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## Article

# Strategy of directions, forms and tools of state influence on development processes of the regional business environment

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## STRATEGY OF DIRECTIONS, FORMS AND TOOLS OF STATE INFLUENCE ON DEVELOPMENT PROCESSES OF THE REGIONAL BUSINESS ENVIRONMENT

*The object of research is the content and factors of the formation and development of the regional business environment as an economic resource for the development of the region, its formation and effective use. Effective development of the regional business environment is a key factor in the sustainable functioning of business structures. Entrepreneurial activity ensures the improvement of the social situation in the regions, solving problems related to the employment of the population, the level of income of its working part, the income of local budgets, blocking centers of social tension. This necessitates the formation of an entrepreneurial environment that ensures the improvement of the efficiency of business structures, the activation of factors of its development operating at the macro-, meso-, micro- and nano-levels. Despite the growing interest of scientists and researchers in the study of problems related to the formation and development of the regional business environment, the search for factors affecting it, many issues of theoretical and methodological properties in this field of science and practical activity remain unresolved. This work is devoted to the study of these issues.*

*The results obtained in the course of the study can be used by the state authorities, which form state programs for stimulating the development of the business environment at the regional level. And also by entrepreneurs, investors, financial structures, analytical and rating agencies when making relevant decisions related to the development and assessment of the state of the business environment. A number of conclusions can be used for analytical purposes, the formation of comparative indices, ratings, establishment of business contacts that correspond to the mutual interests of interested parties, strategic planning of the development of various regions, etc. Separate provisions can be applied in the process of further research into scientific and practical problems of the formation and functioning of business territories, as well as used in higher educational institutions to prepare a scientific and methodological base for teaching.*

**Keywords:** business environment, development of entrepreneurship, state influence, development of the region.

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### 1. Introduction

Despite the significant number of publications and the depth of research in the field under consideration, the problems of forming a regional business environment with the interaction of the subjects of its management, as well as directions for increasing the efficiency of its development factors, remain relevant for research [1]. There are many unresolved issues of theoretical and methodological nature in this field of science and practical activity. The economic content of the business environment of the regions is not fully revealed in the systemic plan. Insufficiently substantiated: the composition and nature of the influence of factors of the development of the regional business environment. Ways of influence of

already identified factors have been little studied. The methods used in practice and recommended in various sources for assessing the effectiveness of stimulating the development of the regional business environment have significant shortcomings. Most of them are limited in use and not sufficiently tested. The composition of directions, forms, tools and indicators of the results of the state's influence on the development of the regional business environment is insufficiently substantiated. The above causes the need for theoretical and methodological developments aimed at identifying the factors of formation of the entrepreneurial environment at different levels of management for the development of the socio-economic system of the regions, opportunities, directions and tools for its improvement [2].

The study of the business environment from the perspective of the factors that shape it at the macro- and micro-levels was carried out by representatives of classical economic theory [3–5]. Works [1, 6, 7] are devoted to the study of the formation of the regional business environment.

The development of the business environment of the regions of Ukraine is a driver of their socio-economic development and depends on factors operating at five levels: global, macro, meso, micro and nano. At the regional level, it is possible and necessary to form a system of management of the specified factors, which ensures the effective functioning of business structures based on the choice of directions, forms, tools and indicators of the results of the state's influence on the development of the regional business environment.

The formation of a favorable business environment can currently be carried out quite productively in the process of implementing programs of socio-economic development developed on the strategic directions of the development of regions.

These include clusters of small and medium-sized enterprises, regional development institutes (regional investment fund, regional venture financing fund, regional industry development fund, etc.), special investment contracts that ensure the same tax burden on investors throughout the investment period.

The implemented approach is aimed at forming an idea of the variety of directions and forms of state activity that stimulate the development of entrepreneurial activity. However, it has one significant limitation – it is focused on the economic and management practice that has already developed. In solving the scientific task of conceptual substantiation of the content and mechanism of state influence on the processes of development of the regional business environment, an approach that involves the use of the potential of strategic planning is necessary. As well as the use of long-term perspective directions, forms and tools of state influence on the development processes of the specified environment, as well as expected results [8].

