

Modern Problems and Ways of Their Solution in System of Regional Support of Small and Medium Business

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Abstract—At the present stage, one of the emphases in the development of the economy of the Russian Federation is put on the development of small and medium-sized businesses. The development of small and medium-sized businesses acquires particular significance in the context of the imposition of sanctions against Russia. The economic sanctions imposed against Russia in 2014 affected the strategic sectors of the economy, in particular: oil production, defense and heavy industry, the banking sector, transport. The key consequence of the sanctions was the fact that many business relations were suspended, frozen or severed; cooperation with many developed countries on large and economically and socially significant projects was stopped. In this regard, a significant part of the “responsibility” for the development of the economy falls to Russian entrepreneurship.

Keywords—small and medium enterprises, infrastructure, state support, potential of entrepreneurship

I. INTRODUCTION

The development of entrepreneurship should be provided with the full support of the state; first of all, it is infrastructure support. In this regard, today the analysis of the development of state support for small and medium-sized businesses is of particular relevance. The purpose of this study was to study the current state of development of small and medium-sized businesses, as well as its infrastructural support in Russia.

It is legislatively established that the initiative to make any decisions on economic activities belongs directly to the

entrepreneur (or to the management bodies in the case of an organization) [2].

The entrepreneur at the same time bears the risk of loss. According to the current legislation, state intervention in entrepreneurial activity is unacceptable, except for those cases that are specifically established by law, and among which intervention in the form of state support is provided. When carrying out entrepreneurial activities, an entrepreneur bears civil liability even if his innocence is established. In particular, if he, for example, proves that the breach of a contractual obligation was caused by a circumstance which he could not foresee (the case), and also that he took all the necessary measures for the proper performance of the obligation, showing the necessary degree of prudence.

At the same time, the increased responsibility of the entrepreneur in carrying out entrepreneurial activity is limited by the action of force majeure. Thus, an entrepreneur gets rid of liability if he proves that the proper performance of the obligation turns out to be impossible due to force majeure, that is, extraordinary and unavoidable circumstances under the given conditions [2].

Imposing the risk of losses and liability for business activities and its results on the entrepreneur (legal entity or individual entrepreneur) implies his independent participation in civilian traffic, as well as potentially more adverse consequences for business entities than for citizens.

II. RESULTS AND DISCUSSION

In 2017, the criteria for determining a small enterprise changed in Russia. Now, to be a small, medium or micro enterprise, you need to meet three main parameters [4]:

- fall within the limit of income;
- fall within the limit of the number of employees;
- fall within the limit of the share of participation of other companies in the share capital.

Representatives of small businesses are companies and entrepreneurs regardless of the tax regime, if they meet the conditions. It can be the enterprises (organizations) and SP in the simplified tax system, UTII, patent, OCH. Since August 1, 2016, the calculation of the maximum amount of income for the past year has included not just all revenues at the box office, but all income according to the tax return.

An important criterion for attributing enterprises to small businesses is the share of participation of other persons in the capital, namely [4]:

- the share of participation of state formations (RF, subjects of the RF, municipal formations), public and religious organizations and foundations of not more than 25% in the amount;
- the participation share of ordinary legal entities (including foreign ones) is not more than 49% in total;
- the share of participation of legal entities, which themselves are small and medium-sized businesses, is not limited.

The government of the Russian Federation doubled the limit values of annual revenue for classifying business entities as small and medium-sized businesses last year.

For certain categories of entrepreneurs, this criterion was as follows: micro enterprises - 120 million rubles; small enterprises - 800 million rubles; medium enterprises - 2 billion rubles.

It is noted that this will expand the range of enterprises that have the right to participate in state and municipal programs to support small and medium-sized businesses. The corresponding decision was made as part of the implementation of the "anti-crisis plan" (order of the Government of the Russian Federation No. 98-p dated January 27, 2015) [7].

The main legal institution supporting the activities of small and medium-sized businesses is the simplified taxation system.

In most cases, small businesses use a special tax system - simplified. The simplified taxation system is applicable for certain categories of entrepreneurs and legal entities. As a general rule, for the application of the simplified taxation system, an organization (or an individual entrepreneur) must meet three basic requirements [1]:

1. Have a staff of (employees) less than 100 people.
2. Have a total income of less than 60 million rubles.
3. Have a residual value of less than 100 million rubles.

