

JEL CLASSIFICATION: L21, M00

## DEVELOPMENT OF SMALL BUSINESS: NATIONAL AND FOREIGN EXPERIENCE

**Olga I. MARCHENKO**

*Candidate of Science in Economics, Associate Professor, Department of Economics of Enterprise, National University of the State Tax Service of Ukraine*

**Ruslan V. MOTKALYUK**

*Master of Faculty of Information Technology and Management of the National University of the State Tax Service of Ukraine*

*Summary. In the article the place of small business in a market economy is defined, the basic problems facing small business during the economic activities are reviewed, the features of the existence of*

*small business in foreign countries are revealed, and the ways of small business development in Ukraine are offered.*

**Key words:** *small business, economics, enterprise, risk, profit, business, idea.*

The article aims to research the characteristics of small business development in Ukraine for applying international experience to improve small business.

To achieve the goal following tasks were set and solved:

- to determine the relevance of this issue for further its research;
- to describe the theoretical foundations of small business development prospects;
- to identify the main advantages and disadvantages of small business in Ukraine;
- to determine the main directions of implementation of international experience in small business development.

**Conclusions.** Unfortunately, today in Ukraine stifling of small business is being evolved gradually. The authorities of the post-Soviet space believe that only large factories able to produce a modern, high-quality products and simultaneously block and discrimi-

nate capabilities of small businesses. But somehow in Norway (one of the richest countries in Europe), a huge number of small firms employing 5-20 people is developed perfectly. And in the CIS countries all that small businesses can look forward today is a service sector. The main reason small business sector is being narrowed down is the following. They can be a serious competitor to big business, which by means of authorities tends to monopoly and absolute power in the domestic and foreign market. However, it narrows the sector of middle class. It's easier to manage the poor man. But we can change the trend. After all, we are majority and each of us should try to change the situation in his country starting with himself. Developing a small business together, we strengthen the benefits of this economic sector, which are described above. They will help to undermine the monopoly and develop socio-economic environment favorable for the development of society.

### *References*

1. Azmuk N. (2003). *Upravlinnia rozvytkom maloho pidpriemnytstva na rehionalnomu rivni* [Managing the development of small entrepreneurship at the regional level]. Extended abstract of candidate's thesis. Kyiv: KNEU.

2. Arhipova O. (2010) *Analiz provalov gosudarstva i provalov rynku v sravnitel'nojj forme* [Analysis of government failure and market failure in comparative form]. Bulletin of the Chelyabinsk State University, 27 (208), 14-17.

3. Bilomistnyi O. (2010) Osoblyvosti kredyтуvannya diialnosti malykh pidpriemstv na suchasnomu etapi rozvytku ekonomiky Ukrainy [Features of lending of small businesses in the current development stage of the economy of Ukraine]. Bulletin of the University of Banking of the National Bank of Ukraine, 1(7), 90-93.

4. Varnalii Z. (2001) Male pidpriemnytstvo: osnovy teorii i praktyky [Small business: Fundamentals of Theory and Practice]. Kyiv: Znannia.

5. Hryniuk A. (2010) Perspektyvy rozvytku maloho biznesu kriz pryzmu dostupnosti kredytnykh resursiv [Prospects for the development of small business through the prism of the availability

of credit resources]. Bulletin of the National Bank of Ukraine, 1, 52-52.

6. Iepifanova I. (2009) Osnovni aspekty rozvytku maloho biznesu v Ukraini [Key aspects of small business development in Ukraine]. Proceedings of the Odessa Polytechnic University, 1(31), 211-215.

7. Kondratiuk T. (2001) Derzhavna polityka pidtrymky maloho biznesu: zmist i mekhanizm realizatsii [Government policy to support small businesses: principles and mechanisms for implementation]. Bulletin of the Ukrainian Academy of Public Administration under the President of Ukraine, 4, 111-118.

8. Krush P., Tulchynska S., & Shashyna, M.etal. (2008). Natsionalna ekonomika [The national economy] (2nd ed.). Kyiv: Karavela.