

EVALUATION OF STATE STIMULATION MEASURES FOR INVESTMENT-INNOVATIVE ACTIVITY OF SMALL ENTERPRISES IN RUSSIA

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Within the current paperwork, we analyze an active system of state support for small entrepreneurship in Russian Federation, modern institutions and instruments of implementation of state policy for stimulation of small business. We have conducted an analysis of activity results of Russian funds for development of investment-innovative processes in small and medium sized business. Ways for improvement of state support measures for small entrepreneurship in Russia were proposed.

Key words: Small enterprises, Innovative-investment activity, System of state support, Tax stimulation, Tax privileges, State institutes of development

INTRODUCTION

In recent years, issues of small business attract attention of scientists and experts more often. Small business is an important element of market economy, without it the sustainable development of country is impossible. An effective market household is credible only if vast amount of entrepreneurial structures is in place.

Formation of favorable conditions for development of small business provides population with incomes from independent household activity, and budgets – with tax incomes. Orientation at small business improves psychological mood in society, which shapes noneconomic compound of governmental policy effect in analyzing area. That is why many-sided support of small business industry can be related to number of core destinations of economic development of meso- and macro economical systems.

According to data of Ministry of economic development of RF, two out of five Russian companies are small sized business. Each sixth, and with account of individual entrepreneurs, each fifth occupied in economy – is worker of small and medium sized business. In country's small entrepreneurship sector the fifth share of country's GDP is being produced.

Many Russian economists and sociologists (A.I.

Ageev, Y.K. Banenov, A.V. Beresnevoy, M.G. Lapusta, K.Liuhto, T.G. Filosofoi and others [01,03,07,etc.]) conducted researches on modern conditions and problems of small entrepreneurship development, insufficient efficiency of state measures of support in Russia was revealed. Accordingly, it rises the necessity of further detailed analysis of current Russian mechanism of state stimulation of innovative-investment activity of small entrepreneurship subjects, and also the development of arrangements for its modernization and evolvement.

METHOD

Nowadays economically developed countries has working mechanisms of multidimensional state support of small business. Stimulation of innovative-investment activity of small enterprises is conducted in various forms, in particular, by stimulation of manufacturing of the most priority product types, provision of tax privileges, subsidies of preferential bank crediting, establishment of informative-consultative and R&D centers, development of insurance system, organization of material and technical supplement. An important role belongs to admission and execution of laws, development and implementation of specific complex programs.

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The system of state support for small entrepreneurship currently established in Russia includes:

- governmental regulations aimed at support and development of small entrepreneurship;
- state apparatus, which represents an assemblage of governmental institutional structures in charge for development of small entrepreneurship, provided the implementation of governmental policy in that sphere and conducting the regulation of small entrepreneurship industry and management of its support infrastructure;
- governmental infrastructure of small entrepreneurship support, including non-commercial and commercial organizations, established with or without state participation, which activity is initiated, encouraged and supported by government, and intended for implementation of state support aimed at development of small entrepreneurship.

In our opinion, formed scientifically theoretical statements and practical mechanisms should serve as foundation for further development and modernization of state support system for innovative-investment activity of small entrepreneurship subjects of Russian Federation.

MAIN PART

In circumstances of demand for realization of long-term strategy of socially-economical development of Russia, which set for transition of Russia's economy to innovative development model,

an important task is governmental assistance to establishment in Russia of effective complex of small innovative business.

Government of RF conducts the work aimed at renewal of country's development strategy till 2020, which has to provide Russia an access at a new level in establishment of modern effective and competitive economy, which provides a deserved life standard for citizens. The main task is increasing of resource potential of small business by its core compounds: labor, financial, production and innovative [14]. Increasing in resource potential of small entrepreneurship will enable our country to solve an important task of long-term socially-economical development strategy of Russia till 2020 year, which related to overcoming of raw-oriented bias of economy and its transition to innovative rails of development.

Depending on direction of state influence on small business subjects we can define two groups of tax policy instruments: tax privileges and tax stimulations (Figure 1) [16].

Tax privileges have compensational character and create equal conditions for economy's subjects, which, due to some circumstances, have unequal possibilities. Unity of implementation goals and influence approach on taxpayer behavior allows equating economical privileges with kind of economical stimulations as financial incentives. Economical privileges, or incentives, are advisable to mark as «tax subsidies», because they represent additional incomes of government in economy.

