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## DIAGNOSTIC ANALYSIS OF THE RELEVANCE OF DOING BUSINESS BY YOUNG ENTREPRENEURS IN THE POST-PANDEMIC COVID-19 PERIOD

*The article highlights a marketing study of the preconditions for starting a business by young entrepreneurs by polling existing and potential entrepreneurs under the age of 35 on social networks. The problems of the development of existing enterprises during the introduction of quarantine restrictions due to coronavirus (COVID-19) are considered. Obstacles at the beginning of starting a business by young entrepreneurs and their willingness to adapt to coronavirus quarantine restrictions are analyzed (COVID-19). One in two young entrepreneurs is found to be partially affected by quarantine restrictions due to the coronavirus epidemic (COVID-19), and the rest of the self-employed people responded that the business is fully operational. Among the difficulties that arose during the quarantine, there was a decrease in social activity and limited visits to customers, reduced activity in those areas on which their business depended, lack of demand and orders. It is established that one of the important aspects is the focus on creating conditions to support young entrepreneurs and the necessary guarantees of their activities, the competence of the state in matters of lending and preferential tax conditions for start-up entrepreneurs. It is also possible to consider exchange and training on the basis of universities in countries with high economic performance in comparison with Ukraine (for potential entrepreneurs), and government support programs for existing enterprises.*

**Key words:** youth entrepreneurship, pandemic COVID-19, business, risk, opportunities.

**Target setting.** Recently, the youth enterprise has become a priority among the goals of state youth policy. Due to the tendency of young people to innovative and creative thinking, rapid adaptation to change, and the ability to develop and apply soft skills, they are the most valuable human resource for the economic growth of the country. Given the importance of youth entrepreneurship, which is an important element in the formation of the middle class, young scientists (graduates and teachers) of Kherson State Agrarian Economic University conducted a survey of potential and current representatives of young entrepreneurs to assess problems and obstacles to starting your own business in the context of the introduction of quarantine restrictions in connection with the coronavirus pandemic (COVID-19).

**Analysis of recent research and publications.** Possibilities and risks of youth entrepreneurship are studied by such domestic scientists as Aleshchenko L.O., Belkin Yu.O., Golovaty M.F., Golovenko V.A., Demchenko I.L., Karnaushenko A.S., Kaplina A.I., Kirilov Yu.E., Komarova N.M., Kostenko O.M., Nemyrivsky Ya.V., Pustovoitv O.V., Yarenenko O.O., and others. However, the readiness of young entrepreneurs to do business in the post-pandemic COVID-19 needs to be studied in detail.

**Task definition** are to analyze the opportunities, risks and readiness of young entrepreneurs to do business in the post-pandemic period of COVID-19 based on a survey of potential and existing entrepreneurs.

**Presentation of the main material of the study.** The quality of business development as a process of finding new opportunities, using new technologies and areas of capital investment is largely determined by the operating conditions and the main ways of managing business structures. There are many approaches to the selection of various factors that characterize and influence the conditions of organization and conduct of business. The current stage of business development in Ukraine, resulting from the transformation of the country's economic system, is characterized by a number of contradictions, including: administrative barriers, lack of access to resources, unfair competition, turbulent environment, lack of state regulation of taxes and supporting the activities of such entrepreneurs, etc. The post-covid period is characterized by factors that hinder the development of entrepreneurial activity, namely: lower living standards, falling purchasing power, and so on.

A special segment of entrepreneurial activity – youth entrepreneurship is the least protected in such conditions. It is responsible for the role of driver of innovative economy, as entering the market without deep knowledge of its laws, economic relations, motives of buyer and competitor, advanced technologies are ineffective. The success of business depends on the level of individualism, self-esteem, determination and responsibility for their work, as well as the creation of some guidelines for business – the results of development under the influence of certain factors in the efficient use of resources. Accordingly, the possession of relevant knowledge, free orientation in the information field, the ability to quickly adapt to stable economic conditions of business, high mobility are the unconditional competitive advantages of the young generation of entrepreneurs that shape its entrepreneurial potential.

The authors conducted a study through an online survey, which had an exploratory and descriptive nature of the willingness of young people to do business, and of experienced entrepreneurs that want to keep business in a turbulent environment. The study interviewed potential and current young entrepreneurs aged 18 to 35. The category of people aged 18 to 25 predominates among the respondents (Figure 1).

