

ENSURING INVESTMENT SECURITY OF SMALL ENTERPRISES AND MAIN DIRECTIONS OF THEIR DEVELOPMENT

El Karti Halima (Morocco)

Scientific director – Doctor of Sciences in Management and Administration,

Professor Iaroslava Levchenko

Kharkiv National Automobile and Highway University

Kharkiv, Ukraine

Small enterprise (SE) ensures the strengthening of market relations based on private property, based on risk-taking and innovative activities; covers the reproduction process as a whole or some part of this process with the aim of generating business income.

SEs have the potential to adapt faster and better to market and specific customer requirements thanks to a flexible management structure, which allows for faster decision making.

In order for entrepreneurship to become a real strategic resource, one of the main factors in exiting the deep economic crisis of Ukraine and its regions onto the path of sustainable economic development, state regulation of entrepreneurship is necessary, which is a system of economic, social, organizational, legal and political provision by the state of a favorable environment for the formation and sustainable development of modern entrepreneurship.

The problems of small business development have been given a lot of attention by both domestic and foreign scientists: P. Berne, V.A. Rube, V.E. Savchenko, M.D. Bilyk, V.I. Shpak, V.N. Parsyak, S.K. Reverchuk, A.S. Filimonenkov and others [1, 2]. Modern researchers also pay great attention to the problems of investment security of both the enterprise and the state [3, 4].

One of the factors for sustainable development of the real sector of the economy is the development of small businesses in the industries, agriculture, and construction. However, over the years of market reforms, there have been no

fundamental structural changes in the Ukrainian economy; small businesses in the real sector of the economy have not received proper development.

Ukrainian small businesses are currently focused on activities not related to the real sector of the economy, but related to the non-productive sphere - purchasing, intermediary operations, redistribution and servicing the movement of imported goods.

The system of small enterprises is developing in Ukraine, mainly in large cities and industrial centers. These circumstances are related to the characteristics of small businesses. They are further aggravated by the fact that in the context of urbanization, the system of small enterprises plays a new, important role in the functional and spatial development of cities.

There is a negative trend towards a decrease in the number of small enterprises in the real sector of the economy and an increase in the number of small trade and public catering enterprises.

The most important reasons hindering the development of small business are:

- instability of general economic and legal working conditions, frequent and not always justified changes in the legislative framework, lack of an effective mechanism and underdevelopment of the regional legislative framework;

- unstable economic situation, inflation, high and frequently changing lending rates, unreliability of banks and other financial institutions;

- imperfect mechanism of state regulation of small businesses, lack of legal guarantees, a large number of administrative barriers that impede the dynamic development of entrepreneurship;

- lack of credit and financial resources, difficulties in obtaining loans, investments, etc.;

- low level of business and legal culture among most entrepreneurs, lack of business ethics;

- insufficient, weak resource base of small enterprises;

- lack of information, advisory and marketing infrastructure;

- difficult crime situation.

One of the reasons hindering the development of small businesses is the underdevelopment of marketing infrastructure, the lack of an information and advisory system and the difficulties arising in connection with this in the field of product sales.

An analysis of the current state of development of market relations in production shows that the old forms of material and technical supply, consumer cooperation, etc., which contribute to the equipment of material and technical means and the sale of products, have been destroyed, and the formation of new forms of production and market infrastructure is extremely slow. Modernization and rationalization require significant investment and government support.

The underdevelopment of market infrastructure hinders the development of the regional market and does not contribute to increasing production efficiency.

The relevance of developing financial, credit and investment support for small businesses (SE) is constantly emphasized both by the state government and at the level of regional authorities. The actual support mechanism operating in this direction is not yet effective enough compared to the scale of problems that can be solved by increasing the investment activity of small businesses. As is known, the implementation of investment support programs for small enterprises can have a twofold justification.

Firstly, the justification of investment support in the field of small business within the framework of state investment policy emphasizes the importance of the development of this area from the point of view of the efficient use of national economic resources.

According to this economic theory, funds allocated for the development and creation of an integral infrastructure of the investment process in the field of small business should be considered as investments that will bring profit and, as a result, will contribute to the attraction of a mechanism that activates the multiplier-accelerator effect of investment in the economy.

Secondly, promoting the development of small business is an effective means of solving social problems, and above all the problem of employment. Therefore, the concept of the social orientation of its financial support is based on the fact that the socially useful functions of a small enterprise should be subsidized by the state and society.

The way out of this situation is the development and implementation of a concept of investment support for the small business sector, in which the funds allocated for these purposes should be spent on creating structures and establishing financial mechanisms characterized by a high level of return on invested investment resources. Organizational measures should first of all include the development of information support for the mechanism of investment support for the small business sector.

The main task of the scientific and methodological component of the mechanism for supporting investment activity in the small business sector is to develop a system of funding priorities in the main directions of its development and to justify measures for their implementation in order to reflect the interests of all levels: federal, regional and the smallest enterprises.

Economic measures should include, first of all, the development of promising forms of financing and support for small businesses, such as:

- development of the lending system in order to expand the number of recipients receiving financial support and facilitate access of small businesses to commercial loans;

- the development of a guarantee mechanism for investment loans to small enterprises should include the provision of government guarantees from small business support funds to commercial banks that participate in financing the small business sector;

- development of an investment insurance system. The increased level of risk in the activities of small enterprises places special demands on the work of insurance companies; at the same time, insurance and reinsurance systems, as well as

mechanisms for guaranteeing loan repayment, can be created at the same time. Some support for these processes from state and regional authorities is also necessary;

- the mechanism of financial and credit support for small enterprises should contribute to the development of new forms of cooperation of small enterprises in the field of lending in the form of creating mutual lending societies (MLC);

- development of leasing, tolling, forfeiting as promising forms of investment for small enterprises;

- development of small enterprises in the innovative sphere of the economy. Small enterprises engaged in innovative activities (SEIs) in most countries operate with direct support from the state, since risk (venture) entrepreneurship primarily affects the acceleration of the use of scientific and technical progress achievements, the prompt perception of innovations by the economy and, therefore, contributes to the formation of an innovative type of development of society.

In the course of the study, the priority directions of the development of small enterprises from the standpoint of ensuring investment safety were considered. The main forms of financing and support of small enterprises are determined: leasing, tolling, forfeiting as promising forms of their investment.

Formulated concrete priority directions for investment of small enterprises, should be carried out taking into account regional features, to which, first of all, the development of promising forms of financing and support for the sphere of small enterprises should be attributed to ensure their investment security.

References

1. V. N. Parsyak Small business: essence, state, means of maintaining stability / V. N. Parsyak, M. B. Zhuravlyova; Ukraine state plague technical University named after Makarov. - Mykolaiv, 2001. - 164 c.
2. Reverchuk S.K., Lazur P.Yu., Kolisnyk H.M. State support of small and medium-sized enterprises and their effectiveness / Ed. S. K. Reverchuk. – Lviv: LNU named after Ivan Franko, 2004. – 146 p.
3. Shpak V. I. Development of small entrepreneurship in Ukraine / V. I. Shpak – Science. kind. - K.: MAUP, 2004. - 185 p.
4. Kirylenko V. I. Investment component of economic security: Monogr. / V. I. Kirylenko. - K.: KNEU, 2005. - 232 p.