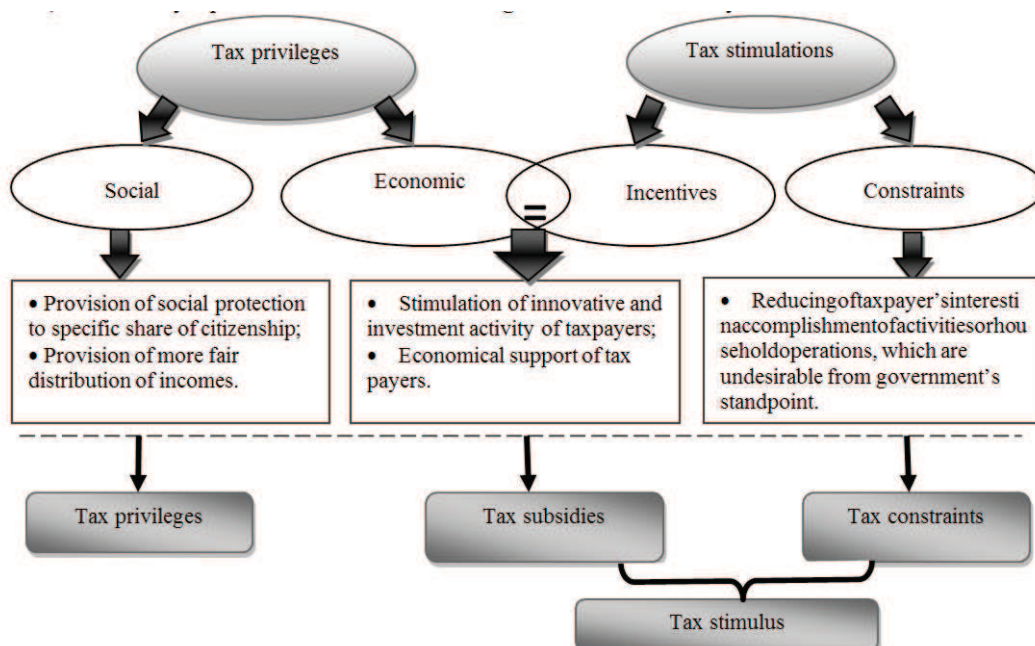


Figure 1: Types of tax policy instruments depending on direction of governmental leverage

Practical meaning of tax privileges and tax stimulations is contained in fact that their provision leads to direct reducing of state budget's incomes, account of which allows analyzing an efficiency of tax stimulation instruments of innovative activity, conduct the evaluation of stimulations in comparison with dynamic of socially

economic indicators. With purpose of definition of settled tax stimulations content and their practical importance for small innovative business we represented the systematization of instruments for tax stimulations of innovative and investment activity in Russian Federation (Table 1) [16].

Table 1: Systematization and classification of current tax stimulus in dependence of representation form

Type	Leverage approach	Stimulus end users/Form of representation
Compound tax stimulus	Taxation order, incorporated by territorial-industrial indication	Residents of specific economic zones (SEZ) of technically-implementation type
		Residents of SEZ of industrial-manufacturing type
		Participants of innovative project «Skolkovo»
Elemental taxation stimulus	Simplified taxation order	Small organizations of all economic sector
	Taxpayers compositions	Exemption of state R&D centers from taxation on organizational property
		Exemption of researches and (or) development engineering from added value tax
		Exemption of importing no-domestic-analogue technological equipment (from Government of RF's list) from added value tax
		Exemption of newly put in operation organizations, which have high energy efficiency (according to Government of RF's list) from property tax
	Taxation base	Exemption of target financing funds, grants from taxation
		Depreciation bonus
		Non-linear approach to write-off for depreciation
		Elevating coefficient for depreciation rate
		Privileged approach to account of R&D expenses
		Formation of reserve for forthcoming R&D expenses
	Tax rates	Not stipulated
	Term of tax payment	Investment tax credit

In result of conducted research it was discovered that prevailing share of tax stimulus is aimed at development of innovative activity of large entrepreneurial structures due to terms and conditions of provision do not consider a financial-economic potential of small business. Establishment of additional instruments of tax stimulation of small organizations will positively influence not only other economical subjects, but also the whole country, in general, by guaranteeing it a stable inflow of tax incomes in future and increasing of domestic products competitiveness.

