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DEVELOPMENT OF ENTREPRENEURSHIP IN THE ECONOMY OF UKRAINE: MOTIVATORS AND DEMOTIVATORS OF ENTREPRENEURS' ACTIVITY

The development of entrepreneurship is investigated and the stages of establishment of entrepreneurial activity in Ukrainian economy are identified. The scientific-methodical approach to the definition of stages of entrepreneurship development in the national economy on the basis of a complex analysis of the dynamics of statistical indicators of the activities of economic entities, factors and conditions, that positively or negatively affect the motivation to entrepreneurial activity, motivate or demotivate the entities, determine the trends of the scale of distribution and the level of entrepreneurship efficiency, is offered. In the period from 1991 to 2017, seven homogeneous stages of the establishment of entrepreneurial activity in Ukrainian economy were identified according to the criterion for entrepreneurs' motivation. The following motivators and demotivators of entrepreneurial activity are analyzed: the ease of starting business, tax pressure, production risks, regulatory policy, personnel qualification, conditions and efficiency of business entities, access to financial resources, corruption and illegal actions in relation to entrepreneurs, state of social and economic development of the country, access to foreign market.

Keywords: *stages of entrepreneurship development, national economy, motivators and demotivators of entrepreneurs' activity.*

Actuality of the problem (statement of the problem). In most countries of the world, entrepreneurship is a powerful engine of socio-economic progress. The development of entrepreneurship in the country's economy is a condition for ensuring its efficiency and integration into the global economic system. At the same time, the development of entrepreneurship in each country is influenced by numerous diverse factors and conditions, which, depending on the nature of their influence, can act as motivators or demotivators of the business entities activity. According to the results of the analysis of motivators and demotivators of the activity of economic entities, the possibility of a well-founded regulatory influence on the development of entrepreneurship in the national economy appears on the basis of the development and implementation of a system of appropriate measures aimed at reducing the harmful effect of demotivating factors and enhancing the positive effect of the motivating factors of entrepreneurial activity.

Analysis of recent research and publications. The works of famous domestic scientists, economists, such as: O. Amosha [1], V. Bazylevych [2, p. 32], A. Butenko [3], T. Vasiltsiv and Z. Varnalii [4], A. Kovalyov [5], V. Liashenko are devoted to the study of the various factors and conditions for the development of entrepreneurship in the national economy [3]. Instead, a number of methodological issues related to the analysis of the factors and conditions of entrepreneurship development in terms of their motivating or demotivating influence on the activity of entrepreneurs, in our opinion, are not sufficiently studied in the scientific literature, that conditioned the relevance of the research topic.

Formulating the goals of the article (statement of the task). The purpose of the article is to study the process of entrepreneurship development in Ukrainian economy on the basis of analysis of the main indicators of the activity of economic entities, factors and conditions that affect the entrepreneurial activity of these entities, as well as the identification of the main stages of the establishment of entrepreneurial activity in the national economy on the basis of its criterion motivation.


Presentation of the main research material. To study the development of entrepreneurship and a reasonable selection of stages of the establishment of entrepreneurial activity in Ukraine, based on its criterion of motivation, a critical analysis of the annual dynamics of the main indicators of activity of economic entities during the years of the country's independence was made. Changes in statistical reporting forms, methodology of determining individual indicators, the official publication of certain statistical publications and the classification of types of economic activity occurring in different years of the investigated period did not allow obtaining comprehensive information for each year (Tab. 1) [6].


Table 1


Main indicators of activity of business entities in Ukraine during 2005–2017 *

Indicators	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of subjects of the Unified State Register of Enterprises and Organizations of Ukraine (USREOU), at the beginning of the year, thousand units	1023.4	1070.7	1133.2	1187.0	1228.9	1258.5	1294.6	1323.8	1341.8	1372.2	1331.2	1121.3	1185.1
Number of business entities, thousand units						2184.1	1701.8	1600.3	1722.3	1932.3	1974.4		
Number of enterprises, thousand units						379.0	375.9	365.1	393.5	341.2	343.6		
in % to the total number of economic entities		16.7	15.8	13.8	13.1	17.4	22.1	22.8	22.8	17.7	17.4		
Number of employed workers, thousand persons	9429.9	9272.5	9247.5	9051.0	8350.3	8186.0	8022.1	7920.9	7642.5	6510.1	6041.6		
Number of employees, thousand persons	9369.9	9197.1	9144.4	8936.8	8228.2	8064.2	7941.4	7818.8	7521.6	6404.6	5930.0		
Volume of sales, billion UAH	1514.5	1898.3	2418.5	3019.0	2745.8	3462.1	4091.4	4307.1	4153.1	4319.9	5319.0		
Capital investment, billion UAH	106.2	142.5	205.1	246.0	172.9	133.8	197.6	235.7	222.7	184.0	218.8		
Financial result (balance) before taxation, billion UAH	61.4	70.7	121.6	-10.9	-8.8	58.3	122.2	101.9	29.3	-523.6	-340.1		
Profit before taxation, billion UAH	86.0	105.0	168.7	173.6	136.8	212.0	272.7	278.0	234.5	334.5	475.3		
Loss before taxation, billion UAH	24.6	34.3	47.1	184.5	145.6	153.7	150.5	176.1	205.2	858.1	815.4		
Share of damaged enterprises in % to the total	34.2	33.5	32.5	37.2	39.9	41.0	34.9	35.5	34.1	33.7	26.3		
Profitability of enterprises, %	7.0	6.6	6.8	3.9	3.3	4.0	5.9	5.0	3.9	-4.1	1.0		
Number of individual entrepreneurs, thousand units						1805.1	1325.9	1235.2	1328.7	1591.2	1630.9		
in % to the total number of economic entities		83.3	84.2	86.2	86.9	82.6	77.9	77.2	77.2	82.3	82.6		
Number of employed workers, thousand persons		3398.8	3679.0	3989.0	4223.5	2814.5	2371.4	2277.9	2322.6	2498.2	2290.3		
Number of employees, thousand persons		1422.1	1461.0	1538.9	1559.3	1009.4	1045.5	1042.7	993.8	907.0	659.5		
Volume of sales, billion UAH			153.0	205.0	196.0	230.4	211.2	256.6	284.2	289.0	397.5		

