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DEVELOPMENT OF SMALL AND MEDIUM ENTERPRISES AMONG PARTICIPANTS OF OJFS AND IDPS

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Introduction. With the exacerbation of the situation in the East, the destruction of infrastructure and housing, the uncertainty of return prospects, it became clear that adaptation and socio-economic integration should become a priority in IDP and OJF policy. Therefore, one of the strategic guidelines of the economic policy of the state should be to create and maintain the most favorable environment for the development of small and medium business veterans, as well as the employment of veterans and members of the families of the victims.

The hypothesis. It is envisaged that all regions of Ukraine can be classified by the level of development of small and medium-sized enterprises among the participants of the IDP and OJF.

The aim of the article is to develop a methodological approach to classification the regions of Ukraine by the level of development of small and medium-sized enterprises among participants of OJFs and IDPs and implementation of directions of support to the development of small and medium-sized enterprises in depressed regions based on increasing the awareness of participants of CSOs and IDPs about grant and state support.

The research methodology: method of systematic analysis and logical generalization – for implementation of directions of support of development of

small and medium-sized enterprises in depressed regions; substrate approach – to justify and systematize social support programs for small and medium-sized enterprises; method of cluster analysis – for classification regions of Ukraine by the level of development of small and medium entrepreneurship.

Results: developed a methodological approach to the typology of regions of Ukraine by the level of development of small and medium-sized enterprises among participants of OJFs and IDPs, which provides an opportunity to comprehensively address the urgent issue of implementation of areas of support for the development of small and medium-sized enterprises in depressed regions on the basis of increasing awareness of participants in OJFs and IDPs and government support.

Conclusions: high professional and qualification potential of participants of OJFs and IDPs should become a factor of innovative development of the regions of Ukraine whose economy is in urgent need of modernization. Foreign investments are a potential source of financing the modernization of an existing production base or the construction of new high-tech enterprises.

Keywords: OJF and IDP participants; small and medium-sized enterprises; grant support; level of development.

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РОЗВИТОК МАЛОГО ТА СЕРЕДНЬОГО ПІДПРИЄМНИЦТВА СЕРЕД УЧАСНИКІВ ООС ТА ВПО

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Вступ: Із загостренням ситуації на Сході, руйнуванням інфраструктури та житла, невизначеністю перспектив повернення, стало зрозумілим, що пріоритетним у політиці щодо ВПО та ООС має стати адаптація та соціально-економічна інтеграція. Отже, одним зі стратегічних орієнтирів економічної політики держави має стати створення і підтримка максимально сприятливого середовища для розвитку малого та середнього бізнесу ветеранів, а також працевлаштування ветеранів та членів сімей загиблих.

Гіпотеза наукового дослідження. Передбачається, що всі регіони України можливо класифікувати за рівнем розвитку малого та середнього підприємництва серед учасників ООС та ВПО.

Метою статті є розробка методичного підходу до типологізації регіонів України за рівнем розвитку малого та середнього підприємництва серед учасників ООС та ВПО та імплементація напрямів підтримки розвитку малого та середнього підприємництва у депресивних регіонах на основі посилення обізнаності учасників ООС та ВПО щодо грантової та державної підтримки.

Методи дослідження: метод системного аналізу та логічного узагальнення – для імплементація напрямів підтримки розвитку малого та середнього

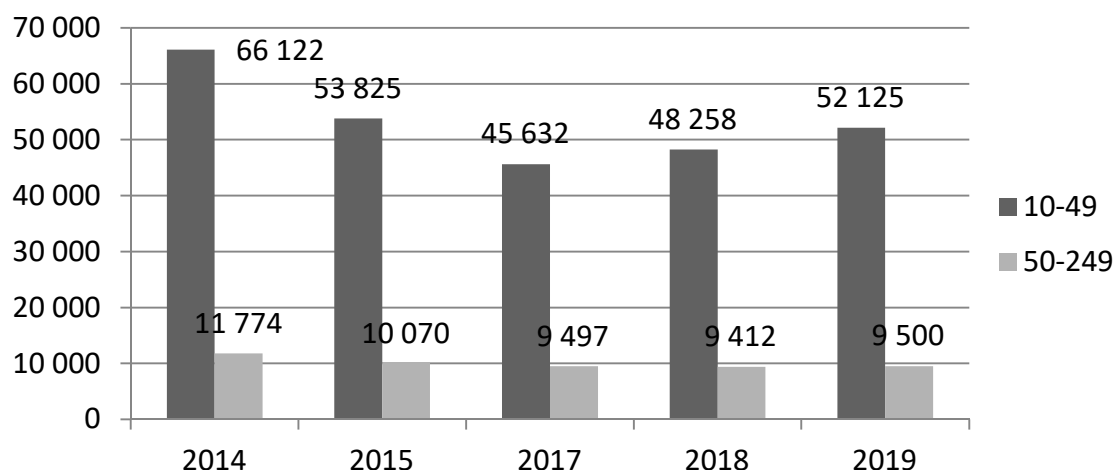
підприємництва у депресивних регіонах; субстратний підхід – для обґрунтування та систематизації програм соціальної підтримки малого та середнього підприємництва; метод кластерного аналізу – для типологізації регіонів України за рівнем розвитку малого та середнього підприємництва.

