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## **SMALL BUSINESS IN REPUBLIC OF BELARUS: FEATURES AND DEVELOPMENT PROSPECTS**

*Small business plays an important role in social and economic development of the country, promoting formation of the competitive environment, increase in production of consumer goods, services sector expansion, creation of new workplaces, giving to economy of additional stability.*

Important factor of formation of the market is business development. Small and medium-sized enterprises are the most flexible and dynamic form of development of business [1].

Republic of Belarus attaches great value to development of small business, takes necessary measures for stimulation, creating favorable conditions for increase of investment activity in this sector of economy, by attraction of foreign investments.

Small business has taken place four historical periods in the development of the Republic of Belarus:

1. The first period (1988 — 1991) Perestroika processes in economy of the Soviet Union, as a stage of formation of subjects of small business.

Subjects of small business acted in economy of Belarus as cooperatives where a basis was the principle of collective self-government. This situation didn't promote development of real sector of economy of Republic of Belarus, undermined stability of a monetary and credit system of the country, and the most important this principle didn't meet expectations assigned to these subjects as reformers of economy.

2. The second period (1992 — 1995) functioning of subjects of small business in the standard legal framework which hasn't been adapted for these subjects of managing.

Rapid growth of number of subjects of small business without long-term programs of development. These subjects gain some independence from government institutions. There is a toughening of a tax press without specifics of small business, a consequence of that, ruin of considerable part of enterprise structures, orientation to trade and purchasing activity is.

3. The third period (1996 — 1998) Activity of subjects of small business during formation of the legislation of this subject of economy focused on specificity.

The period of attempts of adaptation of standard and legal base to needs of subjects of small business. The main lack of this period is not adaptation of the standard and legal legislation for these subjects, and periodic change of approaches to the tax legislation developed for business.

4. The fourth period (1998 — on a crust. time) activity of subjects of small business within rigid state regulation [2].

Despite importance of small business for economy, its formation and development is interfaced to certain difficulties and shortcomings. The main problem in small and medium business — is shortage of the initial capital and difficulty with its attraction from outside in the course of activity. The considerable part of small firms has to be guided generally by own means [3].

Analyzing the enterprise environment, it is possible to allocate the variety of reasons, braking development small and average business in Republic of Belarus, despite attention strengthening to this problem of the state. Among them:

- unevenness of development of small enterprises on country regions;
- their backwardness in the small cities and in the innovative sphere;
- increase in a share of the unprofitable enterprises;
- the complicated access to financial resources;
- existence of a large number of the administrative and other restrictions directly or indirectly complicating the organization and implementation of business activity;
- instability and imperfection of the current legislation;
- lack of really operating mechanisms of stimulation of development of small enterprises in priority spheres of economy.

The number of small enterprises for 2012 reached 96929 units, in comparison with 2011 increased by 5, 3%. And in 2013 in comparison with 2012 this number also considerably increased on 9411 units. It testifies that small business not only effectively develops, but also satisfies requirements not only the market, but also all society as a whole [4].

At small enterprises higher efficiency of work is noted, small firms with smaller expenses satisfy needs for scarce types of goods and services on the basis of development of local sources (raw materials) and provides thus big employment. They increase the amount of receipts in municipal budgets, stimulate NTP, carry out other important functions for economy.

The list of the used sources:

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3. Small business in Belarus. [An electronic resource]: <http://www.belstat.by>, 28.04.2014.
4. Shakhnevich E. Small business. [An electronic resource]: <http://www.delo.by>, 21.04.2014.