SUMMARY

Subject matter: The improving of the system of small business development by local government.

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Topicality of the research: The development of small business is one of the highest priorities of the modern economic policy of Russia. One of the main reasons hindering its development is the imperfection of the system of the state and municipal regulation of the formation and development of small businesses.

Objective of the research: the development of scientific and practical provisions to improve the municipal regulation system for regulation and development of small business.

Tasks of the research:
1. To expand the nature and mechanism of functioning of small business.
2. To consider the mechanism of support of small business by the local government.
3. To mark interaction problems of municipal structures and small businesses.
4. To review and analyze the current performance of the municipal formation of Essentuki.
5. To analyze the mechanism of regulation and development of small business in Essentuki.
6. To assess the impact of local government on the development of small businesses.
7. To develop the priorities for the development of municipal regulation system and small business development.

Theoretical and practical significance: it is developed the recommendations for small business management from the municipal authorities,
given the concept of the development of the mechanism of regulation of small business in the municipality.

Theoretical findings and methodological proposals contained in the research provide a solution to important applications in this field, and their implementation and further will enhance the quality of the status of small business in the municipality.

**Results of the research:**

1. It is reasonable to continue the improvement of the current mechanism of the municipal regulation of small business in areas such as: financial support of small business, development of scientific-technical potential of small business, and also to pay special attention to the training of professional and qualified personnel.
2. Particular attention should be given to the current problems of municipal structures for interaction with small businesses.
3. To create a favorable investment environment is extremely important for prospects for the development of small business.
4. Policies in the framework of improving the system of municipal support and regulation should be carried out targetedly.
5. Effective form of development of regulatory system of small businesses should recognize the creation of business incubators.

**Recommendations:**

1. The regulatory support of investment detail.
2. The allocation of priorities for investment projects selection.
3. Defining the mechanisms to support investment activities.
4. The development of the Investment passport of the city.
5. Creating a special service of investment promotion.
6. The organization of effective information support.
7. Creating a business incubator.
8. Creating the concept of the investment policy of the municipality.