Therefore, *the aim of research* is to strategize directions, forms and tools of state influence on the processes of development of the regional business environment. For this it is necessary:

- to reveal the economic content of the business environment, the composition of its elemental base, the functions implemented by the subjects of management of the economic subsystems of the regions;
- to substantiate the composition and nature of the influence of factors of the development of the entrepreneurial environment of the region;
- to propose a methodical approach to assessing the effectiveness of managing the development of the regional business environment;
- to substantiate the composition of directions, forms, tools and indicators of the results of the influence of the state on the development of the regional business environment [9].

## 2. Materials and Methods

*The object of research* is the content and factors of the formation and development of the regional business environment as an economic resource, the development of the region, its formation and effective use.

*The subject of research* is economic and managerial relations in the formation and development of the entrepreneurial environment as an economic resource of the region.

The evaluation of the modern practice of strategizing the state's activities will allow revealing its promising directions, forms and tools necessary for the development of the regional business environment. To obtain such an assessment, a methodical approach was applied, according to which the subject of analysis was the directions, tasks, forms, tools and target indicators of the expected results of the state influence on the development processes of the regional business environment [6].

## 3. Results and Discussion

A comparative analysis of the composition of directions and key tasks of state influence on the processes of development of the business environment allows to draw a number of conclusions.

In a number of regions, the traditional composition of the directions of state influence is supplemented by a new one – strategic planning for the development of the business environment and its corresponding tasks, including the development of a strategy for the development of export activities. This strategy is designed to ensure the active participation of SMEs (small and medium-sized enterprises), the formation of a system of project planning and forecasting [10].

It is not difficult to establish that the results of their solution will be manifested both at the macro level (formation of favorable conditions for conducting foreign economic activities, implementation of projects) and at the micro level (development of adaptive capabilities of clusters taking into account expected opportunities and threats).

The general trend for all regions is to update the content of the directions of the state's influence on the processes of development of the business environment through the actualization of previously set tasks, or their addition with fundamentally new ones.

Among the latter, the following require increased attention:

- 1) actualization of the regulatory and legal framework for supporting clusters, industrial and technological parks, which are in operation and are being created again;
- 2) adoption of the legislation «On tax holidays», which regulates the reduction of the tax burden at the stage of starting a business;
- 3) improvement of the legal framework with the aim of expanding the list of its forms and models;
- 4) within the direction of «organizational support for the development of entrepreneurial activity»:
  - introduction of uniform standards of consulting and educational services provided by infrastructure organizations supporting SME entities;
  - reorientation of control and supervision activities to participation in business support and development;
  - simplification of procedures for obtaining a construction permit and connection to engineering communications, integration of SME entities into supplier chains through the mechanism of access to customers;
  - inclusion of industrial enterprises in interregional and international supply chains, cultivation of suppliers – SME entities for large enterprises through the provision of services by support centers;
  - promoting the creation of small innovative enterprises by systematically supporting their interaction with large

enterprises and authorities, organizing their involvement in the technological renewal of economic sectors;

- creation of vertical connections between SME entities and large business;
- ensuring equal access to natural resources for all entrepreneurs;
- their equal observance of the principles of sustainable development;
- involvement of international business and technological partners;
- maintenance of a moratorium on increasing the tax burden on small businesses for the long term, allocation of regional growth points for small and medium-sized enterprises;

5) organizing the involvement of young people in entrepreneurial activity within the framework of the direction «institutional support for the development of entrepreneurial activity»:

- expanding the economic space of action of clusters, industrial parks, increasing the level of diversity of types of economic activity covered by them;
- creation of functional business centers with developed business infrastructure;
- creation and development of innovation clusters;
- opening of specialized technoparks with an acceleration program and production centers for collective use, promoting the development of international production cooperation; within the direction of «stimulation of entrepreneurial activity»;
- generation of SMEs in the field of high-tech knowledge-intensive business, economic support of entrepreneurial initiatives in rural settlements, formation of a service model of service provision;
- provision of point financial support according to priority areas of business development, development of individual packages of measures to support priority projects;
- implementation of an effective mechanism for lending start-up capital through the combination of state and commercial financial institutions, stimulating demand within clusters;
- stimulation of large enterprises to effective interaction with SME entities on the basis of contracting and outsourcing mechanisms, stimulation of investment processes, cooperation and subcontracting of SME enterprises with large businesses;
- creation of funds to promote the development of venture investments, stimulation of demand for innovative products, provision of preferential lease of state property;
- improving the quality of providing public services to business entities, stimulating the growth of interaction between business and society («the third sector»), stimulating the improvement of business personnel potential, developing advanced educational programs in the field of entrepreneurship and leadership in educational institutions;
- stimulation of the use of project forms of financing, provision of tax benefits within the created territories of anticipatory development and special economic zones;
- stimulating demand for SME products, maintaining a moratorium on increasing the tax burden on small businesses for the long term;
- support for export-oriented SMEs within the framework of «information support for business activities»;

