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## YOUTH ENTREPRENEURSHIP AS AN INVESTMENT ATTRACTIVE DIRECTION OF THE DEVELOPMENT OF THE NATIONAL ECONOMY

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The article discussed the importance of involving the young generation in the development of entrepreneurial activity. It is substantiated that the focus on creating conditions for the support of young entrepreneurs and the necessary guarantees of their activity will contribute to the self-realization of a young person, which is possible due to the identification of the indicated direction as a priority in investing. An analysis of statistical data was carried out, which showed that at the current stage there are negative trends in creating opportunities for youth development in general and private initiative in particular. Studies have shown that more than 40% of Ukrainian youth have a desire to get a job in other countries of the world due to the low level of wages and uncertainty about the possibilities of applying the acquired knowledge and acquired competencies. It was determined that the key problems are, firstly, the reduction of the share of representatives of the younger generation who start their own business, and secondly, a significant number of young entrepreneurs end their activities after the first year of operation, which is associated with an insufficient level of investment support and the inefficiency of the existing organizational and economic mechanism of youth entrepreneurship development. Obstacles to the realization of youth potential are identified, namely: low level of motivation and insufficient skills for independent learning; insufficient indicators of youth employment in the labor market based on acquired competencies and practical abilities and skills; insignificant rates of development of youth initiatives; lack of interest in obtaining additional skills in non-formal education. It is substantiated that today's realities have exacerbated the need to develop, stimulate and spread young entrepreneurship for the post-war recovery of the national economy. It has been proven that the peculiarities of youth entrepreneurship are due to initiative, adaptability and the ability to take risks, which is the engine of economic development and growth.

## МОЛОДІЖНЕ ПІДПРИЄМНИЦТВО ЯК ІНВЕСТИЦІЙНО ПРИВАБЛИВИЙ НАПРЯМ РОЗВИТКУ ЕКОНОМІКИ В КРАЇНАХ ЄС ТА УКРАЇНІ

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### Ключові слова:

молодь, підприємництво,  
освіта, бізнес, суспільство,  
інвестування

У статті розглянуто питання важливості залучення молодого покоління в розвиток підприємницької діяльності. Обґрунтовано, що орієнтація на створення умов підтримки молодих підприємців та необхідних гарантій їх діяльності будуть сприяти самореалізації молоді людини, що є можливим завдяки визначенню зазначеного напрямку як пріоритетного в інвестуванні. Здійснено аналіз статистичних даних, який показав, що на сучасному етапі спостерігаються негативні тенденції щодо створення можливостей розвитку молоді загалом та приватної ініціативи зокрема. Дослідження показали, що понад 40% української молоді мають бажання отримати роботу в інших країнах світу через низький рівень оплати праці та невизначеність щодо можливостей застосування набутих знань та отриманих компетенцій. Визначено, що ключовими проблемами є, по-перше, скорочення частки представників молодого покоління, котрі започатковують власну справу, по-друге – значна кількість молодих підприємців завершують свою діяльність після першого року функціонування, що пов'язано з недостатнім рівнем інвестиційної

підтримки та неефективністю існуючого організаційно-економічного механізму розвитку молодіжного підприємництва. Виокремлено перешкоди для реалізації молодіжного потенціалу, а саме: низький рівень мотивації та недостатність навичок для самостійного навчання; недостатні показники щодо зайнятості молоді на ринку праці за набутими компетенціями та практичними вміннями та навиками; незначні темпи розвитку молодіжних ініціатив; незацікавленість в отримання додаткових навичок у неформальній освіті. Обґрунтовано, що реалії сьогодення загострили необхідність розвитку, стимулювання та розповсюдження молодого підприємництва задля післявоєнного відновлення національної економіки. Доведено, що особливості молодіжного підприємництва обумовлені ініціативністю, адаптивністю та здатністю ризикувати, що є локомотивом економічного розвитку та зростання.

