

The role of small businesses in economic development

Done by
Shakarchuk Maria
Ek/b-18-3-o

Small businesses are companies that employ fewer than 500 employees (manufacturing) or 100 employees (wholesale trade). The federal government has specific definitions for small businesses in all other industries.

A small business is often privately owned, does not employ many people, and has a low volume of sales.

Small businesses plays a big part in the economy of any country in the world. It is an integral part of the socio-economic system of the country, ensuring the stability of market relations, drawing most of the country's citizens into this system of relations by opening their own businesses, ensuring high production efficiency through deep specialization and cooperation of production, which has a favorable effect on the economic growth of the national economy



The role of small business in the economy

The role of small businesses in the market economy is great. Without it, the market economy can neither function nor develop. Its formation and development is one of the main problems of economic policy in the conditions of normal functioning of the market mechanism.



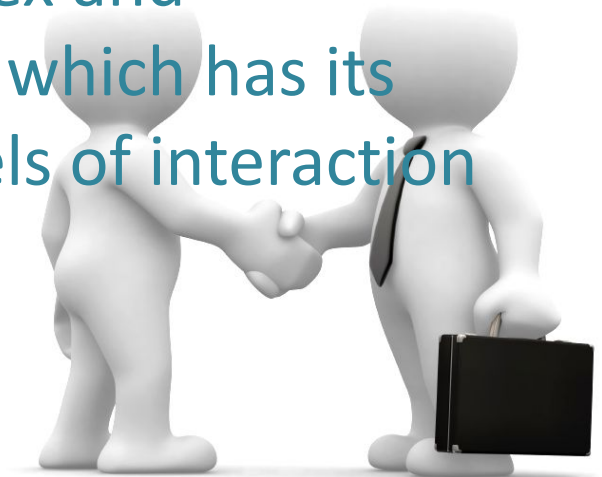
Small business is a necessary element of the market economy that allows us to solve important socio-economic problems. This is confirmed by the experience of developed countries, where small businesses have a strong position in the development of national economies.

For example, in the United States, small businesses that produce about 40% of the gross product provide employment for almost half of the working population, mastering twice as many innovations as large firms.





The role of small business in Russia can't be assessed in the traditional way, as it is done in a stationary economy, for example, only by quantitative indicators; such an assessment will be superficial. Small business describes small business as a special sector of social production, the share of which is very small. In other words, small business is a rather complex and heterogeneous entity, each segment of which has its own problems and needs specific models of interaction with the state.



Prospects of small business development

Many entrepreneurs believe that it is quite difficult to develop small businesses in modern conditions. The global financial crisis has affected all sectors of the economy to a greater or lesser extent. people's incomes have decreased and, as a result, the demand for goods and services has decreased. Small businesses have to make great efforts to "stay afloat" and earn income from their activities.