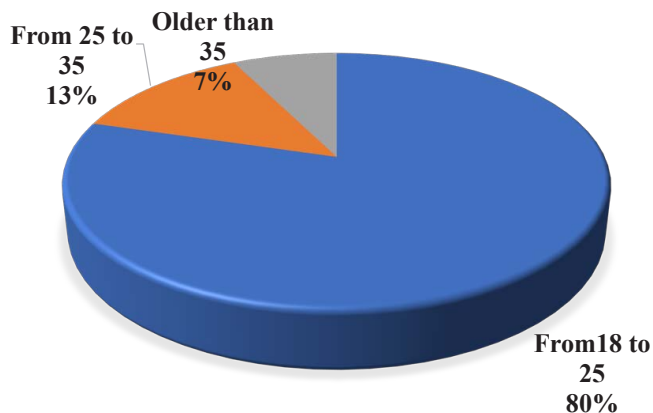


Figure 1. Age category of respondents

As for the population of Ukraine as of January 1, 2021 (Figure 2), the largest number of citizens, namely 7930864 people, falls into the age category of 20-34 years. This is the age in which the vast majority of young entrepreneurs operate. In general, 23.74% of citizens are in the age of 15-34 in Ukraine, which is a quarter of the total population and 35.21% of the economically active population.

According to the results of the survey, a larger number of respondents are already engaged in business or have such intentions (96.2%) (Figure 3).

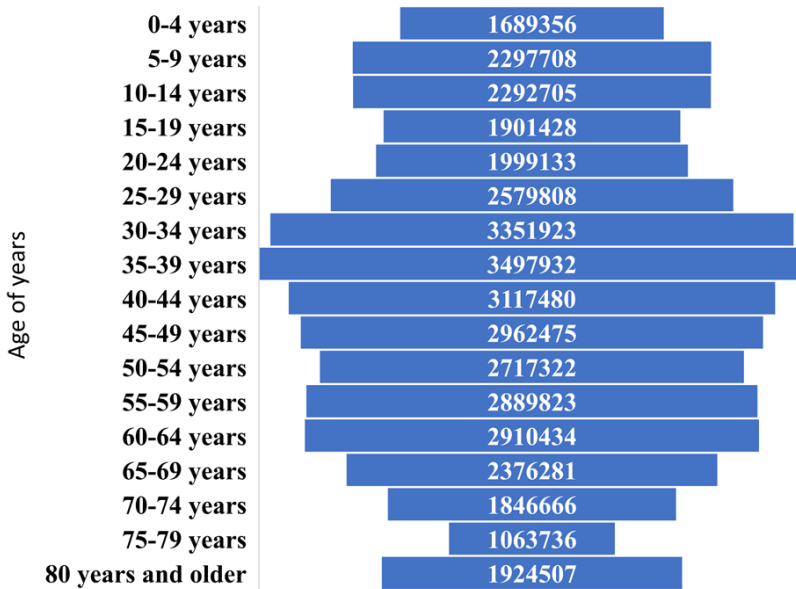


Figure 2. Distribution of the permanent population of Ukraine by age as of 01.01.2021

Source: [3]

The last decade has seen a trend of active business start-ups, despite all the obstacles. According to the study conducted by the online publication “Ukrainian Rights” at the end of 2021, 20% of enterprises ceased their activities due to the coronavirus epidemic (COVID-19) in Ukraine. This is due to the strict quarantine restrictions, inability to work remotely, lack of demand and orders, and the closure of areas on which the business directly depends. Every second respondent stated (56.6%) that they suffered from the introduction of quarantine conditions.

However, these are not all obstacles that can hinder business promotion. Several of important issues were identified during the survey, for example, insufficient level of state support (32.1%), lack of entrepreneurial skills (30.2%), and lack of available loans (28.3%). In the paragraph "Other" the majority noted the lack of time, money, knowledge, etc. (Figure 5).

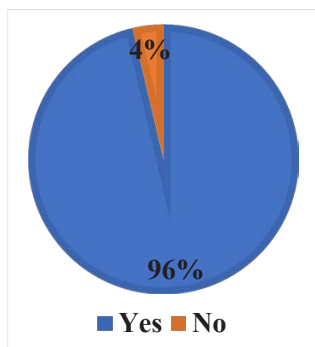


Figure 3. Distribution of answers to the question: “Do you intend to have your own business?” (%)

