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STATE REGULATION OF BUSINESS: FOREIGN EXPERIENCE OF COOPERATION BETWEEN THE STATE AND THE BUSINESS SECTOR

Abstract. The article analyses tendencies of state regulation of entrepreneurship in European Union countries, USA and Japan and identifies state regulation of entrepreneurship as a system, which consists of certain elements, unity and interaction of which determine its efficiency and functionality. Analysis, systematisation and generalisation of experience of state regulation of entrepreneurship in these countries allow making a conclusion that the existing differences in the role of the state in economy are not connected with the degree of state regulation, but are connected with the means used for its realisation. General tendencies of development of relations between the state and entrepreneurial sector allowed identification of main elements of the system of state

regulation of entrepreneurship, which include: forecasting, planning and programming socio-economic development; anti-monopoly competitive policy; tax and investment policy; innovation policy and stimulation of research papers.

Keywords: public administration, system of state regulation of entrepreneurship, forecasting and planning and programming socio-economic development; anti-monopoly competitive policy, tax and investment policy, innovation policy, research papers.

ДЕРЖАВНЕ РЕГУЛЮВАННЯ ПІДПРИЄМНИЦТВА: ЗАРУБІЖНИЙ ДОСВІД ВЗАЄМОДІЇ ДЕРЖАВИ І ПІДПРИЄМНИЦЬКОГО СЕКТОРУ

Анотація. У статті проаналізовано тенденції державного регулювання підприємництва в країнах Європейського Союзу, США та Японії і визначено державне регулювання підприємництва як система, що складається з певних елементів, єдність і взаємодія яких визначають її ефективність і функціональність. Аналіз, систематизація та узагальнення досвіду державного регулювання підприємництва у цих країнах дали можливість дійти висновку, що існуючі відмінності в ролі держави в економіці пов'язані не зі ступенем державного регулювання, а із засобами, які використовуються для його реалізації. Загальні тенденції розвитку взаємин між державою і підприємницьким сектором дали змогу визначити основні елементи системи державного регулювання підприємництва, до яких слід віднести: прогнозування, планування і програмування соціально-економічного розвитку; антимонопольно-конкурентну політику; податкову та інвестиційну політику; інноваційну політику і стимулювання науково-дослідних робіт.

Ключові слова: державне управління, система державного регулювання підприємництва; прогнозування, планування і програмування соціально-економічного розвитку; антимонопольно-конкурентна політика, податкова та інвестиційна політика; інноваційна політика, стимулювання науково-дослідних робіт.

ГОСУДАРСТВЕННОЕ РЕГУЛИРОВАНИЕ ПРЕДПРИНИМАТЕЛЬСТВА: ЗАРУБЕЖНЫЙ ОПЫТ ВЗАИМОДЕЙСТВИЯ ГОСУДАРСТВА И ПРЕДПРИНИМАТЕЛЬСКОГО СЕКТОРА

Аннотация. В статье проанализированы тенденции государственного регулирования предпринимательства в странах Европейского Союза, США и Японии и определено государственное регулирование предпринимательства как система, которая состоит из определенных элементов, единство и взаимодействие которых определяют ее эффективность и функциональность. Анализ, систематизация и обобщение опыта государственного регулирования предпринимательства в этих странах позволили прийти к выводу, что существующие различия в роли государства в экономике связаны не со степенью государственного регулирования, а со средствами, которые исполь-

зуются для его реализации. Общие тенденции развития взаимоотношений между государством и предпринимательским сектором дали возможность определить основные элементы системы государственного регулирования предпринимательства, к которым следует отнести: прогнозирование, планирование и программирование социально-экономического развития; антимонопольно-конкурентную политику; налоговую и инвестиционную политику; инновационную политику и стимулирование научно-исследовательских работ.

Ключевые слова: государственное управление, система государственного регулирования предпринимательства; прогнозирование, планирование и программирование социально-экономического развития; антимонопольно-конкурентная политика, налоговая и инвестиционная политика; инновационная политика, стимулирование научно-исследовательских работ.

