

MODERN DEVELOPMENT OF SMALL BUSINESS IN UKRAINE

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ABSTRACT

The article analyzes the development of small entrepreneurship, its advantages and disadvantages. It is noted that the development of small entrepreneurship in Ukraine has a positive effect on structural changes in the country, namely, it creates opportunities for solving economic and social problems, especially in modern conditions; satisfies the needs of the domestic market, promotes the rational use of all types of resources; provides powerful incentives for highly efficient work and innovative processes.

The article notes that small business makes a significant contribution to the stability and development of the economy of Ukraine, namely: it contributes to economic growth, provides the necessary number of jobs, quickly responds to market changes and adapts to them, contributes to the filling of the market with quality goods. The problem of determining the role of small business in the economic development of the state is relevant, and it should be considered in relation to economic, social and political aspects. Today, one of the main problems of small business development in Ukraine is the lack of funding from the state.

It has been studied that in the conditions of an unstable socio-economic and political situation in Ukraine, the development and support of small entrepreneurship is important for the stabilization of the economy. Since small business is extremely sensitive to economic changes, its condition in our country remains unsatisfactory. The problems of small entrepreneurship, despite long-term study, are still not fully resolved, or the proposed solutions are not adapted to modern business conditions.

Keywords: entrepreneurship, business, competitive environment, production sector, business structures.

Formulation of the problem.

The experience of European countries shows that the efficiency of the functioning of the state economy depends on the optimal development of small, medium and large businesses. At the same time, small entrepreneurship is the basis of social and economic development.

The development of small entrepreneurship in Ukraine has a positive effect on structural changes in the country, namely, it creates opportunities for solving economic and social problems, especially in modern conditions; satisfies the needs of the domestic market, promotes the rational use of all types of resources; provides powerful incentives for highly efficient work and innovative processes. Today, significant attention is paid to the problems of formation and effective development of small entrepreneurship in Ukraine. Small business makes a significant contribution to the stability and development of the economy of Ukraine, namely: it contributes to economic growth, provides the necessary number of jobs, quickly responds to market changes and adapts to them, helps to fill the market with quality goods. The problem of determining the role of small business in the economic development of the state is relevant, and it should be considered in relation to economic, social and political aspects. Today, one of the main problems of small business development in Ukraine is the lack of funding from the state.

Analysis of recent research and publications.

The problems and prospects of small business activity in Ukraine are highlighted in the works of such Ukrainian scientists as V. Heits, M. Denysenko, M. Yermoshenko, V. Kobylko, M. Kozoriz, O. Mazur, L. Neshchadym, Fedulova, N. Chukhrai, Z. Yurinet

In world economic science, the concept of small entrepreneurship has been given considerable attention

for a long period of time: the history of formation - R. Cantillon; monitoring the relationship between profit and risk - F. Knight; functional approach to the interpretation of the essence of small business - P. Druker. A significant contribution to the study of the concept of entrepreneurship belongs to the following scientists: A. Marshall, J. Schumpeter.

Problematic issues of small business development are highlighted in the works of such leading scientists as: L.I. Vorotina, L.A. Kolesnikova, T. Kondratyuk, O. Kuzhel, V. Lyashenko, O. Mazur, I. Mykhasyuk, V. Syzonenko, S. Sobol, V. Tkachenko. At the same time, issues related to solving the problems of the effective functioning of small businesses in Ukraine remain relevant and require the development of new ways of improvement.

The analysis of scientific works showed that a large number of scientific works of such scientists as H. Azoeva, O. Brusyentseva, A. Gradov, P. Zavyalova, I. Ivashchuk, I. Kirtsner, Yu. Makogon, M. Meskon, L. Mykhaylova, M. Morozova, M. Nikitin, V. Novitsky, V. Nyzhnyk, V. Okrepilov, I. Piddubny, M. Pozner is dedicated to the problems of strategic planning of small businesses in Ukraine.

The purpose of the work.

The purpose of the article is to determine the role of small entrepreneurship as a prerequisite for the development of effective business in Ukraine. In the conditions of the unstable socio-economic and political situation in Ukraine, the development and support of small entrepreneurship are important for the stabilization of the economy.

