

PROBLEMS OF SMALL BUSINESS IN UKRAINE

Popovich Z. V., 3rd year student of the Faculty of Management and Marketing

Kryvda O. O., Candidate of Economic Sciences, Associate Professor of Economics and Entrepreneurship

National Technical University of Ukraine "Kyiv Polytechnic Institute named after Igor Sikorsky"

An important place in the economic structure of any country is small business. It is the basis and an integral part of the state's economy. Since the 1990s, the share of small business in all developed countries has been quite significant. In France, USA and Japan, 99% of all enterprises were considered small [3, p. 230-235].

Small business in Ukraine brings 16% of gross domestic product to the economy [2]. Like any business, it has its own characteristics, problems and prospects. Small business, unlike large, has a number of advantages.

Features of small business:

- can quickly adapt to market conditions;
- has more flexibility compared to large business;
- creates additional jobs, which has a positive impact on the economy;
- can respond quickly to any consumer needs,
- creates competition in the market, which, in turn, helps to overcome the industry monopoly.

The small business sector in Ukraine does not yet play a significant role in ensuring economic growth, as in the leading countries of the world. Indicators that characterize the development trends of small business in Ukraine are given in Table 1.

Many small business owners in Ukraine today have had to make a lot of efforts not only to start a business, but also not to go bankrupt at the beginning of their business. Unfortunately, in Ukraine it is quite difficult to officially engage in entrepreneurial activity. The main reasons that hinder the development of small businesses in our country are:

- insufficiently simplified taxation system, which forces many small businesses to engage in activities outside the state accounting and control, which is not reflected in official statistics. The overall level of investment would increase significantly if companies could keep most of their income instead of spending it on taxes. It would also help new entrepreneurs to be willing to take risks and invest in firms and companies;
- lack of practical and legal skills in starting a business. Not all people who want to start a business have such skills;
- lack of start-up capital, raw materials, materials, own financial resources;
- unstable state of Ukraine's economy, which does not give confidence in making important decisions;

- monopolization of big business hinders the development of small businesses;
- a large amount of bureaucracy;
- a high level of corruption, which is one of the main factors of development that slows down business in Ukraine;
- despite the fact that the amount of infrastructure is large, their role in the development of small business is not very significant;
- weak lending and financing mechanism;
- limited advisory and information support;
- inadequate awareness of entrepreneurs about tax changes.

Table 1 – Number of small businesses and employees in Ukraine in 2015 – 2018

Indexes	Years				Absolute deviations (+, -) of 2018 from:	
	2015	2016	2017	2018	2015	2017
Number of business entities (units)						
Subjects of small business, taking into account micro-entrepreneurship	357241	3542283	344048	373809	+16568	+29761
private entrepreneur	1804763	1325619	1234831	1328392	-476371	+93561
Subjects of micro-entrepreneurship	300445	295815	286461	318477	+18032	+32016
Number of employees (thousand people)						
Subjects of small business, taking into account micro-entrepreneurship	2164,6	2091,5	2051,3	2010,7	-153,9	-40
private entrepreneur	2794	2350,5	2233,9	2280,5	-513,5	+46,6
Subjects of micro-entrepreneurship	832,6	788,9	788,2	795,3	-37,3	+7,1

In the modern market economy of Ukraine, small businesses are forced to overcome a number of economic obstacles that hinder their development. One of the main reasons is the excessive pressure of taxation, incompetent financial support and other restrictions imposed at the legislative level.

In conclusion, it should be noted that one of the most important areas of economic development of any country, especially Ukraine, is the development of small businesses. This form of entrepreneurial activity will allow to increase economic development indicators, including the size of GDP, rather quickly, as it has the ability to quickly adapt to changes in both external and internal economic environment.

Literature:

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FEATURES OF ACTIVATION OF ENDOGENOUS FACTORS OF REGIONAL DEVELOPMENT

Zabedyuk M.S., Candidate of Sciences (Economics), Associate Professor
Department of Finance, Banking and Insurance

Lutsk National Technical University

The decentralization processes that have begun in Ukraine have led to the vital need to intensify endogenous factors of regional development. After all, when fighting for the right to self-government, territories must rely mainly on internal factors of development. Therefore, finding ways to increase internal reserves and increase the efficiency of its own potential are the main priorities of regional development.

The dominant feature of modern development is the approval of a new order of relations between the center and the regions, a significant expansion of the rights and responsibilities of the territories in solving their own socio-economic and other problems. Every citizen to some extent, both in everyday life and in professional activities, feels his dependence on the conditions of territorial development or, conversely, underdevelopment of the region in which he lives and works. In addition, the tasks and functions of local regional authorities have changed in terms of awareness that blind implementation of instructions from above does not become a guarantee of success in the implementation of regional socio-economic development. After all, in order to make effective management decisions, it is necessary to know local economic and social problems from the inside [1].

It should be noted that the ideas about the development of territorial systems by endogenous resources become quite relevant in modern conditions, especially when it is necessary to solve the problems of confronting the instability of the world economy, reduce external dependence on energy, external borrowing of financial resources, etc.

The main elements of endogenous factors of regional development are the following:

1. Specific conditions that must be taken into account when studying or solving a specific problem of the regional economy.
2. Arguments that determine the peculiarities of the development of certain economic processes in a particular region. Factors determine the quantitative and qualitative characteristics of economic activities and affect the volume and direction