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**ENTREPRENEURSHIP IN COMPETITIVE  
ECONOMY OF UKRAINE**

*Annotation. The main problem for small businesses – it is the difficulty with financing, complexity and inability to borrow funds was considered.*

*Анотація. Розглянуто основні проблеми для малого бізнесу – це труднощі з фінансуванням, складність і неможливість одержання позикових коштів.*

*Аннотация. Рассмотрены основные проблемы для малого бизнеса – это трудности с финансированием, сложность и невозможность получения заемных средств.*

*Key words: corporation tax, choice of legal form, rate of return allowance, allowance for corporate equity, small business taxation, social security, taxation of income from capital, incorporation.*

The main features of small business functioning and development in Ukraine are considered. Significant contribution to research of the given problem was brought by such scientists as R. Akoff, M. Robson, W. Albrecht, R. Hisrich, M. Peters and others [1]. The aim of the article is to define the role and place of entrepreneurship in modern business. Entrepreneurship is the system of managing based on innovative activity which purpose is getting enterprise's income, and mentioning all reproduction processes, and their separate stages. So, the entrepreneur is an individual one who is aimed at reception of profit over an average level by the fullest satisfaction of needs on the basis of own knowledge, skills, forecasts, the one who aspires to make break in this or that sphere of economic activity, in creation of new production and technology, in manufacture or marketing and receiving the additional income for the risk and prediction.

Today the formation of the effective, competitive economy is a state policy strategy where an especial place is given to a small business. Despite of a lot of researches, devoted to the phenomenon of entrepreneurship, today it is impossible to say that there is a full and finished theory of entrepreneurship. In development of small business many countries see a unique way of market economy advantages realization. Small enterprises promote creation of new workplaces, introduction of the new goods and services, satisfaction of needs of large enterprises etc. However, the process of small business development in a number of countries, and in Ukraine is accompanied by a number of significant difficulties. In this connection small business is a complex and risky field of activity. Under those circumstances, small enterprises are more doomed to "death rate", than large companies. Thus, under modern conditions such questions are actual: creations of favorable conditions for small business functioning and maintenance

development. But in the recent years, corresponding laws are passed, procedures of registration of business become simpler, the quantity of checks is reduced, the simplified system of taxation small business subjects taxation. This promotes growth small business activity [1].

In the developed countries small business captures a significant part of population. Today in Ukraine the steady class of entrepreneurs has been formed. Those remained in business accustomed to severe conditions and learnt to survive. Modern businessmen are, as a rule, the intellectual managers. They organized the unions, formal and informal associations. The attitude of population to this category has also changed. Moreover, for the majority of population entrepreneurship means application of their skills and knowledge, and paid workplaces. The development of entrepreneurship in Ukraine has been affirmed among all subjects of economy [2].

Experience of small enterprises testifies that their economic life cycle is short about 3 – 5 years. For example, in the USA 65 % of enterprises with the personnel up to 20 people disappear in first four years of existence, and each fourth firm – is a bankrupt in the first year of activity. In Ukraine, according to the leading researches, 75 % of newly created small enterprises have chances to survive during the first year of existence [3].

Among the problems, stirring to development of small business in Ukraine are: high taxes, a plenty of taxes, frequent changes of the legislation, excessive state intervention, difficulties with privatization, imperfection of a competition, pressure of local authorities, control on the part of governmental bodies. In the current legislation of Ukraine there are no certain norms or rules which are precisely strict between lawful reduction of taxes (tax optimization) and taxes payment evasion. Efficient control of small business depends on external conditions of the local market [2].

Thus, one of the reasons of crisis in this sector of economy is the passive state policy and weak resource support. Small business weak spots are also deficiency of administrative knowledge, therefore business foundation is carried out by means of not civilized ways and methods. It is one of the main problems necessary to solve in Ukraine to make effective and well developed small business.

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