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**ВПЛИВ КРЕДИТНО-ІНВЕСТИЦІЙНОГО МЕХАНІЗМУ ФІНАНСУВАННЯ  
ЕКОНОМІЧНИХ ПРОЦЕСІВ НА РОЗВИТОК МАЛОГО  
ТА СЕРЕДНЬОГО БІЗНЕСУ**

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**ВЛИЯНИЕ КРЕДИТНО-ИНВЕСТИЦИОННОГО МЕХАНИЗМА  
ФИНАНСИРОВАНИЯ ЭКОНОМИЧЕСКИХ ПРОЦЕССОВ  
НА РАЗВИТИЕ МАЛОГО И СРЕДНЕГО БИЗНЕСА**

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**THE INFLUENCE OF THE CREDIT-INVESTMENT MECHANISM  
OF FINANCING OF ECONOMIC PROCESSES ON THE DEVELOPMENT  
OF SMALL AND MEDIUM BUSINESS**

Since Ukraine gained independence and the beginning of market transformations for all business entities, including small and medium-sized businesses, there has been a need to seek for investment of various sources. In modern conditions, the lack of financial resources as a source of investment activity of entrepreneurs hinders the processes of further formation and development of the market economy. The effectiveness of these activities depends on the measures to improve the credit and investment mechanism for economy financing in order to provide conditions for further development of small and medium-sized businesses. *The purpose of the article* is a retrospective conceptualization of the impact of the credit and investment mechanism of financing the economy on the development of the small and medium-sized businesses, as well as defining its specifics in Ukraine on the current stage.

Researchers from different countries have been able to illustrate the causal relationship between the pace of economic development and the development of the credit and investment mechanism for financing the economic processes. In developing countries, there is a direct link between the development of the credit and investment mechanism for financing economic processes and economic development of the small and medium-sized businesses, but banks play a leading role in these processes due to low development of the stock market. The credit and investment mechanism of financing the economic processes in Ukraine doesn't influence economic development of the small and medium-sized businesses, since it is secured, in first turn, by own funds. The situation where businesses use their own funds means that financial intermediaries, especially banks, do not assume investment risks. With the reduction of debt financing, the risks of entrepreneurs increase, which in general leads to a decrease in economic indicators.

It is worth developing a thesis about the faster development of the credit and investment mechanism for financing economic processes with a strong capital market and small and medium-sized businesses emphasizing the feedback between these parameters. Developed markets give birth to greater wealth and development of the enterprises of various forms. At the same time, rich and developed countries of the world will have a more developed and adequate credit and investment mechanism for financing the functioning of small and medium-sized businesses by creating necessary conditions for this, especially institutional and economic ones.

**Key words:** credit and investment mechanism; small and medium businesses; economic processes; investments; loans.

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