Результати: розроблено методичний підхід до типологізації регіонів України за рівнем розвитку малого та середнього підприємництва серед учасників ООС та ВПО, який надає можливість комплексно підійти до вирішення актуального питання імплементації напрямів підтримки розвитку малого та середнього підприємництва у депресивних регіонах на основі посилення обізнаності учасників ООС та ВПО щодо грантової та державної підтримки.

Висновки: високий професійно-кваліфікаційний потенціал учасників ООС та ВПО має стати чинником інноваційного розвитку регіонів України, економіка яких вкрай потребує модернізації. Потенційним джерелом фінансування модернізації наявної виробничої бази чи побудови нових високотехнологічних підприємств є іноземні інвестиції.

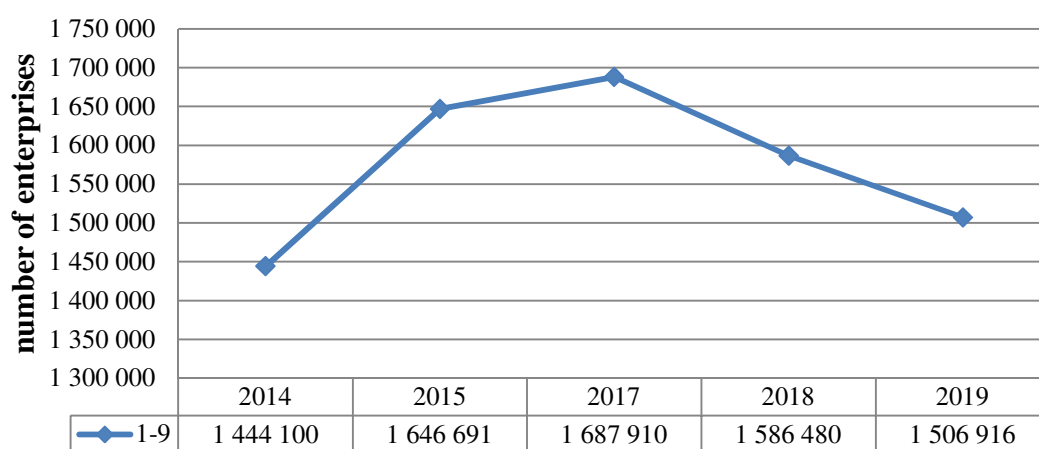
Ключові слова: учасники ООС та ВПО; мале та середнє підприємництво; грантова підтримка; рівень розвитку.

Formulation of the problem. Overcoming the difficult transition from war to peaceful life, the adaptation and socio-economic integration of veterans of the Russo-Ukrainian war today are a powerful catalyst for socio-economic change. This fact, in turn, contributes to the sustainable development of the economy in the regions and the stability of filling the budgets through the implementation of entrepreneurial activity by participants of the OJFs and IDPs. At the same time, the development of small and medium-sized entrepreneurship among participants of OJFs and IDPs is accompanied by some difficulties [1]. By 2014, SMEs accounted for 99.96% of the total number of business entities. This situation complied with the established European standards. However, since 2014, in absolute terms, there has been a quantitative decline in all types of businesses. The number of small businesses varies from recession to small growth, and the number of medium-sized enterprises decreases every year [2]. This trend is also observed in 2019 (Figure 1, 2).



Source: [3].

Figure 1. Dynamics of development of small and medium enterprises



Source: [2].

