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THE DEVELOPMENT OF SMALL CITIES AND RURAL AREAS IN BELARUS

The delineation of built-up territory around small towns and cities was first introduced in 2000. According to this system, rural areas consist of open countryside with population densities less than 500 people per square mile (approximately 200 people per square kilometer) and places with fewer than 2,500 people. The main purpose of this research is to explore the modern trends observed nowadays in the development in rural areas. The main tasks of this research are the following: to investigate the modern trends in the development of rural areas in the Republic of Belarus; to study all the assumptions about the consequences of these trends; to make some recommendations how to solve the existing problems of the development of small cities and rural areas in Belarus. The sources of this investigation are the following: data

provided by the National Statistic Committee of the Republic of Belarus and the Ministry of Finance as well as journalistic investigations.

According to the data obtained, we can state that rural areas and small cities tend to be more depressive than big cities because of undeveloped industries and infrastructure. The proprietors and businessmen do not tend to establish new business entities in the rural areas and small cities. As for the gap between the big cities and rural areas, it keeps on growing.

A recent study held by TUT.BY based on the data of the National Statistical Committee of the Republic of Belarus shows several figures [3]: a) In some big cities the population increased up to 25% since 2001; while in some regions there was a great decrease in population. As an example, on Baranovich District (definitely not the poorest) the population has decreased from 40 000 to 30 000 (by 25%) only in the last 8 years; b) An average salary (as of 2018) varies from 617,50 BYN in Sharkovshchinskiy District to 1 480,40 BYN in Minsk and 1 589,90 BYN in Salihorsk District; c) Percent of income from local tax payers in the local budgets varies from 20% to 39% in 33 Districts and from 40% to 59% in 49 Districts (totally 82 Districts — more than a half); d) Foreign direct investments on a net basis from 2013 to 2017 in Minsk amounted to \$ 4.1 billion, to the rest of the country — \$ 3.3 billion [1], [2].

The results of these research are the following: a) the most developed areas of Belarus are the capital city of Minsk as well as smaller cities with population more than 100 000; b) The least developed areas of Belarus are small depopulated Districts. A great number of such Districts is situated in Vitebsk and Mahileu Regions; c) Fixed Investment in the city of Minsk appeared to be higher than in any other Regions, except Minsk Region [3].

According to our survey, local economy is highly developed in Minsk and Minsk Region. As for the other Regions, the local economy in the Regions centers (Homel, Vitebsk, Mahileu, Brest, Hrodna) is developed, but the rural areas and small cities stagnate. Besides, the infrastructure and the employment leave much to be desired.

As we see, such situation is an example of a classical poverty trap, also known as the development trap, which can lead to such consequences as: low gross domestic product or overall low productivity, failing to produce enough wealth for the population as a whole to escape poverty; high unemployment, creating poverty for the unemployed and putting downward pressure on wages; high income inequality, creating poverty by distributing wealth not equitably; high level of brain drain: migration to more prosperous parts of the country or even migration beyond the country.

We can assume than such trends are even more dangerous for national economy when they spread all over the country – the country becomes totally trapped in this cycle.

In the conclusion, we must admit that the question of what should be done is still disputable. It is evident that to solve the problem two major aspects should be taken into consideration: first of all, to develop the infrastructure of small cities and rural areas some investing from government and non-governmental business entities are needed [4]. Secondly, to attract investors to develop infrastructure of the small cities and rural

areas to take appropriate measures to undertake full-scale economic market reforms and to improve the structures of self-governance in small cities and rural areas.

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DO WE REALLY NEED CROWDLENDING?

The purpose of this paper is to explain what crowdlending is and how it can be used in business. Sometimes banks refuse to small businesses in loans and this tool gives them opportunity to development with lower risks.

Crowdlending (peer-to-peer, P2P) is the practice of lending money to individuals or businesses through online platforms that directly match lenders with borrowers, bypassing banks and other financial institutions. Crowdlending companies usually operate online, so they can run with lower overhead and provide the service more cheaply than traditional financial institutions:

Borrowers can borrow money at lower interest rates. Investors (or lenders) receive a higher return compared to savings in term deposits or investments products offered by banks. P2P lending companies take a benefit for providing the loan market platform, connecting borrowers with lenders, and credit checking the borrower.

In the case of crowdfunding, the guarantees do not exist. The investor must always rely on his own intuition and analysis of the project to know the profitability he can provide. Obviously the right analyses provide good prospects. In crowdfunding the risk is considered very high, because we will only be able to recover our money if the project in which we have invested goes well.