### Formulation of the problem

The importance of involving young people in the development of entrepreneurial activity has always been the subject of discussions at the international, national and regional levels of economic functioning. At the same time, attention is focused on the fact that youth entrepreneurship is one of the most important priorities of the socio-economic development of the country. The focus on creating conditions for supporting young entrepreneurs through investment and the necessary guarantees will contribute to the self-realization of young people in their activities, on the one hand, and ensure economic growth on the other.

At the current stage of development of the national economy, there are negative trends in investing in youth private initiatives. The indicated trends are, firstly, a decrease in the number of young people who start their own business, and secondly, a significant number of youth enterprises cease their activities after the first year of operation. In many cases, this is due to insufficiently effective functioning of the existing organizational and economic mechanism of investment support and development of young entrepreneurs.

### Analysis of recent research and publications

Problems involving youth in entrepreneurial activity are the subject of a number of studies by Ukrainian scientists, among whom it is worth highlighting T. Zbrytska, Yu. Shchotova, A. Levchenko, I. Dumanska and others.

E. Libanova, A. Kolot, I. Demchenko, M. Dolishniy, V. Petyukh, O. Grishnova, and others are studying the issue of increasing the level of employment and self-realization.

Despite the large number of scientific works, the study of youth entrepreneurship from the point of view of investment priority needs to be detailed.

### The purpose of the article

The purpose of the article is to study the peculiarities of the development of youth entrepreneurship as an investment-attractive direction of economic development, which is a prerequisite for the post-war revival of the national economy.

### Presenting main material

The potential development opportunities of any country depend on young people who possess knowledge and skills, the practical use of which can increase the level

of socio-economic development, preserve and revive the national spiritual values of Ukraine.

We note that the modern young generation, which is called to become agents of change in the future, experiences certain difficulties that do not allow them to fully realize their potential. According to the State Statistics Service, young people under the age of 35 make up 34% of the officially registered unemployed [1]. The reason for this is the lack of a clear employment mechanism and providing young professionals with their first workplace.

At the current stage, a significant problem is the high level of unemployment among young people. Studies have shown that more than 40% of Ukrainian youth have a desire to get a job in other countries of the world due to the low level of wages and uncertainty about the possibilities of applying the acquired knowledge and acquired competences [2].

At the current stage, there are a significant number of obstacles to the development of the national economy (Fig. 1).

To effectively solve the above-mentioned problems, it is advisable to use the positive experience of European countries, which create conditions for youth employment and maximum self-realization through the support of business initiatives, that is, the promotion of the development of youth entrepreneurship.

Studies concerning the values of Ukrainian youth indicate an insignificant level of development of youth entrepreneurship – only 5% of active businesses. Note that 38% intend to engage in this type of activity, but are dealing with significant obstacles, such as: insufficient level and quality of theoretical training and practical skills, unfavorable political and economic environment, burdensome tax system for youth entrepreneurship, lack of funds for starting a business etc. [3].

Support for the development of private youth initiatives by the state and society will allow to increase the level of employment, and, accordingly, solve the problem of unemployment due to the creation of new jobs.

It is important to have a positive attitude of young people towards such a direction of employment as «businessmen» and «entrepreneurs» (42.5% of young people), which belong to the TOP-5 professions that create opportunities for professional growth and life success that give the opportunity to achieve success in life [4].

In our opinion, it is possible to use the positive experience of the EU and the USA in supporting the