Legend:

 increasing the value of the indicator compared to the previous year

 reducing the value of the indicator compared to the previous year

 lack of data

* Source: developed according to [6]

In identifying the motivation for entrepreneurship, the desire of entrepreneurs to maximize the final financial results of activities (assessment is based on the dynamics of efficiency and profitability indicators), as well as the extent of the spread of the phenomenon of entrepreneurship in Ukraine (assessment is made on the indicators of the number of economic entities, the number of employed and hired workers were considered). Stages of change in the type of business activity motivation are distinguished by the criterion of homogeneity of the established tendencies of the dynamics of the selected indicators, which are a complex illustration of the main motive of entrepreneurial activity in certain periods of time. The statistical analysis of the dynamics and trends of entrepreneurial activity is combined with the analysis of motivating and demotivating factors and the conditions that influenced the activity of business entities during the analyzed period: ease of starting business, tax pressure, production risks, regulatory policy, qualification of personnel, access to financial resources, corruption and the state of socio-economic development of the country.

According to the results of the analysis, seven homogeneous stages of the establishment of entrepreneurial activity in Ukraine on the criterion of entrepreneurs' motivation are distinguished (Tab. 2).

The first stage (during 1991–1999) was associated with the spontaneous, haphazard appearance of various types of entrepreneurship in the absence of clear official norms and rules of its implementation, which did not give positive impetus to stabilize the economic situation of the country.

An unsatisfactory economic situation is due to two circumstances. First, the violation of the economic ties of the business sector of the country's economy due to the obtaining of independence by Ukraine in 1991, which resulted in a sharp decrease in all indicators of the country's social and economic development, and the standard of living of the population considerably deteriorated [7, p. 331]. The highest rates of decline in the standard of living are typical for 1993 (compared to the previous year): the real money income index of population declined more than 3 times, the real wage index more than doubled; inflation has reached more than 4800 % [ibid]. Changes in the country's economy have led to a sharp decline in the purchasing power of the population and the lack of sufficient own funds to open and operate successfully the business. The second reason lies in Ukraine's attempt to enter the market economy itself, the rules of the game of which were unknown, and their own experience at that time was still absent. As a result, the majority of normative legal acts and management decisions aimed at motivating the population to engage in entrepreneurial activity during this period were ineffective. At the same time, it was the negative tendencies in the economy that prompted the population to engage in entrepreneurial activity as the main tool of survival, which should have been promoted and by proclaimed privatization had been. But at the end of 1998, there were 151,400 small enterprises, only 30,0 % of which, namely 45,800, were formed by privatization [8, p. 256]. The most popular during this period was the creation of joint ventures with foreign investors, which in the long run not only did not bring the expected positive results, but also caused devastating impact on the industrial potential of Ukraine [7, p. 281; 8, p. 190]. The growing number of private enterprises did not allow to overcome the tendency of annual reduction of production and investment [8, p. 114]. At the same time, small enterprises, which were intensively created at that time in the form of production cooperatives, subsidiaries, farms, contributed to a certain increase in employment and satisfaction of demand (according to various estimates of 68-95 %) for consumer goods of the population [7, p. 282].

The main motivating factors for entrepreneurship at this stage were preferential taxation of small enterprises and the acquisition of opportunities for Ukrainian enterprises to enter the foreign market. Instead, the impact of demotivating factors was quite powerful and concerned without excluding all the spheres of the company's operation. Among the most powerful demotivators of this stage, should be mentioned the complexity of the procedures for starting a new business, the high level of depreciation of fixed assets and excessive energy intensity of products, the absence of preferential conditions for the regulation of activity of medium (size) enterprises, the lack of financial resources and the general economic crisis in the country.

The second stage (2000–2003) is associated with the gradual stabilization of the country's economic situation, the adaptation of business entities to new economic conditions caused by the adoption of a number of laws on business regulation, in particular the Commercial Code. During this period, there is a tendency towards the intensive establishment of small enterprises – their number increases by an average of 12,0 % per year, but is characterized by an annual reduction in the chain growth rate of this indicator from 16,48 % in 2002 to 7,45 % in 2003 [6]. The positive dynamics of the number of small enterprises during the stage led to an increase in their share in the total number of enterprises – from 82,9 % in 2000 to 85,7 % in 2003. This allowed to increase the employment rate at small enterprises (to the total population in able-bodied age) from 6,1 % in 2000 to 7,2 % in 2003 (the share of the average number of employees of small enterprises in their total number increased from 15,1 % to 20,9 %). However, such changes were accompanied by negative re-

sultant tendencies in the activity of small enterprises – the share of their products in the total volume of sales went down from 8,1 % in 2000 to 6,6 % in 2003.

