

ESSENTIAL CHARACTERISTICS OF BANKING SUPPORT OF SMALL BUSINESSES AND ITS IMPACT ON ECONOMIC DEVELOPMENT

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Abstract. *The article is devoted to substantiating the essential characteristics and types of bank support for small businesses in the context of its impact on the development of the economy. The functional characteristics of the institutional participants in the redistribution of resources for financial support of small business are presented. Banking support for small businesses should be considered in terms of settlement and cash, credit, deposit, service, guarantee, technological and consulting activities of the bank.*

Key words: *small business, financial support, banking support.*

Small business has great potential for stimulating economic development and actualizes the issue of finding new scientific approaches to identifying reserves to increase the level of efficiency of its functioning. In addition, it is worth noting that banking institutions play an important role in this, acting as professional participants in the market of financial services and creating prerequisites for providing comprehensive full-fledged organizational and financial support, which determines the chosen direction of scientific research.

The article is devoted to substantiating the essential characteristics and types of bank support for small businesses in the context of its impact on the development

of the economy. The functional characteristics of institutional participants in the redistribution of resources for financial support of small businesses are presented. It is proven that banking support should be considered in terms of settlement and cash, credit, deposit, service, guarantee, technological and consulting activities of the bank.

Ensuring economic growth is possible as a result of the implementation of measures to stimulate the development of the following main areas: 1) the domestic market, which is based on stimulating the restoration and development of domestic infrastructure; 2) state finances and state policy; 3) the institute of financial intermediation, in which banks play an important role and perform the functions of

professional participants; have a monopoly right to settlement and cash service of economic agents, thereby confirming their functional significance; 4) improvement of the investment climate in the country, which contributes to the expansion of the capacity for effective use of external sources of targeted financing, including the development of small entrepreneurship.

The functional characteristics of institutional participants in the redistribution of resources for financial support of small business are presented, which include: government infrastructure, the central bank, creditor banks, small business support funds, economic agents of small business. Banking support for small businesses involves the

development and implementation of various organizational and financial measures, programs and initiatives that banking institutions carry out in order to meet the needs of the client, including in the small business segment. It is substantiated that it is appropriate to interpret bank support for small business as the sale/provision by banks of a professionally/specially formed complex of complementary organizational and financial products/services and the implementation of individual measures aimed at ensuring/supporting the solution of current economic tasks of economic agents of small business, aimed at strengthening the level their financial stability, stimulation of development and innovative growth in conditions of uncertainty.

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