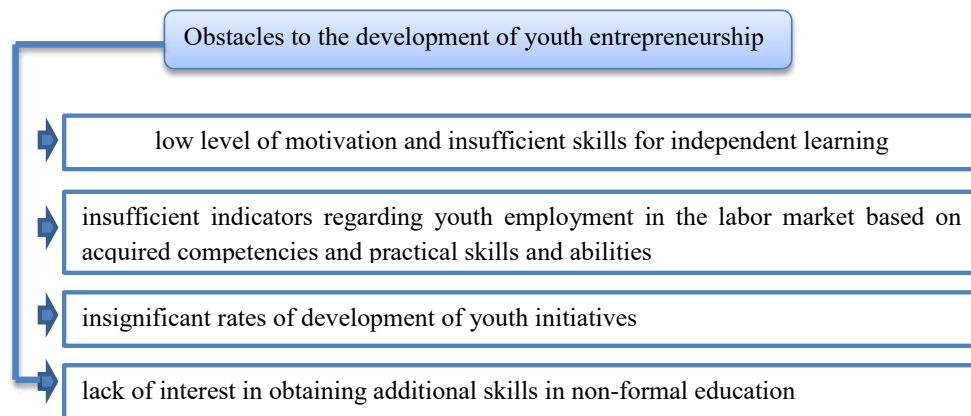


Fig. 1 – Obstacles to the development of youth entrepreneurship

Source: built by the authors themselves

development of youth private initiatives and creating favorable conditions for the activity of youth enterprises. We would like to emphasize that in these countries the share of small and medium-sized enterprises is about 95%.

If we talk about the EU countries, it should be noted that awareness of the importance of youth business development contributes to the formation of policies aimed at creating conditions for the development of entrepreneurship among representatives of the younger generation.

The USA has a special structure of the economy, which confirms a significant interest in the development and support of private initiatives. So, in the USA there are more than 28 million small businesses, which make up 99.7%. Labor compensation is 45% of the total wage fund. In addition, small businesses annually create 60–80% of new jobs, replenish budgets – 68 dollars in taxes for every 100 dollars of profit. About 24% of young people in the USA are employed in business, which is 24% of the economically active population. There are a significant number of programs to support private initiative among young people – training and business development programs (The Center for Entrepreneurship); creation of business space in universities (business campuses, discussion clubs, consulting organizations, etc.), support through various funds (corporate, venture, charitable, fundraising, crowdfunding) and business accelerators and incubators [4].

We emphasize that youth entrepreneurship is a prerequisite for increasing the level of employment among young people and creating additional jobs. That is why it is necessary to increase the amount of investment, implement more pragmatic programs for the development and support of youth entrepreneurship.

Note that the strategic guidelines for the development of the national economy determined the main directions of the country's development, among which it is necessary to highlight: the need for modernization, the construction of an innovative economy, and the creation of a favorable business infrastructure [5].

Today's realities prove that the issue of the development of youth entrepreneurship in Ukraine is becoming relevant, which is connected with the promotion and popularization of entrepreneurship among the modern young generation.

It is worth noting that the intensification of the development of private initiative is extremely important both from the point of view of creating new jobs and from the point of view of economic advantages that allow us to successfully compete with big business.

Based on the above, it can be stated that a special place in the country's economy is occupied by youth entrepreneurship as a tool for overcoming the global problem of youth unemployment, which is constantly worsening. Youth, in turn, is the main partner of the state, the potential of the country's economic and innovative development.

Empirical studies show low entrepreneurial activity among young people and a low level of income of young entrepreneurs. Therefore, it is necessary to focus attention on the identification of factors that affect the slowing down of the development of youth entrepreneurship and the drop in the profits of entrepreneurs [6].

In today's world, it is quite difficult to define a field of activity. Today, many young people are interested in opening their own business, engaging in entrepreneurship, but not many dare to do so, although it is quite promising. This social group is the most active in society, because it quickly reacts to any changes in life and effectively perceives their positive and negative effects. The phenomenon of youth entrepreneurship is proposed to be considered taking into account the peculiarities related to the age of entrepreneurs. Studying youth entrepreneurship in the context of a dynamic process aimed at the formation of new values in business indicates that the age group of youth should be up to 35 years old [7].

At the same time, it is necessary to remember the presence of problems that slow down the pace of youth entrepreneurship development, including: personal or motivational characteristics, lack of professional knowledge and experience, imperfect regulatory and legal regulation of youth entrepreneurship, insufficient level of investment support for youth, etc. Justifying the problem of the low level of motivation of young people to create enterprises, analysts emphasize risk aversion.

