

# REGIONAL DIFFERENTIATION OF SUPPORT OF YOUTH INNOVATIVE ENTREPRENEURSHIP SYSTEM IN THE UNION STATE

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## ABSTRACT

*In modern conditions of development of market economy much attention in the Union state is paid to small and medium-sized businesses, their existence and problems. A necessary strategic resource for the development of small and medium-sized businesses is its youth sector.*

*The growing interest in youth entrepreneurship is also due to the fact that it currently has the potential to improve the socio-economic situation of young people.*

*Methods of research are forms and methods of formation of innovative system based on entrepreneurship cooperation.*

*The urgency of the problem of youth entrepreneurship development is recognized both in the state as a whole and in many regions of the country. Youth entrepreneurship is recognized as one of the priorities of the state youth policy and state policy in the field of support of small and medium-sized businesses. Evidence of this is the growing number of state, regional and municipal regulations and various programs directly or indirectly related to youth entrepreneurship.*

**Keywords:** Russia, Belarus, Integration, Economic Cooperation, Entrepreneurship System.

## INTRODUCTION

Entrepreneurship is recognized as the main driving force of the market (Fairlie, 2005). Questions relating to its essence, functions, environment of origin and development, factors of these processes, as well as issues relating to the persons engaged in business, their personal characteristics and motives attract the attention of many research disciplines (Wamukoya, 2017). These include economic and sociological disciplines, psychology, social psychology, history, etc. (Bezerra, 2017).

One of the types of entrepreneurship in accordance with its subjects is youth entrepreneurship. If the business entity is a person at the age from 14 till 30 years, this enterprise is a youth (Morselli, 2015).

Youth entrepreneurship is recognized as the most progressive component of small and medium-sized businesses, important for the development of business, regions and the country as a whole (Jenner, 2013).

Despite the generally recognized high role of entrepreneurship in economic development and job creation, there is currently insufficient attention to entrepreneurship

development from a youth perspective (Maas, 2015). Young people are generally regarded as part of the adult population, while their specific needs and entrepreneurial potential, as well as their significant contribution to economic and social progress, are underestimated. Insufficient attention is paid to the creation of conditions for starting a business, the conditions for the creation of new firms, the motivational component of entrepreneurial activity (Lamrani, 2017).

## LITURATURE REVIEW

Youth entrepreneurship, its features, functions and factors of development are included in the sphere of interests of such disciplines as economic sociology, and in particular the sociology of entrepreneurship, and the sociology of youth (DeJaeghere, 2019). Economic sociology is primarily interested in the essence of entrepreneurship in General, the prerequisites for its formation, development, place and role in society (Entrepreneurship, 2005). Youth entrepreneurship stands out here as a component of entrepreneurship in General or its type, which has its own specific features and functions (Ji, Yunjie, 2018). It is recognized its great importance for the development of small and medium-sized businesses. The sociology of youth refers to entrepreneurship in the study of youth as subjects of the labor market, as well as in the description of the characteristics of youth as a social group, among which are its advantages and disadvantages for entrepreneurship (Forouharfar, 2018).

Scientific, sociological approach to youth as a specific group of society involves taking into account a whole complex of circumstances and features of the lifestyle of young people (Varghese, 2017).

To study youth entrepreneurship, first of all, it is important to consider youth as a subject of social relations. Objective, fundamental social relations concern young people in almost all "Categories" in the field of property, the system of power and management, the availability of economic and cultural benefits to the extent that all social groups of society include younger generations (Bibars, 2015).

The most important group-forming characteristics of young people most of the authors recognized age characteristics and related features of social status, as well as due to those and other socio-psychological properties (Wiger, 2015).

One of the first definitions of the concept "youth" was given in 1968. V. T. Lisovsky gave one of the first definitions of the concept "Youth" (Douglas, 2010). Young people—a generation of people undergoing the stage of socialization, assimilating, and in adulthood have already learned, educational, professional, cultural and other social functions; depending on the specific historical conditions, the age criteria of young people can vary from 16 to 30 years. Later a more complete definition was given by I. S. Konom:

*"Youth socio-demographic group, allocated on the basis of a set of age characteristics, characteristics of social status and due to the fact and other socio-psychological properties (Blanco-González, 2014). Youth as a certain phase, the stage of the life cycle is biologically universal, but its specific age limits, the associated social status and socio-psychological characteristics have a socio-historical nature and depend on the social system, culture and the laws of socialization peculiar to this society (Boateng, 2018)."*

## METHODOLOGY

Given the relative independence of young people as a socio-demographic group, it is possible, firstly, not to separate this group from the society of which it is a part, and secondly, to focus the attention of researchers on the fact that the nature of age, socio-psychological and

physiological characteristics, specific interests and needs of young people is socially conditioned, and they can be specifically interpreted only in a wider social context.

