

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.

Thus, in order to strengthen the economic performance of SEs in Belarus, the SE promotion strategy titled ‘Belarus is a country for successful entrepreneurship’ was endorsed by the Council of Ministers in 2018 for the period till 2030 [1].

The goal of the strategy is to stimulate the growth of Small-sized enterprises which can considerably improve the structure of the Belarusian economy, increase its competitiveness, create new jobs and raise living standards.

It can be traced that the authorities of our country are gradually creating a favourable economic and institutional environment for the development of SEs. It was recorded that the contribution of SEs to the GDP of Belarus in 2019 amounted to 15,9 %.

Furthermore, state support is also manifested in the formation of the necessary infrastructure where specialized centres are located. Their activities are primarily aimed at providing consulting services to citizens wishing to start their own business.

What is more, the dominant direction of regulation of SEs by the government of Belarus is a set of measures aimed at increasing the availability of financial and credit resources for starting and promoting Small-sized businesses.

Finally, a simplified taxation system has been created on behalf of the Belarusian government. Afterward, one of the lowest rates existing on the territory of the Eurasian Economic Union has been established.

In conclusion, the arguments we have presented prove that state regulation is an integral part of the development of Small-sized businesses in the territory of the Republic of Belarus. The Belarusian authorities are interested in solving the acute problems of the Belarusian economy, therefore, they create all the necessary conditions for the long-term growth of SEs. The key to further success lies in avoiding the situation of overregulation, as well as in the accurate implementation of measures taken to develop Small-sized businesses in an era of technological breakthroughs.

References

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