

Tjuchtij Mykola,

Doctor of Sciences(Economics),

Zaporizhzhya state engineer academy (Ukraine);

ORCID: 0000-0003-2426-875x

Hromozdova Larysa,

PhD in Economics, Associate Prof.,

Kyiv National Economic University named after Vadym Getman (Ukraine);

ORCID: 0000-0002-4077-9229

Artemenko Antonina,

Kyiv National Economic University named after Vadym Getman (Ukraine)

ORCID: 0000-0002-0451-0476

ENTREPRENEURSHIP AS THE POTENTIAL OF ECONOMIC DEVELOPMENT

The article analyses the entrepreneurship as the of potential economic development according to its functions of regulations in the process of development of the economy at the present period of planet development of societies. It is pointed that the entrepreneurship plays the important role in the organization of entrepreneurship activity where the entrepreneur plays the important role which has functions of intermediary and he is the object who has innovative, commercial and organizational capabilities for searching and developing new qualities, new sphere of adaptation of capital. The entrepreneurship as a regulator of economy can realize its potential, the level of development of national household content and direction of economic and political strategy of the state. Margaret Thatcher' s experience and her investment into development of England economy and entrepreneurship activity and application of her experience for improvement economic and entrepreneurship development in Ukraine is analyzed in the article.

Key words: *entrepreneurship, entrepreneurship activity, entrepreneurship, economy, potential of economic development,*

Тюхтій Микола, Громоздова Лариса, Артеменко Антоніна.
Підприємництво як потенціал економічного розвитку.

Стаття аналізує підприємництво як потенційний економічний у відповідності до його регулятивних функцій в процесі розвитку економіки на сучасному етапі планетарного розвитку суспільств. Зазначається, що підприємництво відіграє важливу роль в організації підприємницької діяльності, де важливу роль відіграє підприємець, який виконує функції посередника і

являється суб'єктом , який поєднує в собі новаторські, комерційні та організаторські здібності для пошуку і розвитку нових якостей, нових сфер застосування капіталу, а також підприємництво як регулятор економіки може реалізувати свій потенціал, рівень розвитку національного господарства, змісту і спрямованості економічної та політичної стратегії держави. В статті аналізується досвід Маргарет Тетчер та її вклад в розвиток економіки Англії та підприємницької діяльності, та застосування її досвіду для покращення економічного та підприємницького розвитку в Україні .

Ключові слова: підприємництво, підприємницька діяльність, підприємець, економіка, потенційний економічний розвиток,

At the present stage of the planetary development during the period of global economic processes, which concern not only other countries but also our country, the development of entrepreneurial activity is important, which makes it possible to regulate economic relations both in the middle of the country and externally. The purpose of the article is to analyze entrepreneurship taking into account its regulatory properties. Vynogradskaya AM, Azaryan OM, Belyaev AS, Komyakov O. M., Asaul A.N., Voynarenko M.P. , Miroschnichenko O.V., Onikienko V.V., Vitlinsky V.V., Gelikovnenko G.I., Bilous O.G., Butenko A.I. , Stuart Hall, Martin Jacques Michael, P. Todaro and others scientist researches this research which is based on various different economic aspects.

Small and medium business is an independent active and initiative activity of entrepreneurship and entrepreneurs, which is carried out at the expense of own or borrowed funds for the purpose of obtaining business profit and which is often accompanied by economic risk (Gerasymchuk, Miroschnichenko, Onikiyenko, 2002. P.7).

Considerable role in development of enterprise as a regulator of economy belongs to a businessman It is a subject that combines in itself innovative, commercial and organizational capabilities for a search and development of new economy. (Varnaliy, 2002, p. 232). A businessman must effectively manage entrepreneurial activity, understanding that enterprise guidance is possibility to induce people to the action. The type of guidance is determined by the requirements of present moment and necessities (Vynogradskaya, 2008, p. 61).

We could admit that a businessman must understand importance of economic competition for the achievement of the best results, economic fight between firms (by businessmen) for the most advantageous terms of production and sale of commodities can create regulative relations in an economy. (Varnaliy, 2002, p. 47).

And a businessman does not produce and does not sell a commodity, but acts part mediator, united link in the process of commodity exchange, in commodity-money operations. Here main task and article of activity is to connect two parties interested in a mutual agreement. For the grant of such services a businessman gets a profit, income. (Vitlinskiy, 2004, p. 3).

