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**THE SUSTAINABILITY ANALYSIS OF THE INVESTMENT
AND INNOVATION ENVIRONMENT OF BELARUS FOR THE DEVELOPMENT
OF VENTURE ENTREPRENEURSHIP**

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Considers the theoretical aspects of the venture business. Analyzed the investment and innovation environment of Belarus, identified strengths and weaknesses. Explained the need of development for an effective financial mechanism of the venture business in the framework of the National innovation system of Belarus.

The basis for the definition of "venture business" is the etymology of the word "venture". This word derived from the Italian term "ventura" and was interpreted from English in the context of the word "adventure". "Adventure" is a risky undertaking, a venture. In this case, consideration of this category in the context of the riskiness of this type of business can be made from two positions [1]:

1. The risk as a possible loss of returns on venture capital investments in the result of inefficiency of the project funded in the absence of a guarantee in the form of collateral.

2. The risk as the risk sharing between the investor, investing, venture capital, and entrepreneur that produces an innovative product that is the basis of functioning of system of venture investment.

This duality of the nature of venture business is the main terminological dispute between American and European scholars and economists, who consider the different nature of the venture capital [2]:

1. The American approach to venture capital entrepreneurship will include the mediation process in providing venture capital to small non-public companies in the form of direct private investment without participation of borrowed funds and other forms of private financing.

2. In the European approach the nature of the origin of venture capital is not so important. In this context, all Agency repurchase (buy-out shops), if they own developed and effective business regardless of its industry, can be called venture capital firms, or venture capital firms (venture capital firms).

In this case, the American approach allows us to isolate the participants of the venture business and to clearly define their specific responsibilities and forms of participation, which is more justified from the point of view of effective financial management of venture investments. In the European approach one can observe a greater diversity of sources of financing of innovative activity in conditions of modern financial market development, that will attract various forms of venture capital, including with participation of capital of the banking sector, which currently accumulates the greatest amount of financial resources on the domestic market.

The participation of the intermediary venture capital firms depends on many factors, the basis for which is a fundamental difference in the concepts of "risk" and "venture capital" financing, as many forms of financing of investment projects also have significant risk. Here are the main differences between venture investment from other forms of investment, in particular, Bank lending [1, 2]:

- venture funding; as there are no current collateral obligations in exchange for directed venture capital, expressed in the purchase of shares created or only developing company, whose liquidity still high (Bank lending be the Foundation of a relationship is the presence of collateral, for example in the form of the company's assets);

- there is no need for insurance of risks of the project;
- active participation of venture capital firms in supporting innovative entrepreneur during the implementation of the project, other than the lack of detailed monitoring of expenditure;
- the absence of any payments, including interest, to the date of entry;
- the possibility of investing venture capital and long term conditions high risk;
- separation of financial risks between the investor and the entrepreneur in the absence of guarantees of return of venture capital;

- understanding the degree of responsibility in a situation of inefficiency of the investment project by the investor, intermediary and innovative entrepreneur in the terms of the partnership contractual relationship, where claims can be presented to all participants of these relations.

Thus, in our understanding of the venture business one should understand the investment (brokering) activity, reflected in the organization of various forms of movement of venture capital between venture capital investors and small innovative entrepreneurs, which aimed at the sharing of risks between all participants of these relations and profit through the implementation of investment and innovation project.

It should be noted that the analysis of the current state of the innovation economy of the various States indicates the necessity of state involvement in the formation and development of venture businesses at the stage

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of creating an acceptable economic and financial conditions and infrastructure for development of innovative entrepreneurship. The state should be interested in the development of venture investment in order to maintain small innovative sector, as venture enterprise is able to solve the problem of effective implementation of science intensive products in the manufacturing process. In this context, the development of venture entrepreneurship is a priority area for the national innovation system of the Republic of Belarus, which will further increase the level of innovativeness of the state. These directions are determined by the State program of innovative development of the Republic of Belarus, where the main goal is "creating a competitive, innovative, high-tech, resource - and energy-saving, environment-friendly economy" [3]. The main task – the results of the program to form a National innovation system (NIS).