It should be noted that from 2017 to the period up to 2020, the value of two of these limits has been increased:

- maximum allowable income for the year - up to 150 million rubles;
- income for the first 9 months of 2017, the failure to reach which allows the transition to the simplified tax system from 2018 and the following years - up to 112.5 million rubles.

In addition, the value of fixed assets has been increased (to 150 million rubles), which limits the right to switch to the simplified tax system [1].

However, in addition to general requirements, there are specific requirements for organizations, which are:

1. The share of participation in the organization of other organizations is not higher than 25%.
2. Absence of branches or representative offices.
3. The income of the organization in the first nine months of that year in which it submits a notice of the transition is no higher than 45 million rubles (as specified in Article 346.12 of the Tax Code of the Russian Federation).

It should be noted that at present, a special tax regime, such as the USN, is considered by individual jurists as an independent legal regime, and as a type of tax benefits that should not be separated into a different category from the general taxation system. However, the second point of view does not seem to be sufficiently well-off, since tax privileges are not an independent legal regime and do not imply a change in the procedure for paying taxes and fees, but "influence" only their size [1].

An important mechanism of legal support for entrepreneurs from the state is licensing. Licensing of certain types of activities of enterprises and individual entrepreneurs is carried out to protect the interests of potential consumers of their goods and services (works), increase the quality of goods and services, compliance with environmental, town-planning and sanitary standards [9].

Licenses are issued for a specific type of activity that is subject to licensing. The license validity period is limited to a period of at least three years, unless otherwise agreed with the entrepreneur (legal entity). For entrepreneurs (legal entities) eligible for support from the authorities, it may be possible to grant patents that give an advantage in the implementation of certain types of activities (priority right to this activity). It may also be provided for the receipt of benefits (benefits) stipulated by the regulations of the subject of the Federation, including additional guarantees and compensations [10].

As part of supporting entrepreneurship in certain regions (Moscow, St. Petersburg), entrepreneurs can be compensated (as a whole or in part) for product certification costs.

It should be noted that the Russian legislation today, being very dynamic over the past 10 years, is aimed at reducing administrative barriers for the development of small and medium-sized businesses. This, in particular, is fixed in the relevant document - the Concept for Reducing Administrative Barriers and the Growth of Accessibility of Public Services [5].

In this Concept it is reasonable to use licensing as a formalized and fairly rigid state regulation mechanism associated with the admission of entrepreneurs to the implementation of various types of activities apply only in cases in which it is impossible to isolate the risk of damage when doing business with a wide range of third parties [3].

As of January 1, 2018, according to the Federal State Statistics Service and the Federal Tax Service of Russia, 5.6 million small and medium-sized businesses are registered,

which employ 25% of the total population employed in the economy. This is 0.3 million less than in 2013, but 0.1 million more than in 2014–2016. Such “jump” in the number of small businesses is largely due to the 2014 crisis and the gradual stabilization of the current situation. At the same time, the distribution of small enterprises across Russia is uneven [8].

In 2017, in the Russian Federation, the following distribution of the number of small businesses by districts is observed (Table I).

TABLE I. THE NUMBER OF SMALL AND MEDIUM-SIZED BUSINESSES IN THE FEDERAL DISTRICTS OF RUSSIA IN 2017, (IN THOUSANDS)

Total	Among them							
	Legal entities				Individual entrepreneurs			
	All	Among them			All	Among them		
		MICRO	SMALL	AVERAGE		MICRO	SMALL	AVERAGE
Russian Federation	5523.7	2594.3	2335.6	238.8	19.9	2929.4	2900.1	28.9
Central Federal District	1636.9	899.1	803.3	87.4	8.4	737.8	731.2	6.5
North-West Federal District	629.9	357.4	323.2	31.9	2.4	272.4	269.9	2.5
Southern Federal District	569.4	172.7	155.4	15.9	1.3	396.7	393.3	3.3
North Caucasus Federal District	188.6	43.9	39.5	4.1	0.362	144.7	143.8	0.856
Volga Federal District	1016.1	458.1	410.5	44.1	3.3	558.1	551.1	6.8
Ural Federal District	482.2	233.4	212.4	19.5	1.5	248.8	245.9	2.8
Siberian Federal District	653.4	299.3	272.3	25.2	1.8	354.1	350.1	4.1
Far Eastern Federal District	245.7	104.2	94.7	8.9	0.625	141.4	139.6	1.8
Crimean Federal District	101.4	26.1	24.3	1.6	0.109	75.3	75.1	0.276

From table 1 it can be noted that the Central and North-West Federal Districts of the Russian Federation are leading in the number of small enterprises (largely due to the cities of Moscow and St. Petersburg). These districts are leading in terms of the number of employees and the turnover of medium-sized enterprises. Thus, the Central Federal District accounts for 27.9% of the employed, the Volga Federal District - 22.6%, and the North-West Federal District - 13.5% of the total number of employees in medium-sized enterprises. The turnover figures are 29.3% for the Central Federal District, 19.9% - for the Volga Federal District and 13.1% - for the North-West Federal District of the total turnover of medium-sized enterprises. At the same time, by the number of subjects, legal entities in almost all districts are 2-2.5 times more than individual entrepreneurs.

