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Entrepreneurship As A Driver To Sustainable Development Of The Economy Into Republic Of Kalmykia.

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ABSTRACT

In modern conditions, a developed economic system of any level relies more and more on the business sector, which allows solving serious economic and social problems. The article assesses the current state of development of entrepreneurship in the regions of the Russian Federation on the example of the Republic of Kalmykia. In particular, an analysis of indicators characterizing the development of small and medium-sized businesses is presented: the number of small enterprises, the number of employees, the amount of investment in the fixed capital of small and medium-sized enterprises, the turnover of small and medium-sized enterprises, the amount of taxes on total income small businesses. The authors pay special attention to the sectoral structure of the small business sector of the regional economy. Identified key problems of the development of small and medium enterprises. Among the determining factors constraining the development of small and medium-sized businesses in the region, numerous administrative barriers, complex licensing procedures, unreasonable control and audit checks are identified. Based on the analysis of the main indicators characterizing the activities of entrepreneurship, the authors formulated conclusions on current trends in business and investment activity of small business, identified promising areas of regional support for small businesses.

Keywords: competitiveness, small business, entrepreneurship, region, sustainability.

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SHORT REVIEW

Today, the importance of entrepreneurship as the basis of a modern market economy in its various forms establishes one of the main goals of the socio-economic development of the constituent entities of the Federation.

According to the Strategy of Social and Economic Development of the Republic of Kalmykia until 2020, approved by Government Decree of the Republic of Kalmykia dated December 30, 2008 N 465, a significant role in the implementation of the development priorities of the Republic of Kalmykia is given to small and medium-sized businesses, as the most important tool for innovation solve both economic and social problems, contribute to the formation of a competitive environment, the saturation of the market with products and services, employment, growth tax and non-tax payments to the budgets of all levels. [2] The evolution of small and medium-sized businesses in the Republic of Kalmykia has defined the role of an important tool for achieving the main objective - improving the welfare and quality of life of the population, ensuring stable growth of the economy of the Republic of Kalmykia. [10]

Table 1: Dynamics the number of business structures in the regions into the Southern Federal District [7]

| The subject of the Russian Federation | 2014 | 2015 | 2016 | 2017 | 2017 to 2014, % |
|---------------------------------------|--------|--------|--------|--------|-----------------|
| Southern Federal District | 135299 | 147379 | 151984 | 155705 | 115 |
| Republic of Adygea | 3402 | 3628 | 3650 | 3137 | 92 |
| Republic of Kalmykia | 1626 | 876 | 893 | 1024 | 62 |
| Krasnodar region | 56539 | 54654 | 54886 | 59009 | 110 |
| Astrakhan region | 9651 | 8713 | 9072 | 9179 | 95 |
| Volgograd region | 26703 | 24889 | 27148 | 28012 | 104 |
| Rostov region | 37378 | 54619 | 56335 | 54744 | 146 |

Let us estimate the dynamics of the development of small business in the Republic of Kalmykia in comparison with other regions of the Southern Federal District.

Table 2: Average number of employees in business structures of the Southern Federal District, thousand people [7]

| The subject of the Russian Federation | 2014 | 2015 | 2016 | 2017 | 2017 to 2014, % |
|---------------------------------------|-------|-------|-------|-------|-----------------|
| Southern Federal District | 221,5 | 195,7 | 170,7 | 159,3 | 71 |
| Republic of Adygea | 5,1 | 4,7 | 4,7 | 4,8 | 94 |
| Republic of Kalmykia | 5,8 | 4,5 | 4,3 | 3,6 | 63 |
| Krasnodar region | 63,3 | 82,0 | 68,8 | 91,1 | 145 |
| Astrakhan region | 12,9 | 11,4 | 9,8 | 9,2 | 85 |
| Volgograd region | 28,1 | 35,0 | 25,7 | 36,1 | 128 |
| Rostov region | 54,6 | 58,2 | 57,4 | 63,2 | 116 |

Based on the study of the above data, it will be indicative to group and typologize the regions of the Southern Federal District according to two criteria - the dynamics of the number of small enterprises and the trend of the average number of their employees.

Table 3: Grouping the subjects of the SFD on the dynamics the number of small enterprises and the dynamics of employees

| dynamics numbers,% dynamics employed, % | 130-150 | 100-130 | 80-100 | 60-80 |
|--|---------------|------------------|--|----------------------|
| 130-150 | | Krasnodar region | | |
| 100-130 | Rostov region | Volgograd region | | |
| 60-100 | | | Astrakhan region Republic of Adygea | Republic of Kalmykia |

Thus, having determined the intervals of change of the indicated criteria and filling in the quadrants of table 3, we came to the following results. Positive indicators are typical for the Krasnodar Territory, Volgograd and Rostov Regions. For these regions, the increase in the number of small enterprises and their employees is in the range of 100-150%. The dynamics of the noted criteria for Adygea and the Astrakhan region are quite stable: 60-100% by employment and 80-100% by the number of small structures. The changes in numbers in these regions, although negative, are insignificant. The last group includes the Republic of Kalmykia, which is a sustainable outsider since the change in the number of small entities and workers is in the range of 60-100%. Based on the implemented grouping, we select the types of subjects of the district according to the dynamics of the above indicators.

