Федеральное государственное автономное образовательное учреждение высшего профессионального образования

«Национальный исследовательский университет

«Высшая школа экономики»

###### Факультет государственного и муниципального управления

###### Кафедра теории и практики государственного управления

ДИССЕРТАЦИЯ НА СОИСКАНИЕ СТЕПЕНИ МАГИСТРА

ПО НАПРАВЛЕНИЮ

«ГОСУДАРСТВЕННОЕ И МУНИЦИПАЛЬНОЕ УПРАВЛЕНИЕ»

На тему:

**“Совершенствование мер государственной поддержки малого бизнеса в Российской Федерации (на примере города Москвы)”**

Петрикова Ольга Сергеевна

Научный руководитель:

Кандидат наук, доцент,

Клищ Николай Николаевич

Рецензент:

Калгин Александр Сергеевич

Москва, 2014

The State Educational Institution of Higher Education

The National Research University Higher School of Economics

The Faculty of Public Administration

London Metropolitan University

The Faculty of Law, Governance and International Relations

Dual degree master of Public Administration

Master Thesis

IMPROVEMENT OF THE GOVERNMETN MEASURES OF SMALL BUSINESS SUPPORT IN THE RUSSIAN FEDERATION (MOSCOW CASE)

Student ID number 12064703

Supervisor:docent, Klisch Nicolay N.,

Department of public administration theory and practice

# Moscow 2014

**CONTENT**

[INTRODUCTION 4](#_Toc388912388)

[THEORETICAL PART 6](#_Toc388912389)

[SECTION 1. Theoretical base of economical significance of small business. 7](#_Toc388912390)

[SECTION 2. Regulatory framework analysis 11](#_Toc388912391)

[SECTION 3. Structure and forms of small business government support 13](#_Toc388912392)

[PRACTICAL PART 21](#_Toc388912393)

[PRACTICAL PART 1. Russian and international experience of small business development 21](#_Toc388912394)

[SECTION 4. Statistical and survey data of small business development in Russia 22](#_Toc388912395)

[SECTION 5. International practices of small business support 27](#_Toc388912396)

[PRACTICAL PART 2. Methodological research of socio-economical development impact of government small business support (Moscow case). 40](#_Toc388912397)

[SECTION 6. Analyzed indicators selection 40](#_Toc388912398)

[SECTION 7. Correlation model 42](#_Toc388912399)

[SECTION 8. Results interpretation 49](#_Toc388912400)

[SECTION 9. Proposal of government financial support modernization 50](#_Toc388912401)

[CONCLUSION 56](#_Toc388912402)

[BIBLIOGRAPHY 58](#_Toc388912403)

[APPENDICES 63](#_Toc388912404)

# 

# INTRODUCTION

Small business development in all countries is a powerful lever for solving complex political, financial, economic and social problems, which appeared in the formation of a progressive structure of the economy and competitive environment; expanding the tax base for the budgets of all levels; increase in gross domestic product; reducing unemployment and providing employment through the creation of new business and job places; reducing the size of social transfers, market saturation with various goods and services.[[1]](#footnote-2)

Market efficiency and mobility is impossible without deep specialization and cooperation, which in its turn is provided by small business. They are able to fill a niche in the consumer society, but also to create conditions for healthy competition, without which the development of a market economy is impossible.

In the market economy small business is the most dynamic sector of the economy, because small businesses are able to quickly reflect changes in the markets of goods and services. Small businesses are the most vulnerable to changes in global and local markets. Usually changes in the market are caused by the termination of small businesses activity, which leads to a radical reorientation of their economic performance.

It should be noted that in all market economies, there are programs of government small business support. State support of small business is a separate area of ​​economic policy, the implementation of which requires the establishment of an appropriate institutional system including public authorities with specific tasks, functions and powers in the sphere of small business.

The importance of the discussed problem emphasizes by the fact that in Russia there is not developed infrastructure of small enterprises support which greatly hinders the development of this problem. According to the Chairman of the Commission on Economic Policy and Entrepreneurship, "The country's economy is largely gone from the efforts of small and medium-sized business. In Russia, there are no suitable conditions for its development. There are not enough investors in the market. Moreover potential entrepreneurs do not open their business. They do not understand their rules, mechanisms of assistance and support"[[2]](#footnote-3)

State support for small businesses in a broad sense is a system of financial, economic, organizational and legal and social services for the effective operation and development of small business.[[3]](#footnote-4)

In the context of conducted fiscal reform, the transition to budgeting, results-oriented, the special ascent of budgetary funds is placed on the effectiveness of its use. Therefore, in terms of state support of small business also raises the question of indicators of the effectiveness ofthis policy implementation.

Analyzing the existing practice of assessing the effectiveness of public support, we can conclude that in Russia today there is no specific methodology for calculating the level of influence of any government support measures.

Thus, **the purpose** of this paper is to search the relation between measures of small business support and target indicators of socio-economic development of small business and to propose measures to increase the impact of government support on the example of government support in Moscow.

In addition, the experience of developed countries will be analyzed and contributed to the study of this problem and proposes solutions how to modernize the system of state support for small and medium-sized businesses in Russia. Thus, **hypothesis** of this paper isan assumption, that measures of government small business support have poor interconnection that causes heterogeneity of influence on socio-economic indicators.

In this tern, small business support in the USA and Japan is the most interesting because in these countries small companies produce almost half of the volume of output, as well as create more than 75% of new jobs. Small business in this country is the basis of market infrastructure. [[4]](#footnote-5)

**The object** of the study is the small business sector, while **the subject** of the research is government support of small business in Russia and abroad.

To achieve this goal it is necessary to perform the following **tasks**:

1. To analyze the development of small business in Russia;
2. To analyze measures of small business government support in Moscow
3. To find the most and the less effective measure of small business government support through correlation method.
4. To research methods of ineffective measures modification;
5. To make practical recommendations for Moscow government small business support.

**Methodological and theoretical foundations** of the research are scientific works of Russian and foreign authors in the field of small business development.

**The methodology** of the research is statistical analysis thought quantitative and qualitative method of data collecting, correlation method of data calculation.

Among the sources of information used in this research are:

a) scientific sources: data and information from books, journal articles, scientific papers and reports;

b) statistical sources: domestic and foreign statistical materials, reports of state, regional, departmental statistics.

# THEORETICAL PART

## SECTION 1. Theoretical base of economic significance of small business.

Development the small business sector is an important part of successful growth of any state economy, growth in production efficiency, market supplementation of necessary goods and services and the improvement of living standards, not only in Russia, but also in the advanced economies. While small businesses may not generate as much money as large corporations, they are a critical component of and major contributor to the strength of local economies. Small businesses present new employment opportunities and serve as the building blocks of the largest corporations.[[5]](#footnote-6)

Therefore, the issues of small business development are critical in programs of de-monopolization of national economies.

Development of small business is one of the factors in the way of formation of thesocio-economic development strategy of the region and at the same time it depends on the efficiency of the state support of small business sector.[[6]](#footnote-7)

There are a lot of research literature which interpreted links between entrepreneurial activity and economic growth. (Bosma & Nieuwenhuijsen 2000; Reynolds 1999; Caves 1998, p. 1973; Acs & Armington 2002; Audretsch& Fritsch 2002; Audretschet al. 2002). These studies observe influential level of small business activity in city, region and the state. Region that has a higher share of small business in comparison with other regions is considered to have higher small business activity and consequently experienced in terms of higher economic growth. The impact of number of market participants in any industry has the same consideration where an increase in the number of small enterprises is usually related to more intensive activity and subsequently higher economic growth. (Glaeser et al.1992; Nickell 1996;Nicolitsas & Dryden 1997; Lever & Nieuwenhuijsen 1999; Geroski 1989).

It must be highlighted that characteristic feature of central planned economy implies the absence of small business or private ownership. This is one of the major factor that led to the collapse of state socialism (Acs & Audretsch 1987; Prusa & Schmitz 1991 and Rothwell 1983, 1984).

Analysis of existing studiesabout links between entrepreneurship activity and economic growth revealed that they were restrictedto two units of research – at the level of enterprise and for regions but not country(Caree & Thurik, 2002; Audretsch 1995; Caves 1998).It also mast be noted that was positively and significantly related to economic growth, however, these studies analyze western countries and not examine the impact of entrepreneurship on economic growth for developing countries.

Carree & Thurik [[7]](#footnote-8)(1998, 1999a) examined the influence of the share of small firms in manufacturing industriesin European countries on the economic growth in 1990 and found that they had a positive and significant effect on the industrialoutput growth. Moreover, its findings indicated that excess growth of small firms had a great impact in changes in gross national product for a sample of 16 European countries from 1988 to 1993.

Furthermore, Robbins(2000) performed an analysis of 48 of the 50 United States of America for the period from 1986to 1995 and found that states that had a higher proportion of small enterprises employmentexperienced higher level of productivity growth and gross state product. [[8]](#footnote-9)

Audstretch & Keilbach (2002) hypothesized that regions with greater level of small business capitalexhibited higher output for German regions,ceteris paribus. They specified the following intrinsicallylinear model to link entrepreneurship to economic growth:

Where:

* Kis a physical labor,
* L is labor
* R is knowledge capital
* E is entrepreneurship

Henderson (2006) analyzed the relationship between entrepreneurship activity and economic growth for the period from 1980 to 1990 by regressing employment level for U.S.A counties on various characteristics of a county that was believed to influence economic growth as shown in equationbelow:

Where:

* EMP (1991-2001) is the county’s employment growth rate from 1991 to 2001;
* Eis entrepreneurship
* Lis labor
* Iis infrastructure
* Uis agglomeration,
* T is taxes
* A is special characteristics of the county.

Henderson (2006) distinguished his study from others by dividing entrepreneurship into two majormeasures of entrepreneurship based on proprietor following data levels: the average share of non**-**farmemployment in the county by non**-**farm proprietors, the average annual growth rate inentrepreneurs where three measures of entrepreneurship were used to test the hypothesis, namely theaverage number of per capita new business start**-**ups, the average number of per capita new business thatsurvived five years, the average number of per capita new business start-ups that produced high growthduring the first five years of operation.[[9]](#footnote-11)

Moreover, modern world practice has proved that small business plays an important role in the economy and its state support makes social, economic and budgetary effect. In Western Europe, the USA, Japan small businesses provide two thirds of growth of new jobs; in the EU share of small and medium-sized businesses in the GDP exceeds 50%.[[10]](#footnote-12)

Data of the contribution of small and medium-sized enterprises in the economy of the advanced industrial countries are presented in Appendix 1.Russia is characterized by low supply of small and medium-sized businesses and their insignificant contribution to GDP, suggesting the lack of effectiveness and efficiency of policies to support small businesses.

Nowadays development and the role of small business in the Russian economy are under public scrutiny. However, small business as the way of life for millions of people does not have deep historical roots. Russian entrepreneurship did not appear by the evolutionary way, as in the traditional market economies, but as a result of economic transformation “from above”, at the end of the collapse of centrally planned economic system of the state.[[11]](#footnote-13)

The scale of development of small business in Russia and its contribution to economic recovery today is clearly not sufficient. However, it should be noted the impressive achievements in a concerted effort to support entrepreneurship, which means a positive attitude towards the private sector in the country.[[12]](#footnote-14)

For example, increasing popularity has business incubators, industrial parks and other forms of support. Today, the corresponding indicator of the Russian business environment is more favorable than it was ten years ago.

In addition, taking into consideration the fact that the country embarked on the path of market economy only in 1990s, Russia has made ​​significant progress in the development of entrepreneurship. In comparison with other countries included in the study of EY «Barometer entrepreneurship G20» in 2013, Russia has shown good results, indicating progress in creating an enabling environment for business, which was made in recent years.[[13]](#footnote-15)Entrepreneurs has opportunities due to the development of the consumer market, the growth of disposable income, the presence of abundant natural resources and a highly skilled workforce.

## SECTION 2. Regulatory framework analysis

National policy in the sphere of small business support was started at the end of 1999 where government of the Russian Federation adopted Resolution N1460 "On the complex of measures for the development and state support of small and medium enterprises in the sphere of material production and promote their innovative activity"[[14]](#footnote-16), which stated that this kind of support is the most important of the activities of federal executive bodies. A list of supported industries was quite extensive, that is why there was a number of ministries and executive authorities of subjects of the Russian Federation, which was instructed to ensure the implementation of measures aimed at such support.

In the Russian Federation the main document that regulates the particular legal status and activities of small enterprises is federal law of 24.07.2007. N209 “Development of small and medium enterprises in the Russian Federation”.[[15]](#footnote-17) This law marked the new stage of regulation the relations between government and individuals in the development of SMEs.

The law defines the main terms used in the regulation of relations in the development of SMEs, the concept of SME, SME support infrastructure, types and forms of such support.

Adoption of this law was a symbolic because it has comparable legislation of the development of small and medium enterprises with the countries of the European Union - the main trade partner of Russia, equalizing criteria for the classification of business entities for SMEs. Based on the world experience, which shows that medium business has the same significance for the effective development of the economy, the new legislation signed a new term “medium business”.