Table 2

Stages of entrepreneurial activity in Ukraine on the criterion of motivation of entrepreneurs *

Stages, the basis of motivation for activities	General characteristics of the stage
Stage 1: 1991–1999 All-permissiveness and excessive risk-taking due to the lack of clear rules for entrepreneurship	The annual growth rate of economic entities has increased due to the data of USREOU (more than 10,0 %). The advantage is given to the illegal methods of regulating entrepreneurial activity. High cost and length of the entrepreneurship registration process. High probability of a complete loss of business, as well as receiving a super profits
Stage 2: 2000–2003 Adaptation to the newest economic conditions	High rates of annual growth of the number of business entities according to the USREOU (6,0–8,0 %). Formation of the legal field in the country, the formation of market relations. Unstable tendencies in changes of financial results of activity of enterprises, high probability of loss. Growth and stabilization of the profitability of enterprises at the level of 4,2–4,5 %
Stage 3: 2004–2007 Maximization of efficiency and profitability of activity, gaining a larger share of the market of sales	Moderate pace of annual growth of the number of business entities according to the USREOU (4,0–6,0 %). Reduction of the share of enterprises that have been damaged by results of activities. Intensive development of enterprises due to the annual growth of capital investment activity (20,0–45,0 %) and volumes of sold products (8,0–30,0 %). Achievement of the maximum level of profitability of enterprises activity: 6,4–7,0 %
Stage 4: 2008–2009 The desire to survive, counteracting to the financial crisis	Moderate pace of annual growth of the number of business entities according to the USREOU (3,5–5,0 %). Reduction of capital investment activity of enterprises, falling volumes of sold products in all economic entities. Growth of the share of individuals-entrepreneurs among the total number of economic entities. Increase in the number of employed and hired workers in the activity of individuals-entrepreneurs. Negative financial result before taxation of enterprises, falling of profitability of their activity to the level of less than 3,0 %
Stage 5: 2010–2012 The desire to cover the losses of the previous period, to gain signs of stabilization	The slow pace of annual growth of the number of business entities according to the USREOU (2,2–2,8 %). The number of large business entities grows at the expense of enterprises, with a decrease in the number of medium and small businesses. Increase in the volume of capital investment of enterprises and sales volumes. The unstable nature of positive phenomena accompanied by an increase in the profitability of enterprises activity and an increase in the profitability of their activities to 4,0–5,9 %
Stage 6: 2013–2014 Demotivation caused by financial, political, social and other reasons (anti-motivation)	Very low rates of annual growth of economic entities number according to the USREOU (1,3–2,2 %). Reduction of capital investment of enterprises. Growth of sales volumes in all business entities. The growth of the number of small business entities at the expense of individuals-entrepreneurs in reducing the number of large and medium entrepreneurship. Increase in the number of employed persons with a decrease in the number of employees in the activity of individuals-entrepreneurs. Sharp increase in the loss-making activity of enterprises, their activities are unprofitable
Stage 7: from 2015 Reducing of anti-motivated feelings. Optimistic expectations at the beginning of stabilization and growth of profits	Reduction of the number of business entities according to USREOU by 3 % compared to 2014. The growth of the number of small business entities at the expense of both enterprises and individual entrepreneurs in reducing the number of large and medium entrepreneurship. Reduction of occupied and hired workers by all economic entities. Growth of volume of capital investment and sales of products by all economic entities. Insignificant increase in the level of profitability of enterprises, activity, achieving a profitability level of 1,0 %

* **Source:** Developed by authors

Motivators for entrepreneurship at this stage: simplification of access of enterprises to short and long-term credit resources of commercial banks, which resulted in an increase in the volume of capital investments, and partial stabilization of the national currency rate. The most influential demotivating factors are the lack of effective legal regulation of entrepreneurial activity and its non-compliance with the interests of entrepreneurship development; increase of tax burden; a large number of different state inspections; limited sources of business financing; a high level of economic shadowing and corruption.

The basis for motivating entrepreneurship *in the third stage* (2004–2007) is to maximize profits and increase profitability, which could be achieved by conquering a larger share of the market through "favorable foreign economic conjuncture" [9, p. 325; 8, p. 97]. The key tools for realizing the motivational expectations of entrepreneurs were market, financial, investment and innovation components of activity, ecologization of production [10, p. 100; 8, p. 127]. It is the choice of the indicated instruments as a means of development of entrepreneurship that allowed to achieve the highest levels of covering the expenses for the entire period of Ukraine's independence, which were invested in production, – the average profitability of enterprises reached 7,0 % in 2005. At the same time, a high tax rate on enterprise profits became a significant demotivating factor of entrepreneurship development at this stage [8, p. 170]. The positive tendency of annual growth of enterprise profit during 2004–2007 was accompanied by different average tax burden. The highest tax pressure was observed in the most economically volatile 2005 (the share of profit tax amounted to 26,3 %), which led to a change in the structure of investment into fixed assets: there was a reduction in the share of investments made at the expense of enterprises' own funds, with the simultaneous growth of their share at the expense of loan resources and long-term loans from commercial banks [8, p. 187]. The result of the proliferation of demotivating moods among entrepreneurs was the sharp decline in 2005 of the share of enterprises that introduced innovations – up to 8,2 % against 26,0 % in 1994 or 15,6 % in 2001 [8, p. 195]. Next two years, the tax burden had a tendency to improve, but the minimum level during this period (22,0 % in 2004) was not achieved. Similar trends were also observed in the dynamics of the structure of investment into fixed assets and the share of enterprises that introduced innovations.

