of an integrated administrative-law model capable of ensuring effective, accessible, and legally predictable protection for entrepreneurs must become a strategic priority. Such modernization should be aimed not merely at expanding the number of available oversight mechanisms, but at improving their substantive effectiveness, procedural coherence, and institutional legitimacy.

The first strategic priority concerns procedural harmonization. At present, the mechanisms of complaint review, administrative accountability, supervisory oversight, and specialized business protection frequently operate within fragmented normative frameworks characterized by inconsistent procedural requirements and overlapping competencies. This fragmentation undermines legal certainty, complicates access to remedies, and reduces the practical effectiveness of administrative protection. Accordingly, complaint procedures, accountability instruments, and business protection mechanisms should be integrated into a unified and internally coherent administrative-law framework that establishes common procedural standards, clearly defines institutional responsibilities, and eliminates unnecessary duplication. Harmonization would significantly improve consistency in administrative practice while strengthening trust in extrajudicial protection mechanisms.

The second strategic priority relates to strengthening procedural guarantees as an indispensable condition for effective administrative remedies. The legitimacy of extrajudicial control depends not only on institutional existence, but also on the quality of procedural safeguards afforded to affected business entities. Administrative remedies should therefore consistently guarantee accessibility, ensuring that entrepreneurs are able to initiate complaint procedures without excessive formal, financial, or technical barriers. Transparency must be secured through clear procedural rules, publicly available information, and understandable communication regarding the status and outcome of proceedings. Impartiality remains essential in order to prevent institutional bias and ensure objective consideration of disputes involving public authorities. Equally important is the requirement that decisions be properly reasoned, allowing applicants to understand the legal and factual basis of administrative conclusions. Participation rights should guarantee meaningful engagement of affected parties in the decision-making process, while predictable deadlines are necessary to avoid excessive procedural delays that diminish the practical value of remedies. Finally, effective implementation mechanisms must ensure that adopted decisions are not merely declaratory, but capable of producing tangible protective outcomes.

The third strategic priority concerns strengthening the institutional status of the Business Ombudsman as a specialized mechanism for entrepreneurial protection. Although the institution has demonstrated practical value in addressing business complaints involving public authorities, its long-term effectiveness depends on the consolidation of its legal and institutional foundations. This requires stronger guarantees of functional independence from political or administrative influence, clearer delimitation of competence, and improved procedural formalization governing complaint examination, recommendations, and follow-up mechanisms. Institutional strengthening would enhance both the authority and credibility of the Business Ombudsman while contributing to greater stability within the broader system of extrajudicial protection.

The fourth strategic priority concerns the development of mediation and consensual dispute resolution mechanisms within administrative relations involving entrepreneurial actors. Traditional adversarial models of dispute resolution are not always optimal in administrative contexts where rapid, flexible, and cooperative solutions may better serve both public and private interests. Accordingly, appropriate categories of entrepreneurial administrative disputes should become eligible for mediation-based settlement where the nature of the dispute permits negotiated resolution without compromising legality or public interest considerations. The introduction of mediation mechanisms could reduce institutional burden, accelerate conflict resolution, lower compliance costs, and foster a less confrontational administrative culture.

The fifth strategic priority involves digital transformation of administrative complaint and accountability systems. Contemporary public administration increasingly relies on digital infrastructure to improve efficiency, transparency, and accessibility. In this context, a modern complaint ecosystem should enable online complaint submission through user-friendly digital platforms, procedural tracking that allows applicants to monitor caseprogress in real time, secure digital document exchange, automated notifications regarding procedural developments, and transparent monitoring tools for institutional oversight and public accountability. Digitalization not only improves procedural convenience for entrepreneurs but also contributes to consistency, traceability, and resistance to informal administrative interference.

The sixth strategic priority concerns participatory governance and the meaningful inclusion of organized business representation within accountability processes. Business associations, public councils, consultative bodies, and other participatory mechanisms should not function merely as symbolic institutions designed to create the appearance of dialogue. Rather, they should be substantively integrated into administrative oversight processes as channels for institutional feedback, regulatory consultation, and identification of systemic administrative problems affecting entrepreneurial activity. Meaningful participation strengthens democratic legitimacy, improves regulatory responsiveness, and contributes to more balanced decision-making within public administration.

The seventh strategic priority concerns closer alignment with European standards of good administration, which increasingly serve as normative benchmarks for administrative reform. Contemporary European governance emphasizes legality, proportionality, accountability, legal certainty, transparency, accessibility of remedies, and the effective protection of private rights as foundational administrative principles. The modernization of national administrative-law frameworks should therefore be guided not solely by formal institutional replication, but by substantive incorporation of these governance standards into procedural design and administrative practice. Such alignment is particularly significant in the context of broader European integration processes and the convergence of domestic administrative governance with international legal expectations.

Ultimately, the strategic objective of reform should not be understood as the simple multiplication of institutions, procedures, or oversight bodies. Institutional expansion without coherence risks creating additional complexity rather than improving protection. The central aim must instead be the creation of an integrated, accessible, trusted, procedurally fair, and functionally effective system capable of ensuring meaningful protection of entrepreneurial rights in relations with public authorities. Only such a systemic approach can provide sustainable legal safeguards for business entities within a modern administrative state.

5. Conclusions

This study demonstrates that extrajudicial control over public administration in the field of entrepreneurial activity constitutes an independent and structurally significant administrative-law institution aimed at ensuring effective protection of business entities against unlawful, unreasonable, disproportionate, or procedurally defective administrative conduct.

The analysis confirms that the institutional architecture of extrajudicial control possesses a multi-level character and includes internal administrative review bodies, complaint mechanisms, the Business Ombudsman, participatory oversight institutions, and alternative dispute resolution instruments.

The effectiveness of this framework depends not merely upon the formal existence of legal remedies, but upon several interrelated institutional conditions, including procedural accessibility, legal certainty, institutional independence, transparency, digitalization, enforceability, and business trust.

A key doctrinal result of the study lies in the proposed classification model of subjects exercising extrajudicial control according to: legal nature; institutional competence; degree of independence; legal consequences of decisions; procedural mode of operation.

This classification makes it possible to conceptualize extrajudicial control not as a fragmented collection of isolated remedies, but as a coherent administrative-law institution.

At the same time, the current Ukrainian model remains constrained by significant systemic weaknesses, including fragmented legal regulation, overlapping competences, inconsistent procedural standards, weak institutional independence in certain review mechanisms, insufficient digital infrastructure, limited awareness among business entities, and persistent trust deficits.

The modernization of this institutional framework requires a coherent reform strategy focused on procedural harmonization, institutional strengthening, digital transformation, broader use of mediation, and closer alignment with European principles of good administration and accountable governance.

Under conditions of administrative reform, economic modernization, and European integration, the development of effective extrajudicial protection mechanisms should be regarded as an essential component of contemporary public administration and an important guarantee of entrepreneurial freedom, legal certainty, and institutional accountability.

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