## RESULTS AND DISCUSSION

Fragile I. N. it gives a typology of young potential entrepreneurs, which are based on age groups (Rayes, 2017):

Students (15-19 years). Young people are at the stage of formation and determination of the future sphere of work, possible profession. This group is in transition from a safe home to an educational or work place. And it is at this time that many people are moving to further education or to the exit from the educational system and the transition to the labor market;

Students in higher education (20-25 years). Young people are likely to have already decided on the sphere of further employment. They are often faced with three ways of further development: further training in the chosen specialty; going into business and starting their own business; conducting professional activities as an employee;

Aspiring workers or entrepreneurs (26-29 лет). The most important group. With valuable professional experience, novice workers have a higher level of maturity than young people in the lower age groups. Consequently, they are more likely to create a viable business than young people of other age groups.

It should be noted, however, that the proposed classification can only serve as a General trend, as transitions in the development of youth entrepreneurship will differ from region to region, as well as depending on the business sector (Sá, 2015).

When considering young people as a business entity, it is necessary to turn to the essence of the phenomenon of entrepreneurship (Martynova, 2017).

There are several approaches to understanding and analyzing entrepreneurship. Most of them were created and developed within the framework of either economic or sociological Sciences.

In the economic approach to entrepreneurship it is considered as a function and there are several different interpretations of it.

In accordance with the first of them, the entrepreneur is considered as the owner of capital. These views adhered to the classics of political economy, such as F. Kene, A. Smith. To the directly proprietary function of the entrepreneur is added management, as well as combining them with personal labor. Over time, this approach has lost popularity and faded into the background.

In the second interpretation, the entrepreneur is considered as the organizer of production, while not necessarily bearing the right of ownership. Representatives of this approach J. B. Say, J.M. Mill, K. Marx. The definition of an entrepreneur as a Manager is firmly established in the works of neoclassics, for example, A. Marshall, K. Menger. L. Walras. Since then, neutrality with respect to property ownership has become a common element in most theories of entrepreneurship - classical ones, for example. Schumpeter, and modern, for example A. Cole, P. Draker.

The third interpretation of the entrepreneurial function in the framework of the economic approach connects it with the risk and uncertainty in the process of activity. Representatives of this position are R. Cantillon, G. Mangolt, F. knight. Thus, from the point of view of F. knight, people who take on the burden of calculated risks and unreadable uncertainty, as well as guaranteeing employees their wages, have the right to manage the activities of this majority and appropriate part of the income.

This approach particularly emphasizes the characterization that many authors have identified as one of the most important for those engaged in business. Risk-taking, though not an integral, but highly desirable trait for potential and existing entrepreneurs.

The fourth interpretation refers to the institutional economic theory presented by R. Coase, O. Williamson and others. Here, the entrepreneur becomes a subject making a choice between the contract relations of the free market and the organization of the firm in order to save transaction costs.

Within the framework of this interpretation, it is possible to consider entrepreneurial activity as one of the alternatives for young people in choosing their professional and labor future.

The fifth interpretation emphasizes the active, innovative nature of entrepreneurship, not only in the selection of available resource allocation alternatives, but also in the creation of new market opportunities.

This view represent G. Schmoller once claimed, F. Taussig, Th. Schumpeter. The entrepreneur acts not just as a “*ballancer*” of the markets, but as an active Converter and Creator.

Young people acquire a special role when considering business activities from the point of view of this interpretation. One of the main functions of youth entrepreneurship is innovation. Also, speaking about the specific features of young entrepreneurs, emphasizes their creativity and the possibility of creating and introducing innovations in the implementation of their business projects.

The Concept of Th. Schumpeter is one of the most popular concepts of entrepreneurship in Economics and sociology. Explaining the sources of economic development, he deduces from the process of the circulation of capital the fundamental need for a special entrepreneurial function, which consists in the implementation of organizational and economic innovation or “*New combinations of factors of production*.” Schumpeter does not single out entrepreneurs in a special group. He considers entrepreneurship as a function carried out periodically by different people. It then appears, then fades, giving way to more routine actions. In this case, the entrepreneur is not obliged to invent “*New combinations*”, he can imitate someone else's experience.

## CONCLUSION

As entrepreneurs can act as specially trained professionals (graduates of business schools), and those who do not have any professional training. One can be guided by effective adaptation, imitation of the available samples of the organization in new conditions, others - on detection of the economic opportunities hidden from the majority of people, the third - on active formation of new conditions and the invention of absolutely new organizational forms.

The creation of a new enterprise can be a spin-off from an existing company, and can act as an independent undertaking. In some cases, business activities involve obvious risks, such as loss of income and property, status and time, in others the risk is minimized. They can be implemented in both the public and non-public sectors. Also, entrepreneurship can be individual or group (team) execution.

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