

SMALL BUSINESS IN UKRAINE, STATE AND PROBLEMS OF DEVELOPMENT

Purpose of the article: to establish the role of both local business and medium-sized businesses in the transition economy of Ukraine.

Keywords: small business, development issues, regional level, development efficiency, directions of development.

Summary: In recent years, small business has been actively developing in Ukraine, and its share in the national economy is growing.

In the small and partly average business, the main reserve for job creation and overcoming unemployment.

In a competitive environment and in order to achieve a qualitatively new standard of living, small business is an integral part of a market economy with a regional orientation. Therefore, the effectiveness of the functioning of small enterprises depends to a large extent on their support at both the state and regional levels. The effective development of small enterprises is primarily concerned with territorial communities, because: 1) a large share of this sector of the economy is focused on the local market; 2) an increase in the number of small business entities contributes to the creation of new jobs, which solves the problem of unemployment in administrative-territorial units; 3) together with the growth of the number of small enterprises and entrepreneurs, production volumes increase, and therefore, tax revenues to local budgets increase.

Останніми роками в Україні активно розвивається сектор малого бізнесу, зростає його питома вага у сфері народного господарства.

У малому та частково середньому бізнесі, — головний резерв створення робочих місць і подолання безробіття. Розвиток підприємництва також веде до інституційної перебудови суспільства на основі поширення економічної свободи та становлення «середнього класу» як підґрунтя соціальної стабільності.

В умовах конкуренції та з метою досягнення якісно нового рівня життя населення мале підприємництво є невід'ємним сектором ринкової економіки, який має регіональну орієнтацію. Відтак, результативність функціонування малих підприємств значною мірою залежить від їх підтримки як на державному, так і регіональному рівнях. В ефективному розвитку малих підприємств насамперед зацікавлені територіальні громади, тому що: 1) велика частка цього сектора економіки орієнтована на місцевий ринок; 2) збільшення кількості суб'єктів малого підприємництва сприяє створенню нових робочих місць, що вирішує проблему безробіття в адміністративно-територіальних одиницях; 3) разом із зростанням кількості малих підприємств та підприємців збільшуються обсяги виробництва, а отже, зростають податкові надходження до місцевих бюджетів.

Ключові слова: малий бізнес, питання розвитку, регіональний рівень, ефективність розвитку, напрями розвитку.

The relations of entrepreneurship are mostly realized in the small business, where the direct combination of the owner's independence and the personality of economic

management are found. Based on the above features of the transformational economies, it should be noted that small business performs such functions in the economy:

1. Assistance to the processes of demonopolization, privatization and denationalization of the economy, stimulation of economic competition development, formation of numerous market economy subjects, oriented on demand, competition, etc [2].

2. Involvement in the economic turnover of material, natural, financial, human and information resources that "fall out" from the sight of large companies.

3. Improving the situation in the markets by ensuring the elasticity of their structure, adjusting demand, supply and prices, at least partially compensating for the loss of the offer for the period of restructuring large companies, individualization of supply and demand differentiation, saturation of markets, meeting specific local needs [3].

4. The release of large enterprises from the production of low-volume and artificial products that are not profitable for them, which satisfies individual demand, thus improving the efficiency of their activities. Large companies concluding cooperative agreements with small enterprises can increase the flexibility of production, reduce commercial risk [1].

5. Provision of additional jobs, overcoming hidden unemployment, and providing work to workers released during the restructuring of large enterprises.

6. Stimulating the increase of the business activity of the population and the development of the middle class, which forms the social base of economic reforms, ensures the stability of society [5].

7. Opposition to lumpenization and the spread of retention psychology, the full promotion of human capital development.

8. Mitigation of social tensions through weakening of property differentiation and raising the level of incomes of the population.

9. Increasing the flexibility of the national economy and market offer in accordance with the current conditions of the open economy [6].

10. Promoting the process of democratization of society, rationalization of the system of economic organization and management [3].

At the same time, the back side of the competitive advantages is a series of systemic threats, which determine the instability of small business development. Including [6]:

- limited financial resources, difficulties in acquiring production space and equipment;
- lack of financial reserves and threat of rapid bankruptcy;
- Too narrow range of suppliers, which in some cases may create unwanted business dependence;
- Insufficient development of sales and after-sales service infrastructure;
- location of resources and marketing markets, hence the limits for growth;
- low competitiveness of products, the production of which is important economies of scale, hence - competition from large enterprises;
- high vulnerability to unfavorable economic (inflation, cyclical fluctuations, tax pressure, etc.) and noneconomic (pressure from the authorities, criminality) factors;
- instability of incomes of enterprises and persons employed there;
- the high weight of the personality factor in management and production, which creates favorable conditions for "shadowing" and criminalization of enterprises.

Today in the small business of Ukraine there are more than 5 million people, who produce about 12% of the total gross domestic product. So far, the main slogan of these entrepreneurs was: it is not necessary that the government help us, most importantly, that it does not disturb us. And they added that they have to survive in extremely difficult conditions [4].