In spite of various kinds of complexity, the number of small enterprises gradually increases during this period (annual growth rate is 4,4 %), however, their share in the total number of enterprises of the country is decreasing simultaneously – from 85,6 % in 2004 to 85,1 % in 2007. This decrease has led to: annual falling of employment rates at small enterprises (to the total numbers of population of working age) from 6,8 % in 2004 to 6,0 % in 2007; reducing the share of the average annual number of employees of small enterprises in their total amount – from 20,2 % in 2004 to 18,4 % in 2007 [6]. As a result, the final result of the activity of such enterprises deteriorated – the share of their products in the total volume of sold products in the country decreased from 5,3 % in 2004 to 4,4 % in 2007 [ibid].

At the same time, during the analyzed stage, the first steps towards the progressive reform of the legislative framework were implemented, thus simplifying the licensing and registration process of the new business; introduces preferential taxation for enterprises investing in human capital and in innovation; a single legal framework for supervisory authorities has been created. The listed stimuli allowed to gain in the economy of the country the tendencies of increase of enterprises' profitability and increase of real incomes of the population of Ukraine.

But the above listed difficulties in the field of functioning of economic entities in Ukraine at that time, together with the general unfavorable socio-economic situation in the country, greatly increased the demotivational factors of entrepreneurial activity, which, first of all, should include the imperfection of regulatory legal regulation of entrepreneurial activity; excessive tax pressure; high level of depreciation of fixed assets at low indicators of the efficiency of the use of fixed assets, personnel and financial resources; excessive number of inspections by supervisory authorities; lack of financial resources; low effectiveness of the state policy in protecting the interests of business entities; deterioration of the foreign economic conjuncture for Ukrainian enterprises; increasing of inflationary processes. The situation was aggravated also by complicated state procedures for the establishment of economic entities and further regulation of their activities. According to the World Bank estimates, in 2004 Ukraine got to the group of the least flexible regulators of personnel issues when opening a business: under the criterion of working conditions, it ranked 93rd place out of 95 countries, under flexibility of personnel policy – 69th place among 74 countries. No less disturbing situation was observed in 2007: by the degree of ease of the procedure for paying taxes, Ukraine ranked 174th place among the 175 countries under the same rating [11].

The fourth stage (2008–2009) is critically unfavorable for the development of entrepreneurship in Ukraine, due to many reasons. Firstly, in 2008, according to the changes introduced into the Commercial

Code, there was a correction of the gradation of economic entities and statistical reporting indicators that characterize their activity. This contributed to leveling down the failures of previous economic reforms and reducing the opportunities for further development of entrepreneurship [7, p. 293]. As a result, in 2008, the share of small enterprises decreased to 92,7 %, ie by 0,5 percentage points compared to the previous year. Secondly, the country's economy suffered a devastating effect of the world financial and economic crisis of 2008, which adversely affected the final results of the activities of all entities without exception. [9, p. 325; 8, p. 239]. Thus, in 2009, the volume of sold products decreased by 9.1%, which led to a sharp increase in the share of unprofitable enterprises from 32,5 % in 2007 to 39,9 % in 2009. At the same time, in the structure of sales increased the share of the volume of sales of large enterprises (from 39,3 % in 2007 to 45,6 % in 2009), while simultaneously reducing the share of medium and small (from 42,6 % to 37,7 %, from 18,1 % to 16,7 %, respectively) enterprises [6].

Negative external influences in relation to economic entities at this stage also led to an increased reduction in the number of employed workers, which greatly exacerbated social problems in the country. Thus, in 2009 against 2008: the number of employed workers in small enterprises decreased by 3,8 %, in average enterprises – by 9,4 % and large enterprises – by 8,8 % [6]; the unemployment rate in the ILO methodology increased to 8,8 % against 6,4 % [7, p. 141].

One of the key demotivating factors in this crisis period of entrepreneurship development should be the regulatory difficulties (complexity of the opening, registration, licensing and obtaining a building permit, high tax pressure, frequent inspections by state authorities, lack of financial resources and preferential terms of taxation and small-business loans, lack of effective state mechanisms of entrepreneurial activity regulation, etc.), the complex influence of which, together with the galloping inflation and devaluation of the national currency significantly complicated the entrepreneurial activity and negatively affected its performance. The combined negative effect of these factors led to the fact that in 2008 Ukraine, according to the World Bank estimates, ranked in Doing Business 2008 [11], occupied (among 178 countries of the world): 139th place – in terms of favorable legislative regulation of entrepreneurial activity; 174th place – for ease of implementation of the procedure for licensing activities; 178th place – for ease of payment of taxes. The main motivating factors for entrepreneurship at this stage should be a certain reduction in tax burden of economic entities; reducing the time for processing foreign trade operations and facilitating the procedure for obtaining a loan. Consequently, the lack of actions introduced by the Government in the direction of stabilization and development of entrepreneurial activities should be noted.

A characteristic *feature of the fifth stage* (2010–2012) can be called signs of overall financial and economic stabilization, which has led to increased business activity of large enterprises. Instead, there were negative trends in the development of small and medium-sized enterprises (SMEs): both the number of such entrepreneurs and the number of employees employed by them decreased. If in 2010 the volume of sales of SME products made 58,4 % of the level of sales of all Ukrainian enterprises, then the next two years its value decreased to 57,6 % [12, p. 3]. One of the reasons for such a situation, according to experts, is the orientation of state regulatory legal support exclusively to the interests of large business [7, p. 24, 242]. The share of employed in the small business sector, starting from 2010, gradually decreased from 46,0 % to 43,0 % in 2012. Instead, there was a reverse trend in the growth of the share of workers employed in large enterprises of Ukraine – an average the value of this indicator increased by 5,8 % during three years. The share of workers employed in medium-sized enterprises also increased from 31,7 % in 2010 to 32,2 % in 2011 [6].