Also, the Federal Law № 209-FZ of the main principles of the division of powers authorities at various levels for the development of SMEs, harmonized criteria for the sector of small and medium-sized companies, to ensure equal access of small businesses to government support, and a mechanism for considering the opinion of representatives of employers in making regulations.[[16]](#footnote-18)

In accordance with the law public authorities and local governments are required to provide support to SMEs in innovation and industrial production through forming the infrastructure of SMEs support. Innovation organizations are parks, centers of technology commercialization, technology development and scientific-industrial zone.

Government resolution of October 13, 2008 N 753 "On amendments to Certain Acts of the Russian Federation regarding the powers of the federal bodies of executive power in the sphere of small and medium business" are defined executive authorities, which are obliged to develop measures to support the subjects SMEs, including the development of relevant departmental target programs in the established field of activity. Among these executive bodies there are the Ministry of Education and Science of the Russian Federation, Federal Agency for Science and Innovation , Federal Agency for Education , the Federal Agency for Information Technology , Ministry of Industry and Trade of the Russian Federation , Federal Agency for Press and Mass Communications , etc.

Besides the basic legal framework of small business support in Russia , it was adopted other important laws, such as:

* N135 "On protection of competition", 26 July 2006 (with amendments of December 1, 2007, April 29, June 30, November 8, 2008, July 17, December 27, 2009, April 5 May 8, November 29, 2010, March 1, June 27, 1, 11, 18 July 2011);
* N195"On Amendments to Certain Legislative Acts of the Russian Federation with regard to the formation of favorable tax conditions for the financing of innovation", July 19, 2007;
* N294 "On protection of legal entities and individual entrepreneurs in the implementation of state control (supervision) and municipal control", 26 December 2008;
* President resolution of May 15, 2008 N797 "On urgent measures to eliminate administrative barriers to entrepreneurial activity.";
* Government resolution of 17 March 2008 № 178 "On the Government Commission on the development of small and medium-sized businesses." and other legislative acts.[[17]](#footnote-19)

Thus, it can be definitely claimed that the system of regulation of small business was born 15 years ago, that is incomparable with the United States[[18]](#footnote-20) or European Union countries where regulation system of small business was started 65 years ago.[[19]](#footnote-21)

## SECTION 3. Structure and forms of small business government support

State support for small businesses in a broad sense is a system of financial, economic, organizational and legal and social services for the effective operation and development of small business.[[20]](#footnote-22)

In the context of conducted fiscal reform, the transition to budgeting, results-oriented, the specialascent of budgetary funds is placed on the effectiveness of its use. Therefore, in terms of state support of small and medium-sized businesses also raises the question of indicators of the effectiveness ofthis policyimplementation.

The most important principle of organization of state policy towards small business is and target orientation, which involves the development of programs to support small business development, which should be clearly presents the expected results of the program and the amount of resource support.

Targeted programs of small businesssupport and development focus on the coherence and effectiveness of government in order to create more favorable conditions for the development of small businesses in Russia in general and in particular in the regions.

In order to overcome problems of small business development in Russia, it was created the infrastructure of small business support which represents a set of public, non-governmental, public, educational and commercial organizations that regulate the activities of companies providing various services necessary for the development of small business and providing the environment and conditions for the production of goods and services. One of the key elements of small business support infrastructure is a public authority at all levels where the main federal body coordination functions of state support in the small business sector is Ministry of Economic Development.[[21]](#footnote-23)

Besides the “public” element of infrastructure, there are some bodies small business support, engaged in structures that interact directly with small businesses.

The main functions of the business support body include:

* Financial support (assistance in getting a loan, giving subsidies, loans etc);
* Technical and informational support (consultation services, mentors’ support, providing by the angel investors etc).

In order to implement the state policy in the sphere of small and medium enterprises in the Russian Federation there were created federal laws and other normative legal acts which are foreseen:

* Special tax regimes, simplified rules of tax accounting, simplified tax return forms for certain taxes and fees for small businesses;
* Simplified system of accounting for small businesses engaged in certain activities;
* Simplified procedure for preparation by small and medium-sized businesses statistical reports;
* Preferential order of payment for privatized small and medium enterprise state and municipal property;
* Special conditions of participation of small businesses in competitions for placing orders for the good supply, works and services for state and municipal needs;
* measures to ensure the legitimate rights and interests of small and medium-sized enterprises in the implementation of state control (supervision);
* Measures to ensure financial support of small and medium enterprises;
* measures to develop the infrastructure of small and medium-sized businesses, etc.[[22]](#footnote-24)

For each subject of the Russian Federation was developed a separate target program for the development of small entrepreneurship. Subjects of the Russian Federation have unequal socio-economic development that prevent to consider the impact of government support measures for the development small business in Russia as a whole.In this connection it is necessary to highlight the region of Russia, which has the highest socio-economic development in order to compare it with foreign practices of developed countries.According to the research center of RIA-Novosti "RIArating" first place in the socio-economic development occupies the city of Moscow.[[23]](#footnote-25)(Appendix 2)

In the result of analysis of the Moscow target programs, it can be highlighted the following measures of government small business support:

1. Complex provision small business by the systems of small business support;
2. Improving infrastructure of small businesses support;
3. Support of prior directions of small business;
4. Providing small business by uninhabited premises in the administrative districts
5. Financial support of small business
6. Information and consulting support of small business
7. Training support
8. Support in expanding of business opportunities of small business.[[24]](#footnote-26)

The aim of small business complex provision by the systems of small business supportmeasures is addressing to provide needs of complex urban systems of small business support in order to improve the environment of business development, to form of the legal space, providing unhindered development of the small business sector.

In order to implement the measures of state support for small business in Moscow the special structure was created, which can perform government tasks to support the business. Thus, the next measure of small business support is addressing to improving the government infrastructure of small business support.

Support of the priority directions of small business development involves financial, property and other support for those activities that have the most favorable impact on the socio-economic situation in the region. According to Knyazev D.A., deputy head of the Department of Science, Industrial Policy and Entrepreneurship in Moscow "City are primarily interested in enterprises engaged in manufacturing, innovation sphere, housing and communal services, social and consumer services, transportation, agriculture and tourism industry and others. There are 14 priority activities."[[25]](#footnote-27)

Ensuring small business by non-residential premises in administrative districts of Moscow implies property support of small business. The objective of this measure is to provide a right to preferential rental rates for small enterprises, rent of nonresidential property located in the treasury of Moscow, under existing lease agreements without competitive bidding.[[26]](#footnote-28)

The purpose of the financial support of small business is providing entrepreneurs by grants (subsidies) to develop the business. Financial support programs and allocations in various targeted programs are heterogeneous and depend on the medium-term strategic objectives of the subject of the Russian Federation. Thus, the target program for 2010-2012 identifies the following types of subsidies:

1. Innovative projects support
2. Start-up project support
3. Priority activities support
4. Youth entrepreneurshipsupports
5. Supporting of small business who have credit contrasts with banks
6. Supporting of small business who have signed contracts of financial rent
7. Providing subsidies to compensate a bank guaranteefor small and medium business
8. Providing grants to compensate part of costs of small and medium-sized businesses on contracts for connection to the electrical and utility networks
9. Providing grants to compensate part of costs of small and medium enterprises for the production and certification of products (ISO, GMP), the development of industrial design and trademark
10. Microfinancing support

Information and consulting support of small businessare provided through the preparation and posting information on the specialized informational Internet resources, as well as by establishing and supporting the functioning of these resources. Moreover this measure is functioned through the establishing specialized multi-service centers authorized to provide advice to small businesses on any question of doing business.

Expanding business opportunities of small business consists in searching fordomestic and foreignmarkets and partners, in order to small business development and promotion of Russian producers of goods and services abroad.

In 2012, the volume of public expenditure to measures of small business support in Moscow is about 20 million rubles, which is two times more than in 2001(Appendix 3). [[27]](#footnote-29). Furthermore, due to the fact of increase in the expected performance of socially and economical significant indicators and in the budget allocation, we can assume that the logic of the government policy in the sphere of small business support is relatively proportional increasing in the business environment per unit of input budget.

Also in terms of researching state measures of small business support it must be noted the traditional task of budget spending - task of improving the efficiency of budgetary spending in order to achieve maximum results (creation of new jobs, increased tax revenues from small businesses, increase in the share of small enterprises in total GRP, etc.) with minimal support of small entrepreneurship, which is based on a mathematical approach to performance indicators.

In this regard, in setting targets to maximize the effectiveness of the implementation of government programs to support small business development it is offered to take into consideration the following aspects:

1. Achieving maximum results for a certain level of limited budgetary resources;
2. Achieving a minimum flow of budgetary resources for a given level of the final result.[[28]](#footnote-30)

Implementation of these requirements can be suggested as conditions of improving the efficiency of the executive authorities of the region and the implementation of government programs to support small business development, because they guarantee the maximum results at the minimum cost, taking into account constraints on the objectives and financial resources.

Thus, the activities of the authorities can be considered effective if it revealed that budget expenditures and achieved their results using the specific objectives set by the executive authorities in the development of programs to support small business.

In conclusion to chapter 1 it is important to highlight that according to numerous studies, small business plays an important role in terms of forming the market economy of the state. Development the small business sector is an important part of successful growth of any state economy, growth in production efficiency, market supplementation of necessary goods and services and the improvement of living standards, not only in Russia, but also in the advanced economies. While small businesses may not generate as much money as large corporations, they are a critical component of and major contributor to the strength of local economies. Small businesses present new employment opportunities and serve as the building blocks of the largest corporations.- J. Mariah Brown)[[29]](#footnote-31)

In Russia for a long time dominated the planned economy, which does not imply the development of small business. Concerning this fact, small business development began in the late of 20th century, the regulatory framework governing the rules of small business support appeared only 2007.

Today in Russia there are many programs of small business support, which means that the Russian Federation took the path of creating the sustainable market economy. However in order to consider the adequacy of existing measures of government support it is necessary to consider the best international practice.

# PRACTICAL PART

# PRACTICAL PART 1. Russian and international experience of small business development

Researching the international experience is an important study in terms of observing the issue of different parties. In this tern, small business support in the USA and Japan is the most interesting because in both countries small companies produce almost half of the volume of output, as well as create more than 75% of new jobs. Small business in these countries is the basis of market infrastructure. Moreover, these countries represent two opposing cultures, east and west, which allows to consider the problem from different sides.[[30]](#footnote-32)

The role of small business sector in every country can be considered through the following characteristics:

1. The number of small businesses (and entrepreneurs) in total share of economic actors;
2. Gross domestic product produced by small businesses, and its share in GDP in a particular region of the country or of the country as a whole;
3. Amount of taxes and fees paid by small businesses, and their share in the formation of regional and federal budgets;
4. The number of workers employed by small businesses full-time and part-time or temporarily employed under civil contracts;
5. Efficiency of small businesses that can be assessed through indicators of financial performance of enterprises;
6. Contribution of small businesses to market saturation in consumer goods (works, services) and the needs of the population. This indicator can be used only in those countries where a small business is developed on the insufficient level. In countries where small business has a significant segment of the economy, small business is built into the economic system of society, not only as a manufacturer of consumer goods, but also as a manufacturer of an extensive range of components for large industrial companies.

## SECTION 4. Statistical and survey data of small business development in Russia

Currently, the development of small business in Russia is controversial. On the one hand, the declared objective of creating conditions for its development, and the media give some positive examples. On the other, government statistics show that the development of small business is not always successful. The results are significantly different both in industry and activities, and by region of the country. Inconsistency of Russian small business development can be noticed by the state statistics (Appendix 4)[[31]](#footnote-33).

Since 2002, the main indicators of small business development had been increased. This trend had been continued until 2009, until negative effects of the global financial and economic crisis. At the end of 2010 in Russia there were more than 1.6 million units of small businesses, that is larger than in 2000. At the beginning of 2005, the volume of products produced by small businesses, increased compared to 2001 by more than 2.5 times. The number of jobs provided by the small business to the population significantly increased. Thus, at the beginning of 2010 small business employed more than 10.2 million of permanent workers. However in 2011 the number of registered small enterprises in Russia for the year decreased by 3.6%, the average number of employees at the small enterprises fell 2.9%, while the share of employment for small enterprises in total average number of employees was reduced by 0.14 percentage points. The reduced level of activity can be described by the result of the financial and economic crisis, and a sharp increase in the tax burden of small business.[[32]](#footnote-34)

Thus, it can be assumed that by 2008 there was a significant stabilization of production teams of small businesses. However from 2010 to 2013, figures begin to decline due to the tightening of federal legislation, as well as the effects the financial crisis.

The most significant advantage of the small business is the flexibility of small enterprises in comparison with the large enterprises in productive activities. Thus, in 2005 volume of the whole production and services exceeded 2229.0 bln. of rub. The total amount of investment , produced by small businesses every year in the period from 2000 to 2009 increased almost on 20 times.

Despite relatively positive trends of small business, in 2004 it provided only 11.4% of GDP[[33]](#footnote-35)(appendix 5). Since 2005, official statistics do not provide information about the role of small businesses in the country's GDP. In specialized periodical editions special term "turnover organizations" is using. Thus, in the period 2005 - 2008 turnover of small enterprises was about 26% of the total turnover of enterprises of the country. In 2009 this figure fell to 11.7%. [[34]](#footnote-36)

A positive aspect of small businesses can be called sustainable growth in fixed capital investment. Thus, in 2000-2008 investment in fixed assets increased from 29.8 billion rubles in 2000 to 472.3 billion rubles in 2008 - almost in 16 times. But over the last year there was a decrease index for 126.2 billion rubles or for 26.7%. Also it is important to note the fact of increasing the share of small firms in total investment in fixed assets: from 2.9% in 2000 to 5.4% in 2008, although it remains disappointingly low.