The entrepreneurs called their main problems - imperfect legislative framework, bribery and taxation system [3].

In order to establish the legal framework for the legal regulation of the organization and control over the activities of economic entities by the controlling bodies, elimination of the possibility for abuse of the representatives of the controlling bodies, increase of the level of protection of the rights of economic entities by the State Committee of Ukraine on regulatory policy and entrepreneurship in pursuance of the protocol order The Cabinet of Ministers of Ukraine has drafted a draft Law of Ukraine "On the Basic Principles of Controlling Activities under Art dpryyemtsiv in Ukraine. " The project defines a single procedure for organizing and conducting inspections of financial and economic, executive and administrative and other activities of business entities, conducting inspections and providing mandatory regulations for the purpose of all authorities exercising control over the activities of economic entities in Ukraine. Assisting business entities to avoid violations of current legislation by establishing parity relations between control bodies and business entities [2].

Against this background, the following recommendations can be made regarding the priority measures for effective support and identification of the main prospects for the development of small businesses at the regional and local levels:

1. Facilitate the formation of a favorable business climate (bring current regulatory acts of local state administrations and local self-government bodies in line with the principles of state regulatory policy; develop a mechanism for partial reimbursement from local budgets of interest rates on loans attracted by small and medium enterprises for realization of investment projects, to form regional databases concerning investment proposals of small enterprises).

2. To create new jobs, reduce unemployment and stimulate entrepreneurship development (local authorities need to promote self-employment of the unemployed by providing them with one-time cash assistance to start their own entrepreneurial activity, while retraining and improving the skills of the unemployed, special attention should be paid to professions that are not only in demand in the labor market, but also make it possible to start their own business; conduct seminars and advanced training courses for all those who wish to start entrepreneurial activity).

3. Take measures for the development of small business in rural areas (to develop mechanisms for providing material assistance to small enterprises producing environmentally friendly agricultural products, processing and exporting them; promoting redivision of the liberated labor force for new types of activities in agriculture and development "Green tourism"; promote the attraction of unemployed, registered in cities, to employment in newly created workplaces in rural areas).

4. To stimulate the conduct of regional tenders (tenders) for the purchase of goods and the provision of services by small enterprises at the expense of state and local budgets, as well as participation of entrepreneurs in the execution of regional orders.

5. To introduce mechanisms of public-private partnership in the field of support of small business at the local level.

6. To provide information support to small entrepreneurs and to facilitate their access to the necessary information, create in the regions databases that will accumulate and organize information about the norms of the current legislation of Ukraine.

References:

1. Adamov, B. Y. (2008), "Small and medium enterprises as a factor of reforming housing and communal services", *Ekonomichnyj visnyk Donbasu*, vol. 1, pp. 65 – 78.
2. Kampo, H. M. (2009), "Managing the development of small business in the region", Uzhgorod, Ukraine.
3. Marachov, V. (2004), "Small businesses in the region: realities and socio-economic partnership", *Upravlinnia suchasnym mistom*, vol. 1, pp. 120 - 123.
4. Sidun, O. Ya. (2017), "Regional mechanisms for small business development", Uzhgorod, Ukraine.
5. Ljashenko, V. I. (2001), *Jekonomiko-pravovoe obespechenie razvitija subektov malogo predprinimatel'stva*.
6. Varnalij, Z.S. (2008), *Male pidpriemnytstvo: osnovy teorii i praktyky* [Small business: fundamentals of theory and practice], 4rd ed, T-vo «Znannia», KOO, Kyiv, Ukraine.

УДК 811.111

Т.В. Шляхова

HOW GLOBALIZATION AFFECTS DEVELOPED COUNTRIES

This paper deals with globalization. In this paper author discusses are a how Affects Globalization of Developed Countries. The goal of this paper is information for society.

Key words: *globalization , country, world, business, industries, product.*

У статті йдеться мова про глобалізацію. Автор розглядає як впливає глобалізація на розвиток країн . Метою даної статті є інформування суспільства.

Ключові слова : *глобалізація , країна, світ, бізнес, промисловість, продукт.*

The phenomenon of globalization began in a primitive form when humans first settled into different areas of the world; however, it has shown a rather steady and rapid progress in recent times and has become an international dynamic which, due to technological advancements, has increased in speed and scale, so that countries in all five continents have been affected and engaged.

Globalization is defined as a process that, based on international strategies, aims to expand business operations on a worldwide level, and was precipitated by the facilitation of global communications due to technological advancements, and socioeconomic, political and environmental developments.

The goal of globalization is to provide organizations a superior competitive position with lower operating costs, to gain greater numbers of products, services and consumers. This approach to competition is gained via diversification of resources, the creation and development of new investment opportunities by opening up additional markets, and accessing new raw materials and resources. Diversification of resources is a