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PROBLEMS OF SMALL BUSINESS DEVELOPMENT

Nowadays, in the context of the transformation of the Ukrainian economy, the problem of the formation of market institutions, the main goal of which is the development of entrepreneurship, plays an important role. The formation and development of various forms of small business is a strategic problem of economic policy in terms of modernization of the economy. Small business in a market economy is a leading factor, the pace of economic and social development of Ukraine is determined on its basis, also as the structure and quality of the gross national product, the level of democratization of society.

Its development is an effective means of mitigating social tension and weakening of inequality in the status of property in society. The development of small entrepreneurship is uneven and chaotic, carried out in an unfavorable macro and micro environment. There are also many problems that are needed to be addressed at different levels of management, depending on the state of the enterprise development. Small business can't fully fulfill the functions assigned to it by society.

In Ukraine, small business does not yet play a significant role in ensuring economic growth, its contribution to gross domestic product is only 15 %. Indicators characterizing the tendencies of small business development in Ukraine are given in Table 1.

Table 1. Dynamics of Small Business Development in Ukraine [2]

Indicator	Value over the years									
	2013		2014		2015		2016		2017	
	SB*	SB(IE)*	SB	SB(IE)	SB	SB(IE)	SB	SB(IE)	SB	SB(IE)
Financial results, mln.UAH	-25057,9	-25038,3	-175262,4	-100967	-111906,0	-57964,7	-24151,4	-34639,9	-10724,8	-25294,7
Percentage of beneficiaries,%	66,0	66,1	66,5	66,9	73,9	73,6	73,3	72,3	72,7	71,8
Number of entities, units:	373809	1328392	324598	1590448	327814	1630571	291154	1553041	322920	1458980
Number of employees employed, thousand people:	2010,7	2280,5	1686,9	2428,3	1576,4	2262,3	1591,7	2172	1658,9	2160,2
Volume of sales of goods (goods and services), mln.UAH	670258,5	263459,2	705000,5	276299,6	937112,8	381861,3	1177385,2	449762,4	1482000,7	554372,4
Percentage to the total volume of sold products (goods and services):	16,6	5,3	16,9	5,5	18,2	6	18,9	5,8	19,2	6,5

*SB – small business; **SB (IE) – small business (individual entrepreneur)

As we see, in 2017, the percentage of entities, who making profit, the number of small and micro enterprises and the number of employed employees in them

increased compared with the previous year. But, all of other indexes on the contrary decreased in 2017. The negative financial result reflects the presence of problems in this sector of the economy, the general negative tendency and economic instability of the country.

The main problems of small business development should include [1]:

– The general state of the economy of Ukraine. Entrepreneurship functions as one of the elements of a real economic system, which therefore responds to all positive and negative changes in the economy.

– Monopolization of business. For the normal development of a small business it is necessary to reduce the scale of monopolization of the great. Today in Ukraine large enterprises simply crowd out the small business.

– Low competition in domestic markets. In many areas, there is a high concentration of large enterprises, and the rates of entry into the market of new firms remain low. So for the new players in the market for goods and services it is difficult to change their positions, and generally to survive.

– Problems of financial providing. Lack of sufficient start-up capital, own financial resources, raw materials, premises, equipment, low investment activity, problems with access to loans, etc.

– Imperfection of the tax system. Inefficient taxation is considered to be a major impediment to the development of the small business sector. With the modern tax system, the state has created favorable conditions for the transition of enterprises from the shadow sector of the economy. But because of the high deductions to a single social contribution, many small businesses conduct double accounting. Most companies hide their income in order to pay less tax.

– High levels of corruption, instability of business conditions, bureaucracy, raiding. Unfortunately, Ukraine belongs to the countries where entrepreneurship is a high-risk business with large informal expenses. Now there is a situation of disrespect for laws, tax evasion, and the strengthening of personal informal ties generated by corruption and bribery. Corruption refers to the main informal factors that hamper the development of entrepreneurial activity in Ukraine.

– Lack of qualified personnel, lack of practical skills in business management, imperfection of the system of training, retraining and professional development of personnel for entrepreneurship [3].

Solving these problems of small business development in Ukraine should become one of the key areas of state policy, since small business will significantly increase the efficiency of domestic economic potential, optimize Ukraine's participation

in the international division of labor, and strengthen the competitiveness of the national economy.

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ETHICAL PROBLEMS OF MODERN ECONOMICS AND WAYS TO ELIMINATE THEIR SOLUTIONS

Ethical business is honesty, decency, respect for partners, observance of the given word, ability to function effectively in the market in accordance with the current legislation, established rules and traditions.

On the way to understanding, and even more so, the observance of ethical principles by Ukrainian businessmen, there are various barriers:

Internal: skepticism about ethics in business; transfer responsibility to others; uncertainty in its moral sequence; moral distraction; fear of becoming uncompetitive; excessive self-esteem.

External: laws, public opinion; bribery of officials; unscrupulous business partners; application of force methods in relations with partners; optional in business communications.

The success of the country depends on 80% of the management. Indeed, management plays a huge role in the development of countries, solving the problems facing the economy, the success of economic actors. However, management itself is based on a system of principles and values that are a fundamental part of the management process.

The links between economics, governance and ethics can be traced in many respects. For example, the higher the level of trust of the companies on the part of its partners, the less the cost goes to control the agreements between them, reduce transaction costs, reduces the time of negotiation. Such concepts as trust, reputation, responsibility become important in this key.