Describing the overall formation of small business in Russia during the years of market reforms, it can be noted that there are no significant changes in the direction of its development. Thus, at the beginning of 2010 there were registered over 1602.5 thousand small enterprises, which was 11.3 companies per 1,000 people, while in the European Union, it ranges from 35 to 68.Data ofAppendix 6clearly indicate that the sectoral structure of small business in the analyzed period remained virtually unchanged. [[35]](#footnote-37)

Trade and services sphere are most preferred for small business. This can be explained by relatively less need for financial, labor and other resources and more rapid return on investment, which is very attractive for small business. In the period from 2005 to 2012 in trade sphere were more than 40% of all small businesses, but currently it has a negative trend. After the trade sphere real estate, manufacturing and construction occupies the theirs place. In agriculture, transport, housing, health, education and other sectors operates a small amount of small businesses. It should also be noted that, despite the rapid development of information technology in the last decade, the rapid growth of small businesses in the transport and communications sector is not observed. Nevertheless, the dynamics are definitely positive.

As a result, analysis of the structure of small enterprises by economic activity shows that a small business in Russia as a whole develops in areas that do not require much labor, material, intellectual and, especially financial resources. Sphere of material production as the primary sector value added, including, primarily, manufacturing, construction and mining, takes a modest place in both absolute and relative terms.[[36]](#footnote-38)

There are a lot of researches of small business environment. Some researchers noted that unequal status of small business in Russia and abroad are caused by many factors. Among them there are:

1. Imperfectsystemoftaxation.
2. Interaction problems small businesses with government agencies and administrative barriers.
3. Deficit working capital for business development
4. Opacity of small businesses and criminals.
5. Property insecurity.
6. Problems of social and labor relations in small businesses.
7. Problems of integration of small businesses in the current economic relations.
8. Absence or limitations of the information structure and support small businesses.
9. Shortage of qualified personnel.[[37]](#footnote-39)

EY «Barometer entrepreneurship G20» in 2013 conducted a study of barriers to the development of small business in Russia and abroad. (Appendix 7). This study shows that performance in Russia is several times less than the average for the countries included in the big twenty.In its study EY «Barometer entrepreneurship G20» for the first time in 2013 analyzed the data through the scoring countries model with five criteria, reflecting the major factors in the development of entrepreneurship. With the help of this model it is possible to identify relative strengths side of small business development of each country and opportunities for improvement.[[38]](#footnote-40)

The model includes qualitative data (survey of more than 1500 entrepreneurs) and quantitative data, based on an assessment of the business environment in each of the "Big Twenty".For each criterion (except criterion coordinated work to support entrepreneurship) share of qualitative and quantitative information in determining the final score is taken in the ratio 50/50.Score of concerted effort to support entrepreneurship is determined on the base of responses due to the lack of appropriate quantitative indicators.

The survey data are an important complement to the basic picture, which gives statistics. In addition to the strict views of business statistics,it is recorded the opinion of entrepreneurs about the trends of improvement or deterioration of the business ecosystems in their respective countries (Appendix 8).

Moreover, according to the national research “Global monitor of entrepreneurship. Russia,2012”, it can be highlighted the following conclusions:

1. 4.3% of Russians are now self-employed. Others - employees. In other countries, these rates are higher. Moreover, only 2 % of the population is ready to start their business;
2. Russians scare common problems: administrative barriers, lack of investment, high taxes, lack of grants and subsidies, and low survival of business, which indirectly reflects the fact that the business climate in the country is too severe.
3. In addition, in order to avoid the risk Russian entrepreneurs choose those areas of activity where they can provide rapid return on investment and do not involve significant costs. However, only in 2012 all went out of business 45% of entrepreneurs.[[39]](#footnote-41)

Thus, as it follows from the statistical analysis, we can conclude that the development of small business has a positive trend of development. On the one hand, basic economic indicators show the most significant growth, but on the other hand in comparison with other countries the level of the economic impact of small business on the development of the country as a whole is not so significant because the level of the share of small business in Russia's GDP is about 20%, whereas the EU average - about 50%.[[40]](#footnote-42) Moreover, surveys that was conducted among the business community, according to which only 2 % of the population is ready to start their business, demonstrate an unfavorable environment for business development, where the first place in the list of problems assigns to the lack of funding.

With the help of these findings it can be suggested the need for government intervention in the development of small business by improving its regulation in various.

## SECTION 5. International practices of small business support

USA occupies the most favorable places in the international rating “Doing business”, that is why it is important to observe the system of small business support in these countries in order not only to compare the structure of Russia and these countries, but also in order to give some recommendations of improvement measures of public support in future.

According to the definition of the Small Business Administration in the U.S., the company refers to small business if it employs fewer than 500 employees.[[41]](#footnote-43) Today in the United States was created about 27 million small businesses, and the proportion of small businesses and large corporations is 1162 to 1[[42]](#footnote-44).

Small business is represented in many areas, such as manufacturing, trade, finance, social services and innovations. Moreover a significant contribution small business make to the development of science in the country: major discoveries and inventions in the U.S. were carried out within a small business. The small businesses began to develop the production of air transport, personal computers, household appliances, etc.

Small business employs about 57% of the workforce in the country and generates more than half of nonfarm private GDP. Typically, 60-80% of new jobs are created in small business, and this number varies each year, because some small companies grow and become large companies and at the same time creating new small business firms. For example, from 1999 to 2000 small businesses created about 75% of all new jobs.[[43]](#footnote-45)

Government support has a particular importance for the development of small business in the U.S. A. Basic principles of the country’s support of small business were laid during the Great Depression, which began after the subsidizing SMEs who have suffered as a result of the war. It was very important because in that moment only small business was able to create basic jobs in the country. Thus, there are some federal programs that were created in 1932 in order to support small businesses.[[44]](#footnote-46)

Legislative framework of American small business is the Small Business Act, passed in 1953, which identified the importance of the public interest in helping and supporting small businesses. In the same year the U.S. Congress created Small Business Administration (SBA) in the United States, whose mission is to defend and protect the interests of small businesses at the governmental level. This organization provides consultation service, financial support and also helps small businesses get government contracts and contracts with major companies.Today SBA guarantees loans by the amount of $ 14 billion for small businesses. Usually, money sent to the formation of the working capital, purchase of buildings, equipment, etc. Another $ 2 billion SBA invests in small businesses in the form of venture capital. [[45]](#footnote-47) This body conducts sufficiently aggressive policy in order to find market opportunities for small enterprisers that have export potential. Working with various government agencies and universities, the SBA regulates about 900 Small Business Development Centers that provide technical and managerial assistance.

The Small Business Administration aims to support small business which is under the management of national minorities, particularly Africans, Asians and Hispanics. The basicс of these programs is the Equal Opportunity Act and the Act on public works and economic development. Thus, in 2007, more than 3 million of small enterprises were owned by members of national minorities. In addition, SBA is sponsoring a program in which retired businessmen offered assistance in managing new or distressed company. Another important program is the program of financial support for small businesses in cases of emergency, such as natural disasters, terrorist acts, etc.[[46]](#footnote-48)

In case of globalized market relations scientific and technical progress is one of the key factors of economic competitiveness. Therefore, the U.S. government attaches particular importance to support innovative entrepreneurship. State support of the small business innovation is carried through two channels: financing of small businesses in general, and financing of small and medium-sized innovative enterprises.

In 1981, the Small Business Innovation Research Act was passed, which will have an influence on the innovation processes in the country by providing small business grants (subsidies) for innovation. Thus, all government ministries and departments were able to allocate part of its own funds to support small business innovation. However, an important condition for the granting of subsidies is the lack of a bank or venture capital financing innovation in enterprises.

Furthermore, SBA coordinates various programs of financial support for small businesses, such as: Small Business Innovative Research (SBIR) and Small Business Technology Transfer (SBTT). [[47]](#footnote-49)

SBIR program provides financing of small business engaged in developing of new products and technologies on a competitive basis. In 2010, the Research Foundation, funds from which are used for contracts and grants exceeded $ 1 billion. Subsidies were provided more than half of firms with fewer than 25 employees and a third firms received grants with less than 10 employees.

There are two stages of financing within the framework of the program:

1. The starting phase (issued up to 150,000 dollars for the technological background of the project with an execution period of about 6 months)
2. The second stage (issued up to 1 million dollars for the creation of a prototype technology for over 2 years, and the developers estimate the potential commercialization of this development)

SBTT program provides financial assistance to small businesses that are supported by non-profit research organizations and development. Moreover scientific organization should contribute at least 30% in research and enterprise - 40%. Thus in 2010, the Fund of SBTT program amounted to more than 100 million dollars. Example of this successful interaction between government and business is the creation of innovative enterprises in 1994 with the assistance of Columbia University. This company carries out the patenting of inventions created in the university, as well as the creation of new businesses based on new technologies developed at the university, etc.

As we can see from Table 1 in the period of 2002 to 2012 the number of applicants for a grant programs ranged between 4,300 and 6,000 applicants. At the same time, the number of issued grants decreased every year, only in 2012 showed a slight increase. Thus, the success rate, which is equal to the percentage of applications received grants to all scanned applications from year to year, is dropped, reaching 18.7% in 2012, which is less than 30% compared with 2003.

Table 1

**Statistics on Innovation Program of small businesses and small business technology transfer of 2003-2012.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Year | Amount of applicants | Amount of winners | The success rate | The total value of investment |
| 2003 | 5551 | 1488 | 26,8% | $327 651 122 |
| 2004 | 6798 | 1596 | 23,5% | $369 778 690 |
| 2005 | 6139 | 1307 | 21,3% | $329 290 432 |
| 2006 | 5493 | 1269 | 23,1% | $351 560 384 |
| 2007 | 4663 | 1142 | 24,5% | $304 546 579 |
| 2008 | 4356 | 1242 | 28,5% | $341 059 957 |
| 2009 | 4529 | 1108 | 24,5% | $339 594 601 |
| 2010 | 6 338 | 1 079 | 17,0% | $334 370 963 |
| 2011 | 6 415 | 902 | 14,1% | $311 127 665 |
| 2012 | 5 847 | 1 095 | 18,7% | $366 812 604 |

Source: NIH Small Business Innovation Research and Small Business Technology Transfer Grants, Fiscal Years 2003-2012 (<http://report.nih.gov/success_rates/index.aspx>)

Tax incentives are another important mechanism of state support for small businesses. So, in 2012there was applied the following taxation scale:

* the first $ 50,000 of income - 15%;
* subsequent income from 50,000 to $ 75,000 - 25%;
* amount of income from 75,000 to $ 100,000 - 34%;
* amount of income from 100,000 to 335,000 dollars - 39%;
* amount of income from 335,000 to 10 million dollars - 34%;
* amount of income from 10000000 to 15000000 dollars - 35%;
* amount from 15000000 to 18000000 dollars - 38%;
* amount over 18000000 dollars - 35%.[[48]](#footnote-50)

In many developed countries government sets lower corporate tax rate for small business, however depending on the country the difference in tax rates varied considerably. For example, in the United States the difference between the higher and lower corporate tax rate is 20%, while in France this difference is only 3% in the UK – from 10% to 20%.[[49]](#footnote-51)

Moreover in order to a reduced corporate tax rate in the state and to stimulate the development of small business in the country small companies can use the "bonus the first year", which allows companies to pay tax only half of the taxable amount. In addition legislation provides a variety of additional deductions of taxable base such as expenses for charity, taxes paid by the state government, the cost of health insurance (if their size does not exceed 15% of the taxable amount), interest on personal and mortgage debt. [[50]](#footnote-52)

The current U.S. President Barack Obama during its term reduced the tax burden on small business a lot of time, bringing revenue grew small businesses and investing in them. Regarding the legislative changes, in order to recover the post-crisis economy in 2010 were passed the Small Business Jobs Act of 2010, Hire Act of 2010, Affordable Care Act of 2010, etc.[[51]](#footnote-53)

Thus, due to the hire act small businesses are exempted from paying their share of payments to social insurance for employees Also this act provides business owners by the tax credit for each newly hired employee. Recovery Act of the economy provided new small businesses a temporary tax exemption during the recovery from the global financial crisis.

Thus, the reduction of taxes on small business enterprises allowed to recover from the global financial crisis, and was the incentive for the creation of new small businesses. As a result, the small business in the country became stronger, which influenced the increase in jobs in the U.S.

Regarding the entrepreneurial potential in the U.S., in 2009, The Gallup Organization conducted a study aimed at identifying the main reasons for selecting or not selecting individual entrepreneurial activity, includes 36 countries.[[52]](#footnote-54) According to the survey, the following conclusions are:

1. In the U.S. the majority of respondents said that they prefer to conduct their business (55%), while others wished to work under the direction of the employer (36%);
2. The main reasons that Americans would prefer to work for an employer are stable employment and a regular, fixed income. Working in their own company also has some reasons, because it provides primarily personal independence and gives the opportunity to fulfill personals’ potential, as well as the freedom to choose the place and time of work.
3. Americans believe that entrepreneurs create new jobs, new products and services that benefit the whole of society.
4. Thus, in general in American society has developed a favorable attitude to individual entrepreneurs.
5. Among the main fears associated with the base of the business, in the United States may be noted the unpredictability of income level, the possibility of bankruptcy.
6. In the U.S. more than 50% of respondents believe that the risk of failure should not stop the entrepreneur in creating a new company.