Results.

Nowadays, the development of small entrepreneurship is the basis of the economic and social development of Ukraine and one of the real ways of a gradual

exit from the crisis that arose in connection with the military invasion of Russia.

Small entrepreneurship in Ukraine is the basis for economic growth, activates business relationships, creates a real competitive environment, contributes to the creation of jobs, improves the quality of life of the population, ensures the effective use of production resources, and determines the stability of the socio-economic system of the state. The promising development of small entrepreneurship in our country is the basis for overcoming the negative consequences of the global pandemic, military aggression, destabilizing socio-economic processes, namely: a significant percentage of migration (most of which is the working population), a drop in the quality of life of the country's population, low competitiveness of part of the Ukrainian productions

A small enterprise is one of the most common and effective forms of business. They are able to quickly react to market conditions, as a result of which they provide the market economy with the necessary flexibility. Small business supports and develops such industries as trade, services and public catering [1]. A small business, unlike a large one, is more mobile and able to respond to market changes faster, adapt to them without major losses, implement innovations and the latest technological solutions more quickly.

In Ukraine, in recent years, small business has been developing more and more. According to the Ministry of Economic Development, among all Ukrainian enterprises, small and medium-sized businesses make up 99.8%, and 79% of the population work there [2, 3].

According to the UN, small and medium-sized enterprises produce from 30 to 60% of the national product, depending on the country. Ukrainian SMEs contribute only up to 15% of GDP [3]. Therefore, the effective development of small entrepreneurship is extremely relevant today.

The main reasons for inhibiting the development of small businesses in Ukraine and its regions are [4, 7]:

- limited information and advisory support;
- imperfection of the personnel retraining system for entrepreneurial activity;
- the complexity and incompatibility of the accounting and statistical reporting system of small businesses;
- limited material financial resources;
- imperfection of the technical side of running a small business;
- high tax rates, which causes the development of the shadow economy;
- lack of real state support for small businesses;
- lack of proper legal support for the development of small business, as entrepreneurship as a whole [3];
- the global covid-19 pandemic, which forced the reorganization of business;
- lack of own production space and equipment;
- military aggression from a neighboring country.

The main problem of small business in Ukraine is insufficient resource, material, technical and financial base. This situation can be radically changed with the help of investors' funds, which will be directed to the

support of small enterprises and a balanced state policy of business support.

Monitoring the development of small business in Ukraine demonstrates the fact that this type of business is characterized by certain distinctive features from similar enterprises in a number of European countries, namely [6]:

- imperfect infrastructure of state support for small businesses;
- lack of a system of work motivation and self-organization;
- insufficient level of technical equipment;
- inappropriate level of professional qualification of personnel, lack of knowledge and skills in the field of market relations.

The effective development of small business is the main indicator of the stability and progressiveness of the country's economic development, because it is the business sector that provides the country's economy with all the necessary resources and contributes to the realization of the existing potential [5].

A significant number of enterprises in Ukraine are small enterprises. 96% of Ukrainian enterprises in the business sector are micro-enterprises, that is, enterprises employing less than ten workers [3].

A few years ago, the number of well-known Ukrainian brands was smaller. Analysis of statistical data shows that at the beginning of 2018, the number of FOPs was 1.77 million, and by the end of the year there were already 1.84 million [4]. Starting from 2020, this number began to decline, and 2022 generally became a turning point in the development of small business in our country.

Analysis of the distribution of small businesses in Ukraine by the main types of economic activity showed that the production sector (agriculture, industry and construction) accounted for 34.23%, trade - 26.64%, and the remaining sectors of the economy - 39.13% [4].

Formation of a competitive economic model of Ukraine is possible only under conditions of intensive development of small entrepreneurship in every region of our country. A stable process of creating a healthy economic environment will be the basis for the effective functioning of small businesses; development of territorial communities and improvement of the quality of life of the population.

Conclusions.

Summarizing the conducted research, it is worth noting that the current development of small business in Ukraine does not correspond to European indicators and lags significantly behind European standards. The share of small business in the gross domestic product of our country is only 8%, while in countries with a market economy it reaches 55-65%.

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