

Схожа ситуація з зовнішніми позиками: при зростанні зовнішнього державного боргу бюджет конкурує з національними підприємствами не за національні, а за іноземні кредитні ресурси. У підсумку це призводить до скорочення інвестицій і валового припливу капіталу.

В розвинених країнах, як правило, уряди намагаються утримувати дефіцит бюджету на низькому рівні (не більше 3%), не допускаючи інфляційного фінансування бюджетних видатків.

Зниження податків залишає у підприємств в розпорядженні більше ресурсів для інвестицій, тому що вони можуть ефективніше розпорядитися своїми грошми, ніж це зробить держава. Але, якщо зниження податків не буде супроводжуватися скороченням витрат на неефективні статті державного бюджету – це призведе до фінансування дефіциту вище зазначеними джерелами.

*Список використаних джерел:*

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## **ANALYSIS OF THE USE OF PRIVATE ENTERPRENUER MODEL IN UKRAINIAN LABOR MARKET**

One of the most common entities entrepreneurial activity is private entrepreneur. The problematic issue is the demarcation of the legal status of an individual engaged in economic or other activities in the sphere of economy to its legal status as an entrepreneur and its legal status as an individual. The problem is that there is no special regulatory act that would establish the legal status of the citizen-entrepreneur today.

According to The World Bank, assessment of the innovation and entrepreneurship ecosystems of Ukraine shows that Ukraine has some positive aspects and substantial potential for innovation and also many challenges. The main strengths are the high education levels and strong math and science skills, which are attracting IT work, in the form of outsourcing, R&D centers of global companies, and new software companies. Entrepreneurship is expanding, and many entrepreneurs are finding ways to sell to international markets.

However, Ukraine faces substantial challenges. One main challenge is the need for government reform. Corruption, excessive and poorly designed regulations, lack of effective rule of law, lack of implementation of programs, and frequently changing governments and policies all create a large drag on business, prevent effective government-industry collaboration, and serve as barriers to innovation, foreign investment, and trade. The weaknesses in government have also made effective innovation policies impossible [1].

As for 2019 research conducted by Developers of Ukraine association, among the IT professionals 10% of workers in this sphere get all their payment “in the envelope” or paid on the personal credit card and are not registered as workers for the company legally. Other 5% are legally getting paid minimal wage and get the rest of the salary “in the envelope”. Almost 70% are using the Private Entrepreneurship model. And only 10% of all IT specialists are registered according to the Labor Code of Ukraine.

In the year 2018, 14% of workers in this sphere got all their payment “in the envelope” or paid on the personal credit card and are not registered as workers for the company legally, 5% are legally getting paid minimal wage and get the rest of the salary “in the envelope”. 12% of all IT specialists are registered according to the Labor Code of Ukraine and most of the IT professionals got paid through Private Entrepreneur model [4].

We can see that from 2018 to 2019 the amount of people that were registered using the private entrepreneur model has risen from 63% to 70%, while the amount of people that were getting their payment “in the envelope” has decreased from 14% to 10%, so has decreased the amount of people that were register as workers according to the Labor Code of Ukraine. We can see that most of companies are using the Private Entrepreneur model instead of following the Labor Code of Ukraine.

According to the Transparency and Accountability in Public Administration and Services Program, there are 125 000 IT Private Entrepreneurs in Ukraine. The Developers of Ukraine research shows that 97% of engineers, in fact, work for a company, that chooses to register employees using the private entrepreneur model instead of the Labor Code of Ukraine and only 3% are working on a startup company and 3% are freelance engineers.

It is obvious that the Private Entrepreneur model is not used appropriately, but it is a decent legal way for businesses to register their highly paid workers without paying incredible amounts to the government in taxes.

Ivan Babichuk Supervisory Board Chairman, Lviv IT Cluster argues that salaries make up more than 80% of expenses IT outsourcing companies [3]. An abrupt and significant increase in tax burden, paired with a constant increase of global competition, will make their business model impossible for further growth, and many medium and small companies might even cease to exist. Representatives of IT business and government should jointly develop an effective and functional model that would have a positive impact on everyone.

In today's environment, businesses need detailed legislative regulation that aims to promote further development of different forms of entrepreneurship and the Ukrainian economy. To date, there is no specific regulatory act which would establish a legal status entrepreneur and objective bans and restrictions on the conduct of business, it is therefore necessary to adopt a new legal act which would consolidate the status and characteristics of economic management as a business entity [2]. It would reasonable to consolidating the list of activities for which entrepreneurship is prohibited.

There is a demand of a working legislative tax system that would allow companies to register their employees not as private entrepreneurs, but as a part of the company. Nevertheless, it is important to create a system that would adequately represent the workers needs.

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