Currently various institutions function in Russian Federation, which have to maintain development of innovative entrepreneurship. For implementation of investment support of venture companies Fund for assistance of small enterprises in R&D industry (Fund for innovations promotion) was established. The core tasks of Fund are:

- conducting of state policy for development

and support of small enterprises in R&D sphere;

- provision of direct financial, informative and other assistance to small innovative organizations, which implement projects in elaboration and developing of new types of knowledge-intensive products and technologies based on intellectual property belonged to these organizations;
- creation and development of infrastructure for support of small innovative entrepreneurship;
- attraction of non-budget investments in industry of small innovative entrepreneurship;
- preparation of personnel (including involvement of youth into innovative activity) [11].

Within there solution of these tasks annually fund provide an assistance to more than 1500 small business enterprises. Cost evaluation of Fund's activity is represented in Table 2.

Table 2: Dynamics of support amount for small and medium sized entrepreneurship in Russia by Fund for innovations promotion

Date		Quantity of small and medium sized subjects	Sum of provided support to subjects of small and medium sized business, mln.rub.
2015	01.01.2015	18 080	96 880
	01.04.2015	18 841	99 494
	01.07.2015	18 322	102 217
	01.09.2015	17 725	105 167
2014	01.01.2014	19 322	95 998
	01.04.2014	19 329	98 180
	01.07.2014	18 871	99 142
	01.10.2014	18 353	95 027
2013	01.01.2013	21 945	82 271
	01.04.2013	21 653	88 129
	01.07.2013	20 169	93 308
	01.10.2013	19 969	97 196
2012	01.01.2012	20 688	73 722
	01.04.2012	20 610	70 935
	01.07.2012	20 254	66 924
	01.10.2012	20 690	72 979
2011	01.01.2011	9 958	34 289
	01.04.2011	13 296	46 022
	01.07.2011	17 298	62 010
	01.10.2011	19 165	68 750

In purposes of assistance to technological development and innovational receptivity of Russian business Trade-industrial chamber of Russian Federation has established Fund of innovative entrepreneurship development, which allows to connect to resources of external R&D base and search the ideas and technologies in external market, thus significantly reduce financial and time resources.

An important role in system of small innovative business support in Russia belongs to JSC «Russian Bank of small and medium-sized business support» (SC «SME Bank»). In particular, SC «SME Bank» has been implementing governmental program of financial support for small and medium entrepreneurship (SME) since 2004 and is a guider of state resources for small and medium-sized business in the country's territory.

Bank's strategic purpose is provision of support to Russian entrepreneurs for diversification of Russian economy's structure, its modernization with emphasize on development of innovative compound, increasing of its competitiveness, development of citizenship's self-occupation, establishment of qualified new work places, increasing of GDP and tax incomes in federal and local budgets based on results of SME activity; formation of confident middle class of society

with conscious position to social and economic development of one's region and country, in general [12].

Bank's basic tasks in support of SME are:

- 1) provision and maintenance of equal access possibilities for small and medium entrepreneurship subject to open and long-term financial resources throughout the whole territory of Russian Federation, including regions with difficult social and economic situations and mono-cities
- 2) provision of maximum wide specter of forms and approaches to support of SME through partner banks and various types of infrastructural organizations;
- 3) provision of access to credit resources for prior segments of SME, which are highly in demand for support: manufacturing sector of SME, modernization, innovative and resource-saving technologies, socially and regionally important project of SME, therefore, promoting the changes of industrial credit structure [12].

Financial support of SME is conducted on basis of two-level system though widespread network of partners, which includes partner-banks and infrastructural organizations (leasing companies,

factoring companies and micro-financing companies). Support is provided to organizations and individual entrepreneurs related to categories of SME subjects and corresponding requirements of Federal law «About development of small and medium entrepreneurship in Russian Fed-

eration» dated by 24.07.2007 № 209-FL [08]. Within the table 3 we present the results of work conducted by SC «SME Bank» in conditions of implementation of the Program of financial support for small and medium entrepreneurship.