Figure 2. Dynamics of microenterprise development (number of employees from 1 to 9)

The situation is complicated by the inability to determine the magnitude of the problem of resuming IDPs' entrepreneurship, as the number of IDPs has not been established. The desire to return is a demotivating factor in the resumption of business. The IDP status itself guides entrepreneurs to the expectation of state support and the moment of return, rather than to business recovery and economic activity. In addition, the low entrepreneurial activity of participants of OJFs and IDPs, from the number of entrepreneurs engaged in entrepreneurial activity to resettlement, is conditioned by the general economic context: economic downturn, banking crisis, and thus – limited access to financial resources, raising credit rates, low purchasing power. population. Actually, this can be explained by the rather low indicators on the opening of their business enterprise by unemployed participants of OJFs and IDPs.

Under such economic conditions, state support for small and medium-sized enterprises becomes crucial. Among the measures that can revitalize business recovery in the areas of current residence of participants of OJFs and IDPs, the first is the possibility of obtaining a loan and reducing the single social contribution for businesses based on combatants.

Analysis of recent research and unresolved part of the problem. The basis of the theoretical and methodological base of the research is formed by the work of domestic and foreign scientists on the problem of socio-economic adaptation, in particular veterans of hostilities and internally displaced persons, as well as works devoted to the prospects of small and medium-sized entrepreneurship in the aspect of state and international grant support.

Many works of scientists are devoted to the problem of social and economic integration. For example, V. Shcherbak proposed the formation of an adaptive infrastructure to support small and medium-sized enterprises of socially vulnerable groups [7]. A. Semykina focuses on the importance of human capital development as a way of increasing competitiveness through social innovation [8]. The question of studying the problem of attracting entrepreneurs to the OJF is not ignored by scientists. O. Sorokivska and I. Goncharenko propose as an effective instrument of formation of favorable policy of conducting small and medium business the introduction of a roadmap system in the regions of the country [5, 6].

The aim of the article is to develop a methodological approach to classification the regions of Ukraine by the level of development of small and medium-sized enterprises among participants of OJFs and IDPs and implementation of directions of support to the development of small and medium-sized enterprises in depressed regions based on increasing the awareness of participants of CSOs and IDPs about grant and state support.

Research results. According to the Ministry of Social Policy, the largest number of internally displaced persons is registered in Donetsk, Luhansk, Kharkiv, Zaporizhzhya and Kiev regions. The smallest

number of IDPs are displaced in Ternopilskiy, Chernivtskiy, Rivnskiy, Zacarpatskiy, Ivano-Frankivskiy and Volynskiy regions. This demonstrates the uneven regional distribution of IDPs across Ukraine, leading to undue social and administrative burden on communities, local labor markets, and the social infrastructure of the regions of the universe. Uneven placement of internally displaced persons across regions makes it difficult to implement employment and development policies for small and medium-sized enterprises [9].

In order to implement the areas of support for the development of small and medium-sized enterprises (SMEs) in depressed regions, a typological grouping of regions of Ukraine was conducted on the basis of increasing the awareness of OJF and IDP participants on the following indicators: dynamics of the number of SMEs, unemployment rates of OJF participants and IDPs number of employed by SMEs, share of SMEs of IDPs and OJF s participants in total sales of SMEs.

For the purpose of typological grouping, cluster analysis was used - a method of multidimensional classification of data, which allows to group the objects of research (in our case - regions of Ukraine) by a similar structure, which is determined by the indicators of the level of development of SMEs of IDPs and OJFs.

According to the clustering results of 24 regions of Ukraine, five clusters were identified (Table 1).

Table 1

Classification of regions of Ukraine by the level of development of small and medium-sized enterprises among participants of OJF s and IDPs

Clusters	Regions
Cluster 1 (progressive)	Vinnytskiy, Lvivskiy, Zaporizhskiy, Poltavskiy, Kievskiy
Cluster 2 (developing)	Rivnenskiy, Khmel'nitskiy, Kirovohradskiy, Dnipropetrovskiy
Cluster 3 (unwavering)	Ternopilskiy, Zacarpatskiy, Ivano-Frankivskiy, Volynskiy, Sumskiy, Odesskiy, Kharkivskiy
Cluster 4 (regressive)	Chernihivskiy, Zhytomyrskiy, Cherkaskiy, Mykolaivskiy
Cluster 5 (depressed)	Chernivtskiy, Khersonskiy, Donetskiiy, Luhanskiiy

The results of the cluster analysis were tested for adequacy according to the criterion for exceeding the values of intragroup variance by the values of intragroup variance, as well as for the value of the p-level indicator (Figure 3).