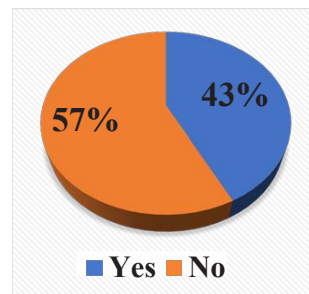
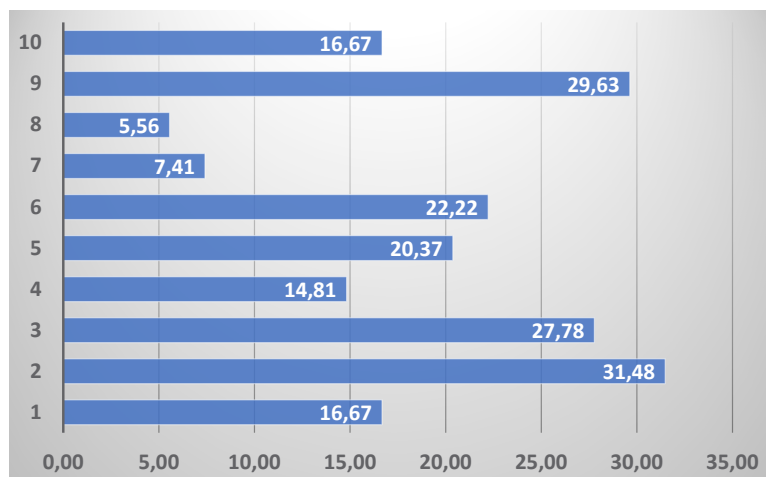


Figure 4. Distribution of answers to the question: “Has the pandemic affected your business?” (%)



- \* 1. Inability to work in conditions of fierce competition
- 2. Insufficient level of state support
- 3. Lack of available loans
- 4. Inability to work with information
- 5. There is no desire to make significant efforts for a long time
- 6. Striving for ordinary way of life
- 7. Reluctance to take responsibility
- 8. Inability / unwillingness to learn and acquire skills quickly
- 9. Lack of entrepreneurial qualities
- 10. Others

*Figure 5. Obstacles to the implementation of the youth enterprise (%)*

In addition to the factors caused by the state, it is worth noting a list of personal qualities that hinder the creation of the enterprise, namely: insecurity, lack of skills, and others. Among the respondents, only 24.5% consider their level of knowledge sufficient to start a business. However, 77.4% of respondents say that they would gladly take part in youth business support programs if they had them.

Because education is one of the most important factors in starting a business, there are many forms of learning. According to the respondents, the first place is taken by learning directly from already successful businessmen (62.3%), and higher education institutions are not inferior (58.5%) because with their help the foundation of knowledge is created not only for doing business but also for life in general (Figure 6).

Also a separate issue can be considered such a factor as risk. To feel confident in a turbulent and changing environment, it is necessary to identify threats and manage risks in a timely manner. The European Business Association estimates that about 10-15% of businesses remain profitable after a 2-year period from entering the market. The key risks and mistakes of young business are overestimation of demand and underestimation of the size of start-up costs, incorrect business model, miscalculations in marketing strategy. But risk can be both a destructive force and a start for a new stage of business development. This is also confirmed by the results of respondents' answers (Figure 7).

According to the results of the survey, development is impossible without risks and most entrepreneurs do not even consider the conditions of complete absence of threats. If we analyze the risk factors, one of them can be called competition.

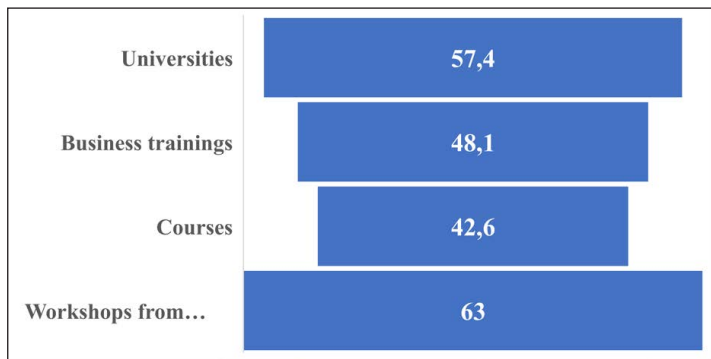


Figure 6. Alternative opportunities for vocational education (%)

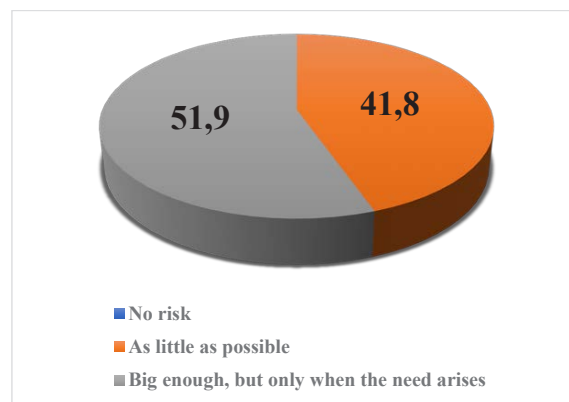


Figure 7. Distribution of answers to the question: "What risk are you willing to take to develop your business?" (%)