Target setting. The strengthening of the state as a social institution is accompanied by the development of its numerous functions, particularly economic. Yes, the state acts as an external force, which implements economic, political and legal power, becomes an important subject an effective national economy. The study of the phenomenon of state regulation of business undoubtedly proves that it is a phenomenon of multi-level and multi-faceted. Finding the optimal and efficient interaction between the public and the business sector have an urgent problem of economic reality.

Analysis of recent research and publications. The issues of state regulation of the economy in general and businesses in particular are engaged Ukrainian scientists actively as A. Butenko, Z. Varnaliy, O. Dolgalova, S. Zharaya V. Zakharchenko, J. Kaszuba, V. Kredisov, P. Cruz, I. Kuznetsova, V. Litvinenko, V. Sizonenko, T. Tkachenko and others. Many scientists consider the theoretical and prac-

tical aspects of regulation of the national economy, the role of corporations and the public sector to ensure its growth; study the world experience of state regulation of small business, or entrepreneurship in the information sector of the economy, or in certain countries. At the same time, a lot of theoretical and practical issues remain problematic scarcely explored in terms of complexity and system. The latter gives grounds to assert the need to study the experience of state regulation of business and the wording on this basis, elements of this system.

The purpose of the article is to analyze tendencies of state regulation of business in the EU, USA and Japan and to determine state regulation of entrepreneurship as a system that consists of certain elements, unity and interaction which determine its effectiveness and functionality.

The statement of basic materials. The practice of state regulation of business in different countries is extremely versatile. Approach to state regulation

of entrepreneurship as a specific system allows you to outline the aspects of interaction between the public and business sectors, which provide its highest effectiveness. The criterion, the use of MDM in our opinion, will allow to define the elements of state regulation of business and the ability to provide favorable conditions for business development in the proposed volumes.

Given the named criteria, review the experience of the state regulation of the economy and business activity in the industrialized countries of the world, namely the European Union, the US and Japan will have a functional orientation. In the EU, historically the state regulation has progressed from its complete indifference to the current situation of direct regulation of the economy and entrepreneurship. An important element of regulation in the EU is a system of state forecasting, programming and short and medium-term planning. In France, the government is engaged in indicative planning and a certain amount of public ownership and participation in the financial remains an important aspect of its effectiveness.

The Swedish model of development planning involves the combination of the interests of monopolies and unions, governments and planning commissions in the process of programming the development of the national economy. The latter is based on gathering information, checking the feasibility of forecasts and projects in terms of the use of national income for consumption and savings.

In the Netherlands, the short-term development planning acts as a combination of public budgets, the annual current programs and economic fore-

casting. With that in planning the government affects the economy through the dissemination of information to the private sector, which helps the latter to coordinate their actions [15]. After Belgium, joining the EU economic policy of the state includes such control levers as state guarantees and loans, investment incentives and tax breaks, as well as the beginning of the applied system of state planning of economic development.

In Italy, the government assigns an important role regulating the enterprises that directly or indirectly has a controlling interest. It affects a wide range of economic activities and in particular on the banking, transport, communications, energy, engineering, using public investment and aid programs [17].

One of the most effective means to promote the development of the business sector in the EU countries there are state tax policy. For example, in the UK individual firms are not required to register with the government, and the payment of taxes is carried out on the basis of the declaration of individual incomes of members of the company. And even if the firm is registered with the state authorities, the taxes are paid only after the company has been actively operating in the market and has found its consumers. In general, the magnitude and the number of taxes paid by small businesses, smaller, and the taxation procedure is much simpler than for large enterprises. In addition it also uses a progressive tax corporate profits tax rates for corporations with less income less than for corporations with large incomes [10].

Thus, the state encourages the creation of small enterprises, and fully sup-

ports their work by applying favorable tax conditions. The mechanism of tax incentives is widely used in France. For his help the state to accelerate scientific and technological progress, the expansion of exports, and the like. So, there are benefits for the newly formed joint-stock companies (for the first two years – do not pay taxes, for the third year is taxed 25 % of their profits in the fourth – 50 %, on the fifth – 75 %, starting from the sixth year – 100 % of the profits) It applies a tax credit for companies that conduct professional training, and the like [8].