In Japan nowadaysover 99% of all companies in Japan are small and medium enterprises.Moreover, small and medium business provides more than 80% of job places in the country.[[53]](#footnote-55)Despite the fact that throughout the world, Japan is known for its large corporations, companies, automobile manufacturing, knowledge-based technology and innovative products, where the share of small business accounts for about 40% of total industrial production of the country. However, the largest number of small and medium-sized enterprises represented in industries such as construction, soft industry (clothing, footwear, haberdashery), manufacturing of components and services.

A widespread small and medium business in the country was caused by historical events. After the U.S. occupation administration dissolved the monopolistic association, there were only small businesses, which would have to quickly adapt to changing external conditions. These companies did not require large investments and long construction time.Thus, the post-war Japan's economic recovery was accompanied by a rapid increasing of the small and medium-sized businesses number.So, at the beginning of the 50s more than 3 million companies was worked in the country. It is important to note that at that time small and medium business characterized by the very difficult working conditions and broad involvement of unskilled labor force. However subsequentlydue to scientific and technical progress the quality and working condition of the small production has increased significantly.

The subcontracting system is the main feature of Japanese economy, representing so-called economic pyramid, where on top there are large enterprises, below - medium-sized enterprises, and at the foot - small enterprises.This system has the following form of relationship: industrial giants give orders for the production of component parts to medium-sized firms, which, in its turn, passed on the work even more small businesses. Thus, large companies and small business has its profit. A large number of small firms engendered the higher intense of competition that provides high quality products, short lead times and low prices. In Nowadays in Japan almost 60% of small and medium-sized businesswork thought contractors and subcontractors relationship.[[54]](#footnote-56)

Today the importance of small business in Japan has increased significantly due to high consumer’s interest in special, unique goods produced by small business.As a result, in many industries the focus has shifted in favor of small enterprises that can respond quickly to changing market conditions and to adapt to the new realities. However, the Japanese small business has its weaknesses such as a low level of creditworthiness, limited production capacity, lack of qualified engineering personnel, because small businesses can not offer the same level of wages as a big companies.

Currently, small business has 4 channels of regulation and support, among them there are:

* The central government
* The local government
* Large companies
* Small business association.

The system of government support of small business, established in 1946, developed in Japan very efficiently.Initially, the main purpose of government support policy for the creation and development of small and medium-sized businesses was to prevent centralization and monopolization of the economy, which is gradually recovered after a terrible war.Among other policy objectives of government support may be noted the creation of favorable business environment in order to stimulate interest in developing their own business, as well as an increase of the level of employment in the condition of the global financial crisis.

One of the most important elements of state small business support is a system of legislative support, which is a complex of various laws that have been gradually accepted in Japan.The main legislation acts are: the Law on the prohibition of monopolies (1947), law on creation a state agency for small and medium-sized enterprises (1948), cooperatives Act in small and medium business (1949), Insurance Act of SMEs (1950), Act of the loan guarantee organization (1953). [[55]](#footnote-57)

The main government body that oversees the activities of small and medium-sized businesses is created in 1948 the Office of Small Enterprises in the Ministry of Foreign Trade and Industry.The purpose of creation of this organization is to provide the control over compliance with antitrust laws (adopted in Japan in 1947), to provide the state protection of interests of small business in the country, to limit the control of owners, to define responsibilities of customers, performers and subcontractors for nonmarket contractual relationship. In addition to the Office of Small Business in Japan there is a network of public financial institutions that provide small and medium enterprises loans for specific purposes.

Financial support of small business is organized by the State Corporation insurance for small and medium businesses and associations to guarantee the loan. In addition, in Japan was created banks that specialize in the sphere of small and medium-sized business.

An important place occupies the financial support of small innovative enterprises, which is based on the principle of “soft loans”.This principle means that small innovative enterprises provided loan at the interest less than half for ordinary companies.

It is important to note, that almost 47% of all loans in Japan stands for small and medium-sized enterprises.Local commercial banks 100% of the loans provide to small innovative enterprises.Financial institutions offer a variety of loans to small businesses, grants, concessional loans for certain purposes:

* improvement, modernization and re-equipment production base of high-tech enterprises;
* development of innovation product jointly with institutes and universities;
* development of soft and food industry;
* creation of new innovative products (inventions) or new types of products;
* organizing and development of new small enterprises in the industrial backward districts of Japan.

The system of taxation of small and medium-sized businesses in Japan represents the particular interest. Fairness, neutrality and economic simplicity of the mechanism are the main principles of the system.

The principle of fairness consists of two parts - horizontal equity and vertical equity. Horizontaljustice means that identical economically companies are subject to the same tax burden. Vertical justice means growing of tax burden with increasing economic power of the enterprise. Thus, small and medium business, in which the amount of capital and annual income does not exceed 100 million yen and 8,000,000 yen respectively, are taxed at the rate of 19%. For the other companies tax rate is 25.5%. [[56]](#footnote-58)

The principle of neutrality means the prevention of economic areas deformation and choice of property for individuals and businesses changing.

In addition the system of information and consultation of small and medium enterprises in the country is organized effectively.In all regions in Japan various business support centers are organized (more than 330 such centers), which provides consulting services to entrepreneurs in the spheres of finance, management, law, etc.In addition, the country has a centralized database of the small and medium business, as well as innovation in Japan (Organization for Small & Medium Enterprises and Regional Innovation), which collects all the necessary information for entrepreneurs.

According to the previously mentioned Gallup study conducted in 2009, the following conclusions were drawn regarding the entrepreneurial potential in the country[[57]](#footnote-59):

1. In Japan, the majority of respondents indicated that they prefer to work under the supervision of the employer (59%), while the proportion of those who want to begin their business was 39%;
2. Among the reasons why the Japanese want to work under the supervision there are stable employment, steady income and a reluctance to make important decisions, without which it is impossible to conduct their own business.Motives that moves individual entrepreneurs, in general, are the same as in the United States: independence, freedom in making business decisions;
3. Regarding the image of entrepreneurs, in Japan it is not so favorable as in the U.S. From the point of view of most Japanese, although entrepreneurs provide new jobs and produce goods and services, they exploit their employees (about 60% of respondents);
4. Among the main fears associated with the base of the business in Japan may be noted the unpredictability of income, bankruptcy and fear of loss of personal property.
5. Most Japanese respondents believe that the entrepreneur should not start a business if there is a risk that it will fail.

Thus, it can be concluded that the Japanese in general do not tend to venture into business to pursue a tight competition, preferring stability and confidence in the future.In addition, Japanese believe that individual entrepreneurs are the exploiters of labor.

Thus, the main conclusions of first chapter are the following:

* Small business is a constant source of dynamism in the economy. Its specific feature is the ability to respond quickly to changing economic conditions. Small businesses know their customers and can in the most appropriate way meet local needs.
* Position of this sector of the economy is a key factor in the development of the entire economy of the country.
* The main indicator of comparative analysis of small business development in three countries – Russia, the USA, Japan – are the following:
* The number of small businesses (and entrepreneurs) in total share of economic actors: 238 thousand in Russia, more than 20 mln. of entrepreneurs in the USA and in Japan – 5,7 mln of the small companies;
* Gross domestic product produced by small businesses:17% in Russia, in USA – 50%, in Japan – more than 50%;
* The number of workers employed by small businesses: 57% in USA, in Japan - 80%, in Russia number of workers is about 8%;
* The U.S. and Japan have extensive experience in small business development. In both countries have established well-functioning system of state support of small business, which include advisory services, financial assistance, tax incentives, loans, credits and loans to small business.

Small business in Russia is less developed, but in recent years has seen the growth of the state's activities in support of small business.

* The U.S. and Japan attach the great importance to state support small innovative entrepreneurship.
* Americans are more likely to take risks in business than the Japanese. That is way there is a big difference in the level of entrepreneurial potential in both countries. In Russia only 2% of the population is ready to start a business, which means a heavy economic business conditions.

# PRACTICAL PART 2. Methodological research of socio-economic development impact of government small business support (Moscow case).

In order to identify methods to improve the efficiency of government support measures it is offered to use the method of regression analysis and determine the closeness of the relationship between budgetary appropriations forthe small business support and the indicators of small business development in Moscow.

## SECTION 6. Analyzed indicators selection

Correlation analysis of impact of small business support consists of three stages:

1. At the first stage, the most significant factors for the correlation analysis that have an impact on the studied indicators was selected. Factors selection plays a very important role in the econometricanalysis because the accuracy of findings depends on these factors. At this stage it is also important to determine the resulting figures, which are influenced by factor indicators.
2. In the second phase it was collected statistic information for each factor and output indicators. It should be checked for accuracy, uniformity and conformity to the law of normal distribution.[[58]](#footnote-60)
3. Finally, the results of correlation analysis were interpreted.

Measures of government support of small business was chosen as the factorial indicators, namely public spending to support small business. Primarily, there are nine measures of small business support, among them there are:

1. Complex provision small business by the systems of small business support;
2. Improving infrastructure of small businesses support;
3. Support of prior directions of small business;
4. Providing small business by uninhabited premises in the administrative districts
5. Financial support of small business
6. Information and consulting support of small business
7. Training support
8. Support in expanding of business opportunities of small business

There have been excluded from the analysis complex provision small business by the systems of small business support and improving infrastructure of small businesses support because budget allocated to support these measures are not directly focus on the development of small and medium-sized enterprises; however it provides inside spending of state structure.

Moreover, in the analysis several measures were combined (Information and consulting support of small business and training support) because they has the same mechanism of small business providing.

Thus, it was highlighted the following factor indicators:

1. Support of priority directions of small business
2. Providing small business by uninhabited premises in the administrative districts of Moscow
3. Financial support of small business
4. Information and consulting support of small business, training support
5. Expanding of business opportunities of small business

Dynamics of submitted budget funds for the development of small business in the period from 2001 to 2012 is presented in Appendix 9.[[59]](#footnote-61)

Inorder to assess the effectiveness of budget funds to support small businesses, and evaluate the effectiveness of the executive authorities of the city of Moscow, offering this support, it is important to determine the strength of links between budgetary appropriations for the support and development of small business and indicator of development of small business.

Questions to assess the effectiveness of the authorities to support the development of small businesses were updated during the reform of public finances. Presidential Decree № 825 from 28.06.2007 approved the list of indicators to assess the effectiveness of the executive bodies of the Russian Federation, which was supplemented by the Presidential Commission on the improvement of public administration and justice.[[60]](#footnote-62)Currently, the system of indicators to measure the effectiveness of executive power includes 82 indicator. In order to identify indicators for the evaluation of small and medium-sized businesses it was analyzed target programs small business support in the city of Moscow, as well as statistical parameters.

As a result, it was identified the following indicators which are mostly reflectthe small business development:

1. Number of registered small enterprises in Moscow
2. Number of liquidated small enterprises in Moscow
3. Average number of employees
4. Number of SMEs per 1 thousand people in Moscow
5. GRP of Moscow
6. Proportion of products produced by small enterprises in total gross regional product
7. Investments in fixed assets
8. Turnover of small enterprises of Moscow.

Statistical dynamics of these socio-economic indicators in the period from 2001 to 2012 is presented in Appendix 10.

## SECTION 7. Correlation model

Correlation model is represented by the following formula:

Where:

* X - the resulting factor (socio – economic indicators)
* Y - motivating factor (financing measures of small business support).[[61]](#footnote-63)

Specifically, there are five X-factors, where:

* X(1)- Support of priority directions of small business
* X(2) - Providing the small business by uninhabited premises in the administrative districts of Moscow
* X(3) - Financial support of small business
* X(4) - Information and consulting support of small business, training support
* X(5) - Expanding of business opportunities of small business.

Also there are seven Y-factors, where:

* Y(1) - Number of registered small enterprises in Moscow
* Y(2) -Average number of employees
* Y(3) - GRP of Moscow
* Y(4)- Proportion of products produced by small enterprises in total gross regional product
* Y(5)- Investments in fixed assets
* Y(6) -Turnover of small enterprises of Moscow.

Examined the influence each x-factor on each y-factors it was received the following indicators:

Table 2

**Indicators of correlation analysis**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **XX(1)** | **XX(2)** | **XX(3)** | **XX(4)** | **XX(5)** |
| Y(1) | **0,17** | **0,73** | **-0,10** | **0,55** | **0,89** |
| Y(2) | **0,60** | **-0,48** | **0,37** | **-0,8** | **-0,40** |
| Y(3) | **0,22** | **0,74** | **0,04** | **0,4** | **0,4** |
| Y(4) | **0,08** | **0,72** | **-0,17** | **0,52** | **0,65** |
| Y(5) | **0,06** | **0,06** | **-0.10** | **0,32** | **0,32** |
| Y(6) | **0,57** | **0,13** | **0,38** | **-0,23** | **0,53** |

As it seen from the correlation analysis, there are positive and negativecoefficients.

