

**State Organization «Institute of Market and Economic&Ecological
Researches of the National Academy of Sciences of Ukraine»**

Summary of scientific novelty for research

**"Organizational and economic mechanism for increasing the
productivity of entrepreneurial activity in Ukraine"**

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The work was carried out at the request of the Directorate for the Development of Local Self-Government, Territorial Organization of Power and Administrative-Territorial Structure of the Ministry of Development of Communities and Territories of Ukraine (letter No. 8/13.4/3710-19 dated 08.10.2019), the Department of Economic Development of the Odessa City Council (letter 1601/01-41/05 dated 15.10.2019) and the Department of Economic Policy and Strategic Planning of the Odessa Regional State Administration (letter 01.1-27/1777 dated 02.10.2019).

The scientific novelty of the most significant results of the study is as follows:

Within scientific&methodological aspects:

– *a scientific justification* for the feasibility of using added value as the main indicator of the productivity of business structures, which is defined as a socially beneficial result from the effective transformation of material, financial, energy, intellectual, organizational and managerial resources, competencies, and opportunities into qualitatively new economic goods with greater value and utility, in accordance with the needs and expectations of stakeholders in transformational conditions, which expresses the essence of entrepreneurship not as a factor, but as an organizer of production has been developed ;

– *methodological principles* for the formation of an objective information basis for determining the results of the capitalization of business structures have been formed by substantiating such tools for analyzing the management balance sheet as: structuring assets based on the characteristic of concealment, which are divided into physical, financial, natural, intangible and on the characteristic of transparency, which include physical, natural and intellectual assets;

– *the essence of the concept* of “organizational and economic mechanism for implementing a strategy for increasing the productivity of entrepreneurial activity” is substantiated, which, taking into account the four scientific approaches to defining the category of “organizational and economic mechanism” (economic and mathematical, general-system, elemental and process), is understood as a system of interconnected organizational and economic methods and tools, the interaction of which (in the presence of feedback) contributes to increasing the productivity of entrepreneurial activity;

– *methodological principles are substantiated* assessment and regulation of enterprise productivity by using indicators of "capital" and "gross value added" as integral indicators of the effectiveness of their activities in the context of the application of internal management and external means of stimulating the

expanded reproduction of means of production and the enlargement of value-added chains as components of the capitalization spiral;

– *methodological principles* for forming a mechanism for implementing strategic priorities for increasing the productivity of entrepreneurial activity through early detection, prevention, prevention and effective rehabilitation of bankruptcy of small and medium-sized enterprises, which includes a set of measures of an institutional and organizational nature (creation of “second chance” entrepreneurship centers), financial, economic, tax (introduction of preferential lending and taxation instruments), analytical (introduction of a system of early monitoring indicators) and informational nature (popularization and dissemination of best practices) have been developed.

At scientific and practical level:

- *A draft Strategy for Increasing the Productivity of Business Activity* has been developed, which includes: a methodological approach to identifying hidden assets of enterprises and using the gross value added indicator as the main measure of performance and accumulation potential, and attracting capital; a toolkit for monitoring imbalances in the distribution of added value between sectors of the chain of its creation by type of economic activity; a list of priority activities of the high-tech sector of the economy by strategic groups depending on the specific weight of the generated added value; a system of performance indicators for stimulating the productivity of business activity, the target values of which are calculated for the period until 2030 and complement the provisions of the Strategy for Sustainable Development of Ukraine;

- *An organizational and economic mechanism* for implementing the Strategy for Increasing the Productivity of Business Activity in the Conditions of Transformational Changes in the Economy of Ukraine has been developed, which includes target, functional and supporting components regarding: institutional and tax incentives for the reproduction and reinvestment of capital in the high-tech sector of the economy; introduction of a differentiated scale of taxation of personal income with threshold rates as a means of ensuring social justice, socio-economic balance and a factor in increasing budget revenues; regulatory incentives for public-private partnership and the establishment of a moratorium on increasing the tax burden on added value created by the business sector;

- – *the institutional principles* of supporting the development of entrepreneurial activity are substantiated by supplementing the Strategies for Sustainable Development of Ukraine until 2030 and the development of small entrepreneurship with such groups of tasks as: increasing the productivity of entrepreneurship in the form of increasing the created added value as the main indicator of assessing the productivity of enterprises; improving state tax policy to stimulate the development of industrial entrepreneurship and increasing the added value based on reducing unproductive costs of tax administration; introducing a system of early bankruptcy prevention, monitoring, mentoring and consulting, and legal assistance to entrepreneurs; ensuring the sustainability of the industrial course of entrepreneurship development; involving hidden assets of enterprises in economic turnover;

- *a methodological approach* to diagnosing the state of institutional support for entrepreneurial productivity has been developed by determining a system of indicators that characterize: the regulatory component, the role of state and non-state institutions in supporting entrepreneurship, the volume and effectiveness of financial support for entrepreneurs, the availability, effectiveness and degree of information and organizational accessibility of program incentive measures, the experience of entrepreneurs themselves and the relevance of their experience, their productivity in economic, budgetary and social dimensions. On this basis, a questionnaire survey of representatives of small and medium-sized businesses in the Ukrainian Danube region was conducted and the state, structure and strategic directions for increasing the social impact of entrepreneurial activity by improving the institutional framework were determined;

- *measures to increase the productivity* of entrepreneurial activity are justified by developing tax instruments to increase the level of investment attractiveness and capitalization of enterprises in terms of: limiting the withdrawal of capital from business and its outflow abroad; administering the value-added tax to solve the problem of "tax holes"; fiscal restrictions on the export of raw materials and the extension of value-added chains, the formation of a business environment favorable to the reproduction and reinvestment of capital;

- *a methodological approach* to assessing the value of business structures by identifying and determining the value of their hidden assets based on a comparison of the social value of the enterprise and the value of its assets according to accounting data was developed, which became the basis for determining the volume of hidden assets of Ukrainian enterprises by type of economic activity in 2012-2018, and analyzing their structure;

- *A system of organizational and economic incentives* to increase the productivity of entrepreneurial activity, maintain the stability and increase the social efficiency of the functioning of business structures, and counteract the negative impact of pandemic restrictions has been proposed by: 1) substantiating institutional measures to provide benefits from direct taxes on entrepreneurial activity to prevent bankruptcy on the condition that entrepreneurs ensure an increase in the income of individuals (employees) as a source of increasing social welfare and ensuring tax revenues to budgets of all levels; 2) forming systemic infrastructure institutions to support business in real and virtual formats (for example, on the "Diya-Business" platform) with the performance of organizational, communication, and information functions with the further expansion of powers and capabilities to the level of financial, credit, investment and provision services on a partnership basis;

- *A methodological approach* to monitor the effectiveness of strategic measures to stimulate the development of entrepreneurial activity by forming a system of indicators for increasing entrepreneurial productivity has been developed, including: growth in added value; level of financial and organizational tax burden on entrepreneurial structures; level of availability of loan funds; share of industrial entrepreneurial structures implementing technological innovations; number of new technological processes and innovative types of products

implemented; reduction in depreciation of fixed assets of industrial enterprises, the target values of which are calculated for the period until 2030 and complement the provisions of the Strategy for Sustainable Development of Ukraine.

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