The effects of these trends were an imbalance between the share of small enterprises that received profits and losses, respectively, in the total profit and loss before taxation [6]. The share of profit before taxation, received by small enterprises, in the overall profit of enterprises of Ukraine increased from 14,6 % in 2010 to 16,0 % in 2012; the corresponding indicator of the contribution of small enterprises to the total loss before taxation changed from 32,1 % in 2010 to 28,5 % in 2012. Therefore, despite the positive dynamics, the ratio between the share of profitable and unprofitable enterprises in the small business sector can be characterized as negative in comparison with the sector of medium and large enterprises.

Taking into account the fact that in most sectors of the economy of Ukraine, SMEs play a key role in creating new jobs and ensuring demand for products and services, there was a high need for state support for their development at this particular stage. Another reason is the adoption in 2011 of the new Tax Code, which has worsened taxation conditions for the most small enterprises [7, p. 297]. At the same time, during the period of 2010–2012, some progressive reforms were introduced at the national level, which made it possible to facilitate the procedure for opening a business, introduce a special tax regime for certain categories of economic entities, simplify the procedure for paying taxes and increase the level of protection of in-

vestors, which can be considered as motivating factors for the development of entrepreneurial activity. At the same time, the complexity of the registration procedure of entrepreneurial activity; reduction of the number of activities which are subjected to the simplified taxation system; high energy consumption; lack of effective legal mechanisms for the protection of business entities; insufficient demand for goods and services, lack of own working capital; the spread of corruption in public authorities and lack of a favorable investment climate in the country influenced the most demotivating.

The sixth stage (2013–2014) is characterized by socio-political, financial and economic crisis phenomena, the beginning of the military conflict in Ukraine, which has sharply worsened the financial situation of all without exception economic entities. Negative trends, in the first place, have affected the activities of large enterprises, which need more time to adapt to rapidly changing conditions. Firstly, during the years 2013–2014, the number of large enterprises decreased by 39,4 %, while the tendency to reduce the number of employed and hired personnel sharply increased, as a result of which 2/3 of employees were employed in the sector of small and medium-sized enterprises [13, c. 9; 12, p. 3]. One more feature of this stage is the growth of self-employment of the population to 82,0 % and the increase of shadow employment in the informal sector of the economy to 22,1 % of the total employed in Ukraine, 2/3 of which informally work in small business [13, p. 10; 12, p. 3; 7, p. 139]. Secondly, the share of value added of large enterprises sharply decreased to 38,6 % in 2013 compared to 43,8 % in 2012, when they reached the highest level of productivity among all economic entities – 392 thousand UAH/person [13, p. 7]. This situation has led to the fact that among the large enterprises the share of unprofitable ones increased from 30,6 % in 2013 to 34,0 % in 2014 [13, p. 10]. Instead, the share of added value of micro-enterprises grew the most – in 2013 the increase made up 53,6 %, and in 2014 – 44,2 % compared with the previous years [13, p. 7]. At the same time, the share of profit before taxation of medium-sized enterprises in the total profit before tax increased during the period from 38,8 % to 44,3 %, while of small ones – from 18,9 % to 21,0 %. These changes also affected the level of profitability of enterprises of various types of economic activity [6]: in 2013, in all areas of activity, except "information and telecommunications" and "education", there was a drop in profitability; in 2014 positive changes were observed only in two areas – "agriculture, forestry and fisheries" and "construction". The most financially successful types of economic activity during the stage are: "agriculture, forestry and fisheries" (growth from 11,3 % in 2013 to 20,6 % in 2014), "industry" (falling from 3,0 % in 2013 to 1,6 % in 2014), "information and telecommunications" (falling from 11,8 % to -1,6 % respectively) and "education" (drop from 8,4 % to 5,5 %).

At the same time, during 2013–2014, certain regulatory and legal reforms at the state level were implemented in Ukraine, which had motivational features for business entities, due to the fact that they simplified the procedure for business registration, obtaining a permit for building and registration of ownership rights to immovable property; simplified the procedure for deciding on insolvency and issuing a loan; accelerated customs operations. Instead, there were a lot of factors that during this stage demobilized the desire to engage in entrepreneurial activity, the main of them: high tax pressure and excessive energy consumption; unfavorable economic conjuncture and instability of legislation; lack of knowledge and skills for doing business; lack of state support and lack of access to funding; corruption in state authorities and local self-government; the instability of the political situation and the growth of the shadow economy; limited ability to export.

The beginning of the seventh stage of business development in Ukraine should be considered the year 2015 when, despite the steady negative influence of socio-political and financial and economic crisis phenomena in the country's economy, there was a slight revival of business activity of entrepreneurs. Firstly, compared to 2014, the number of enterprises increased by 0,7 %, and entrepreneurs – by 2,5 % [6]. Secondly, in 2015, for the first time in the entire study period, according to available data, the share of enterprises that received a loss was observed – 26,3 %. Thirdly, the average level of enterprises profitability reached a positive value of 1,0 %, helped by increase of enterprises profitability in agriculture, forestry and fisheries to a record 41,7 % in 2015. Such changes made it possible to acquire structural changes in the volume of capital investment of enterprises, the introduction of innovations (expenditures of business entities for innovation amounted to 0,7 % of GDP, while the share of innovation-active enterprises reached 17,3 %) [13, p. 25].

