

## Small businesses against the industrial crisis

The USA and Canada are not only neighbors, speaking the same language, but link-minders in methods and means of small business support.

The U.S. is the established leader of small business development. Its share in the GDP reaches 52% of the total GDP of \$14.26 trillion. Thus, the contribution of this sector amounted to \$5.6 trillion. Small enterprises provide working places to half of working Americans (62.3 million people). 22.9 million enterprises or more than 97% of all companies registered belong to small business, including more than 9 million private entrepreneurs. Although due to the industrial crisis, the governmental support in the sector fell by 0.35%, in 2012, nevertheless it amounted to a considerable sum of \$12.6 billion. The total cost of concluded contracts with small enterprises reached \$92.3 billion.



And what about Canada? The share of small business in the total GDP is equal to \$1,285 trillion or 46%. Its contribution to the Canadian pie reaches \$591 billion. As in the United States, small business employs half of working Canadians - 9.3 million people, it includes 2.3 million enterprises, or more than 98% of all officially registered. The volume of government orders MB amounted to 20%, or \$11 billion.

Index	the USA	Canada
Share of small business enterprises in total DGP	52%	46%
Share of small business enterprises in all officially companies registered	97%	98%
Share of employment created in small business sector in total employment	50%	50%

As we see from these data, the indexes of both countries surprisingly coincide, but this coincidence is natural as a result of similar economic policies provided. Government policy in this sphere proclaims the freedom of entrepreneurship combined with fair competition. The government structures are organized to implement these objectives and support this sector. In Canada, [the Ministry of industry](#) is obliged to develop policy guidelines for small and medium business.

The support infrastructure is divided into segments between Federal, regional and industry organizations. The particular importance is attached to regional structures, where there are divisions of [Canadian business network](#). This organization develops support programs, taking into account the territorial and local peculiarities. On the other hand, the [Federation of independent business](#) has great influence, primarily in the issues of taxes, insurance, legislation related to small and medium enterprises.

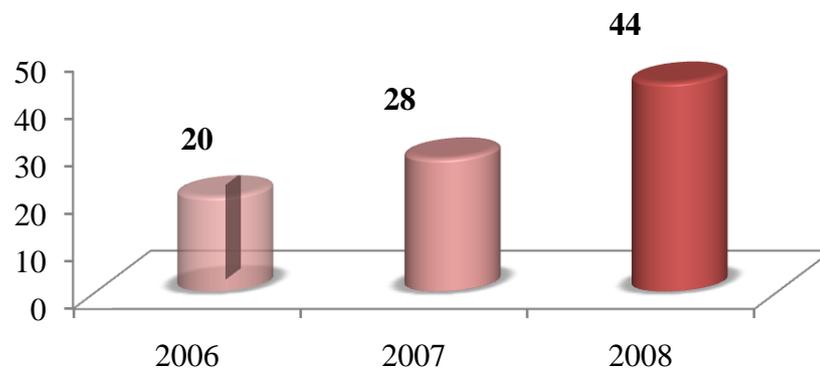
There are a lot of different programs aiming to develop various segments of small business providing low interest loan rates. Small companies like Herbert Williams that deliver [fire extinguishers](#) in Toronto or [Yorkdale Self Storage](#) that presents car storage units have been facing the most severe waves of financial crisis but they have managed to reorganize the business process in such a way that at the moment their sales doubled and their business flourishes again thanks to such credits.

National policy of Canada related to small business aims to ensure sustainable development in the context of rapid changes of the situation on the local and world markets. Much attention is given to the export potential expansion of the sector, as well as to facilitation small enterprises access to financial resources. All in all, there are 169 Federal financial programs and 230 local ones.

The world economic crisis of the end of the first decade of the XXI century influenced all socio-economic spheres. The small business sector was in the most difficult situation because of the sharp and deep demand reduction. Thus the number of small company bankruptcies even in the U.S. increased to 44 thousand

in 2008 (compared with 20 thousand in 2006 and 28 thousand in 2007) and continued to grow in 2009.

**Bancruptcy amount, thsd.**



As the economic crisis caused people to find new sources of income the moving services provided by [MightyMoving Company](#) the expert in heavy machinery relocation as well as residential [moving services in Edmonton](#), Calgary, [Fort McMurray](#) and other places in Canada have grown in recent years.

Successful experience of these two North American countries in small business development is obvious. And it is determined by similar factors: on the one hand, widely developed system of governmental support, on another - the high level of competition and entrepreneurial freedom.

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