So, the following groups of regions of the Southern Federal District are formed:

Group 1 - regions in which the dynamics of the number of small enterprises and their employees are higher than the average in the district - Krasnodar Territory, Rostov and Volgograd Regions - these are "entities with high potential for developing business structures and positive dynamics of their implementation";

Group 2 - regions in which, while complying with the dynamics of the number of small enterprises with the average in the district, their employment was lower - Astrakhan Oblast, the Republic of Adygea - "subjects with stable dynamics of realizing the potential of small business";

Group 3 - regions in which the dynamics of the number of small enterprises and their employees are lower than the average for the district - the Republic of Kalmykia - "subjects with a negative trend in the development of small business: outsiders".

Today, entrepreneurship demonstrates a stable dynamics and diversity of ownership forms, organizational and legal forms and their interweaving. The main goal of the regional economic strategy in the field of entrepreneurship is the creation of conditions for the effective activity of the private sector in those sectors of the economy and those subjects that are priorities at this stage of development. As the analysis shows, for Kalmykia, the dynamics of the development of small business remains rather deplorable. We will conduct a more detailed analysis of the main indicators characterizing the region's entrepreneurship.

As can be seen from fig. 1, in the form of ownership of the organizations of the Republic of Kalmykia in 2017, the private one prevails, which accounts for more than half of all economic entities. However, in the dynamics, there is a gradual decrease in the share of private enterprises. So, by 2016 compared to 2013, the decrease was 5% while reducing the absolute figure by 717 units. The segment of state-owned enterprises and organizations slightly strengthened their positions, manifested in the growth of the share by 0.6% [9].

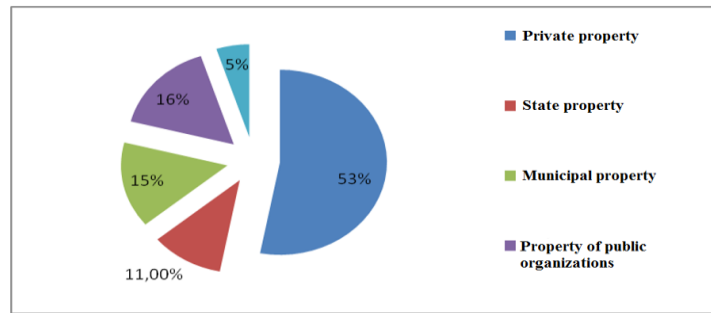


Figure 1: Organizational Structure of the Republic of Kalmykia by ownership in 2017,% [7]

The infrastructure for motivating, supporting, and developing entrepreneurial structures is in its infancy; the local level is underdeveloped. The partnership between the state authorities and the business community has been established insignificantly, legislation in the sphere of stimulating small and medium-sized businesses has been flawed, there are administrative barriers for businesses.

According to the data of the beginning of 2017, according to the data of the Territorial of the Federal State Statistics Service in the Republic of Kalmykia, 173 small enterprises, 66 medium-sized enterprises and 12189 individual entrepreneurs functioned. Data on the number of small and medium-sized businesses are grouped in Table 4.

Table 4: Number of business structures in the Republic of Kalmykia for 2014-2017, units [7]

| Number of business structures | 2014 | 2015 | 2016 | 2017 | 2017 к 2014, % |
|-------------------------------|-------|------|-------|-------|----------------|
| Small businesses | 158 | 160 | 159 | 173 | 110 |
| Medium enterprises | 61 | 71 | 66 | 66 | 105 |
| Individual entrepreneurs | 12926 | 6373 | 13527 | 12189 | 94 |

It is worth noting that the concept is not “growth rate” for this sector, but “rate of decline” - on average, the decline was 5%. During the study period, the dynamics of the number of small and medium-sized enterprises are characterized by a moderate growth of 10% and 5%, respectively. However, the number of individual entrepreneurs decreased by 6%, since this category of business entities is very sensitive to all changes in the economic environment and is most mobile in the area of cost optimization. The reasons for the decline of individual entrepreneurs are revealed in the following: first, registered, actually non-active business entities are liquidated, and secondly, unprofitable business entities that calculated the risks of increasing the fiscal burden in 2017 are eliminated.

