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A ROLE OF SMALL BUSINESS IN ECONOMY OF UKRAINE

In the article outlined advantages of small business by comparison to large, the modern state is described and the role of small business entities is reflected in the economy of Ukraine, with the purpose of forming of strategy of subsequent development of small business in Ukraine.

Key words: *small business, enterprise, economy, small business entities.*

A sector of small enterprise is the inalienable constituent of market economy which is instrumental in the decision of a number of economic, scientific and technical and social problems of society. In entire countries with the developed market economy small business led to the meaningfulness and efficiency as in economic so in a social plan.

In the economic pattern of the developed countries small business is characterized dynamic, plasticity of production, can considerably quick large and middle business to react on changing, it is better to adapt to the market state of affairs, completer to satisfy the necessities of customers. Small business is an inalienable constituent of highly developed market economy, the attribute of modern model of market economy, which gives the economy of flexibility, mobilizes solid financial and production resources, and creates a favorable environment for a competition. [1, p.307]

Small business is basis of small-scale production; determines the rates of economic development, structure and high-quality description of internal gross product; degree of democratization of society; carries out the structural re-erecting of economy, rapid recoupmnt of expenses, freedom of market choice; provides a market saturation commodities and services, by realization of innovations, additional workplaces; characterized high mobility, rational forms of management; forms the social stratum of businessmen-proprietors – basis of middle class; instrumental in the decline of monopolism. [2, p. 46]

Automatically his place grows in the theory of economic cognition in those or other displays as an object of scientific research.

Among researches of western economic idea, directed on determinations suit and to maintenance of enterprise, it is above all things necessary to mark labors A. Smit, K. Vespera, P. Drukera, F. Nayta, Y. Tyunena, F. Khayeka, Y. Shumpetera. The question of development of domestic small business was found by reflections in researches of Z.S. Varnaliy, V.E. Voronina, S.G. Drigi, V.M. Geec, A.A. Jalilo, O.E. Kuz'mina, O.V. Kuzhel', E.M. Libanovoy, D.V. Lyapina, V.P. Petrenko, other known domestic research workers and economists. Absence of integrity and unambiguity in researches of domestic research workers at the exposure of role of small business causes the necessity of their association, systematization and walk through, and the unsatisfactory being of small enterprise of Ukraine in the modern stage requires subsequent theoretical working-outs from this design a sector, from the estimation of him the real influence on the economy of Ukraine and development of strategy of him subsequent development.

The purpose of the article is research-and-development of place and role of small enterprise in the economy of Ukraine ways of his stimulation.

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Development of small business in our time is one of the most essential component elements of public policy, Ukrainian economy directed on modernization. In national lectures "About the state and prospects of development of enterprise" [3] problems and progress trends are in detail enough expounded enterprises, formed strategic priorities in the field of development of small business. [4, p. 165-169] Tactical priorities from deregulation and certain development of enterprise in Program of economic reforms of Ukraine on 2010–2014 years "Rich society, competitive economy, effective state". [5] However absence of both general economic strategy of the state and development of enterprise, in particular, does not allow expressly to outline the structural policy of the state. Evolutional models of development of enterprise of the developed countries in basis of which a passive structural policy with insignificant interference of the state with the processes of development of economy is actual on this time.

However required calls of time are by the read-throughs of active structural policy essence of which consists in the determining participating of the state in progressive structural changes. Unlike command administrative systems, where structural transformations, forming's of new industries, were carried out exceptionally due to the budgetary financing, in market conditions structural transformation must be based on sufficient market potential of enterprise by a maximal assistance his functioning by the state and to development of his potential. An enterprise is formed by an effective competition environment, instrumental in the decline of monopolism of state and mixed enterprises, influences on structure of economy and on high-quality description of gross domestic product, extends the sphere of freedom of market choice, characterized the rational forms of management, provides more rapid realization of innovations.

A role and place of small enterprise in a national economy better in all shows up in inherent him functions. Examining the functions of small enterprise in a stable market economy it follows to mark the following:

At first, large payment of small enterprise in the matter of forming of competition environment. It is known that in the conditions of free market economy a competition is the reflection of relations of competition between firms, when the independent activity effectively limits possibilities each of them to influence on the general conditions of appeal of commodities at this market, and also stimulates the production of those commodities an user needs in which. Then activity of participants of market relations acquires dynamic to character, it is economic responsibility and risk of businessman which converts him into the original social engine of economic development. From one side small business as a result of numerous elements, that he is made, and them high dynamism, in a considerably less measure added monopolizations, than large enterprises. Otherwise, at the terms of narrow specialization the use of the newest technique he comes forward as an effective competitor which blows up monopolistic positions of large corporations. [6, p. 277]

Secondly, a small enterprise, operatively reacting on changing of market, gives the market economy of necessary flexibility. This he a line got in the modern terms of the special value as a result of rapid individualization and differentiation of consumer demand, acceleration of scientific and technical progress (STP), growth of nomenclature and range of the manufactured goods and services.