Table 3: Summary of «Program of SME financial support» implementation

Indicator	Period of program implementation	
	On 01.10.2015.	During the whole period
Amount of assets, provided to SME subjects, bln.rub.	105,2	565,0
Number of SME subjects, companies	17725	53414
Average weighted rate for SME, %	13,3	-
Long-term crediting, %	81,0	-
Warranty, p.	28	30

With all that in mind SC «SME Bank» defined the further target segments:

1. Regions with priority of governmental development (Fareast FD, North-Caucasus FD, Crimea FD).
2. Support of SME subjects, which conducts their activity in mono-cities of «red» and «yellow» areas (these areas are defined by State Order from the 29th of July 2014 № 1398-p as 1st and 2nd categories of inhabited

locality [04]).

3. SME subjects (residents and management companies of industrial parks).
4. SME subjects, which produce goods and provide services for large companies.

At the Figure 2 we presented the amounts of assets, which are provided by SC «SME Bank» for support and development of target segments.

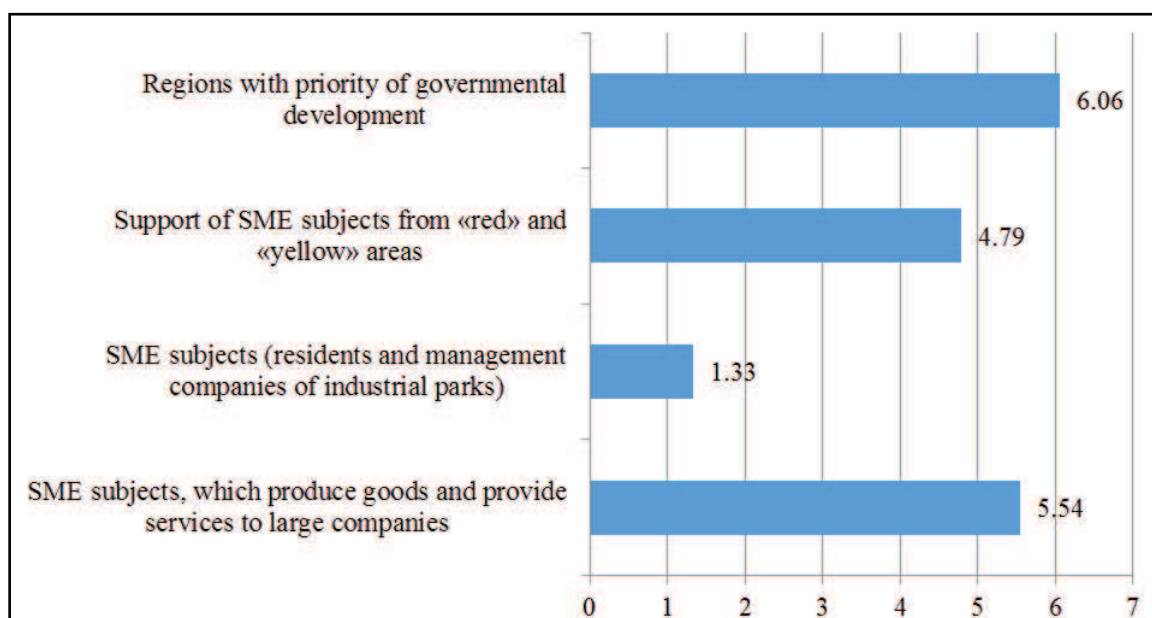


Figure 2: Assets, provided for target segments by SC «SME Bank», bln.rub

Alignment of state support instruments of SC «SME Bank» and Non-commercial organization «Fund for mono-cities development» provides new opportunities for SME subjects, which implement investment projects with amount of investments more than 250 mnl.rub. (Figure 3, g

Let's examine structure of portfolio for support of small and medium entrepreneurship in dependence on the following factors:

