
SOCIO-ECONOMIC SUPPORT OF ENTREPRENEURSHIP IN UKRAINE

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Annotation. The formation of economic business relations in Ukraine is a very problematic issue in terms of information, social and financial system of Ukraine. Enterprises, which are in the development stage or in the start-up stage, have a limited set of resources, but the use of information platforms and funding programs allows the innovative technologies using. It should be noted that entrepreneurship is a platform for both economic and social development of the country. The social platform of entrepreneurship reproduces working places, provides income to the labor force, contributions to extra-budgetary funds, providing the state with opportunities to pay pensions and social assistance. The cooperation of Ukrainian enterprises with international and state programs and platforms that allows them to occupy a market niche and get a high level in building a system of production and product quality, and supporting the social sector in accordance with EU countries. The object of the research is the socio-economic support of entrepreneurship in Ukraine. The aim of the article is to determine the degree and opportunities for improving socio-economic support for entrepreneurship in Ukraine. The methodological basis of the research is a fundamental principle of the system approach, methods of abstraction, analysis and synthesis, induction and deduction. In the article identifies the main problems of supporting socio-economic entrepreneurship in Ukraine. Suggested the strategy development of entrepreneurship and singled out the main elements of support of business segments. Generalized the main programs and areas of business support in Ukraine. Suggested a system of indicators for its assessment of state support for entrepreneurship.

Keywords: entrepreneurship, socio-economic supporting, investment, innovation.

JEL Classification codes: H32, M21, P43.

INTRODUCTION

In Ukraine, current development is not possible without strategic planning, taking into account the possibility of forming a stable socio-economic platform where the introduction of social innovations as ways to solve and mitigate existing social problems. Achieving a balance between the efficiency of a market economy and solving social problems is to create the conditions for business entities, producing products and services that affect the socio-economic indicators of the country. That is why socio-economic support of entrepreneurship is the main factor in the development of socially oriented market economy, which will form a successful

environment, a system of perfect competition, create new forms of stimulating labor efficiency, increase the country's export potential and rational use of resources and raw materials.

Entrepreneurship in Ukraine has special functions of updating the country's economic system, creating an investment and innovation environment, which will improve traditional management structures and open the direction of transformation, on the path of rationalization, efficiency, resource conservation and constant renewal of the national economy.

The aim of the article is to determine the degree and opportunities for improving socio-economic support for entrepreneurship in Ukraine.

Objectives:

1. To determine the role of socio-economic support for entrepreneurship in Ukraine.
2. Summarize the main problems of socio-economic support of entrepreneurship in Ukraine.
3. To highlight the main aspects and directions of socio-economic support of entrepreneurship in Ukraine.

Research methods. The methodological basis of the research is a fundamental principle of the system approach, methods of abstraction, analysis and synthesis, induction and deduction.

Results of the research. In the article identifies the main problems of supporting socio-economic entrepreneurship in Ukraine. Suggested the strategy development of entrepreneurship and singled out the main elements of support of business segments. Generalized the main programs and areas of business support in Ukraine. Suggested a system of indicators for its assessment of state support for entrepreneurship

PROBLEMS OF ENTREPRENEURSHIP

The main problems of entrepreneurship that arise due to the low level of state support (lack of new and improvement of existing legislation on approaches to forms of ownership and its protection, systems of tax, investment, innovation and pricing of business): [11]

- unregulated mechanism of state regulation and control of business activity;
- the presence of negative trends in the dynamics of performance indicators;
- the impossibility of assessing the contribution of state support in achieving socio-economic trends;
- limited access to information and advisory support;

- imperfection of training and retraining systems of labor resources for business running;
- uncertainty in savings regarding transaction costs, impact and assessment of negative trends;
- lack of proper systematic information on financial programs to support entrepreneurship.

Thus, the socio-economic support for entrepreneurship is an indicator of efficiency, which is based on the ratio of results from activities to resources expended. That's why the entrepreneurship support by the state will depend on the economical use of support, and will have a difference between the performance of the enterprise without support and at the expense of it [11].

Accordingly, a number of legislative and regulatory documents have been adopted in Ukraine [12; 14]:

1) Order of the Ministry of Economic Development and Trade of Ukraine dated October 16, 2018 № 1500 "On the establishment of the Office of Small and Medium Business Development under the Ministry of Economy, Trade and Agriculture of Ukraine" (posted for review of changes made by order of the Ministry of Economic Development Trade and Agriculture of Ukraine dated October 1, 2019 № 135);

2) Recommendations for long-term planning of small and medium business development at the level of regions and territorial communities

3) Order of the Cabinet of Ministers of Ukraine dated May 10, 2018 № 292-p "Some issues of implementation of the Strategy for the development of small and medium enterprises in Ukraine for the period up to 2020";

4) Order of the Cabinet of Ministers of Ukraine dated May 24, 2017 № 504-p "On approval of the Strategy for the development of small and medium enterprises in Ukraine for the period up to 2020";

5) Law of Ukraine "On development and state support of small and medium enterprises in Ukraine"

ENTREPRENEURSHIP DEVELOPMENT STRATEGY

Entrepreneurship development strategy should include five main aspects of development and support (Fig. 1) [4]:

1. the ability to analyze existing problems in development;

2. the need to determine on the basis of the problems of general needs of each business segment;
3. formation of a strategic vision of the problem and needs, strategic goals and priorities;
4. generalization of strategic operational tasks and tools to support entrepreneurship
5. formulation of expected results and targets of activity and support.