Small businesses do not submit a declaration of the value added tax, but pay income taxes, which level depends on the scope of activities (trading, services, etc.) [13]. In general, the system of tax incentives for business development in economically developed countries, includes various tax credits: depreciation, benefits relatively stimulyuvannya research and development activities, benefits with respect to the formation of reserve funds, tax credits, tax holidays and the like.

To stimulate the development of small business and private or donor funding is used, that is, the presence near the small company of a large corporation, which is interested in the results of its work. For example, in Germany, a special company created by banks and insurance companies that participate in the equity of SMEs and provide funding of certain developments. Also advantageous is an organization of commercial banks cooperation of small and medium-sized enterprises with large financial and industrial groups on the basis of contract, subcontracting and leasing relations [8]. Considering the

experience of the state regulation of business in the EU, it is important to emphasize that the concept of support for small and medium-sized businesses in them is clear and understandable.

So a scientist I. Samoilova, notes that this concept takes into account national and European interests, including the objectives and principles of this policy has mechanisms and organizational structure of its implementation [16]. At present, the share of small businesses that are growing in the economy of Great Britain, accounting for 25 % of the total workforce. A recognized European leader in this area is Italy – with almost 800 thousand industrial enterprises of the country and part of the 99 % small and medium in a total amount. In Germany and the Netherlands, small and medium-sized businesses account for about 40 % of exports, Italy – 25–30 %, France – 20–25 %, Japan – 10–15 % [13].

The main directions of state support of small and medium-sized businesses in the EU are the formation of an infrastructure of support and development of entrepreneurship, the establishment of the system of privileges and transparent system of taxation, the availability of financial and credit support for, and cooperation with large enterprises and the like. However, this does not mean creating a “greenhouse” conditions for small and medium-sized enterprises, but rather is a means of equalizing opportunities for small, medium and large enterprises in a competitive environment, way of compensation expenses from business activities in high-risk areas. In the US, despite the spread of the idea of maximizing the freedom of economic activity, the role of govern-

ment in regulating business activities is a significant, albeit ambiguous.

The relationship between the state and the business sector have a “wave-like” trend of business regulation to its deregulation (ie reduction of state influence on business activities), which was circulated in the late '60 years and became widespread in the 70–80-years. Most American scientists note that at the present stage business relationship and the state are antagonistic, and the partnership between them is considered impossible and harmful to society. However, although the majority of the subjects of their business decisions taken independently, the scope of their activity is reduced, and, accordingly, the scope of government influence increases. This trend of increasing state involvement in the regulation of business is spreading and, as emphasized by analysts, it has a growing trajectory [6].

Among the key elements in the US government regulation of business can be identified as follows: 1. The developed system of antimonopoly regulation, including regulation of natural monopolies, which is carried out for the protection of competition and restriction of monopolistic tendencies. 2. Forecasting and Strategic Planning, which provides the basis for all management decisions, including the forecasting system of state regulation. 3. Stimulation of advanced technology, basic science and innovation policy of the state, which is to unite the scientific and technical and investment policy. Almost 50 % of the cost of NDDKR in the country by the state [6]. 4. Support the development of small and medium-sized enterprises, which includes tax breaks; promotion and funding of re-

search and development (in the US small business sector accounts for about 50 % of research and development); implementation of financial and credit assistance to small businesses through the provision of small business loans guaranteed, and the like [8; 10; 15]. Considerable attention is given Japan's experience in the regulation of the business sector. The main function of the state of the country is to encourage, aspiration and acceleration of structural changes in the economy, which are necessary for long-term growth.

