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THE SYSTEM OF STATE SUPPORT OF SMALL AND MEDIUM BUSINESS IN DEVELOPED COUNTRIES

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Summary. Probed economic nature, modern state, features and progress of small and middle business trends, in the developed countries and offered approach to forming of the system of state

support of small and middle business in Ukraine in accordance with the requirements of Istanbul declaration.

Key words: *government support, small and medium business, developed countries, system formation, development trends, effective interaction.*

Effective cooperation between large, small and medium businesses has enabled countries with a market economy to achieve a high competitive level. It is generally recognized that small and medium businesses play an important role in ensuring sustainable economic growth, increased innovation and export potential of a country.

Small and medium businesses are becoming a major source of innovation, in developed countries revenue from an enterprise accounts 40-60% of GDP. According to UN experts facts over 50% of the working population in the world are employed in small business.

In the context of globalization two interrelated trends for small and medium businesses are revealed. On the one hand, high dynamic, adaptive properties and its value as satellite multinationals is increasing

because of its flexibility. On the other hand, the role of these structures as a balancing mechanism that can mitigate the negative effects of TNCs in the national economy increases.

Current trends of world economic development have their impact on the state support of small and medium businesses, functioning in the context of globalization which is aimed to increase the innovative potential of SMEs and facilitate the internationalization of its subjects.

It is revealed that American, European and Japanese models have been applied in the practice of state support formation for small and medium businesses in other developed countries such as: the US model - in Canada and Australia, European model - in Norway and Switzerland, Japanese model - in Korea and New Zealand.

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