

## **ANALYSIS OF DEVELOPMENT AND RIGHTS TO ENGAGE IN ENTREPRENEURIAL ACTIVITY IN THE REPUBLIC OF BELARUS**

### **Анализ развития и прав на занятие предпринимательской деятельностью в Республике Беларусь**

Today, entrepreneurial activity is one of the most important elements in the modern economy. Entrepreneurship is the main form of ownership in countries with market economies. Also, this form of doing business is an initiative, a way of enriching and earning personal income, which is accompanied by certain risks. At the same time, entrepreneurship creates competition in the market, which is important not only for innovative development, but also for the development of the country as a whole.

In 2020, the Republic of Belarus took 49th place in the Doing Business 2020 rating, gaining 74.3 points out of 100 possible. For comparison, in this rating in 2010 the Republic of Belarus took the 58th place. According to the rating, which is compiled for each country separately, the Republic of Belarus ranks 30th in the world in terms of the ease of starting a business, however, in terms of obtaining loans and paying taxes, the Republic of Belarus occupies 104 and 99 positions, respectively. The index of resolving the situation with insolvent organizations also affects the overall position in the rating. Analyzing the rating data for the Republic of Belarus, the following positive changes in the legislation can be identified, which make it possible to engage in entrepreneurship over the past 5 years:

1. Removal of requirements for registration of the register of checks and authorization of its purchase within six months from the date of registration.
2. Facilitation of obtaining a building permit by simplifying the process within a single window.
3. Lending has become more affordable due to two new decrees that established a single registered collateral.

It is also worth noting the negative factors that hinder the development of entrepreneurship in the Republic of Belarus:

1. Weakening the protection of minority investors by increasing the time during which a joint stock company can disclose information about an interested-party transaction to the public, the regulator or the stock exchange.
2. Amendments to the Code of Economic Procedure, which increased the time frame for resolving commercial conflicts.
3. Unstable internal and external political situation in the country.

Having analyzed all of the above factors, it can be noted that a favorable infrastructure for starting a business is being created in the Republic of Belarus. However, there are areas that hinder the development of small businesses and they are forced to close, namely: relatively high interest rates on loans, it is difficult for businesses to get out of a situation of insolvency, large amounts of tax payments. In this regard, it can be concluded that over time, the state is taking measures to develop entrepreneurial activity, however, to support further development, it is necessary to optimize the tax system, and also some decrease in interest rates is required to be able to liquidate insolvency.

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## **STATE REGULATION OF SMALL-SIZED ENTERPRISES IN THE REPUBLIC OF BELARUS**

### **Государственное регулирование малого бизнеса в Республике Беларусь**

Small-sized Enterprises (SEs) are seen as essential components of a market economy, without which both national and regional development is impossible in most countries. In the Republic of Belarus Small-sized Enterprises also become advantageous because of having the capability of quick adjudication, working with less capital but more intense labour and having a low cost of management and, thus, cheap production.

According to the Belarusian definition, SE is a business with fewer than 50 employees and a turnover of up to 30 million BYN. However, running Small-sized businesses isn't really easy. This process requires drawing up a clear development plan, forecasting and maintaining precise control. It was observed that in Belarus government regulation has a sizable impact on SEs efficiency growth.

Therefore, *the objective* of my research is to determine the significance of state regulation and its support for the activities of Small-sized Enterprises in Belarus.

According to the data of the Belarusian National Statistical Committee, the share of Belarusian GDP formed by SEs at the end of 2018 was 14,7 %. The figure turned out to be not so high due to the existence of a number of shortcomings, namely: insufficient financial support from the state, lack of real lending mechanisms, contradictory tax legislation, administrative barriers, etc.