- organization of monitoring the state and results of business activity;
- posting on official websites of normative legal acts containing mandatory requirements, assessment of compliance with which is the subject of state control (supervision), monitoring and assessment of the state of Ukrainian and foreign markets;
- updating tools for evaluating the results of implementation of the regional policy of support for SMEs;
- dissemination of the best practices of business support;
- creation of a digital platform aimed at supporting the production and sales activities of SMEs;
- presentations of the export potential of enterprises within the framework of business missions in foreign countries, promotion of the regional brand in foreign markets, conducting research on the assessment of the satisfaction of the business community with the conditions of doing business;
- promotion and popularization of entrepreneurial activity, training of citizens who wish to engage in entrepreneurial activity [11].

The conclusion about the need to implement the above-mentioned tasks and their end-to-end implementation in the economy of Ukraine is quite obvious. A comparative analysis of the composition of forms and instruments of state influence on the processes of development of the business environment allows to draw a number of conclusions, namely:

- a noticeable trend is the introduction of new forms and tools that stimulate innovative business development, innovative development strategies and increasing competitiveness;
- spatial development of business, territories of anticipatory development, special economic zones;
- development of business staffing, regional standard of staffing for industrial growth, competence centers in the field of lean production based on educational institutions;
- development of financial support for business «tax holidays» at the stage of starting a business, special investment contracts, direct investment fund, subsidizing rent, capital expenditures for engineering infrastructure, funds for the development of venture enterprises; preferential lease of state property;
- integration of regional producers of goods and services into the global economic space, support center for export-oriented SMEs, foreign economic activity fund, regional export standard, subsidies for support of export-oriented SMEs;
- development of the communication system between business, authorities, civil society institutions, agreements on cooperation between public authorities and large national companies, which ensures the transparency of the information environment for doing business [7].

The above-mentioned examples of new forms and tools of the state's influence on the processes of development of the business environment, as can be seen, characterize individual regional practices. Therefore, the conclusion about the necessity of their end-to-end implementation in the practice of public administration in the spatial economy of Ukraine is quite obvious.

A comparative analysis of the composition of the target indicators of the expected results of the state influence on the processes of development of the regional business environment allows to draw a number of conclusions [12].

The updated regional strategies use an expanded set of indicators required in the assessment:

- development of the innovative potential of regional entrepreneurship: an increase in the share of SME entities that carry out technological innovations, in general surveyed SME entities, an increase in the number of innovation clusters;
- increasing the competitiveness of regional entrepreneurs: increasing labor productivity in SMEs, increasing the number of enterprises;
- development of the infrastructure of regional entrepreneurship, growth in the number of SME entities that received support from support infrastructure organizations, the planned number of jobs in the territories of anticipatory development, special economic zones, industrial parks, growth in the number of residents in infrastructure facilities supporting innovative activities;
- contribution of entrepreneurship to the socio-economic development of the region, the planned number of jobs created, the special economic zone, industrial parks, the number of jobs created [13].

#### 4. Conclusions

The given examples of updated compositions of indicators of the results of the state's influence on the processes of development of the business environment characterize individual regional practices. Therefore, the conclusion about the necessity of their end-to-end implementation in the practice of public administration in the spatial economy of Ukraine is quite obvious.

A noticeable trend is the introduction of new indicators, such as:

- development of export activity of regional business entities, growth in the number of export-oriented SME entities, growth of the share of exporters that are SME entities, including individual entrepreneurs, in the total volume of non-raw materials exports; growth in the number of small and medium-sized exporters;
- growth of the share of entrepreneurs satisfied with the conditions of doing business [14].

#### Conflict of interest

The authors declare that they have no conflict of interest in relation to this research, whether financial, personal, authorship or otherwise, that could affect the research and its results presented in this paper.

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#### Data availability

The manuscript has no associated data.

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