

**Kuroian A., Kurinna I.**

*Oles Honchar Dnipropetrovsk National University (Ukraine)*

**DEVELOPMENT OF ENTREPRENEURSHIP IN UKRAINE AND  
EUROPEAN SPACE**

The development of entrepreneurship in Ukraine is in the following circumstances: a difficult political situation, hostilities in the east of country, decentralization reform, depreciation of the monetary unit, constant changes in economic conditions with the European Union, loss of sales channels with Russian Federation. Therefore, the economy of the country is not the best times, but this should force us for the development of entrepreneurship in the country. In each country, business entities are the main elements of the further mechanism of market organization, implementation of human capabilities. The development of entrepreneurship leads to the expansion of the middle class of society and the improvement of the quality of life of the population. The leading countries of the world have formed a post-industrial society, using innovations, while domestic entrepreneurship, especially industry, is based on traditional technologies that are inherent in the initial stage of industrialization. One of the conditions for the dynamic development for any country is the development of a favorable investment climate. Such a climate increases the activity of investors within the country, stimulates the inflow of capital, the number of new enterprises and jobs in the economy, affects the growth of the number of small and medium enterprises. The small and middle classes sector is characterized by a high level of dynamism, flexibility, innovative activity, the ability to quickly create new productions and new jobs. Today, the economies of developed countries are based on small and medium businesses. In the EU, on average, they account for 63–67% of GDP. Small businesses employ a significant number of able-bodied population: 72% on average in EU countries. Denmark is the absolute record holder in the Europe, where it reaches 80 percent. In Ukraine in 2015 the share of small business in GDP was only 15%. According to Statistics in Ukraine in 2016, 14.9 thousand medium-sized enterprises and 291.12 thousand small enterprises were registered in Ukraine. At the same time, in 2016 there was a negative tendency to stop the activity of small enterprises. Thus, compared with the previous 2015, their number decreased by 36,696 in 2016. By comparison, in 2015, there were 1 million 905 thousand small enterprises registered in Poland, that is, those employing up to 9 people. Small entrepreneurship in Europe stimulates the development of competition, which forces large companies to introduce new technologies and increase production efficiency. The effectiveness of the entire

EU economy depends directly on the successful functioning of small and medium businesses. Therefore, within the framework of the European Union, a policy of support of small business is implemented, the main purpose of which is to balance the interests of the state and business, to ensure optimal conditions for business activity. To stimulate the development of small businesses in the EU, new legal models have been developed (European Joint-Stock Company, European Pool of Economic Interests), which allow small businesses from different countries to enter into business relations to effectively solve problems of divergences in the legal systems of different countries. The financing of small business support activities is carried out from the structural funds of the European Union, such as the Regional Development Fund, the Social Fund. Before the crisis, small business in Europe adapted most effectively, having the opportunity to maneuver in the market. Small businesses quickly began to occupy a niche, uninteresting large enterprises, which to some extent helps European countries overcome stagnant phenomena in the economic sphere. Thus, those sectors of the economy, which predominate subjects of small and medium enterprises, show themselves the most resistant to crisis phenomena. The experience of developed countries shows that a significant proportion of their GDP is in small and medium businesses. Flexibility of small enterprises, the ability to adapt to the changing situation, rapid turnover of funds, a small amount of management apparatus, and open access to entry into the business should stimulate the emergence of new competitive enterprises. Small business differs by management methods – simplicity, flexibility of decision-making, lack of bureaucracy, in some cases, the combination of management and ownership functions. A very important role is played by the human factor. Implementation of technical and business ideas, a common cause, motive profits attract people, allowing you to achieve high performance indicators.

#### **References:**

1. Economic Code of Ukraine [Electronic resource]. – Access mode: [www.zakon.rada.gov.ua](http://www.zakon.rada.gov.ua).
2. Activities of business entities of Ukraine. Statistical Compilation [Electronic Resource]. – Resource Access Mode: [http://www.ukrstat.gov.ua/druk/publicat/kat\\_u/publ9\\_u.htm](http://www.ukrstat.gov.ua/druk/publicat/kat_u/publ9_u.htm)
3. Diba M. I. General basics of market functioning and business regulation. / M. I. Diba, A. P. Samoilenko // Scientific notes: Science. save – K.: KNEU, 2003.
4. Official website of Doing Business [Electronic resource]. – Access mode: <http://www.doingbusiness.org>
5. Anatskaya I. Yu.. Current Situation and Problems of Small Business Development in Ukraine / I.Yu. Anatskaya [Electronic resource]. – Access mode: [http://www.zgia.zp.ua/gazeta/VISNIK\\_44\\_60](http://www.zgia.zp.ua/gazeta/VISNIK_44_60)