The calculated values of the F-criterion are greater than the tabulated value of this criterion with the corresponding level of significance and corresponding degrees of freedom. The confidence level (p-level) allows us to conclude that

the relationship between the factors found in the clusters is determined by chance of this sample with a probability of 1%.

Variable	Analysis of Variance (Spreadsheet2)					
	Between SS	df	Within SS	df	F	signif. p
Dynamics of the number of SMEs	14,73897	4	8,26103	19	8,47475	0,000423
Unemployment rate of SMEs	20,67719	4	2,32281	19	42,28364	0,000000
Number of employees	18,11682	4	4,88318	19	17,62271	0,000003
Part of SMEs OJF and IDP	11,38558	4	10,14420	19	4,65641	0,000653

Figure 3. Results of clustering of regions of Ukraine by the level of development of small and medium entrepreneurship among participants OJF and IDP (Statistica listing)

Regions are relatively stable and developed are clusters 1 and 2. Other regions need to implement the positive experience of progressive clusters, which is primarily determined by the high value of the business climate index (business environment quality index, current business activity, long-term business activity and assessment of key regulatory procedures, tax administration, audits). For them, the necessary measures are to create favorable economic conditions for investment and innovation activities, differentiation of tax benefits, interest rate subsidies, application of preferential loans, as well as pursuing an active state policy in the field of small and medium-sized entrepreneurship.

Among the measures that can revitalize business in the areas of current residence of IDP entrepreneurs, the first is the possibility of obtaining a loan. State support instruments for IDP entrepreneurs can be:

- compensation of interest rate on credits of commercial banks;
- grant or grant financial assistance for the acquisition of fixed assets (means of production, raw materials, etc.);
- programs of preferential lease of premises and fixed assets / leasing and granting of interest free trade credits.

Measures aimed at meeting the needs and effective integration of OJF and IDP participants into and institutions involved in the implementation of these measures are presented in Figure 4. Introducing pilot projects to provide preferential loans to stimulate the development of temporary migrants' businesses, including through international projects and foreign financial institutions, it is advisable to stimulate industries that are in line with regional, city or district development strategies [10].

In addition, there is a need for measures to build the capacity of local authorities to support the development of the private sector through trainings and seminars, exchange visits and lessons learned.