1. Regional structure of portfolio for support of SME subjects (Figure 4).

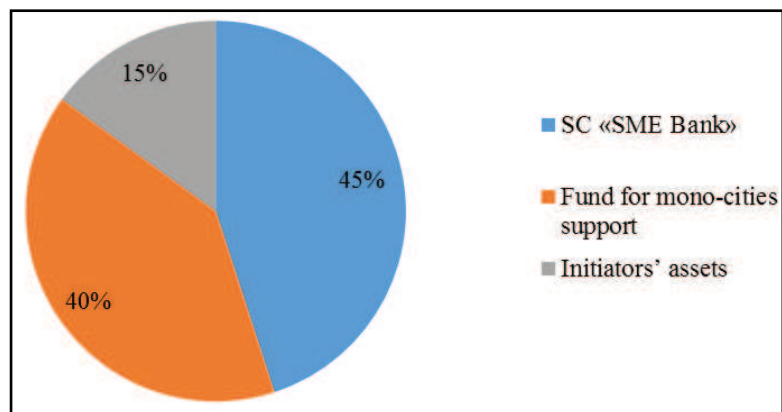


Figure 3: Structure of monetary assets investments in development of SME

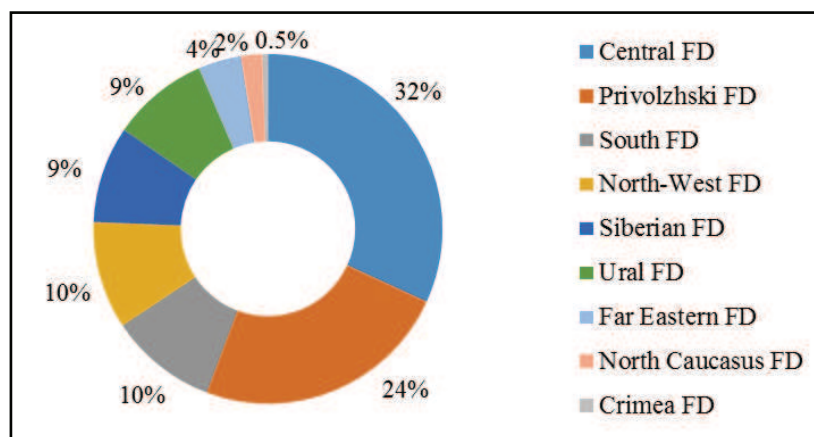


Figure 4: Regional structure of portfolio for support of SME subjects

Table 4: Combination of state support instruments of SC «SME Bank» and Non-commercial organization «Fund for mono-cities development»

Current diagram demonstrates that the biggest unit weight in regional structure of portfolio for support of SME subjects belongs to Central and Privolzhski federal district.

2) Industrial structure of portfolio for support of SME subjects (Figure 5)

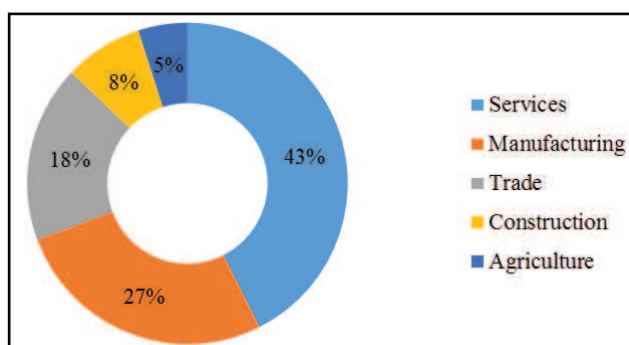


Figure 5: Industrial structure of portfolio for support of SME subjects

In context of industrial structure a maximum share in portfolio for support of SME subjects belongs to services, manufacturing and trade.

3) Structure of portfolio for support of SME subjects by time duration (Figure 6).

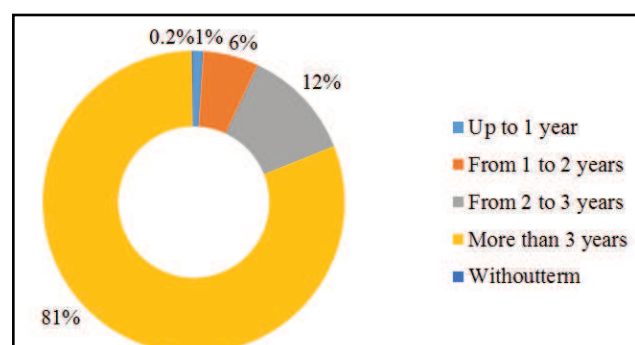


Figure 6: Structure of portfolio for support of SME subjects by time duration

Table 4: Combination of state support instruments of SC «SME Bank» and Non-commercial organization «Fund for mono-cities development»