Now we can analyze and evaluate the acceptability of the domestic environment, as well as the development of infrastructure for the use of the mechanisms of venture business with regard to foreign approaches to its assessment (Table 1). The main indicator in assessing the level of innovative development of the state development acts, is the global innovation index (The Global Innovation Index), describing the innovative component of the States assessment of the commercial results of innovative activity of economic entities, the development of the education system, government participation in the support of scientific-technical and innovative activity [4]. The Global Innovation Index has built in terms of size 141 country in 2015 (in 2014 – 143 countries).

Table – The analysis of the place of the National innovation system of the Republic of Belarus in the context of Global innovation 2015 (2014)

Index	Place in the ranking	Index	Place in the ranking
Innovation Input	55↑ (70)	Innovation Output	58↓ (50)
Institutions		Technology development and knowledge economy	
the effectiveness of the government	127↑(128)	applications for patents by residents in the country	7↓ (6)
the ease of starting a business	35↓ (31)	applications for utility models by residents in the country	66↑ (74)
the effectiveness of state regulation	132↑ (135)		
the rule of law	119 ↑ (124)	the growth rate of GDP per person employed	35↓ (9)
Human capital and research		product certification (ISO 9001)	118↑ (120)
graduates in the field of technical and natural sciences	17 (17)	High - and medium-technology manufacturing, %	35 ↑ (36)
coverage of the third stage of education	5↓ (4)	The results of the creative activity	
the mobility of students of third level education	60↓ (59)		
Infrastructure		registration of trade marks to us \$ 1 billion. GDP (Madrid agreement)	28 ↓ (16)
gross capital formation, % of GDP	8↓ (6)	creative goods exports, %	65 ↓ (61)
The development of the domestic market			
the ease of getting credit	93↑ (96)		
venture capital, % GDP	No data		
Business development			
an innovation system	137↑ (140)		
imports of high technology	88↑ (112)		
Place in the ranking on the innovation index			53↑ (58)

Source: own development based on [4].

As it can be seen from the presented data, all the indicators related to the level of education, training and sufficiency of qualified personnel, achievements of science are strengths of the National innovation system of the Republic of Belarus, however, hindered the process of commercialization of science and innovation. There are problems in state regulation of innovation activity. The degree of government involvement in the development of investment and innovative activity significantly decrease the rating of the Republic of Belarus on the growth rate of GDP per person employed.

Analyze the organization and human potential of science the Republic of Belarus in the context of the main indicators (Figure).

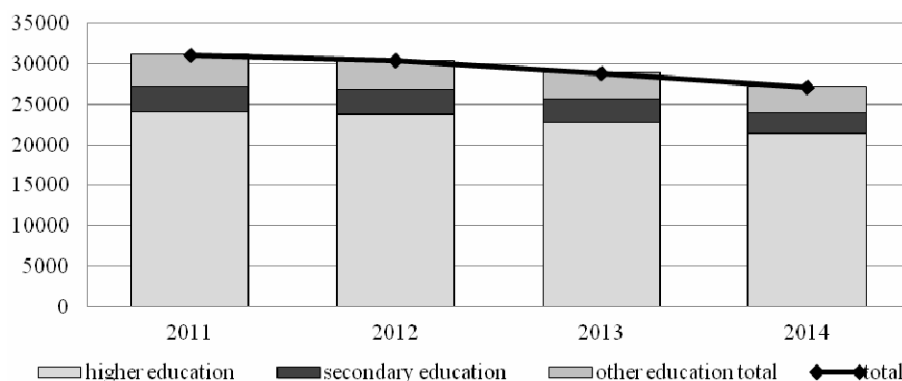


Fig. Analysis of the personnel involved in scientific research and development, by level of education in the Republic of Belarus, persons

Source: own elaboration based on [4].

As it can be seen from the presented data, the number of employees involved in scientific research and development in the Republic of Belarus has a negative trend. So in 4 years there was a decrease in staff engaged in research on 3275 people, with an average of 818 people per year. There is an identical situation by the level of education. Basically, this trend may be due to the outflow of qualified personnel abroad.

It should be noted that in recent years Belarus has significantly improved its position in the global innovation system. However, in our view, the economy of the Republic of Belarus is slowed down by inadequate financing of knowledge-based industries.