In a process adjusting of economic development of the state that provides the equal legal and economic terms of management to the business entities assists to market development, carrying out his adjusting by means of economic laws and stimulation will realize antimonopoly measures. (Vynogradska, 2008, p. 47).

Experience of the developed countries of the world testifies that partner relations of the state and private business always were in the field of the special attention of power. Problems of improvement of state property management and of possibility of bringing in of private capitals to realization of public interests and state initiatives needed the regular conceptual working. Partnerships did not develop spontaneously, but were entered in the general processes of decentralization (Azaryan, 2012, p. 175). A market supports that producer only whose products answer current solvent demand. Changes in the process of enterprise erect only to privatizing or receipt of foreign investments. His profit in a great deal depends on the competent managing.

The modern period of development of world economy is characterized by intensifying of competitive activity for the markets of sale, investment and acceleration of innovations.

In organization of investment activity a considerable role is played by forming of investment resources (Asaul, 2001, p. 327).

Bringing in of foreign investments matters very much for Ukraine. They, except creation of new workplaces on small and middle enterprises, plugging in economic turnover of their resources, assist structural alteration of economy, development of internal competition, capture of management new methods and by technologies, going into international markets with high-quality commodities (Gerasymchuk, Miroshnichenko, Onikiyenko, 2002. p. 39).

In opinion of leading world experts, basic investments in the developed countries will be laid in fundamental researches, software, development of new medicinal preparations, production ecologically of clean foodstuffs, mastering of space and technology of development (Bilous, 2001, p.133).

It should be noted that many processes of structural changes in an economy are general for different countries regardless of the dominating there economic systems (Byelyaev.2003, p.134).

The modern stage of development of economy of Ukraine is extraordinarily difficult for business, that objectively creates a requirement in the effective management of subjects of management , feasibility of their future development, forming of proof competitive edges, creation of instruments of the rapid adjusting on the dynamic changes of environment (Hall&Jacques, 1983, p. 3).

An enterprise can help us to regulate different economic processes and help the state to build highly developed society.

At present the most important thing for the economy is its development. It concerns not only Ukraine but other countries especially if they are not developed. We lived in the period of globalization and the process of the development of the economy play the significant role and entrepreneurship is the main part of this process.

The central economic problems of all societies include traditional questions such as what, where, how, and for whom goods and services should be produced. But they should also include the fundamental question at the national level about actually makes or influences economic decisions and for whose principal benefits these decisions are made. (Todaro, 1999, p. 17–18).

Today many developing countries are plagued by historically unique combination of massive rural-to-urban population movements (Todaro, 1999, p. 223).

During the past decade , economists have become increasingly aware of the important implications of environmental issues for the success of development efforts. The interaction between poverty and environmental degradation can lead to a self-perpetuating process in which, as a result of ignorance or economic necessity, communities may inadvertently destroy or exhausted the resources on which they depend for survival. Rising pressures on increasingly taxed environmental resources in developing countries can have severe consequences for Third World self-sufficiency, income distribution, and future growth potential. (Todaro, 1999, p. 325).

Economic development requires sustainable and shared increases in per capita income accompanied by changes in the structural composition of an economic towards higher value added goods and more efficient production methods and entrepreneurship can contribute to economic development by facilitating the reallocation of resources from less to more productive uses.

We can admit that entrepreneurship can contribute in important ways to economic development and it does this is through innovation, which involves the development of new products, new processes, new sources of supply, but also the exploitation of new markets and the development of new ways to organize business.

The impact of innovation is important across different countries and institutional context. But the nature and role of innovation will differ at different levels of economic development. Entrepreneurship in low-income developing countries provide innovations that are important for firm and country growth, even if they are incremental in nature. Innovations in entrepreneurship of Ukrainian entrepreneurs is also very important which can decide problems of unemployment.

Over the years, economists have formulated a number of economic models of employment determination, The majority of these models have focused on or have derived from the social, economic, and institutional circumstances of the developed nations.

It is reviewed three economic models of employment determination. The first, the free market classical modal, forms the substance of the traditional theory of

employment. The second and third model grow out of the more recent neoclassical tradition of economics. The second, the output-employment macro model, focuses on the relationship among capital accumulation, industrial output growth, and employment generation. The third, the price incentive micro model, considers the impact of distorted factor prices on resources utilization. A fourth model or group of models, which we designate as two sector labor transfer or rural-urban migration models, focus on the determinants of both demand and supply (Todaro, 1999)

The most unique model of the potential economic development is entrepreneurship model which can be used in different sectors of economy.