Thirdly, enormous is payment of small business in realization of breach on the row of important directions of STP, foremost in industry of electronics, cybernetics, and informatics. Instrumental in the acceleration of realization of the newest technical and commercial ideas, small business the same comes forward an explorer STP. For example, most shallow firms which arose up at the end of 80th in Great Britain are most technically equipped. And in the USA there are about 50% scientific and technical developments on the sector of small enterprise.

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Fourthly, small business is done by ponderable payment in the decision of problem of employment. This function shows up in ability of small enterprise to create new workplaces and take in surplus labor force during cyclic slumps and structural changes of economy. In the developed countries on small business is on the average 50% all busy and to 70-80% new workplaces. If in a period a crisis 70-80 years in the developed countries the process of reduction of workplaces went on large enterprises, shallow firms them not only kept, the new created but also even.

The important function of small enterprise consists in the decline of social tension democratization of market relations, because exactly he is fundamental basis of forming of actively operating middle class of society.

Consequently, a role and functions of small business from point of economic positions consist not only in that he is one of major effective factors of economic development of society which leans against the market methods of ménage. He an important function is an assistance socio-political stability of society that he opens space the free choice of ways and methods of work is in behalf of society and providing of own welfare.

In many countries of the world, including in past soviet, that got through transformation of own economy, small business indeed executed and carries out the role of such institute. Unfortunately, real consisting of matters of it the sector of economy of Ukraine, testifies that the existent going near determination of role and functions of small enterprise not in a complete measure answer reality. [7, p. 5-11]

Reasons of it are followings their failings:

- an unambiguity and integrity failing existent research in determination of role of small enterprise in the economy of Ukraine. Research workers, separately one from other, often analyze exceptionally one or a few functions of small business, determining among them main and second-rate, more and less meaningful for a country;

- a role which is appointed for a small enterprise does not answer the modern economic terms of Ukraine and more characteristic the developed market economy. As such functions, as providing of overwhelming part in employment, GDP, grant the economy of flexibility and transition of it, to the past industrial stage of development and others like that, inherent a small enterprise in the front-rank countries of the world;

- research workers send the functions of small business to the decision of practically all economic issues of the day in Ukraine: poverty, economy growing, disproportions, is in an economy, and others like that. It is considered that it is exceptionally been in strength to overcome these negative phenomena the subjects of small business.

It is necessary to notice together with that the realizable analysis of development of small business in Ukraine cannot apply on exceptional authenticity and plenitude through imperfection of the existent system of state information small enterprise.

The first problem consists in practice of statistical account of small enterprises. Government service of statistics conducts research only after by small enterprises - legal entities with the number of busy to 50 man. In relation to physical persons - businessmen who make the wide layer of small business, any economic information absents on their activity, and it understates the economic indicators of all the sector of small business. Accessible is only information about the amount of the registered businessmen which are fixed in the organs of state registration and tax service of Ukraine.

The second problem is that the tactlessness of statistics pretends to be a presence wide informal the sector of small enterprises, and curvatures of basic data of accounting, by businessmen.

The third problem consists in unique statistical null data about small enterprises information, given different state departments – Government service of statistics of

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Ukraine, Ministry of profits and collections, Departments of economics of Ukraine, differs often, by services of employment and others like that. From it is impossible to be oriented in the indexes of small business.

The conducted research gives possibility to find out basic directions of perfection of the existent going near determination of role of small business in the economy of Ukraine:

1. Account of experience of other countries with the different economic systems in relation to their going near the estimation of influence of activity of small enterprises on an own economy.

2. Development of mechanism of estimation of role and functions of small business is taking into account an economic situation in Ukraine.

3. By this mechanism at application of the system of the permanent monitoring of the state of small enterprise estimation of the real place and this setting a sector in the economy of Ukraine.

Consequently, that a role and functions of small business from point of economic positions consist not only in that he is one of major effective factors of economic development of society which leans against the market methods of management. Him an important function is an assistance the socio-political stabilizing of society, that he opens space the free choice of ways and methods of work in behalf of society and providing of own welfare. [8, p. 222]

A small and middle enterprise is one of main motive bodies of economic development and one of basic factors of the structural re-erecting, activation of innovative processes, development of competition, and others like that. Among basic directions of development enterprises are the improvement of registration, tax and innovative policy in this sphere. It will provide the evolutional structural re-erecting of economy, maximization of the economy growing, increase of organizational efficiency of the use of human and other national resources.

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