According to a study conducted by the USAID LEV Program, it has been established that in 2015 the SME business climate index reached a value of 0.1 at the expense of positive values of the business activity index (long-term) and the index of changes in the regulatory environment, each of which reached the level of 0,17 [14, p. 26]. At the same time, short-term indices of the business environment and business activity had negative values (respectively -0,26 and -0,04) [ibid]. According to respondents' survey results, the value of

the indices indicates that, despite the rather difficult situation in the economy, entrepreneurs have optimistic expectations of improving the market conjuncture in the next two years and stabilization of financial and economic situation in the country.

One of the reasons for such positive changes can be considered as significant motivational transformations for business entities that were introduced in 2015 at the state level, namely: simplification of all regulatory procedures for opening and registering a business; reduction of the frequency of inspections of entrepreneurs by state authorities; facilitation of contract execution procedures; improvement of the rules and conditions for the implementation of public procurement, facilitating the participation of business entities in tenders; strengthening protection investors' rights; increase in GDP of the country. At the same time, attention should be paid to a large number of demotivating factors that, since 2015, had a negative impact on the performance of entrepreneurial activity in Ukraine, namely: a significant number of types of business activities subject to licensing, the complexity of obtaining permits for business activity; high tax rates and complicated tax administration; ignoring by state inspections a moratorium on inspections of business entities; insufficient level of professional knowledge and experience of entrepreneurs; absence of a well-established system of guarantees and insurance of credit and investment risks; corruption and branching system of state control, sabotage of reforms; inflation and low competitiveness of goods, works and services on the world market. In addition, the most destabilizing factor is the war in the East.

Consequently, a study on trends of changing the motivation for engaging in entrepreneurial activity in Ukraine during 1991–2017 allowed us to conclude that it was slowly growing, despite the rather strong influence of internal and external demotivating factors. The confirmation of this thesis is the dynamics of the places, which, according to World Bank estimates (for the period of 2007–2017), Ukraine ranked in the world ranking for ease of Doing Business, Fig. 1 [11]. According to international estimates, in 2008, 2009, 2011, and 2012, the rating of Ukraine was worsened, and, consequently, business regulation reforms conducted in the country during these periods were ineffective and the greatest negative impact of demotivating factors was observed. At the same time, the World Bank describes most of the reforms, undertaken to increase business activity in the enterprise sector beginning since 2013, as positive and effective, with the help of which can be observed annual improvement of Ukraine's place in the ease of doing Business ranking.