These elements of support for entrepreneurship in this relationship, form a holistic system of measures for the effective formation of change in accordance with the strategic vision and goals.

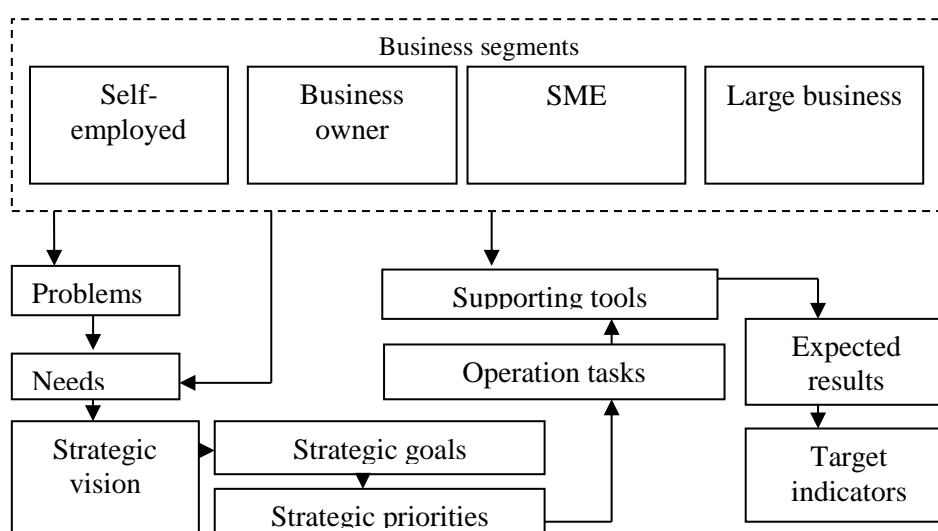


Figure 1. Elements of support for business segments [4]

The main directions of the strategy to support business segments are:

- priority growth of value added and labor productivity in all segments of entrepreneurship, as the main direction of development of the national economy and a corresponding increase in the share of profitable enterprises;
- "restrained" modernization of large business production in Ukraine through partial recovery;
- the possibility of self-employed growth in micro and small business segments;
- growth of the number of different business segments types due to the possible reduction of "tax optimizers";
- the probable adoption of changes to current legislation of Ukraine, which will stimulate an effective business structure forming[4].

Entrepreneurship support programs in Ukraine.

To help with financial issues, the Government of Ukraine has also systematized business support programs [5; 13]:

1. EU4Business;
2. EU programs to support the private sector in Ukraine - EU SURE (EU Support to Ukraine to Re-launch the Economy);
3. European Atomic Energy Community Horizon 2020 Research and Training Program (2014-2018);
4. EU Program "Competitiveness of Small and Medium Enterprises (COSME) (2014-2020)";
5. Fit for partnership with Germany (Fit for partnership with Germany) 4
6. Unlimit Ukraine by EBA - Small Business Development and Support Program;
7. Fit for Partnership with Germany Program;
8. Support for small and medium enterprises at the international level (international credit lines);
9. Banking products and programs to help small and medium enterprises;
10. Support for small and medium enterprises at the regional level;
11. Support for small and medium enterprises at the state level.

Based on analysing of the programs to support entrepreneurship in Ukraine, author drew up a map of possible strategic knowledge in the framework of EU initiatives and programs that form an innovative component of the development of enterprises in Ukraine (Table 1).

Achieving the goals of sustainable development and focusing on the main priorities of the business development strategy affects the coordination with national, regional and sectoral strategies and programs of the country. The strategy must also take into account the objectives of general economic and export policy of the state, which are based on the provisions of the foreign policy doctrine of the world.

That is why the main strategies related to the strategy of business development in Ukraine are identified [4; 7]:

- 1) Strategies for business development in the framework of Ukraine's foreign economic and foreign policy commitments ("Association Agreement between Ukraine and EU", "Ukraine's WTO Commitments", "Other national, regional sectoral and sectoral strategies and programs")

Table 1. Map of possible strategic knowledge in the framework of EU initiatives and programs [1; 2; 6; 10;13]

Parameters / Program	Information and consultations	Trainings	Internship and exchange of experience
EU4Business Network of Business Support Centers in Ukraine	Availability of Business Information Support Centers located in 15 regions of Ukraine and providing Ukrainian SMEs with information on their priorities in the market, conducting sectoral events, trainings and seminars to support business development. Availability of contact Business Support Centers in Ukraine		-
COSME IPR Helpdesk	European Center for Intellectual Property Rights for SMEs. The IPR Helpdesk includes free legal advice and information support on intellectual property, as well as training and webinars on intellectual property issues.		-
COSME Your Europe portal	Business portal about business rules in all EU member states. Your Europe portal provides information on: - Start and growth - Taxation - International Trade - Human resources - Product requirements - Government contracts -Environmental requirements	-	-
Horizon 2020	-	Improving business development skills and coaching: 1. Trainings on investment readiness, access to risky financing, networking with other program participants and large companies. 2. Coaching skills in business development, cooperation and fundraising.	-
COSME ERASMUS for young entrepreneurs (EYE)	-	-	EYE is a program for exchanging experiences between new and experienced entrepreneurs. If the business is not more than 3 years old or you are just planning to start your own business, EYE gives you the opportunity to go to an EU country for 1-6 months to gain experience in doing similar business..

