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ANALYSIS AND PROSPECTS OF DEVELOPMENT OF THE INSTITUTIONAL BUSINESS ENVIRONMENT IN UKRAINE

Viktoriiia I. HUNKO

Candidate of Science in Economics, Associate Professor of Economics and Management Department of Cherkasy Institute of Banking of the University of Banking of the National Bank of Ukraine (Kyiv)

Summary. It defines the essence of entrepreneurship and the need for the development of the business environment. Analyzed the main economic indicators of development of entrepreneurship in Ukraine. Identify barriers to business development, namely high interest rates on loans, low level of funding, shortage of working capital, high level of taxation. Recommendations for national and regional governments to improve institutional entrepreneurial environment.

Key words: *entrepreneurship, business environment, business institutional environment, institutional inefficiency.*

The effectiveness of the national economy directly depends of the institutional quality of the business environment, its relevance to the modern level of development of socio-economic and production relations in society.

The aim of the study is the analysis of the institutional business environment in Ukraine and determine the prospects of its development.

In General, modern domestic business environment is a set of institutional “motivators”, which was implemented in the bifurcation transition period of changing the type of economic system. In turn, the uncertainty and instability of the formal institutions led to the poor performance of norms and rules of economic activity for business entities. Therefore, given the problems that characterize the institutional inefficiency of the basics of functioning of the Ukrainian economy, with a significant number of innovations in the business environment is not efficient enough, or blocks the possibility of effective development, what explain the effect depends on the previous trajectory of development.

The inconsistency and irrationality of institutional transformations responsible for the prevailing in Ukraine unfavorable business environment, which is determined by the complexity of the regulatory and licensing system, the existence of a systematic business risks, lack of institutional conditions legal

activity, resulting in the spread of such destructive phenomena as raiding, corruption, shadow economy.

In Ukraine, there remain some institutional problems, which are determined by the need to implement measures such as reducing administrative barriers; reduction of tax rates and simplification of tax regulation; providing funding for newly established small and medium enterprises; the fight against corruption. Given the above, to improve entrepreneurial institutional environment, offer the following recommendations for national and regional bodies of state administration:

- to implement measures aimed at facilitating the creation of enterprises;
- to simplify the procedures governing the functioning of existing enterprises;
- continue to align tax policy with the needs of enterprises, especially small and medium;
- to facilitate the access of small and medium-sized enterprises to Bank financing;
- to carry out systematic activities aimed at improving governance and reducing corruption and illegal taxation practices with enterprises;
- to use the mechanism of cooperation between the public and private sectors in formulating and implementing policies in the field of development of enterprises at Central and local levels.

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