Negative coefficient can be shown graphically:

Providing the small business byuninhabited premises in the administrative districts of Moscow

Financial support of small business

Information and consulting support of small business, training support

Expanding of business opportunities of small business

Share of GRP of Moscow small business

GRP of Moscow

The average number of employees

The number of registered small enterprises

Turnover of small enterprises of Moscow.

Investments in fixed assets

**-0,48**

**-0,1**

**-0,17**

**-0,1**

**-0,8**

**-0,23**

**-0,4**

It is interesting to highlight the fact that the program of informational, consulting and training support, expanding business opportunities and property support of small business in relation to the number of employees in small business has a correlation coefficient -0.8, -0,4 and -0,48 appropriately, indicating a strong inverse relationship. It can be assumed that after training courses or after getting help in finding new opportunities workers,after obtaining new knowledge, go away from small sector into a big business, or go abroad. Thus, this data is removed from the employee statistics.

Further negative coefficients are excluded from the analysis and correlation model will take the following form:

Table 3

**Indicators of correlation analysis (without negative indicators)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **XX(1)** | **XX(2)** | **XX(3)** | **XX(4)** | **XX(5)** |
| Y(1) | **0,17** | **0,73** | **0** | **0,55** | **0,89** |
| Y(2) | **0,60** | **0** | **0,37** | **0** | **0** |
| Y(3) | **0,22** | **0,74** | **0,04** | **0,4** | **0,4** |
| Y(4) | **0,08** | **0,72** | **0** | **0,52** | **0,65** |
| Y(5) | **0,06** | **0,06** | **0** | **0,32** | **0,32** |
| Y(6) | **0,57** | **0,13** | **0,38** | **0** | **0,53** |

In order to estimate the level of the impact of budgetary expenditure on measures ofsmall business support, the author researches the positive correlation indicators in terms of the impact of budget units on socio-economic indicators.

Thus it can be analyzed the share of contribution of unit funds for each program of state support for small businesses in the development of socio-economic indicators through the following formula:

Where:

* T – researching year;
* X - the resulting factor (socio – economic indicators)
* Y - motivating factor (financing measures of small business support).

This analysis has the following results:

Chart 1

**Number of registered small enterprises in Moscow,%**

Chart 2

**Average number of employees,%**

Chart 3

**GRP of Moscow**

Chart 4

**Share of products produced by small enterprises in total gross regional product**

Chart 5

**Investments in fixed assets**

Chart 6

**Turnover of small enterprises of Moscow**

## SECTION 8. Results interpretation

As a result of correlation analysis of factors influencing the development of small business in the city of Moscow it was identified the most and less effective measures of state support for small business in Moscow.

Thus, the most effective measure of state business support, influencing the growth of small businesses, as well as an increasing proportion of GRP Moscow is expanding of business opportunities of small business (46% of integrated impact), while the less effective measure of government support is financial support of small business in Moscow (9% of integrated impact).

The order of subsidies distribution from the budget of the city of Moscow in order to support еру small and medium enterprises was established by the decree of June 1, 2012 N 254-PP.Selection of subsidy recipients is organized in a competitive basis. In order to participate in the competition an applicant must pass a certain procedure, approved by the Government of Moscow:

1. Documents collection for filing an application. In accordance with the legislation set of documents consists of 25 types of documents including statutory, tax and other documents.
2. Registration application in consultation poll
3. Application consideration by Government Commission. Since the filing of the application to the Commission, documents must be passed thought series of independent audits.
4. The Commission decides an issue of financing of small business.

Thus, in order to receive the state help in a financing form, it is necessary to spend more than 2 months.

Nowadays within financial support of small business there are number of the problems, concerning not only businessmen, but the relation and ways of leaving from responsibility of businessmen in relation to the state.

Taking into account that the financing support in a form of a subsidy and grants exists since 2001 and procedure has not changed cardinally, formed fraudulent schemes aimed at bypassing the supportor a bringing under criteria of competitive selection were formed.Accordingly to this, knowing the competitive selection criteria, fraudsters create short-lived companies and artificially create the conditions that would be freely and without unnecessary suspicion allowed to receive budgetary funds, and then liquidate the company.

In addition, the organization that has received government funding often does not seek to fulfill the terms of the contract concluded between the state and the organization, which leads to the fact that there is an outstanding result in the form of subsidies and tax deductions insurance and creating jobs.

Moreover, analyzing the number of loans and grants, we can conclude that the state, helping organizations through subsidies (giving cash at no charge), increases "parasitical" attitude of small businesses.Organizations do not fulfill their obligations under the contract and either forget about them or postpone of the contract, which is inefficient impact on the socio-economic state of Moscow.

As can be seen from the correlation index of financial support and the key indicators of development of small business in Moscow (0.37 - an increase in the average number of employees, 0.38 - revenue growth of small businesses in the total share of GRP) the impact of subsidies on employment growth and growth in revenue (turnover) is rather small.

It can be assumed that the financial support is allocated to a narrow range of organizations. For example, the proportion of small businesses supported by the program of financial support in the total amount of small business supported is only 22%.

## SECTION 9. Proposal of government financial support modernization

Thus, in order to improve the financial modelof small business support it can be offered to consider two ways of change:

1. Operational way of modernization;
2. Program way of modernization.

Operating way of modernization involves intra conversion of small business support structure. This measures need to beaimed at improving the mechanisms to obtain subsidies and eliminating common problems. Among these measures it can be offered the following:

* Permanent modification procedures for obtaining grants in accordance with modern trends in order to be reflective to behavior of the business community;
* Granting subsidies to a wider range of organizations. It should be increased the number of government support programs by reducing the amount of subsidies given priority activities.
* Strengthening of competitive conditions while simplifying the procedure of applying for a grant for wider access of entrepreneurs.

Program way of government support of small business modernization involves in the development of government financial support measures that was successfully implemented in developed countries. In this sense it can be offered to modernize or to create new forms of financial support, for example:

* To modernize state guarantee funds in terms of preferential lending and developing venture financing;
* To create new program in order to apply subsidies to a wider rang of entrepreneurs. It is offered to develop the program to support franchise activity of small business.

According to the Ministry of Economy, small business demand in Russia for long-term loans for various investment purposes estimates from 490 billion to 900 billion rubles a year. However, according to the Central Bank, the growth rate of loans to small and medium-sized business slowed to 15% in 2013 in comparison to 2012, when it reached 17% (based on the study by Expert RA). If this trend will continue, in 2014 the growth of small business lending does not exceed 10-12%.[[62]](#footnote-64)

Development of preferential credits exemplifies the USA development. Guaranteed loan is the most common form of financial support. In the past, approximately 90% of all financial aid took the form of SBA guaranteed loans, now - almost 100%.SBA continues to consider loan guarantee program as an essential element of their activities in support of small businesses in the United States.[[63]](#footnote-65)

Loans are provided to independent (private) banks and other financial institutions that receive from the U.S. government by the face of the SBA guarantee their return for the respective share determined for the provision of guarantees. In this sense warranty reimburse potential damages associated with the loan. Guarantee work SBA lender repays the loss transfer to his account amounts incurred losses up to the amount issued obligations.

On this basis, significantly reducing the risk, the bank determines the loan terms more favorable to the entrepreneur.

When an entrepreneur gives an application in the SBA, he actually applies for the issuance of a commercial loan restructured in accordance with the rules and requirements of the SBA to provide guarantees. This saves all the requirements of the borrower's creditworthiness, which must demonstrate a real ability to fulfill obligations under the loan due to their business. The procedure for providing the guaranteed loan involves thorough a credit analysis of the applicant exercised AMB. It covers the analysis of the balance, the borrower's solvency analysis, analysis of the adequacy of collateral, as well as evaluating the management capacity of the borrower. Application processing time standard program is 30-45 days.

In this sense U.S. experience proves that only targetable state policy that encourages financial institutions to invest in a small business, it promotes healthy growth. As a result, today in the U.S. there are 25 million small businesses.[[64]](#footnote-66)

In the Russian Federation there is Small business lending fund, however there are still unexamined legal provisions and state-bank financial sector (primarily concern the high risks in lending to the real production).

The mechanism of guarantee funds may also be applicable to venture financing. This type of financing is particularly attractive for beginners or small entrepreneurs, scientists, inventors who want to realize their own promising ideas. Using venture funding appears the most viable alternative, since, first, often individual entrepreneurs cannot get a loan from a commercial bank because of the long payback period of the project, a high degree of financial risk, as well as the inability to provide collateral or guarantees or unwillingness to risk all their condition for the possible profit.

Another way of financial support modernization is creation of a new program on the base of franchise support.

According to the IFA (International Franchise Association)[[65]](#footnote-67) in the world there are about 16.5 thousand of franchisors and 1.2 million of franchisees with sales of 1.4 trillion dollars and employ nearly 12 million people.[[66]](#footnote-68)

In Russia there is a risen interest in this form of entrepreneurship. This is explained by the growth of real incomes of potential business, the possibility of further savings and the opening of new companies.

Russia and CIS countries are still newcomers in the franchises market. The average length of selling franchises in these countries is just over 10 - 15 years, the maximum sales growth is observed only last 7 years. In Russia there are several hundred franchise schemes, while in Europe and America there are several hundreds and thousands.

Chart 7

**Development of franchise market in Russia, 2007-2010**

Stimulating business development using the franchise will increase growth of creating new small enterprises and reduce unemployment. State support may be provided through direct compensation costs for franchise to small businesses. However, it should be taken into consideration that franchises are expensive. In this sense it can be offered acquisition of franchise through leasing contracts, costs of which will be compensated by the government. The scheme of interconnection of three actors has the following model:

**Small business**

**Government**

**Leasing company**

**Franchisees**

1

2

3

4

5

7

6

Within this model:

1 - Small business refers to the leasing company with the intention of acquiring a franchise;

1. - Franchisee refers to the leasing company with a proposal of franchise for small business;
2. - Leasing company pays franchise to franchisee;
3. - Leasing company transfers franchise rights to the small business;
4. - Small business pays the charge under the lease agreement;
5. - Small business refers to the state to compensate the costs of leasing franchise;
6. - State reimburses costs for leasing franchise to small business.

Thus, using the scheme of internal mechanisms of improvements of government support and modernization and creation of new forms of state financial support is expected to grow not only socio-economic indicators, but also increase the recipients financial support and minimization of budget allocations.

As a result of correlation analysis it was searched the most influential government support and the less influential government support. The most significant measure of small business support is expanding of business opportunities and the less significant – financial support.

In order to improve financial support it was offered two ways of modernization – operational method and program method, which will increase not only socio-economic indicators, but also will allow minimizing the budget allocation.

# 

# CONCLUSION

In this research paper it was observed the theoretical basis of the development and support of small business, as well as an analysis of the influence degree of small business support measures on the economic development of the country as an example of the subject (in Moscow). On the base of research it can be suggested the following conclusion.

In accordance to numerous international studies concerning the influence of small enterprises activity on the state economy, it can be approved that small business plays a significant role in sustainable economic growth of any country. This growth consists in growth in production efficiency, market supplementation of necessary goods and services and the improvement of living standards, not only in Russia, but also in the advanced economies. Small businesses may not generate as much money as large corporations, however they are a critical component of economic system and major contributor to the strength of local economies. Small businesses present new employment opportunities and serve as the building blocks of the largest corporations.[[67]](#footnote-69)

In Russia small business development is situated on the initial stage. This is confirmed by international comparative analysis of Russian and foreign small business development. For example the share of Gross domestic product produced by small business is 17% in Russia, in USA – 50%, in Japan – more than 50%.Moreover, as for small business development survey, Americans are more likely to take risks in business than the Japanese. That is way there is a big difference in the level of entrepreneurial potential in both countries. In Russia only 2% of the population is ready to start a business, which means a heavy economic business conditions.

In order to support small business development the government of the Russian Federation established special programs of small business support.Support measures of Russian business present a complete set of programs that include financial support, export assistance, training support etc.

The author suggested that measures of government small business support have poor interconnection that causes heterogeneity of influence on socio-economic indicators. In this regard in order to determine the degree of support measures influence on the economic growth in Russia on the example of Moscow, it was offered to make correlation analysis. As a result, it was searched the most influential government support and the less influential government support. The most significant measure of small business support is expanding of business opportunities and the less significant – financial support.

In order to improve financial support it was offered two ways of modernization – operational method and program method. Operational way of modernization involves intra conversion of small business support structure. This measures need to beaimed at improving the mechanisms to obtain subsidies and eliminating common problems. Program way of small business support implies the modernization or creation new forms of financial support. In this sense it was offered to modernize state guarantee funds in terms of preferential lending and developing venture financing and to create new program in order to apply subsidies to a wider rang of entrepreneurs. It is offered to develop the program to support franchise activity of small business.

Thus, using the integral scheme of internal mechanisms of improvements of government support and modernization and creation of new forms of state financial support is expected to grow not only socio-economic indicators, but also increase the recipients of financial support and minimization of budget allocations.

# BIBLIOGRAPHY

Akimov O. Small and Medium Business: evolution of concepts, the market environment, the problems of development. - Moscow: Finance and Statistics, 2004. - 192.