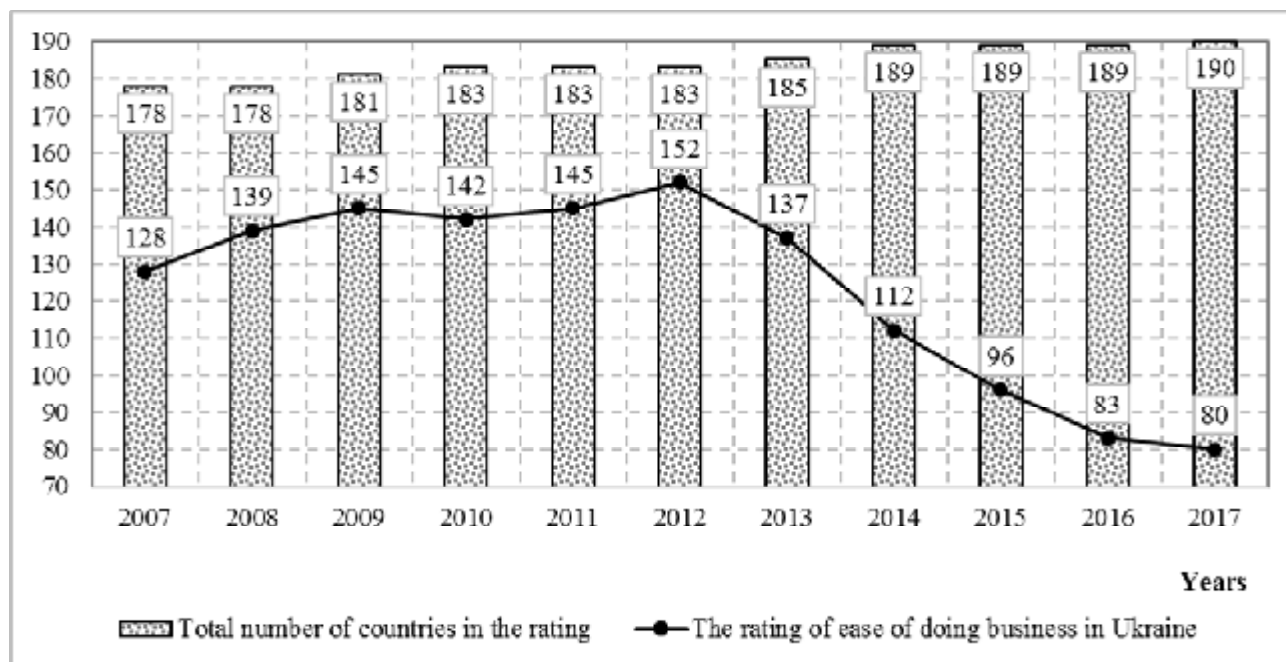
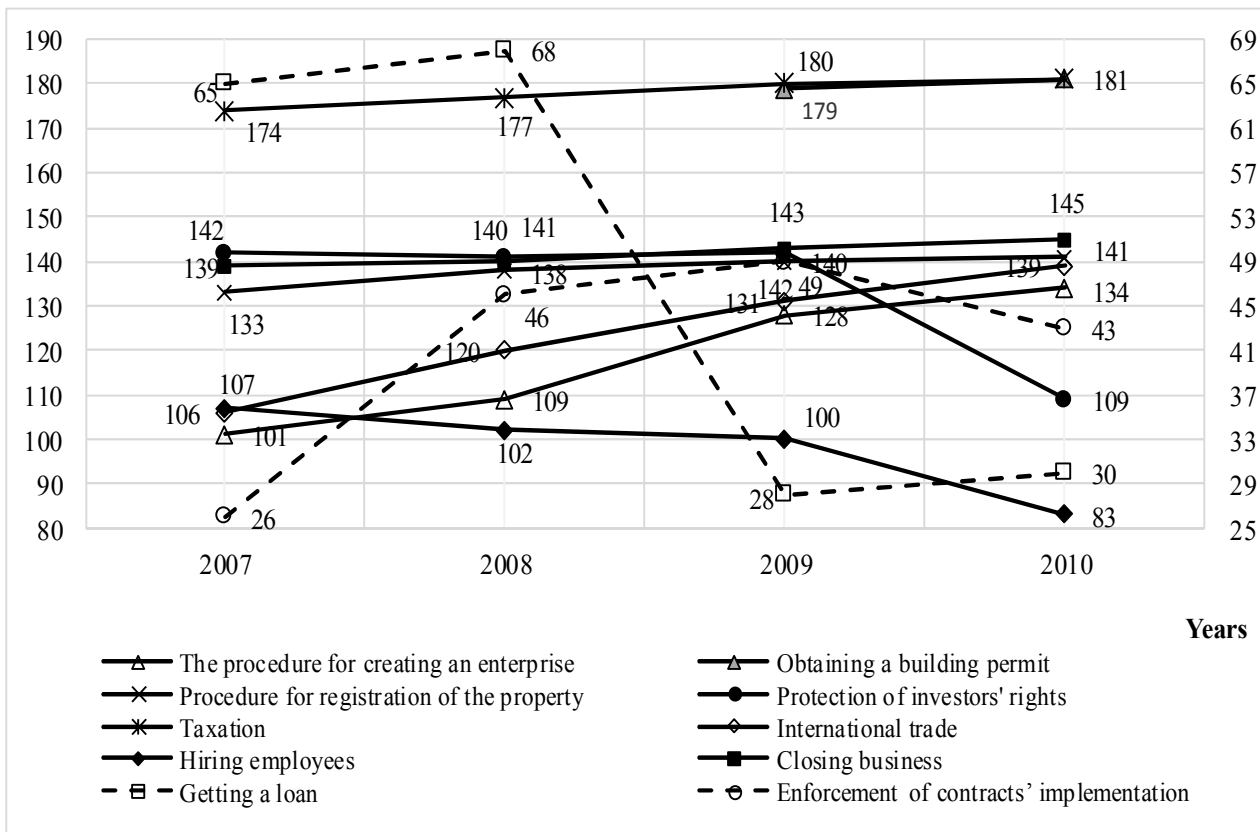


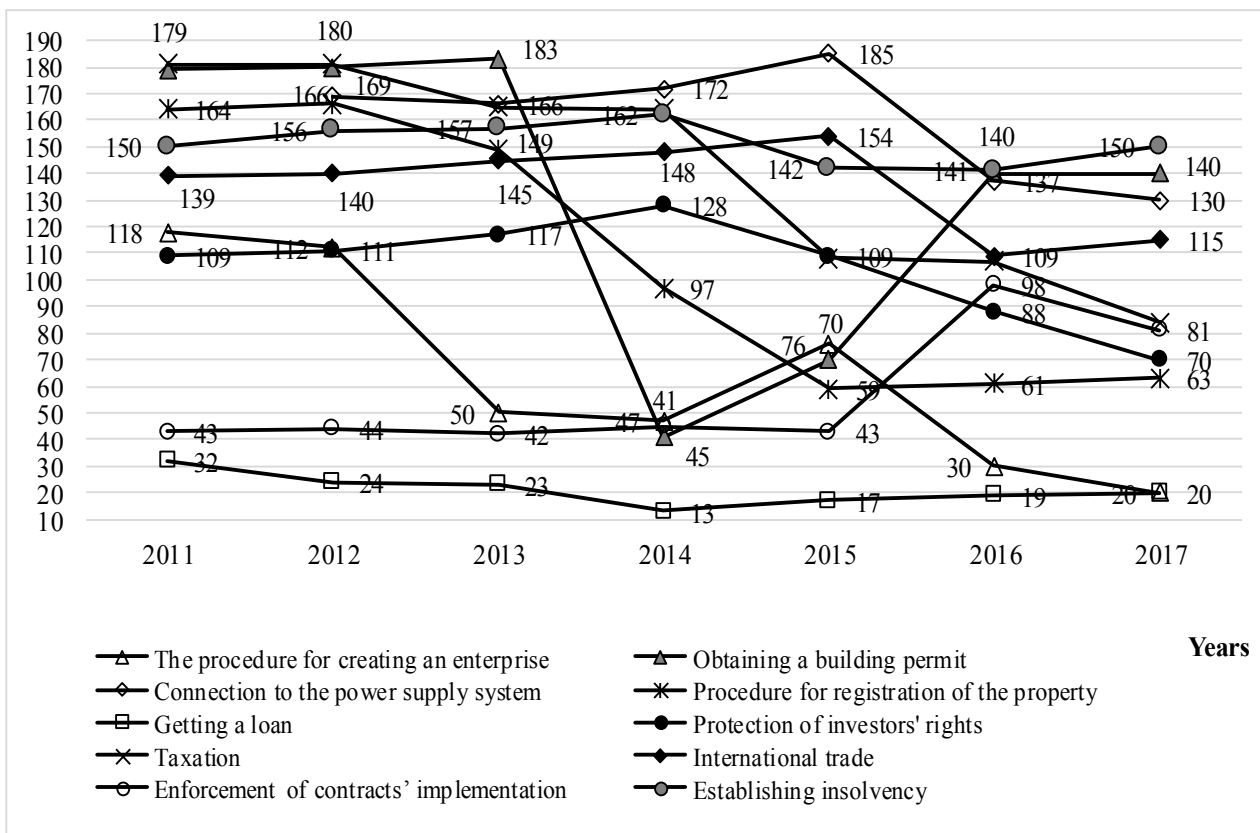
Fig. 1. The rating of ease of doing business in Ukraine, 2007-2017 *

