

## **BUSINESS DEVELOPMENT OF BELARUS IN MODERN CONDITIONS**

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The topic of development of small and medium-sized businesses is very relevant in the context of modernization of the existing economy in Belarus. Small and medium-sized businesses play an important role in any country: they ensure the economic security of the country, employment of the population, generate healthy competition, saturate the market with new goods and services and meet the needs of large enterprises. The main purpose of the study is to describe the current conditions in which Belarusian business exists and the problems it faces.

**Keywords:** small and medium business; business development; economic security.

## **РАЗВИТИЕ БИЗНЕСА БЕЛАРУСИ В СОВРЕМЕННЫХ УСЛОВИЯХ**

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Тема развития малого и среднего бизнеса является очень актуальной в условиях модернизации существующей экономики в Беларуси. Малый и средний бизнес играют важную роль в любой стране: он обеспечивает экономическую безопасность страны, занятость населения, порождает здоровую конкуренцию, насыщает рынок новыми товарами и услугами и обеспечивает нужды крупных предприятий. Основной целью исследования является описание актуальных условий, в которых существует белорусский бизнес, и проблем, с которыми он сталкивается.

**Ключевые слова:** малый и средний бизнес; развитие бизнеса; экономическая безопасность.

Official statistics record a reduction in the role of small businesses in the economy. Small organizations are disappearing all over the country. Once a month, officials update information on the number of small business companies in the Republic of Belarus. According to the Belarusian methodology, small organizations include companies that employ from 16 to 100 people. Microbusiness as a legal entity is represented by companies with staff from 1 to 15 people. Such information is a good alternative to statistics on the number of active businesses. Statistical agencies take measurements on active businesses only once a year. But the data on small businesses are as close to real time as possible: 2022 continued the negative trend of 2021. From January 1 to December 31, the number of small business organizations decreased by more than 4 thousand – from 102.2 to 98.1 thousand units. Compare the dynamics in 2021: the number of small companies decreased from 104.5 to 102.8 thousand. It turns out that relative to 2021, the rate of «dissolution» of small businesses has doubled. The

share of revenues from small companies to the tax treasury of Belarus is also falling. If at the end of January–August 2021 it was 26.8 %, then at the end of the same period in 2022 it was only 24.9 %. In 2022, the number of small enterprises decreased in all regions and in Minsk. In the capital, the number of small businesses decreased from 41.5 to 39.6 thousand companies [1]. The number of small organizations with employment of 16–100 people fell from 11.3 to 10.9 thousand units, microorganisms with employment of 1–15 people – from 90.9 to 81.2 thousand. The share of small companies in the total tax pot decreased from 18 % to 16.4%, micro-companies – from 8.8 % to 8.5 %. In 2022, the process of consolidation of small businesses is imperceptible – the transition of companies from small to medium-sized. In Belarus, medium-sized businesses include organizations with a staff of 101 to 250 people. From January 1 to December 31, the number of medium-sized businesses remained at 2,152 organizations. We can say that if some small companies are moving into the cohort of medium-sized ones, then in 2022 this is happening against the background of the loss of «old» businesses. As a result, the balance becomes zero and the number of medium-sized enterprises does not change. The decline of small companies has been observed for several years in a row. As of September 1, 2014, there were 113.6 thousand such businesses in the country, on the same date in 2016 – 113.3 thousand, in 2017 – 109.6 thousand, in 2018 – 109.4 thousand, in 2019 – 105.8 thousand, in 2020 – 104.3 thousand – The data for 2021–2022 are given above and they also reflect a decline.

Next, we can identify the main reasons that hinder the development of entrepreneurship in our country.

1. Availability of price regulation for a number of goods and services; certain difficulties in licensing activities.

2. Unequal conditions for public and private business, i.e. enterprises do not give products to private entrepreneurs for sale, preferring to work with state trade organizations.

3. High interest rates on borrowed funds from banks and other financial organizations. However, it should be noted that the state is making certain attempts to stimulate the development of entrepreneurship, but they are insufficient to obtain a significant effect. The development of entrepreneurship requires a comprehensive system of measures aimed at liberalizing the economy and carrying out market reforms [2]. Such measures should include: the elimination of serious administrative barriers that hinder the development of the small and medium-sized business sector; support for small and medium-sized businesses, the provision of benefits, the possibility of obtaining loans for business development, in particular, the development of micro-loans; improvement of legislation in the field of small business. In the Republic of Belarus, small and medium-sized entrepreneurship is of particular importance for the development of the economy and the formation of market conditions of management [3].

A developed small business ensures the stability of the state, satisfies the needs of the population, and creates wealth for the country. Small enterprises give the necessary flexibility to the market mechanism, create prerequisites for the innovative development of the economy, forming, on the one hand, an appropriate competitive environment, on the other – generating the main innovations. In modern economic conditions associated with crisis phenomena, targeted state support for entrepreneurship, the creation of the

necessary conditions for its development should occupy an important place in the complex of anti-crisis measures of the country's authorities [4]. Mainly, the increase in the share of small enterprises in the economy of the region is achieved by increasing the number of enterprises, which is influenced by active state support for start-up entrepreneurs. The qualitative growth of the existing entities is hindered by administrative obstacles, a number of unfavorable business factors.

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