Despite the relatively high contribution to the provision of employment, small business in terms of other indicators (turnover, economic efficiency) plays a minor role in modern economic processes. Small and medium-sized businesses account for at least 25% of the total turnover, but the share of small business enterprises does not exceed 7%. The share of the sector as a whole of small and medium enterprises in Russia's GDP is at the level of 20-21%. At the same time, the share of small business is about 6%.

The level of provision of small enterprises in Russia with basic means of production is rather low. Small companies own only 1-2% of the total volume and form about 3% of the total investment in fixed assets.

According to statistics in Russia, more than 80% of the number of small and medium-sized enterprises are micro enterprises, which provide for every third job and generate almost 50% of revenue [8].

Comparing the level of development of small business in our country with other countries indicates a lag in a number of indicators. Thus, the share of small business in GDP in many European countries is more than 50%. A similar situation can be noted in the difference in the share of the employed population in the small business sector. In Russia, small business provides no more than 10% of permanent jobs, while in Europe it ranges from 35% to 80%.

At the same time, it should be noted that the state of small business in our country is quite different in different regions, which depends on the specialization of the region, its characteristics, availability of jobs, unemployment rate, population structure and other factors. In this regard, it seems appropriate to assess the state of small business in relation to a specific region, and even the city.

Such difference in the number of small and medium-sized businesses necessitates the organization of state support not so much at the federal (where it is advisable only to identify its main directions and mechanisms), but at the regional level, since it is within the framework of a separate subject of the Russian Federation that it is possible to take into account the specifics of the economic system basic needs, needs and risks of development of small and medium enterprises.

State support, as a special type of state activity, is a key element of state regulation and implies a combination of separate levers and instruments of influence, which is either a holistic hierarchically organized system (with a well-established mechanism of state support) or individual elements of this system. The instruments of state support, as a rule, are concessional and gratuitous financing of economically disadvantaged organizations [8].

State support implies a legislatively fixed system of measures and mechanisms, including individual measures of state influence on organizations' incomes, size and structure of production, market regulation, and social infrastructure by allocating funds from budgets of different levels for these purposes. In this regard, one of the key factors among government support measures can be a distinguished budget component, aimed at the integrated development of individual industries, where the activities of small business are of particular importance.

Since August 1, 2016, a unified register of small and medium-sized businesses (SMEs) has been created. It is formed by the Tax Service independently on the basis of the reporting of small business entities:

- income information;
- average number of employees;
- information from other government agencies.

Access to the list of small and medium-sized enterprises is on the FTS website; enterprises are entered into it automatically.

Organizations and entrepreneurs whose details will not be in the register are deprived of the opportunity to use statutory benefits provided for SMEs.

Small companies and individual entrepreneurs that belong these criteria in 2017 have the following benefits:

- they may not set a cash limit (paragraph 2 of the Bank of Russia Ordinance No. 3210-U of March 11, 2014). For storing cash in a certain amount, there is a penalty according to art. 15.1 Code of Administrative Offenses; small businesses can hold money in cash in any quantity. True, if the cash limit was previously set at the enterprise, then it must be canceled;
- they conducted simplified accounting in 2017 (clause 4 of article 6 of Federal Law No. 402);
- they received subsidies from regional authorities in 2017;
- for small businesses at the regional level, property tax exemptions are provided;
- the subjects of such entrepreneurship in 2017 had the preemptive right to purchase state and municipal real estate, which is leased by them (Federal Law No. 158 of June 29, 2015).

Since January 1, 2017, a microenterprise has had the right to completely or partially refuse to adopt local regulatory acts, such as internal regulations, shift schedules, provisions for bonuses, etc. But in this case, the employer includes all the necessary conditions in the employment contract with the employee. Such employment contracts must be concluded in a standard form, which is approved by Government Decree No. 585 of August 27, 2016. However, if the microenterprise status is lost, the employer must restore all local regulations within 4 months [3].