The experience of Margaret Thatcher reforms in the economic development of England can be taken into account at present time in the process of developing economy of Ukraine and other countries.

The economy had changed by Margaret Thatcher during her premiership. Firstly she privatized sales and made implementation of the market economy.

It could be suggested that privatization is best not implemented as an isolated part of a development strategy but rather as part of a general program for market development. The benefits of privatization will not occur automatically. The role of the state in the economy becomes significantly modified but is certainly not eliminated. Privatization is easiest when state ownership resulted from a historical accident rather than a systemic policy or a result of specific selections of a few «commanding heights» industries intended to play a specific role in the development process (Hall&Jacques, 1983, p. 66).

She had the huge influence on the economy of England. During the period of inflation in England she transformed it. Decrease of inflation was the main priority of the tight fiscal.

Margaret Thatcher tight fiscal policy which had the purpose of controlling of the state costs in combination with tight monetary policy was aimed at the inflation decrease. The main purpose was to put on people to believe in reduction of inflation and so to reduce the requirements to increase wages.

Reducing the influence of the dominant sector has become a kind of public mantra of solidarity. The public sector was forced to retreat into many sectors of the economy. One of the key features of economic policy of Margaret Thatcher was so-called reform of stimulation of proposition to increase in production. The main thing in this economic policy of Margaret Thatcher was to give the opportunity to entrepreneurship to get rich and to have freedom in developing of their companies, to create the new working place. We could admit that we can also give the opportunity to Ukrainian entrepreneurs to get rich and have freedom in developing their companies which helps to create the new working places and improve economy of Ukraine.

Thatcherism must be seen as rejection of major aspects of the modernist approach as it has evolved since the mid-sixties. Indeed, this has been a key source of its appeal – the need for change, a break with the unsuccessful past. Instead, Thatcherism seeks to restructure industry through the operation of market forces and to curtail drastically the economic activities of the state.

The significant aspect of the Conservative economic program was the wide-ranging attack on the state. Nationalized industries were condemned as inefficient, and widespread sales of state assets were promised, along with the admission of property capital into certain profitable nationalized industries. State influence was castigated as inimical to the development of private initiative and enterprise, and reductions in public expenditure were planned in order to liberate the private sector from its «excessive» tax burden. Public borrowings was to be reduced. The center of gravity of taxation was to be shifted away from income tax and taxes on expenditure, and taxes on higher incomes and on capital sharply reduced (Hall&Jacques, 1983, p. 136).

The Thatcher Government began operating in very different circumstances and in its first two years proceeded cautiously, particularly as regards trade union reform. The world recession had changed the framework of political calculation (Hall&Jacques, 1983, p. 117).

A majority of Thatcher's Cabinet believed from the outset that the economic strategy would fail. But they were also convinced that the strategy would have to be seen to fail comprehensively before a major change was possible. If Thatcherism were to succeed in the economy, shifting the political balance permanently and creating a new and broader working -class constituency for the Conservatives, the bulk of the present leadership, reared amidst the constraints and procedures of social democratic politics, would speedily adapt to ruling in the new set of circumstances. On this basis Thatcherism was seen as worth exploring and supporting for a while (Hall&Jacques, 1983, p. 118).

Thatcherism thus combines a neo-liberal economic strategy with reactionary and authoritarian populism.

The chief aim of government economic policy should be maintaining price stability by firm control of the money supply.

The money supply can be controlled any temptation to resort to the printing press to increase revenue, and if government sets monetary targets and controls the volume of private credit in line with them.

To believe that government can and should control the money supply means believing that governments are directly responsible for whatever rate of inflation exists, Wage demands by trade unions, according to monetarist doctrine, do not by themselves raise or lower the rate of inflation, so income policies and the involvement of unions in discussions about general economic policy are entirely unnecessary.

The policy of the Conservative Government under Mrs. Thatcher had spectacular and potentially highly destructive effects on the British economy (Hall&Jacques, 1983, p. 115–132).

Conclusion. Future research in this area should try to analyze the new models of the potential development of entrepreneurship. The results of the research suggest that entrepreneurship as the potential economic development is an effective model for developing economy and deciding problems of unemployment. The success of entrepreneurship transformation in Ukraine is a result of the potential development of economy. The experience of Margaret Thatcher will be useful for Ukraine at present stage of development of economy.

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