2) Strategies for business development in the system of state strategic and program documents of Ukraine ("Comprehensive program for the development of the financial sector of

Ukraine until 2020", "Regional and local programs and strategies for business development, SMEs", "Strategy for technical regulation for 2020" ,"Transport Strategy of Ukraine for the period up to 2020", "Strategy for the development of the agricultural sector of the economy for the period up to 2020 "," Energy Strategy of Ukraine for the period up to 2030 ", "Strategy for Sustainable Development of Ukraine on - 2020 "," Strategy for overcoming poverty "," Strategy for improving the efficiency of economic entities of the public sector of the economy "," Regional development strategies "," State strategy for regional development until 2020 "," Strategy for reforming the public procurement system " "road map").

Thus, the development of entrepreneurship is always directly affected by the negative trend of the formation of key macroeconomic indicators that affect the social status of the country. This is a decrease in the level of GDP, which does not allow the use of domestic financial resources of the country, and as a consequence of a decrease in working capital of business entities and, accordingly, low purchasing power of the population.

Summarizing the areas of state support, author identified the following systems of indicators for its evaluation [2; 3; 4; 5; 8; 15]:

1) evaluation system for creating a network of infrastructure to support entrepreneurship (number of business incubators, investment and innovation companies, funds, credit unions, leasing companies, insurance companies, business centers, regional public associations, educational institutions, technology parks, information and consulting institutions);

2) system of evaluation of financial support (volumes of target funds from budgets, credits, grants, preferential taxation, financial support of regional funds, volumes of funds provided by the Ukrainian Fund for Entrepreneurship Support in financing regional programs and investment projects, foreign aid);

3) the system of social support indicators (job growth in enterprises in accordance with the selected priorities of business development, the number of jobs for different segments of the population, the ratio of unemployment and working places growth, reducing the level of shadow employment, the number of services provided by the state for training, retraining, consultations, productivity growth);

4) system of indicators for assessing the activity of entrepreneurship (volume of production, goods and services per capita, the amount of balance sheet profit, the amount of payments to the budget per 1 UAH of profit (budget efficiency), profitability, turnover per 1 UAH of produced and sold products).

Based on analyzing of the existing problems of business support and possible areas of support in Ukraine, author identified the following socio-economic aspects of business:

1. The possibility of forming optimal combinations of production factors and the most effective methods of using financial, material, economic, labor resources, etc.

2. Formation of a distribution system of national income (price factor of production).

3. Entrepreneurship, taking into account the social needs for goods and services, has the ability to effectively and fully meet the effective demand of the population.

4. The entry of business entities into foreign markets can contribute to the adaptation to the system of world economic relations of the national economy elements, and the formation of an open economy.

5. Entrepreneurship is a means of competition in the presence of innovation, narrow specialization and promotes the emergence of profitable products to meet individual rather than mass demand.

6. Priority for innovation as an incentive for solvency and competitiveness in meeting public demand.

7. Export orientation as an opportunity for price competition of enterprises with high technical and economic standards of products, goods and services.

8. International integration. Economic development of entrepreneurship affects the integration of individual districts, cities, regions and the country as a whole. According to this aspect is a stimulation of the processes of creating effective organizational and legal structures and forms of government.

9. Social orientation. Creating a system of social protection and social assistance, both to the population and businesses. The expansion of working places creates opportunities to increase tax revenues and social benefits.

CONCLUSIONS

Thus, the socio-economic support for entrepreneurship in Ukraine plays a key role in shaping the social orientation of the market economy and in creating a balance of market efficiency and solving social problems in the country. The existing socio-economic content of entrepreneurship is reflected in the created volumes of products, services provided to relatively important economic indicators of the country, and support of the formed market sector, which creates additional working places, addressing unemployment and social protection.

The strategy of business development in Ukraine should be include the possibility of analyzing the problems of development and generalization of needs in accordance with the strategic vision and obtaining the expected results and targets for performance evaluation and support. Creating and financing a business for each business segment in Ukraine is a very problematic issue from the point of view of the information and financial system of Ukraine. Businesses that are in the development stage or in the start-up stage have a limited set of resources, but the use of information platforms and funding programs allows the using of innovative technologies. The trade and economic cooperation of Ukrainian enterprises with international programs and platforms allows them to occupy a market niche and get high level in a building system of production and product quality in accordance with EU countries.

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