Criteria	SC «SME Bank»	Non-commercial organization «Fund for mono-cities development»
Participation form	Provision of financing within Program through parent bank by two-levels system	Participation in authorized capital of project's initiator; Provision of monetary assets in form of loan to project's initiator.
Term	up to 7 years	up to 8 years
Amount	not more than 150 mln.rub.	more than 100 mln.rub., but not more than 1 000 mln. rub. (40% from total project's cost)
Rate	from 11,4% to 15,25% annually	5% annually
Goals	Purchasing and/or repair of basic assets, purchasing of buildings/constructions, reconstruction of buildings/constructions and financing of current activity (up to 100%)	Purchasing and/or repair of basic assets, purchasing of buildings/constructions, land patches, constructions of buildings/constructions, reconstruction of buildings/constructions, partially financing of current activity. Fund's assets cannot be used in following purposes: refinancing of current credits and loans of initiator and (or) other project's participants, financing of project documentation development, R&D and practice works, and creation of nonmaterial actives.
Participation with own assets		Not less than 15% from total cost of investment project
Support	On term and conditions of partner bank Subject of small entrepreneurship have opportunity to obtain a guarantee from SC «SME Bank» up to 50% of credit amount (main debt), provided by bank, but not more than 1 bln. rub.	Guarantee, beyond/past/recall bank guarantee State guarantee from Russian Federation subject, Other forms of guarantee
Main criteria for picking of borrower	Correspondence with requirements of FL « About development of small and medium entrepreneurship in Russian Federation» dated by 24.07.2007 № 209-FL Absence of history of non-paid payment documents in tax payments and accounts of SME subject	Share of town-making organization ownership (direct or indirect) in project's initiator capital is not less than 50% Absence of overdue (unregulated) debt in tax payment, dues and other obligations to budgets of RF Absence of project's initiator registration and firm, which is controlling subject of project's initiator, in country or within territory, which provides privilege taxation order Taxation either not demand for exposure of information or not ask for provision of information during financial operations (off-shore areas)

As we can see, in structure of portfolio for support of SME subjects by time duration the biggest unit weight (with significant gap) belongs to subject with more than 3 years duration.

4) Structure of portfolio for support of SME subjects by amounts of financial support (Figure 7)

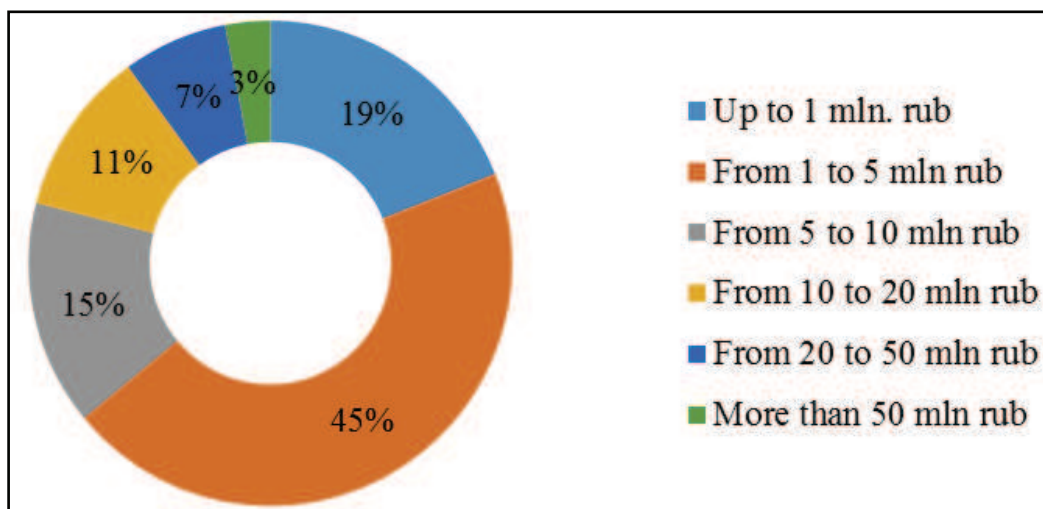


Figure 7: Structure of portfolio for support of SME subjects by amounts of financial support

Therefore, the prevailing share in structure of portfolio for support of SME subjects by amounts of financial support belongs to subjects from 1 to 5 mln rub. In general, currently Ministry of eco-

nomics development of RF implements the following core mechanisms of governmental support for SME (Table 5) [02].