The current state of the economy is characterized by a fairly high level of competition that accompanies the development of enterprises, as well as the process of selling goods and services. In an effort to maintain and strengthen their market position, companies are solving one of the main tasks: increasing their competitive advantage. This task is associated with risks. One of the important reasons for their occurrence is the uncertainty that arises due to the fact that it is difficult for companies to determine the probability of occurrence of certain events and the outcome. When interviewing respondents, there was also a question about competition, which only confirms how youth entrepreneurship differs from all areas of business in its persistence and determination, because for the most young entrepreneurs competition acts as an incentive for development (84.9%) (Figure 8).

The last factor that the authors suggest considering is a partnership, which is an integral part of the company's activities, in many cases helps to solve specific problems or achieve a goal. With the help of partnership, there is an opportunity for mutual benefit, exchange of knowledge, experience, and directions of capital increase. However, despite this, our respondents have a different opinion about the partnership. The majority choose to create and run a business independently (69.8%), fewer are prone to business partnerships (26.4%) and a small number agree to work based on an existing enterprise (3.8%) (Figure 8).

The survey conducted by the authors proves the relevance of the development of youth entrepreneurship in all areas of business in the country and the region. As for the Kherson

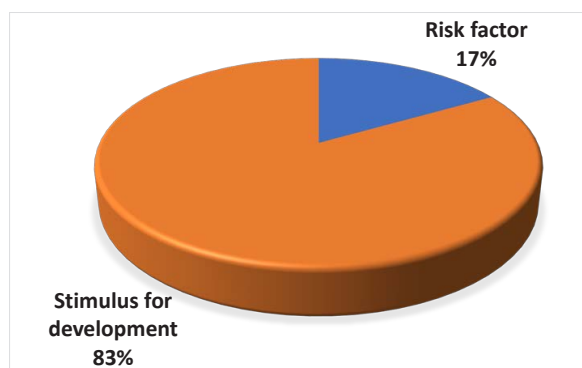


Figure 8. Distribution of answers to the question: "What is a high level of competition for you?" (%)

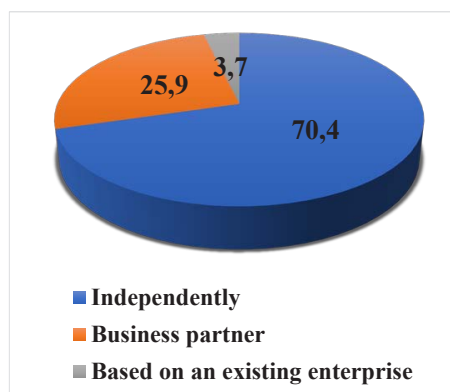


Figure 8. Distribution of answers to the question: "Who would you like to implement a business idea with?" (%)

region and the south of Ukraine in general, the agricultural sector and the tourism industry remain relevant. Young entrepreneurs are increasingly involved in the development of these areas of livelihood of the region.

**Conclusions.** The study found that one in two young entrepreneurs was partially affected by quarantine restrictions due to the coronavirus epidemic (COVID-19), and the rest of the self-employed responded that the business was fully operational.

Among the difficulties encountered during the quarantine, respondents mentioned a decrease in social activity and limited visits to customers, reduced activity in those areas on which their business depended, and lack of demand and orders.

In general, several other factors have been identified that are no less important in the creation and development of young enterprises. One of the important aspects is the focus on creating conditions to support young entrepreneurs and the necessary guarantees for their activities, the state's competence in matters of lending, and preferential tax conditions for start-up entrepreneurs. It is also possible to consider exchange and training based on universities in countries with high economic performance in comparison with Ukraine (for potential entrepreneurs), and government support programs for existing enterprises.

**Prospects for further research.** Martial law was imposed in Ukraine during the preparation of this study. Currently, the Kherson region is under occupation for the second month. Part

of the population was forced to leave. However, small and medium-sized businesses are doing their best to support the region's economy. And in most cases, it is thanks to young entrepreneurs who try to work even under these conditions. Further research by the authors will focus on the prospects and conditions of business during martial law and after its abolition.

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