Alimov T. Socio-economic conditions and government support of small business / / Questions of Statistics. 2007. № 7. P. 44-48

Analysis of the experience of public policy to support small and medium-sized businesses in Japan www.roskazna.ru / mezhdunarodnoe-sotrudnichestvo / doc / Japan-Saul.doc

Audretsch, D.B. and A.R. Thurik (2001),“Linking entrepreneurship to growth”, STI working paper2001/2, Paris: OECD

Baranova I, Fadeykina N. Financial regulation of small business development (on the example of the Siberian region). Novosibirsk, 1999. P 140

Belykov A , Only two percent of Russians want to start a business, Komsomolskaya Pravda, 2013

Bokun N. Measuring problems of performance of small and medium-sized businesses / / Questions of Statistics. 2007. № 11. Pp. 32-38

Burlutkin T. ANALYSIS OF THE CURRENT STATUS AND PROBLEMS OF SMALL BUSINESS OPERATION OF THE RUSSIAN FEDERATION, Internet magazine "Economic Studies», № 6 (11), November 2011 - <http://www.erce.ru/internet-magazine/magazine/27/389/>

Complex program of small and medium enterprises development in the city of Moscow 2001-2003, 2004-2006, 2007-2009, 2010-2012

Corporate and Individual Tax Data. Small Business Taxes & Management**,** 1998-2012, A/N Group, Inc.

Edmiston, Kelley. “The Role of Small and Large Businesses in Economic Development.” Economic Review 92.2 (2007): 73-97. Academic Search Complete. Web. 18 Mar. 2012.

Encyclopedia of Japan from A to Z. <http://www.japantoday.ru/entsiklopediya-yaponii-ot-a-do-ya/malyy-biznes.html>

Entrepreneurship in the EU and beyond. Analytical report. The Gallup Organization,2010

Entrepreneurship in the EU and beyond. Analytical report. The Gallup Organization,2010

Federal Reserve Bank of Atlanta, The Surprising Use of Credit Scoring in Small Business Lending by Community Banks and the Attendant Effects on Credit Availability and Risk, March 2009

Financing SMEs and Entrepreneurs 2013: An OECD Scoreboard Final Report

General Theory of Statistics: A Textbook / Ed. Shmoilova R. - 3rd edition, revised. - Moscow: Finance and Statistics, 2002. - 560.

Gmurman E. Theory of Probability and Mathematical Statistics: Textbook for high schools. - 10th edition, stereotype. - Moscow: Higher School, 2004. - 479 p.

Government resolution of October 13, 2008 N 753 "On amendments to Certain Acts of the Russian Federation regarding the powers of the federal bodies of executive power in the sphere of small and medium business" [electronic resource]/ / Reference Legal System Consultant. Consultant: VersiyaProf.: Database.

Groth A, K. Bhasin. 18 Amazing Facts About Small Businesses In America. Business Insider, 2011

Healeas,S., Purdy,D. , Stanworth, C. ,Watson,A.2004. Franchising as small business growth strategy: A resource based view organizational development : International small business journal,22(6),pp 539-599

Hope, John B., and Patrick C. Mackin. “The Relationship Between Employee Turnover and Employee Compensation in Small Business.” Small Business Research Summary 308 (2007): 1-44. Web. 21 Mar. 2012.

How to support the small business, GR new, May 2014, electronic recourses

J. Mariah Brown, How Important Are Small Businesses to Local Economies?-The Huston Chronicle

Journal of Economics and Sustainable Development. ISSN 2222-1700 (Paper) ISSN 2222-2855 (Online)Vol.2, No.7, 2011

Kalinin A. Analysis and development of small and medium-sized businesses in the world / / Economics, Business and Law. - 2011. - № 4 (4). - p. 3-12.

Kirichenko E. Prospects of socio-economic development of the United States after the crisis years 2008-2099., Moscow. IMEMO, 2012

Knyazev D. We have 14 types of activity in priority, Business Environment (electronic journal), 2012

LebedevaI., Small business in Japan. East-West, Moscow 2010

Moscow Government Resolution “On the development of small and medium enterprises in the Russian Federation” N209 [electronic resource]/ / Reference Legal System Consultant. Consultant: VersiyaProf.: Database.

NIH Small Business Innovation Research and Small Business Technology Transfer Grants, Fiscal Years 2002-2011 (<http://report.nih.gov/success_rates/index.aspx>)

["Office of Advocacy - U.S. SBA - Characteristics of Small Business Employees and Owners"](http://www.sba.gov/advo/stats/ch_em97.pdf). Retrieved 2012-11-13.

["Office of Advocacy - U.S. SBA - Characteristics of Small Business Employees and Owners"](http://www.sba.gov/advo/stats/ch_em97.pdf). Retrieved 2012-11-13.

Presidential Decree № 825 from 28.06.2007 “Performance evaluation of the executive authorities of the Russian Federation” – (electronic resources - http://document.kremlin.ru/page.aspx?1095636)

ProtopopovI, Moscow: it is necessary to study the international experience to support SMEs - Small Business of Moscow, 14.02.2011

Rating of social –economic development of subjects of the Russian Federation, RIA-Rating, 2012

RF Government Resolution "On the complex of measures for the development and state support of small enterprises in the sphere of material production and promote their innovative activity» № 1460 [electronic resource]/ / Reference Legal System Consultant. Consultant: VersiyaProf.: Database.

Rosstat, "Preliminary results of continuous monitoring of the activities of small and medium-sized businesses in 2010"

Small business in Russia, 2005. Rosstat, Moscow, p. 15.

Small business in Russia, 2006, Rosstat, Moscow, p. 13.

Small components of high stability, "Reviews countries” № 3 (5), 2005

Study of EY «Barometer entrepreneurship G20», results of 2013

Taxation in Japan 2012. KPMG

U.S. Small Business Administration. Small Business Statistics and Research - [electronic resource] - <http://web.sba.gov/faqs/faqIndexAll.cfm?areaid=24>

"U.S. Small Business Administration Office of Advocacy: The Small Business Economy 2008, A Report to the President". Retrieved 2010-11-13.

Ministry of Economic Development - [www.economy.gov.ru/](http://www.economy.gov.ru/)

SFO “Moscow small business”-[www.mbm.ru](http://www.mbm.ru)

U.S. Small Business Administration - <http://www.sba.gov/>

IFA (International Franchise Association) - <http://www.franchise.org/>

# APPENDICES

**Appendix 1.**

**Small business indicators of development in Russia and abroad, 2012**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **№** | **Country** | **The number of SMEs, thousand units** | **Number of employees in SMEs, mln.** | **The share of employees in SMEs in total employment,%** | **The share of SMEs in GDP,%** |
| 1 | Russia | 5 800 | 13500 | 27% | 21% |
| 2 | EU-27 | 20728 | 86 814 | 66,5% | 57,6% |
| 3 | US | 20 000 | 30 000 | 50% | 48% |
| 4 | Japan | 20 000 | 45 457 | 53% | 56,42% |
| 5 | BRICS-countries | 8 847 | 20 630 | 30% | 33% |

*Source:* - Financing SMEs and Entrepreneurs 2013: An OECD Scoreboard, Final Report

- Federal service of the state statistics, 2012

- BRICS, Joint Statistical Publication, 2012

**Appendix 2**

**The development level of Russian territorial subjects, 2012**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Socio-economic status rating of Russian subjects in 2012** | | | | |
| **Place in 2012** | **Subject** | **Integral rating** | **Place in 2011** | **Place in 2010** |
| 1 | Moscow | 80.678 | 1 | 1 |
| 2 | Saint-Petersburg | 74.057 | 2 | 2 |
| 3 | HMAO – Yugra | 71.266 | 3 | 3 |
| 4 | Tyumenskaya obl. | 70.857 | 4 | 4 |
| 5 | Moscow region | 67.388 | 5 | 6 |
| 6 | Sverdlovskaya obl. | 63.319 | 7 | 8 |
| 7 | Tatarstan republic | 62.413 | 9 | 10 |
| 8 | Yamalo-Nenetsky Avtonomny Okrug | 61.497 | 6 | 5 |
| 9 | Samarskaya obl. | 60.796 | 15 | 12 |
| 10 | Leningradskaya obl. | 58.319 | 11 | 13 |
| 11 | Permsky kr. | 58.112 | 14 | 15 |
| 12 | Sahalinskaya obl. | 57.883 | 16 | 18 |
| 13 | Bashkortastan republic | 57.123 | 12 | 9 |
| 14 | Krasnoyarsky kr. | 54.544 | 8 | 7 |
| 15 | Rostovskaya obl. | 53.805 | 21 | 19 |
| 16 | Krasnodarsky kr. | 53.225 | 13 | 11 |
| 17 | Nizhegorodskaya obl. | 53.150 | 18 | 17 |
| 18 | Chelyabinskaya obl. | 53.106 | 19 | 14 |
| 19 | Komi republic | 52.600 | 22 | 23 |
| 20 | Belgorodskaya obl. | 51.746 | 10 | 16 |
| 21 | Irkutskaya obl. | 51.517 | 24 | 31 |
| 22 | Orenburgskaya obl | 50.583 | 20 | 20 |
| 23 | Novosibirskaya obl. | 50.575 | 25 | 24 |
| 24 | Voronezhskaya obl. | 50.099 | 32 | 35 |
| 25 | Omskaya obl. | 49.810 | 26 | 26 |
| 26 | Kemerovskay obl. | 49.753 | 17 | 21 |
| 27 | Saha republic (Yakutiya) | 49.611 | 23 | 22 |
| 28 | Lipetskaya obl. | 49.138 | 27 | 25 |
| 29 | Kaluzhskaya obl. | 48.975 | 28 | 28 |
| 30 | Primorsky kr. | 46.210 | 31 | 36 |
| 31 | Tulskaya obl. | 46.050 | 30 | 39 |
| 32 | Vologodskaya obl. | 45.141 | 40 | 38 |
| 33 | Tomskaya obl. | 45.138 | 33 | 30 |
| 34 | Habarovsky kr. | 45.051 | 29 | 27 |
| 35 | Arhangelskaya obl. | 44.888 | 41 | 34 |
| 36 | Yaroslavskaya obl. | 44.648 | 36 | 41 |
| 37 | Volgogradskaya obl. | 44.560 | 35 | 29 |
| 38 | Vladimirskaya obl. | 44.194 | 34 | 37 |
| 39 | Kurskaya obl. | 44.129 | 43 | 43 |
| 40 | Kaliningraskaya obl. | 42.691 | 45 | 47 |
| 41 | Murmanskaya obl. | 42.158 | 38 | 33 |
| 42 | Stavropolsky kr. | 41.936 | 37 | 32 |
| 43 | Saratovskaya obl. | 41.534 | 42 | 42 |
| 44 | Udmurtskaya republic | 40.711 | 39 | 46 |
| 45 | Nenetsky avtonomny okrug | 40.407 | 48 | - |
| 46 | Ulyanovskaya obl. | 40.027 | 46 | 44 |
| 47 | Tamboskaya obl. | 39.213 | 47 | 54 |
| 48 | Altaysky kr. | 39.121 | 44 | 40 |
| 49 | Ryazanskaya obl. | 38.951 | 53 | 55 |
| 50 | Novrorodskaya obl. | 38.004 | 52 | 51 |
| 51 | Chuvashskaya republic | 37.048 | 49 | 53 |
| 52 | Amurskaya obl. | 36.970 | 51 | 50 |
| 53 | Tverskaya obl. | 36.863 | 54 | 48 |
| 54 | Bryanskaya obl. | 36.517 | 60 | 57 |
| 55 | Astrahanskaya obl. | 36.512 | 64 | 63 |
| 56 | Smolenskaya obl. | 36.236 | 56 | 49 |
| 57 | Penzenskaya obl. | 36.089 | 59 | 52 |
| 58 | Kirovskaya obl. | 35.528 | 50 | 45 |
| 59 | Magadanskaya obl. | 35.446 | 58 | 67 |
| 60 | Kamshatsky kr. | 33.993 | 57 | 56 |
| 61 | Zabaikalsky kr. | 33.548 | 63 | 60 |
| 62 | Buryatia republic | 33.530 | 61 | 59 |
| 63 | Dagestan republic | 32.459 | 67 | 64 |
| 64 | Karelia republic | 31.674 | 55 | 58 |
| 65 | Orlovskaya obl. | 31.273 | 62 | 61 |
| 66 | Mordovia republic | 30.802 | 71 | 66 |
| 67 | Ivanovskaya obl. | 30.463 | 70 | 68 |
| 68 | Hakasia republic | 30.014 | 65 | 62 |
| 69 | Kurganskaya obl. | 29.970 | 66 | 65 |
| 70 | Kostromskaya obl. | 29.608 | 73 | 71 |
| 71 | Mary El republic | 26.673 | 72 | 70 |
| 72 | Pskovskaya obl. | 26.400 | 69 | 69 |
| 73 | Adygeya republic | 25.474 | 74 | 73 |
| 74 | Karashaevo-Cherkessia republic | 24.666 | 76 | 76 |
| 75 | Chukotsky avtonomny okrug | 24.349 | 68 | 72 |
| 76 | Chechenskaya republic | 23.767 | - | - |
| 77 | Kalmykiya republic | 20.925 | 79 | 80 |
| 78 | Kabardino-Balkanskaya republic | 20.325 | 75 | 74 |
| 79 | Severnaya Osetia – Alania republic | 18.774 | 82 | 79 |
| 80 | Evreyskaya avtonomnaya obl. | 18.546 | 77 | 75 |
| 81 | Ingushetiya republic | 18.049 | 81 | 81 |
| 82 | Tyva republic | 16.860 | 78 | 78 |
| 83 | Altai republic | 15.031 | 80 | 77 |