Table 5: Mechanisms for governmental support of SME

Mechanism of governmental support of SME	Essence of mechanism
Finances	<ul style="list-style-type: none"> grants for beginners (in priority – jobless, fired, etc); subsidies for governmental micro financial organizations and guarantee funds
Modernization	<ul style="list-style-type: none"> subsidizing of credits percent rates; subsidizing of new equipment purchasing; equipment leasing;
Innovative infrastructure	<ul style="list-style-type: none"> centers of cluster development; regional centers of engineering; prototyping centers; centers of certification, standardization and experiments.
Export	<ul style="list-style-type: none"> regional centers for export support; regional integrated centers;
Social initiatives	<ul style="list-style-type: none"> subsidizing of socially-oriented SME subjects; subsidizing of Centers for day-time kids staying; pre-school educational centers; youth entrepreneurship, including centers of innovative creativity; cultural custom and traditions.
Informative-consultative support	<ul style="list-style-type: none"> Centers for entrepreneurship support
Special infrastructure	<ul style="list-style-type: none"> Business-incubators, industrial parks (including private) and technical parks

As we can see, by current moment the multi-directional system of measures for support and development of small entrepreneurship has been established in Russia. Nevertheless, based on [10,5,6,15], let us propose several suggestions upon its modernization:

1. We suppose that it will be reasonable to expand the practice of financial support of small and middle enterprises by providing to entrepreneurs the subsidies for compensation of expenses on development of business-plans, provision of guarantees for small businesses via warranty fund's assets, development of subsidies on compensation of share of credits percent rates.
2. An actual compound of financial mechanism must be a maintenance of equality in participation of small business in trades and tenders for state order, in first turn, its innovative part. It is necessary to develop an infrastructure of support of small businesses in maintenance of functioning for system of regional order through organization of centers for purchasing products from small enterprises, provision of consultancy on cooperation with state customers.
3. It is reasonable to strengthen an activity of preventive mechanisms against corruption with purpose of administrative barriers reduction.
4. In purposes of innovative-investment activity stimulation we have to widen a practice of budget support for subjects of small and middle enterprises.
5. It is necessary to finalize an establishment of content infrastructural system for support of small entrepreneurship at all levels (with consideration of prior development at municipal level). In process of development of infrastructural objects in mid-term perspective it is feasible to accent the one's attention on maintenance of complex consultant support for investment-innovative projects of small enterprises from their development stage till implementation.
6. It is necessary to develop system of informational support for small and medium enterprises by conduction of enlightenment work in field of financial grammar for beginning and active entrepreneurs (roundtables, conferences, seminars, partaking in mass media) and regular filling of informational data

bases in non-usable spaces of state property (free, for rent, for sale) etc. In general, informational support of small enterprises should be implemented on basis of possibilities and coordination of activities of all informational networks, which specialize in accumulation and processing of appropriate information.

CONCLUSION

By that means, currently in Russia are being implemented various programs of governmental support of small enterprises. Maintenance is provided in forms of monetary subsidies, grants; tutoring (on free basis, or with partially expenses coverage); internships; privileged leasing; business centers services; privileged/free outsourcing (external accounting and/or law services); privileged/free of charge participation in fairs and exhibitions, etc. We suppose that implementation of gathered positive experience and expenditure of mechanisms for support of investment-innovative activity, proposed within this paperwork, will allow small enterprises to reach a new level in quality of development.

SUMMARY

All in all, the input of small enterprises in development of Russia's economy is determined by its flexibility and mobility of reaction of change of market demand. Small business is faster in innovations utilization. Specifically with it development we bind our hopes for stimulation of structural overhaul of national economy and achievement of social stability in Russian society. Currently the system for support of small and medium business has been formed in our country. Programmed events of innovative-investment stimulation implemented through state institutes of development have multi-sided character and are accompanied by significant financial support. Nevertheless, a significantly low level of results from activity of innovative and investment segment of small and medium enterprises in Russia demands an improvement of forms and approaches of state support. In purpose of access maintenance for investors and start-up assets to the whole range of investment-financial instruments we propose to develop administrative-legal, tax, anti-corruptional and managerial mechanisms of support.

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