SUMMARY

Subject matter of the dissertation: Municipal regulation of small business (on an example of local administration of the city district Prohladny the Kabardino-Balkarian Republic of the Russian Federation).

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Customer organization: The local administration of the city district Prohladny the Kabardino-Balkarian Republic of the Russian Federation.

Topicality of the research: Formation of «the effective new businessman» according to imperatives of social and economic development of the country assumes change of the institutional environment of business. A constituting basis of institutional system are informal norms both formal rules and the requirements predetermining economic behavior of businessmen. As businessmen act, as a rule, within a certain society, i.e. a community of the people living in the territory of this or that municipality, and transformations of the institutional environment of business should be begun with municipal level. In this regard teoretiko-methodological aspects of development of small business at municipal level, development of the tools adequate to local conditions stimulating development of business, represent an important scientific task on which decision in a considerable measure stability of economic growth of regions will depend.

Objective: consists in research of modern forms and methods of support of small business in municipalities and development of offers on improvement of system of municipal regulation of small business in the city district Prohladny the Kabardino-Balkarian republic of the Russian Federation.

Tasks: to study essence and value of small business in economy of territorial formations; to define forms and methods of municipal regulation of
small business; to investigate experience of municipal regulation and support of small business in a number of foreign countries; to define a place and a role of small business in economy of city district Prohladny; to analyse forms and the methods used by local governments of city district Prohladny in the purpose of assistance to development of small business; to offer possible ways of increase of efficiency existing in city district Prohladny systems of municipal regulation of small business.

**Theoretical and practical significance of the research:** The theoretical importance of research consists in a specification of forms and methods of support of small business applicable to local level of the power, and also in synthesis of experience of regulation of small business at municipal level in a number of foreign countries.

The practical importance of research consists that results of research can be recommended to municipal governing bodies, subjects of small business as tools for increase of efficiency of their functioning.

**Results of the research:** Small and medium business is the most important element of economy of the city district Prohladny at the general industrial orientation of a city economy. On an extent 2007-2011gg. in the city the steady tendency of growth of subjects of small and average business, and also individual businessmen, tax payments in the budget, arrived from subjects of small business is observed.

The basis of branch structure of small business in the territory of the city district Prohladny KBR is made by the trade sphere, other fields of activity of subjects of small business are construction and a services sector.

The system of municipal regulation of small business in the city district Prohladny includes forms and methods of financial, property, organizational and information support.

As the main instrument of regulation the municipal target program of support and development of small and average business within which actions of
financial, property, organizational and information support are carried out acts.

Methods of financial support are participation of subjects of small business in system of the municipal order and the financial and credit mechanism which is carried out in the course of functioning of municipal fund of support of small business.

In the territory of the city district since 2010 the business incubator functions.

The information support which is carried out on an Internet site of local administration, and also by means of "Vestie Prokhladnogo's" municipal newspaper is very developed.

Especially it should be noted the perspective direction of development of small business – youth businesses. Within this direction the program «Granting grants of youth on realization of the best business ideas» within which competition «Young idea» is held functions.

With a view of creation of positive image of the businessman and assistance to development of business the local administration annually holds competition «The best businessman of year of the city Prohładny».

**Recommendations:** Increase of efficiency created and successfully functioning in the city district Prohładny systems of municipal regulation of small business is possible in case of use of the following forms and methods:

1) accurate definition of the priority directions of development of business activity;

2) distribution of application of such forms of financial support, as leasing and factoring;

3) creation production and technological the center, making use of positive practical experience of the Republic Turkey in development of small business in municipalities.