

THE MAIN TENDENCIES OF DEVELOPMENT OF THE SMALL BUSINESS IN UKRAINE

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Small enterprises play an important role in the economic sector of Ukraine. They provide a high level of employment, form competitive environment and stimulate the development of innovations and investments. Statistics shows that there is a tendency of decreasing the number of small enterprises in our country. It can be explained by several factors, among which there are: political crisis, low purchasing power of domestic consumers, high tax rates, inflation, corruption, bureaucracy, unimproved legislation, regular pressure of control authorities, lack of real credit programs, lack of full-scale government support, competition and others.

The first and the most important trend is a lack of governmental support in the field of small business. It is necessary to hold reforms which will provide the simplified setting up of a business and create effective conditions for its development.

The second problem is connected with high tax rates and regular pressure of authorities. This tendency exposes businessmen to be the participants of the shadow economy. The solution to this obstacle is to improve the current legislation system.

The positive tendency on the Ukrainian market can be explained by the process of

European integration. It gives small business an opportunity to get investments, to expand the sphere of their activity, to produce high-quality goods and etc.

According to foreign experience, one of the ways of successful development of small business is a business incubator. It is a company that helps new and startup companies to develop by providing services such as management training or office space.

We define the priority ways of development of small business for our country to do the following:

- provide stable tax system and effective legislation;
- stimulate investments and innovations;
- expand the delivery of Ukrainian goods to European countries;
- develop the governmental support of small enterprises;
- implement new ways of financing and crediting small business;
- increase a social defense of business and others.

In conclusion, small business is a vital part of Ukrainian economy. The social and economic developments of our country depend on the effectiveness of small business that is why the support of that sector must be the key element of governmental policy.