*Source:* Rating of socio-economic status of the subjects of the Russian federation, 2012, RIA-Novosti -"RIArating"

**Appendix 3**

**Financing of measures of small business support**

*Source:*Complex program of small and medium enterprises development in the city of Moscow 2001-2003, 2004-2006, 2007-2009, 2010-2012

**Appendix 4**

**Indicators of small business development in Russia**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Number of small businesses (end of year), thous. units | 890,6 | 879,3 | 843,0 | 882,3 | 893,0 | 953,1 | 979,3 | 1032,8 | 1137,4 | 1347,7 | 1602,5 | 1621,8 |
| The volume of goods (works, services), bln.units | 423,7 | 613,7 | 852,7 | 1160,8 | 1686,0 | 2229,6 | - | - | - | - | - | - |
| The average number of employees, thous. units | 6485,8 | 6596,8 | 6483,5 | 7220,0 | 7458,9 | 7815,1 | 8045,2 | 8582,8 | 9239,2 | 10436,9 | 10247,5 | - |
| Number of external employees, thous. units | 647,8 | 617,4 | 607,0 | 502,9 | 546,2 | 608,6 | 630,4 | 656,5 | 640,2 | 690,5 | 669,0 | - |
| The number of employees under civil law, thous. units | 409,8 | 406,9 | 345,3 | 252,9 | 249,0 | 243,5 | 258,1 | 229,3 | 277,9 | 284,7 | 276,4 | - |

*Source:*The study of Federal service of the state statistics "Preliminary results of continuous monitoring of the activities of small and medium-sized businesses in 2010"

**Appendix 5**

**The share of small enterprises in the country's main economic indicators (%)**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Number of employees (without external part) | 12,7 | 12.9 | 12,8 | 14,3 | 15,0 | 15,9 | 16,7 | 17,8 | 18,9 | 8,5 | 21,7 |
| Number of external employees, thous. units | 42,7 | 40,7 | 38,9 | 34,4 | 36,6 | 38,7 | 39,6 | 40,5 | 39,5 | 23,6 | 43,2 |
| The number of employees under civil law, thous. units | 31,5 | 30,2 | 20,4 | 21,4 | 22,6 | 22,0 | 22,8 | 19,8 | 22,4 | 5,4 | 22,8 |
| Output of goods and  services | 5,6 | 5,4 | 5,9 | 6,7 | 8,1 | 8,5 | **-** | **-** | **-** | **-** | **-** |
| GDP | - | - | - | - | 9,0 | 11,4 | 13,3 | 13 | 13.5 | 10 | 9 |
| Turnover of small business | - | - | - | - | - | - | 26,0 | 26,3 | 26,6 | 25,8 | 11,7 |
| Investments in fixed assets | 2,7 | 2,6 | 2,9 | 2,8 | 3,1 | 3,6 | 3,4 | 3,7 | 3,9 | 1,8 | 1,2 |

*Source:*The study of Federal service of the state statistics "Preliminary results of continuous monitoring of the activities of small and medium-sized businesses in 2010"

**Appendix 6**

**Dynamics of the number of small enterprises by economic activity in Russia, thousand units.**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Years | | | | | | | **2004 - 2009** |
|  | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | % |
| Total | **953,1** | **979,3** | **1032,8** | **1137,4** | **1347,7** | **1602,5** |  |
| Agriculture, hunting and forestry | 18,2 | 26,8 | 28,9 | 29,4 | 35,3 | 55,1 | 36,9 |
| Fisheries | 0,8 | 2,2 | 2,4 | 2,5 | 2,8 | 3,2 | 2,4 |
| Mining and quarrying | 2,7 | 3,6 | 4,1 | 4,5 | 5,2 | 5,7 | 3 |
| Manufacturing | 120,7 | 120 | 123,4 | 128,6 | 144,5 | 165,3 | 44,6 |
| Production and distribution of electricity, gas and water | 1 | 2,9 | 4,1 | 4,9 | 6,9 | 9,1 | 8,1 |
| Construction | 101,3 | 109,3 | 117,1 | 130,7 | 160,2 | 193,7 | 92,4 |
| Trade | 476,2 | 448,8 | 468,6 | 510,6 | 571,9 | 658,3 | 182,1 |
| Hotels and restaurants | 15 | 19,9 | 20,8 | 29,7 | 34,3 | 42,2 | 27,2 |
| Transport and communications | 21 | 44,3 | 50,3 | 57,3 | 73,4 | 93,9 | 72,9 |
| Financial activities | 12,1 | 12,5 | 14,7 | 16,1 | н/д | н/д |  |
| Real estate services, among it: | 138,3 | 151,9 | 163,3 | 181,3 | 236 | 288,7 | 150,4 |
| * Research and development |  |  |  |  | 12,2 | 12,2 |  |
| * Management | 0,3 |  |  |  |  |  |  |
| * Education | 4,3 | 2,7 | 2,7 | 2,7 | 3,6 | 4,5 | 0,2 |
| Health and social services | 9,4 | 10,5 | 10,8 | 11,6 | 15,5 | 18,9 | 9,5 |
| Other | 31,8 | 23,6 |  |  |  |  |  |

**Source:**The study of Federal service of the state statistics "Preliminary results of continuous monitoring of the activities of small and medium-sized businesses in 2010"

**Appendix 7**

**Survey results of business environment in Russia and G20 countries**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  | Russia | G20-countries  (in average) |
| 1 | Access to finance | Credit to the private sector | % of GDP | 44,5 | 99 |
| Availability of venture capital | on a seven-point scale, where 1 and 7, respectively mean that it is impossible to attract venture capital and very easy | 2,3 | 3 |
| The cost of mergers and acquisitions | % of GDP | 5 | 3,4 |
| The proportion of respondents who believe access is difficult | % | 59 |  |
| 2 | Entrepreneurial culture | Research and development expenses | % of GDP | 1,1 | 1,6 |
| Scientific and technical publications | To 10 000 of population | 1 | 3,3 |
| Costsofproductionprocedure | % to competition estate | 9 | 11,8 |
| the proportion of respondents who believe that entrepreneurship culture promotes entrepreneurship | % | 33 |  |
| 3 | Taxation and regulation | Number of procedures required to start a business |  | 8 | 7,6 |
| Time required to start a business | Number of days | 25 | 22 |
| Costs of opening a business | % to income per capita | 2,3 | 9,4 |
| The minimum initial capital required to start a business | % to income per capita | 1,6 | 17,9 |
| The time required for the organization of tax paying | Number of hours | 262 | 347 |
| Total tax rate (tax and other compulsory deductions enterprise as a share of commercial profits) |  | 54,1 | 49,7 |
| Rate of indirect taxation (taxes collected and enumerated to the tax authorities) |  | 18 | 14,2 |
| 4 | Education | Budgetary expenditure on education | % of GDP | 4,1 | 4,8 |
| The proportion of respondents who believe that it is necessary to introduce courses in entrepreneurship |  | 79 |  |
| 5 | Agreed work of small business support units in the government structure | Percentage of entrepreneurs who use the structure | % | 32 | 21 |

*Source:* Study of EY «Barometer entrepreneurship G20» in 2013 (G20 EntrepreneurshipBarometer 2013)

**Appendix 8**

**Survey results of business environment in Russia and G20 countries**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Rating position | Access to finance | Score | Entrepreneurial culture | Score | Taxation and regulation | Score | Education | Score | Agreed work of small business support units in the government structure | Score |
| 1 | USA | 7,12 | USA | 7,67 | Saud Arabian | 6,40 | France | 6,58 | Russia | 6,23 |
| 2 | Great Britain | 6,86 | South Korea | 7,53 | Canada | 6,34 | Australia | 6,53 | Mexico | 5,89 |
| 3 | China | 6,75 | Canada | 7,45 | South Korea | 6,34 | USA | 6,50 | Brasilia | 5,87 |
| 4 | Canada | 6,62 | Japan | 7,28 | Great Britain | 6,19 | South Korea | 6,40 | Indonesia | 5,84 |
| 5 | Australia | 6,48 | Australia | 7,18 | Africa | 6,10 | EU | 6,25 | India | 5,76 |
| 6 | Africa | 5,95 | Great Britain | 7,00 | Japan | 6,07 | Great Britain | 5,98 | China | 5,75 |
| 7 | Japan | 5,81 | Germany | 6,88 | Germany | 5,84 | Germany | 5,89 | Turkey | 5,66 |
| 8 | South Korea | 5,75 | EU | 6,07 | Australia | 5,75 | Argentina | 5,85 | Africa | 5,65 |
| 9 | Brasilia | 5,67 | France | 5,68 | Russia | 5,65 | Canada | 5,81 | Argentina | 5,64 |
| 10 | Indonesia | 5,53 | Russia | 5,05 | EU | 5,48 | Brasilia | 5,78 | Germany | 5,53 |
| 11 | India | 5,48 | India | 4,95 | Turkey | 5,45 | Africa | 5,67 | France | 5,41 |
| 12 | EU | 5,41 | Brasilia | 4,88 | Indonesia | 5,38 | Saud Arabian | 5,66 | Saud Arabian | 5,39 |
| 13 | Saud Arabian | 5,25 | Italy | 4,67 | USA | 5,33 | Italy | 5,47 | EU | 5,37 |
| 14 | Germany | 5,23 | Africa | 4,33 | Mexico | 5,21 | Russia | 5,46 | South Korea | 5,36 |
| 15 | Russia | 5,04 | Turkey | 4,30 | France | 5,12 | Mexico | 5,32 | Australia | 5,31 |
| 16 | France | 4,74 | Argentine | 4,06 | China | 5,07 | Japan | 4,72 | Canada | 5,29 |
| 17 | Turkey | 4,57 | Mexico | 3,96 | Brasilia | 4,83 | Turkey | 4,39 | Great Britain | 5,19 |
| 18 | Mexico | 4,42 | China | 3,88 | Italy | 4,76 | China | 4,35 | Japan | 5,04 |
| 19 | Italy | 4,03 | Indonesia | 3,80 | India | 4,39 | Indonesia | 3,88 | Italy | 4,97 |
| 20 | Argentine | 3,27 | Saud Arabian | 3,38 | Argentina | 4,31 | India | 3,49 | USA | 4,85 |

*Source:* Study of EY «Barometer entrepreneurship G20» in 2013 (G20 EntrepreneurshipBarometer 2013)

**Appendix 9**

**X-factors of correlation analysis ( budget for measures of government small business support)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Years | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Measure of gov.support |
| Complex provision small business by the systems of small business support | 71,00 | 93,00 | 108,00 | 1059,00 | 1227,00 | 1487,00 | 175,50 | 190,00 | 242,00 | 232,42 | 250,63 | 277,76 |
| Support of prior directions of small business | 0,00 | 0,00 | 0,00 | 172,25 | 260,65 | 330,00 | 103,00 | 124,00 | 214,00 | 80,50 | 98,44 | 118,50 |
| Providing small business by uninhabited premises in the administrative districts | 0,00 | 0,00 | 0,00 | 936,00 | 1584,00 | 1050,50 | 50,00 | 60,00 | 70,00 | 16194,40 | 16801,60 | 17591,50 |
| Financial support of small business | 485,00 | 614,00 | 778,00 | 465,00 | 547,00 | 630,00 | 1321,00 | 736,50 | 1765,00 | 313,97 | 378,73 | 460,99 |
| Information and consulting support of small business, education | 553,00 | 513,00 | 477,00 | 289,00 | 325,00 | 378,00 | 255,30 | 261,35 | 298,50 | 661,64 | 753,48 | 858,56 |
| Support in expanding of business opportunities of small business | 0,00 | 0,00 | 0,00 | 96,50 | 113,10 | 126,00 | 231,50 | 250,50 | 296,50 | 373,43 | 452,05 | 539,98 |
| Improving infrastructure of small businesses support | 55,00 | 60,00 | 60,00 | 95,00 | 113,00 | 126,00 | 263,50 | 633,00 | 665,00 | 532,54 | 572,79 | 437,21 |
| Total | 1164,00 | 1280,00 | 1423,00 | 3112,75 | 4169,75 | 4127,50 | 2399,80 | 2255,35 | 3551,00 | 18388,90 | 19307,71 | 20284,50 |

*Source:*Complex program of small and medium enterprises development in the city of Moscow 2001-2003, 2004-2006, 2007-2009, 2010-2012