We emphasize that youth entrepreneurship can become a driver of economic development, a source of filling local

budgets due to investment in youth private initiatives and the implementation of innovative ideas. The specified segment of entrepreneurial activity is characterized by a higher innovative openness, the ability to adapt in unstable socio-economic conditions and the ability to make ambiguous decisions with a high level of risk in order to achieve defined goals.

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The problem can also be the lack or lack of professional and specific knowledge in the field of entrepreneurship, investment and experience. The lack of a clear legal definition of «youth entrepreneurship» leads to the impossibility of distinguishing its subjects for the purposes of accounting and analysis, which prevents an objective assessment of the effectiveness of legislative and executive measures [8].

Note that motivational and personal characteristics, a favorable investment environment, and state support are not always necessary and sufficient conditions for opening one's own business. Young people are ready to take risks, are highly motivated, and the role of the state is to support them through investment.

In our opinion, young people lack experience and knowledge not so much in universities, but in the real business environment. The development of youth entrepreneurship will be facilitated by the process of integrating the interests of educational institutions, entrepreneurs, the population and state authorities, which will allow to achieve a synergistic effect. The need to unite the interests of stakeholders to improve the effectiveness of various socio-economic systems. Only those organizations that do not perceive stakeholder interests as limitations can belong to stakeholders. First of all, interested parties are those who can influence the process directly or indirectly, the principle of interdependence applies to them.

Thus, the process of development of youth entrepreneurship must be considered in the system of relations between the main groups of stakeholders, namely: authorities, population and entrepreneurial structures and institutions of higher education.

Let's consider the first type of stakeholder relationship. So, for example, the process of interaction between authorities and business structures consists in ensuring the employment of the local population, the achievement of strategic goals and objectives, and the growth of revenues to the budget. And, on the contrary, on the part of the authorities, the interaction consists in reducing administrative barriers, increasing the level of funding for entrepreneurship support programs, and creating associations of entrepreneurs [7].

Interaction between the population and authorities will help ensure social stability, favorable living conditions and employment of the population. The population also plays an important role in this interaction – it contributes to the formation of a favorable climate and an increase in the number of people involved in work.

The interaction between the education system and business structures consists in increasing the effectiveness of interaction with business communities; in cooperation with the state to ensure the competitiveness of the educational services market. And the interaction of institutions of higher education and the population will contribute to the improvement of the quality of education. The second type of interaction is based on the interaction of the main groups of stakeholders and youth entrepreneurship. Authorities, taking part in the development of youth entrepreneurship, contribute to the development of infrastructure, create conditions for filling the budget, and organize centers of interaction with young people [8].

The interaction of business structures among themselves contributes to the increase of income, the expansion of the scope of activities, the diversification and modernization of production, the increase of investment, the use of the latest technologies.

The creation of additional jobs, the involvement of the population in entrepreneurial activities, the improvement of qualifications – all this can be the result of the interaction of such groups as the population and youth entrepreneurial structures.

The role of universities in the development of youth entrepreneurship will contribute to the improvement of the level of education of graduates and the creation of new innovative business projects.

### Conclusions and suggestions

On the basis of the conducted research, it is necessary to summarize that in order to solve the problems of youth entrepreneurship, the state should involve institutions of civil society, public and non-commercial organizations, and entrepreneurs themselves. At the same time, it is important to understand that young people should be a direct participant in solving regional problems and should not be only in the role of an object of education, training and socialization. These measures, in our opinion, will contribute to the development of youth entrepreneurship, creating favorable conditions for this; the state, in turn, initiates the involvement of young people in entrepreneurial activities.

Therefore, the national economy needs to use positive foreign experience to create favorable conditions for youth employment and self-realization of opportunities in Ukraine. After all, a significant level of entrepreneurship development indicates the level of development of the country and society. Each person is able to independently improve his well-being, but at the same time, it is necessary to create the most favorable conditions for the implementation of the initiative with the aim of achieving freedom and financial independence, which is an important aspiration of modern youth.

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