In addition, today for state-owned companies quotas have been introduced for the purchase of goods and services from small businesses. In particular, by 2018, a quarter of purchases

of companies with state participation, which now amounts to about 7 trillion rub., should fall exactly to a small business. How exactly this process will be organized should be determined by the government decree, which will be prepared by October 2017. It is difficult to say about the possibility of ensuring this in practice, although there are no sanctions for non-compliance with quotas. The Agency for Strategic Initiatives (ASI), to simplify the access of small and medium-sized companies to the procurement of companies with state participation, indicate that by 2018 small businesses should receive at least a quarter of this amount (against 10% now). When calculating this quota, only direct contracts with the customer or subcontracts of the first level will be taken into account.

III. CONCLUSIONS

In the light of the situation described above, it seems appropriate in each subject of the Federation to combine various areas of financing from the budget of small enterprises into a single system – a regional program that provides for socio-economic development and support for small business in the territory of the Federation. Such program should have a relatively long-term nature, for example, for a period of not less than 10 years, and provide for a number of mechanisms for monitoring the implementation of the program and the possibility of adjustments (if necessary) [6].

The main objectives of taking measures of state support for small businesses in the Russian Federation are to create favorable conditions for the development of production and efficient processing of products of such enterprises and their marketing. This is especially true of perishable goods, such as agricultural products.

At the same time, after the collapse of the USSR, an effective legal mechanism for regulating small business and, in particular, regulating state support was not created in the new (market) economic conditions, which caused the fact that the small business at the current stage turned out to be in a structural crisis. The federal programs of small business development and individual organizational measures for its economic stabilization and development without government support measures have little impact on the state and profitability of small businesses in the country [4].

In general, this is due to the historically prevailing conditions for the existence of small businesses abroad, in particular, in the countries of the European Union since 1962, the so-called general support policy has been implemented, which has so far undergone only two large-scale reforms. The legislation of the countries of Europe in the field of support of small entrepreneurship is quite stable over a long time, and develops evolutionarily. In particular, the main law in entrepreneurship in Germany was adopted in 1955. It fixed in the country the basis for the policy of small business development on a national scale. The law has undergone several clarifications in its history, but it is still in effect, and the goals stated in the text of the law remain in force. France and the United Kingdom also brought legislation in support of small and family businesses in line with the requirements of the general economic policy.

After the Law “On the Development of Small and Medium-Sized Businesses in the Russian Federation” was adopted in 2007, a number of lawyers noted the brevity of the text of the law, as well as the lack of specific calculations in it of the amounts of budget subsidies for various purposes.

There are three key differences in the normative regulation of measures of state support for small enterprises in the Russian Federation and foreign countries [7]:

1. Russian legislation in the sphere of regulation of state support of small business is not sufficiently developed, and the introduced regulatory acts are inconsistent, besides, in practice there are disagreements between federal regulatory acts and the laws of the subjects of the Federation.

2. The Law on the Development of Small and Medium-Sized Businesses in Russia does not make it possible to determine even the approximate amount of state support funds, including for short-term periods, while specific amounts are named in the laws of European countries.

3. Legal regulation of the development of small entrepreneurship in Russia is carried out centrally; federal legislative acts and programs take precedence over laws of the subjects of the Federation. At the same time, the latter are more independent, since the volumes and types of state support in Russia do not depend on any international documents or standards, while the subjects of the Federation have the right to supplement them.

The policy of supporting small businesses in many developed countries, as well as in Russia, is a system of measures to support small businesses through subsidies, benefits and subsidies. In a number of countries, financial investments in small businesses are significantly higher than the market value of the products produced. However, without measures of state support, it is impossible to increase the volume of production and the solution of social problems in distant regions. Under these conditions, the role of the regulatory regulation of the redistribution of financial flows that go into small business and its main sectors (processing, agricultural, food, light industry, etc.) significantly increases.

To date, the most popular government programs to help small businesses at the level of the constituent entities of the Russian Federation are:

1. A subsidy for starting a business for the unemployed.
2. Subsidy for business development for start-up entrepreneurs.
3. Surety for loan and leasing contracts.
4. Compensation of part of interest on loans.
5. Reimbursement of part of the cost of the lease agreement.
6. Issuance of loans at reduced rates.
7. Reimbursement for participation in exhibitions and fairs.
8. Tax breaks for new and existing entrepreneurs.

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