Low level of funding in turn significantly affects the indicator "intensity of GDP", which has decreased significantly for the past decade. This fact contributed to lower the position of the Republic of Belarus in the ranking "Countries by level of research intensity" and translated it into the category of countries with a low level of research intensity of GDP, which once again demonstrates significant problems during the commercialization of research.

In General, foreign experts distinguished among the main disadvantages of the investment and innovation environment in the Republic of Belarus:

- heavy tax burden on newly created companies;
- a high degree of state involvement in the regulation of venture capital financing and the participation of foreign investors;
- there are some limitations in the framework of high-risk investments;
- the presence of an imperfect system of protection of author's rights and intellectual property;
- outflow of qualified young specialists;
- underdeveloped infrastructure, etc.

Therefore, all the work on the establishment of an effective system of venture entrepreneurship should not only focus in creating the system of regulatory aspects of venture activity, but also on establishing a favorable institutional environment for the development of venture capital market in General and for the development of the financial market in order to use all possible tools of venture financing.

Thus, it is necessary to form an effective financial mechanism of venture business in the Republic of Belarus in the context of the system, functional and process approaches of financial management, consisting of tools and methods of formation, venture capital, adequate information provision and management tools.

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ECONOMIC GROWTH OF THE REPUBLIC OF BELARUS: STATE AND PROSPECTS

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The analyses economic growth of the Republic of Belarus is conducted in this article. The author uses GDP indicator statistics as the main criteria for the assessment of economic growth. Also, the article examines the foreign and domestic theoretical approaches.

The rise of demand, exhaustion of traditional resources, increase in population cause the solution of two tasks: economic growth and efficiency of a national economy. Thus, it is possible to achieve increase in some economic dimensions: labor productivity and consumption, material benefits due to deterioration of their quality, due to the cuts on treatment facilities and deteriorations of living conditions. It is possible to achieve temporary growth at the expense of irrational use in large quantities of the available resources. However, such growth, as a rule, is unstable and undesirable, in general.

In this situation it is necessary to speak, in our opinion, about compatibility of economic growth with social stability and social optimism. Then this growth would matter. It assumes achievement of a number of purposes: an increase in life expectancy, a decrease in incidence, an increase of education level and culture, overcoming of poverty and inequality, achievement of high employment rate in the country etc.

Thus, the character and dynamics of economic development of Belarus are a subject of the closest attention of economists and politicians. From what processes happen in dynamics and a level of development what are the structural changes in national economy, a lot of things depend in life of the country and its prospects.

The author shares opinion of the Belarusian and foreign researchers in a question of that economic growth is the stable and long capacity-building of national economy assuming improvement of national factors of production. Among its main indicators the major is the gross internal product (GIP). Therefore, the main purpose of macroeconomic policy in the long term is to maintain the high steady growth rates of this indicator [1].

The analysis of economic development of the Republic of Belarus for the last period testifies that in national economy positive tendencies in change of GDP remain. Although, some negative processes are also evident. Such as : growth of a share of the unprofitable enterprises; decrease in profitability of production; growth of arrears; excess growth of aging of fixed assets; insufficient innovative, investment and enterprise activity, etc.

In this situation we also support the point of view of Komkov V. that the unfortunate trends observed now in dynamics of quantitative macroeconomic indices are a direct consequence of more serious negative tendency of decrease in efficiency of the Belarusian economy, which gradually developed already throughout quite long period. Unfortunately, our statistics doesn't observe and doesn't publish the indicators characterizing the most important aspects of economic efficiency. Probably, many domestic economists and planners, as well as their Soviet colleagues earlier, consider that for receiving an adequate assessment of economic efficiency it is enough to calculate an indicator of labor productivity [2].

The assessment of labor productivity can't give a complete idea of quality of economic growth and its social impacts, such as a change in standard of living of the population [3].

The indicators of production efficiency and accumulation which are more closely connected with end social and economic results are given and therefore represent the qualitative characteristics of development of economy estimated from positions of target approach.

Coming back to GDP indicator, it is necessary to use a national database. According to the data of the Ministry of Economics of the Republic of Belarus, in the I quarter 2015 national economy worked in the conditions of deterioration of the external economic situation. It became a major factor of decrease in GDP for 2% by January-March, 2014. The positive contribution to GDP provided with construction (104,7%), trade (101,1%) and agriculture (105,0%) didn't compensate falling in the industry (92,7%), transport and