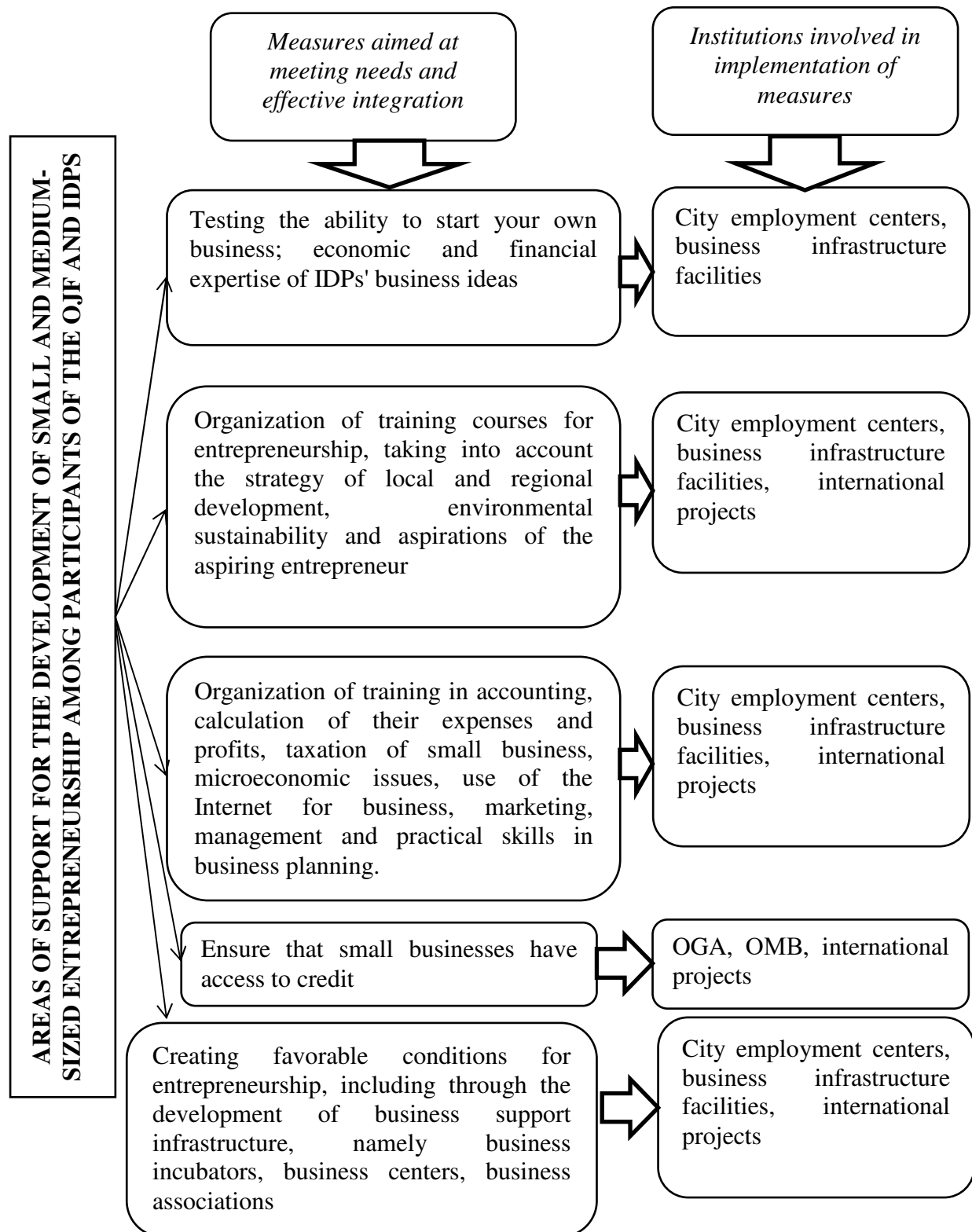


Figure 4. Areas of support for the development of small and medium-sized entrepreneurship among participants of the OJF and IDPs

There are various programs of assistance to OJFs and IDPs in the regions, supported by both international donors and local authorities. The most important of these are presented in Table 2.

Table 2

Entrepreneurship support programs for OJF and IDP participants

Program	Direction of activity	Financing
United States Agency for International Development (USAID)	Creating new jobs and developing the skills of people affected by the conflict. Creation and / or transfer of small business. Expanding the economic opportunities of people with disabilities in Ukraine.	Grant in the form of equipment or other assets, as requested, and expert support within 3 months. The amount of international technical assistance for one participant of the competition is up to 38 000 UAH
WNISEF Social Investing Program	Provision of support to private enterprises and individual entrepreneurs through the creation of an accessible lending mechanism jointly with banking institutions, the provision of training and consulting services, coaching and mentoring	Lending Credit rate – 5% to 10%
European Union COSME – "Competitiveness of SMEs"	The financial resources are provided in the form of grants to finance projects that support SMEs' export and innovation activities.	From 125 thousand UAH to 250 thousand UAH per entrepreneur
United Nations Development Program (UNDP)	Grant support is provided for the start-up, renewal or expansion of business activities	From 75 thousand UAH to 250 thousand UAH per entrepreneur
MES Self-Employment Program	Grant in the form of equipment for entrepreneurship development	Up to 1000 euros per entrepreneur

The funds from these grants can be used to purchase equipment for the production of goods; providing tools for service delivery; staffing or business expansion; rental of premises for production of goods and provision of services; providing resources for the production of goods and services; purchase of a franchise under a commercial franchise agreement with appropriate equipment; the acquisition of licenses and permits in the case of a particular type of business activity.

Conclusions and suggestions. Thus, the development of a methodological approach to the classification of regions of Ukraine by the level of development of small and medium entrepreneurship among the participants of OJFs and IDPs provides an opportunity to comprehensively address the urgent issue of implementation of support areas for the development of small and medium

entrepreneurship in depressed regions on the basis of increasing awareness of OJFs and IDPs participants grant and government support.

High professional and qualification potential of participants of OJFs and IDPs should become a factor of innovative development of the regions of Ukraine, whose economy is in urgent need of modernization. Foreign investments are a potential source of financing the modernization of an existing production base or the construction of new high-tech enterprises. The entry process should be as simple as possible, but with due regard for environmental standards. The involvement of international organizations can help to find the most effective types of economic activities to attract investment. Both governmental bodies of Ukraine and local authorities and international organizations should work to raise awareness of OJFs and IDPs about the possibilities of obtaining assistance. In this context, cooperation public organization and IDPs is extremely important.

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