Relations between business and the state are largely cooperative relationship, in contrast to the United States. Among state regulation of business the main elements can be identified as follows: 1. Long-term planning, which is indicative, and programming of the national economy, which creates the conditions for effective development. 2. Financing and budget subsidies of basic research and development of new technologies programs, which are carried out by state institutions and research centers, together with private companies. Yes, every year Japan spent \$ 500 million, contributing to the 185 centers of technology development [8; 9]. 3. Support the development of small and medium-sized businesses, which include preferential loans, support for technical projects, customized infrastructure to support small and medium enterprises, protection against abuse by large business entities and the like system. It is important to note that small businesses is significantly involved in public projects. Yes, in Japan, part of the small businesses that perform government contracts, is 45 %, while orders in the public organizations

of the country – 32 %. The latter shows that the share of small and medium enterprises in Japan accounts for about 55 % of industrial products, about 60 % – in wholesale trade and more than 80 % – retail.

In manufacturing of the 6,5 million enterprises 99 % are small. On small and medium-sized enterprises employ 39,5 million people, or 80,6 % of Japan's labor force [13]. 4. Protection of the competitive environment by restricting monopolistic tendencies and access of large firms in the market. 5. Monetary regulation, including flexible variation of the discount rate, especially in times of crisis in the economy [6; 8; 17].

Conclusions. Thus, a short review of the experience of state regulation of business in the EU, USA and Japan shows that indeed in these countries, there are differences in the role of the state in the economy, but mostly they are not in the degree of government regulation, and in the means that are used to its implementation. However, one can not ignore the general trends in the development of relations between the state and the business sector, all this leads to conclusions and assume that the basic elements of the system of state regulation of business are: 1) forecasting, planning and programming of economic and social development, which are to define the strategic lines of action for all participants in the economic process, including businesses; 2) the antimonopoly and competition policy, which is a condition for support of the business sector and the development of civilized competitive relations between its subjects; 3) the tax and investment policy that encourages and

supports the development of production in general, and therefore business in particular; 4) innovation policy and encouraging NDDKR which enhances production efficiency and competitiveness of the entire economy.

Describing the basic elements of state regulation of business systems, it can be argued that the target prediction function, planning and programming of socio-economic development of the country is based prediction directions of development of the country, the individual sectors of the economy, the possible state of the economy and social sphere in the future, as well as alternative routes and timetables achievement of economic and social development. The second element of state regulation of business systems – antitrust, competition policy, aimed at the prevention of monopolistic activity, its limitation and termination, on the development of civilized competitive relations between subjects.

State Antimonopoly Policy includes at two main areas: the demonopolization and regulation of monopolies. Competition policy aims at the creation and protection of a competitive environment. Tax and investment policy, as an element of state regulation of enterprise system, is a state activity, which is aimed at creating conditions for the functioning of the enterprise through the use of tax leverage funds monetary and financial regulation to encourage or deter the development of national production. Innovation policy and promotion NDDKR focused on the development and dissemination of basic and applied research, improvement of infrastructure sectors of the economy and individual regions.

The mechanism of creation and dissemination of innovations has three broad components which are characteristic for almost all countries: the system of state support for fundamental research; various forms and sources of financing and the indirect stimulation of research and innovation support for small businesses. Interaction of selected elements provides a high-quality level of relations between the state and the business sector. Yes, the system of forecasting, planning and programming in a certain way corrects market processes, directs the activities of market participants in areas identified as priorities by the state, speeding up or slowing down these or other economic trends.

Antitrust Competition Policy restrains monopoly trends in the economy, promotes the formation of normal competitive relations between business entities, creating certain incentives or barriers with respect to their activities. Innovation policy and promotion NDDKR helps to activate the innovative potential of the country, provides the basis for the competitiveness of products. Thus, we believe that these elements of state regulation of business systems meet marked our criteria as a whole provide an enabling business environment in accordance with certain state objectives and programmed quantities — support the competitiveness of large businesses and reconstruction of small and medium-sized businesses.

Finally, the development and interaction of selected elements of the system of state regulation of business, in our opinion, provide a consistent movement of the system towards the main vector of development — promoting en-

trepreneurship to ensure stable growth. It is worth noting that the system of state regulation of business in the modern economy of Ukraine has certain features due to the existing imperfect concept of state regulation of the economy, the presence of strains in relations between the state and the business sector and the formality of the declared measures of state support of entrepreneurial activity.

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