* Source: developed according to [11]

Taking into account the indicators that as subindices are included in the resulting assessment of the world ranking of ease of doing business, this indicator can be considered a quantitative identification of the motivational incentives of entrepreneurs for opening and further doing business, Fig. 2 [11].



a)



b)

Fig. 2. The dynamics of the places occupied by Ukraine under sub-indexes of the rating of ease of doing business during 2007–2010 (a) and 2011–2017 (b) *

* Source: developed according to [11]

The dynamics of the subindex values made it possible to conclude that the most positive motivating influence on entrepreneurial activity and the improvement of ease of doing business in Ukraine was done by such factors as: improvement of the business creation process - the growth of Ukraine from 134th place in 2010 to 20th place in 2017; facilitation of the procedure for obtaining a loan – increase from 68th place in 2008 to 20th place in 2017; reduction of tax pressure – increase from 181st place in 2010 to 84th place in 2017; an increase of the level of protection of investors' rights – an increase from 128th place in 2014 to 70th place in 2017. At the same time, according to the World Bank's comprehensive assessment, the greatest demotivating influence on entrepreneurs was done by: the deterioration of the conditions for the implementation of contracts – the fall of Ukraine's place in the world from 42nd in 2013 to 98th place in 2016 and 81st place in 2017; the complication of the procedure for obtaining a building permit – a drop from 41st place in 2014 to 91st place during 2016–2017.

Thus, despite the overall positive dynamics of Ukraine's rating of ease of doing business, there are sufficiently influential demotivational factors to reduce the harmful effects of which the priority measures of regulatory provision of the motivational mechanism for the development of entrepreneurial activity should be directed both at the national and regional levels.

Conclusions. The combination of statistical analysis of the dynamics and trends of business development in Ukraine with the analysis of motivating and demotivating factors and conditions that influenced the activity of business entities during the analyzed period, made it possible to distinguish the stages of the establishment of entrepreneurial activity in Ukraine on the criterion of its motivation.

According to the result of the complex analysis of the factors of behavior of business entities, conditions and factors of entrepreneurial environment that positively or negatively influenced the motivation to entrepreneurial activity and determined the trends of indicators of the scale of spreading and results of entrepreneurship in Ukraine, seven stages of the establishment of entrepreneurial activity were identified on the basis of its criterion motivations during 1991–2015. For each stage the main conditions and factors that have been exercising both motivating and demotivating influence on the stages of the establishment of entrepreneurship have been determined.

According to the results of the analysis of motivators and demotivators of economic entities activities, the possibility of a well-defined determination of the priority measures of regulatory support of motivational mechanism of entrepreneurial activity aimed at reducing the harmful effects of demotivating factors and enhancing the positive effect of motivating factors of entrepreneurship development in the national economy appears.

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РОЗВИТОК ПІДПРИЄМНИЦТВА В ЕКОНОМІЦІ УКРАЇНИ: МОТИВАТОРИ І ДЕМОТИВАТОРИ ДІЯЛЬНОСТІ ПІДПРИЄМЦІВ

Досліджено розвиток підприємництва і виокремлено етапи становлення підприємницької діяльності в економіці України. Запропоновано науково-методичний підхід до визначення етапів розвитку підприємництва в національній економіці на основі комплексного аналізу динаміки статистичних показників діяльності суб'єктів господарювання економіки, чинників та умов, які позитивно або негативно впливають на мотивацію до підприємницької діяльності, мотивують або демотивують суб'єктів господарювання, зумовлюють тенденції масштабів поширення і рівень результативності підприємств. В період 1991–2017 рр. за критерієм мотивації підприємців виділено сім однорідних етапів становлення підприємницької діяльності в економіці України. Як мотиватори і демотиватори підприємницької діяльності проаналізовано: легкість започаткування діяльності, податковий тиск, виробничі ризики, регуляторну політику, кваліфікацію персоналу, умови та результативність діяльності суб'єктів господарювання, доступ до фінансових ресурсів, корупцію та протиправні дії проти підприємців, стан соціально-економічного розвитку країни, вихід на зовнішній ринок.

Ключові слова: *етапи розвитку підприємництва, національна економіка, мотиватори і демотиватори діяльності підприємців*