**Appendix 10**

**Y-factors: dynamics of statistical indicators of socio-economic status of the city of Moscow in small business from 2001 to 2012.**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Number of registered small enterprises in Moscow, number of units | 182 218 | 189 409,00 | 190 927 | 196 678 | 201 651 | 207 834 | 214 450 | 217 471 | 207 900 | 205 000,00 | 244 000 | 269 280,00 |
| Growth of rate,% | 1,23 | 3,95 | 0,8 | 3,01 | 2,5 | 3,07 | 3,18 | 1,41 | -4,4 | -1,39 | 19,02 | 10,36 |
| Number of liquidated small enterprises, number of units | 35 673 | 35 953,00 | 56 103 | 41 781 | 46 697 | 48 969 | 45 365 | 39 652 | 42 957 | 45 830,00 | 40 736 | 39 234,00 |
| Average number of employees, number of units | 1304800 | 1 390 495,00 | 1589398 | 1845000 | 1 988 000 | 2 034 826 | 2 046 200 | 2 034 700 | 1 733 372 | 1 500 638,00 | 1 408 200 | 1450 780,00 |
| Number of small enterprises per 1 thousand people of the Russian, Federation number of units | 22 | 19 | 19 | 19 | 19 | 20 | 21 | 21 | 20 | 18 | 21 | 23 |
| GRP of Moscow, bln. rub | 1 551 | 1 976 | 2 441 | 2 853 | 4 136 | 5 260 | 6 696 | 8 249 | 7 127 | 8 376 | 9 949 | 10 578 |
| Share of small business on GRP of Moscow, % | 0 | 0 | 0 | 0 | 0,12% | 0,13% | 0,14% | 0,18% | 0,18% | 0,22% | 0,85% | 0,31% |
| Investments in the capital assets, bln.rub | 7309 | 9 845 | 8543 | 6294 | 9 056 | 9 983 | 9 659 | 6 108 | 7 379 | 7897 | 8 530 | 12 747 |
| Turnover, thous.rub | 0 | 0 | 0 | 0 | 3 382 000 | 3 999 000 | 4 642 000 | 4523000 | 3 861 000 | 3 789 438,00 | 1 173 000 | 3 458 943 |

*Source:* Electronic resources of Moscow statistics - mosgorstat.ru, mbm.almedia.ru, rosstat.ru

1. Baranova I, Fadeykina N. Financial regulation of small business development (on the example of the Siberian region). Novosibirsk, SMVSHDB, 1999. P 140 [↑](#footnote-ref-2)
2. I.S.Protopopov, Moscow: it is necessary to study the international experience to support SMEs - Small Business of Moscow, 14.02.2011 [↑](#footnote-ref-3)
3. Edmiston, Kelley. “The Role of Small and Large Businesses in Economic Development.” Economic Review 92.2 (2007): 73-97. Academic Search Complete. Web. 18 Mar. 2012. [↑](#footnote-ref-4)
4. ["U.S. Small Business Administration Office of Advocacy: The Small Business Economy 2008, A Report to the President"](http://www.sba.gov/advo/research/sb_econ2008.pdf) (PDF). Retrieved 2010-11-13. [↑](#footnote-ref-5)
5. # J. Mariah Brown, How Important Are Small Businesses to Local Economies?-The Huston Chronicle

   [↑](#footnote-ref-6)
6. Alimov T. Socio-economic conditions and government support of small business / / Questions of Statistics. 2007. № 7. P. 44-48 [↑](#footnote-ref-7)
7. Audretsch, D.B. and A.R. Thurik (2001),“Linking entrepreneurship to growth”, STI working paper2001/2, Paris: OECD [↑](#footnote-ref-8)
8. Journal of Economics and Sustainable Development. ISSN 2222-1700 (Paper) ISSN 2222-2855 (Online)Vol.2, No.7, 2011 [↑](#footnote-ref-9)
9. Journal of Economics and Sustainable Development. ISSN 2222-1700 (Paper) ISSN 2222-2855 (Online)Vol.2, No.7, 2011 [↑](#footnote-ref-11)
10. Hope, John B., and Patrick C. Mackin. “The Relationship Between Employee Turnover and Employee Compensation in Small Business.” Small Business Research Summary 308 (2007): 1-44. Web. 21 Mar. 2012. [↑](#footnote-ref-12)
11. Akimov O. Small and Medium Business: evolution of concepts, the market environment, the problems of development. - Moscow: Finance and Statistics, 2004. - 192. [↑](#footnote-ref-13)
12. Study of EY «Barometer entrepreneurship G20» 2013 [↑](#footnote-ref-14)
13. Study of EY «Barometer entrepreneurship G20» 2013 [↑](#footnote-ref-15)
14. RF Government Resolution "On the complex of measures for the development and state support of small enterprises in the sphere of material production and promote their innovative activity» № 1460 [electronic resource]/ / Reference Legal System Consultant. Consultant: VersiyaProf.: Database. [↑](#footnote-ref-16)
15. “On the development of small and medium enterprises in the Russian Federation” N209 [electronic resource]/ / Reference Legal System Consultant. Consultant: VersiyaProf.: Database. [↑](#footnote-ref-17)
16. Government resolution of October 13, 2008 N 753 "On amendments to Certain Acts of the Russian Federation regarding the powers of the federal bodies of executive power in the sphere of small and medium business" [electronic resource]/ / Reference Legal System Consultant. Consultant: VersiyaProf.: Database. [↑](#footnote-ref-18)
17. [Electronic resource]/ / Reference Legal System Consultant. Consultant: VersiyaProf.: Database. [↑](#footnote-ref-19)
18. U.S. Small Business Administration. Small Business Statistics and Research - [electronic resource] - <http://web.sba.gov/faqs/faqIndexAll.cfm?areaid=24> [↑](#footnote-ref-20)
19. Small components of high stability, "Reviews countries” № 3 (5), 2005 [↑](#footnote-ref-21)
20. ["U.S. Small Business Administration Office of Advocacy: The Small Business Economy 2008, A Report to the President"](http://www.sba.gov/advo/research/sb_econ2008.pdf) (PDF). Retrieved 2010-11-13. [↑](#footnote-ref-22)
21. Ministry of Economic Development - www.economy.gov.ru/ [↑](#footnote-ref-23)
22. Complex program of small and medium enterprises development in the city of Moscow 2001-2003, 2004-2006, 2007-2009, 2010-2012 [↑](#footnote-ref-24)
23. Rating of social –economic development of subjects of the Russian Federation, RIA-Rating, 2012 [↑](#footnote-ref-25)
24. Complex program of small and medium enterprises development in the city of Moscow 2001-2003, 2004-2006, 2007-2009, 2010-2012 [↑](#footnote-ref-26)
25. Knyazev D. We have 14 types of activity in priority, Business Environment (electronic journal), 2012 [↑](#footnote-ref-27)
26. SFO “Moscow small business”, www.mbm.ru [↑](#footnote-ref-28)
27. Complex program of small and medium enterprises development in the city of Moscow 2001-2003, 2004-2006, 2007-2009, 2010-2012 [↑](#footnote-ref-29)
28. Bokun N. Measuring problems of performance of small and medium-sized businesses / / Questions of Statistics. 2007. № 11. Pp. 32-38 [↑](#footnote-ref-30)
29. # J. Mariah Brown,How Important Are Small Businesses to Local Economies?-The Huston Chronicle

    [↑](#footnote-ref-31)
30. ["U.S. Small Business Administration Office of Advocacy: The Small Business Economy 2008, A Report to the President"](http://www.sba.gov/advo/research/sb_econ2008.pdf) (PDF). Retrieved 2010-11-13. [↑](#footnote-ref-32)
31. Small business in Russia, 2005. Rosstat, Moscow, p. 15. Small business in Russia, 2006, Rosstat, Moscow, p. 13. [↑](#footnote-ref-33)
32. Rosstat, "Preliminary results of continuous monitoring of the activities of small and medium-sized businesses in 2010" [↑](#footnote-ref-34)
33. Rosstat, "Preliminary results of continuous monitoring of the activities of small and medium-sized businesses in 2010" [↑](#footnote-ref-35)
34. Rosstat, "Preliminary results of continuous monitoring of the activities of small and medium-sized businesses in 2010" [↑](#footnote-ref-36)
35. Rosstat, "Preliminary results of continuous monitoring of the activities of small and medium-sized businesses in 2010" [↑](#footnote-ref-37)
36. Akimov O. Small and Medium Business: evolution of concepts, the market environment, the problems of development. - Moscow: Finance and Statistics, 2004. - 192. [↑](#footnote-ref-38)
37. Burlutkin T. ANALYSIS OF THE CURRENT STATUS AND PROBLEMS OF SMALL BUSINESS OPERATION OF THE RUSSIAN FEDERATION, Internet magazine "Economic Studies», № 6 (11), November 2011 - http://www.erce.ru/internet-magazine/magazine/27/389/ [↑](#footnote-ref-39)
38. Study of EY «Barometer entrepreneurship G20» 2013 [↑](#footnote-ref-40)
39. Belykov A , Only two percent of Russians want to start a business, Komsomolskaya Pravda, 2013 [↑](#footnote-ref-41)
40. OECD report 2012 [↑](#footnote-ref-42)
41. U.S. Small Business Administration [↑](#footnote-ref-43)
42. A. Groth , K. Bhasin. 18 Amazing Facts About Small Businesses In America. BusinessInsider, 2011 [↑](#footnote-ref-44)
43. U.S. SmallBusinessAdministration [↑](#footnote-ref-45)
44. A. Kalinin Analysis and development of small and medium-sized businesses in the world / / Economics, Business and Law. - 2011. - № 4 (4). - p. 3-12. [↑](#footnote-ref-46)
45. ["U.S. Small Business Administration Office of Advocacy: The Small Business Economy 2008, A Report to the President"](http://www.sba.gov/advo/research/sb_econ2008.pdf) (PDF). Retrieved 2010-11-13. [↑](#footnote-ref-47)
46. U.S. Small Business Administration [↑](#footnote-ref-48)
47. NIH Small Business Innovation Research and Small Business Technology Transfer Grants, Fiscal Years 2002-2011 (http://report.nih.gov/success\_rates/index.aspx) [↑](#footnote-ref-49)
48. Corporate and Individual Tax Data. Small Business Taxes & Management**,** 1998-2012, A/N Group, Inc. [↑](#footnote-ref-50)
49. Edmiston, Kelly. "The Role of Small and Large Businesses in Economic Development." Economic Review 1 (2010): 1-93. KansasCityFed.org. Web. 25 Oct. 2011. [↑](#footnote-ref-51)
50. Corporate and Individual Tax Data. Small Business Taxes & Management**,** 1998-2012, A/N Group, Inc. [↑](#footnote-ref-52)
51. E. Kirichenko. Prospects of socio-economic development of the United States after the crisis years 2008-2099., Moscow. IMEMO, 2012 [↑](#footnote-ref-53)
52. Entrepreneurship in the EU and beyond. Analytical report. The Gallup Organization,2010 [↑](#footnote-ref-54)
53. I.Lebedeva, Small business in Japan. East-West, Moscow 2010 [↑](#footnote-ref-55)
54. Encyclopedia of Japan from A to Z. http://www.japantoday.ru/entsiklopediya-yaponii-ot-a-do-ya/malyy-biznes.html [↑](#footnote-ref-56)
55. Analysis of the experience of public policy to support small and medium-sized businesses in Japan www.roskazna.ru / mezhdunarodnoe-sotrudnichestvo / doc / Japan-Saul.doc [↑](#footnote-ref-57)
56. Taxation in Japan 2012. KPMG [↑](#footnote-ref-58)
57. Entrepreneurship in the EU and beyond. Analytical report. The Gallup Organization,2010 [↑](#footnote-ref-59)
58. Gmurman E. Theory of Probability and Mathematical Statistics: Textbook for high schools. - 10th edition, stereotype. - Moscow: Higher School, 2004. - 479 p. [↑](#footnote-ref-60)
59. Complex program of small and medium enterprises development in the city of Moscow 2001-2003, 2004-2006, 2007-2009, 2010-2012 [↑](#footnote-ref-61)
60. Presidential Decree № 825 from 28.06.2007 “Performance evaluation of the executive authorities of the Russian Federation” – (electronic resources - http://document.kremlin.ru/page.aspx?1095636) [↑](#footnote-ref-62)
61. General Theory of Statistics: A Textbook / Ed. Shmoilova R. - 3rd edition, revised. - Moscow: Finance and Statistics, 2002. - 560. [↑](#footnote-ref-63)
62. How to support the small business, GR new, May 2014, electronic recourses [↑](#footnote-ref-64)
63. [Federal Reserve Bank of Atlanta, The Surprising Use of Credit Scoring in Small Business Lending by Community Banks and the Attendant Effects on Credit Availability and Risk, March 2009](http://www.frbatlanta.org/filelegacydocs/wp0909.pdf) [↑](#footnote-ref-65)
64. ["Office of Advocacy - U.S. SBA - Characteristics of Small Business Employees and Owners"](http://www.sba.gov/advo/stats/ch_em97.pdf). Retrieved 2012-11-13. [↑](#footnote-ref-66)
65. IFA (International Franchise Association) - http://www.franchise.org/ [↑](#footnote-ref-67)
66. Healeas,S., Purdy,D. , Stanworth, C. ,Watson,A.2004. Franchising as small business growth strategy: A resource based view organisational development : International small business journal,22(6),pp 539-599 [↑](#footnote-ref-68)
67. # J. Mariah Brown, How Important Are Small Businesses to Local Economies?-The Huston Chronicle

    [↑](#footnote-ref-69)