The composition of small and medium-sized businesses of the Republic of Kalmykia by type of activity is given in table 5 and in fig. 2

Table 5: Composition of business structures of the Republic of Kalmykia by activity in 2017 [7]

| Type of economic activity | Small businesses | In% to the total |
|---|------------------|------------------|
| Total: | 890 | 100 |
| mining | 4 | 0,5 |
| manufacturing industries | 56 | 6 |
| production and distribution of electricity, gas and water | 8 | 1 |
| building | 82 | 10 |
| agriculture, hunting and forestry | 179 | 20 |
| whole sale and retail trade | 332 | 37 |
| catering | 39 | 4 |
| household services to the population | 2 | 0,2 |
| transportation services | 30 | 3,3 |
| other activities | 158 | 18,0 |

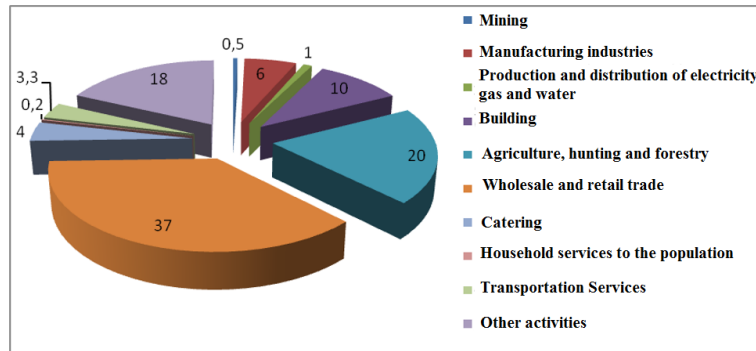


Figure 2: The structure of small business by type of economic activity in 2017 year, % [7]

The formed specific structure of small business branches also indicates its development mainly in the segment of trade - 37%, public catering - 4% and construction - 6%. This trend clearly characterizes the vector of the direction of entrepreneurs on urgently payable areas of business that do not imply significant initial investment. The strategically necessary sectors of the real sector of the national economy - the industrial segment, the construction activity, and innovative developments are not yet fully developed. However, the enormous potential for achieving the dynamic development of the territory’s economy by small and medium-sized businesses is concentrated only in these areas.

During the study period, there has been an annual increase in fiscal payments to budgets from business entities operating in special tax regimes. (Table 6) The volume of payments in 2017 is concentrated at the level of 291,259 thousand rubles, which is 13% more compared to the same period last year.

In 2016, the number of investments in fixed assets of small companies in the region reached 207 million rubles, the growth trend by the corresponding period of the previous period was marked at the level of 115%. In 2017, investments in fixed assets of small firms compared to 2016 increased twice - from 116,363 thousand rubles. up to 253,282 thousand rubles.

Table 6: The amount of fiscal revenues from business entities operating in the system of special tax regimes for the years 2014-2017 by region [7]

| Tax title | Received payments | | | |
|--|-------------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 |
| Single tax levied in connection with the application of the simplified taxation system | 87 678 | 94 856 | 106 613 | 127 119 |
| Single tax on imputed income for certain types of activities | 95 576 | 98 289 | 105 416 | 116 592 |
| Single agricultural tax | 24 753 | 32 091 | 45 768 | 47 548 |
| Total | 208007 | 225236 | 257797 | 291259 |

The standard indicators characterizing the importance of small business in the regional economy and the degree of its effectiveness are the share of workers in small structures in the total number of workers, the proportion of goods manufactured by small subjects in the GRP indicator.

The indicators of the functioning of small business in the Republic, given in Table 7, indicate a rather unfavorable state of this segment since its investment in the growth of the economy of the territory is quite insignificant [8].

Table 7: Indicators of small business development in the Republic of Kalmykia [7]

| Year | The share of employment in the MP in the total number of employees, % | The share of products produced in the gross regional product, % |
|------|---|---|
| 2014 | 15,3 | 13,1 |
| 2015 | 15,0 | 12,5 |
| 2016 | 14,8 | 12,3 |
| 2017 | 14,5 | 12 |

It is rational to note the negative trend of variation: the share of workers in small subjects of Kalmykia fell from 15.3% to 14.5%, the share of contribution to the gross regional product from 13.1% to 12%, which substantiates the underdevelopment of this segment of the economy in the region.

The negative dynamics of the functioning of the business segment suggests that small entities in the Republic face a number of problems inherent in national entrepreneurship in general, such as:

- shortage of industrial and office buildings;
- increasing the cost of energy resources and raw materials;
- poor quality of the transport and logistics network;
- lack of own funds for development and a significant percentage of loans;
- lack of qualified staff;
- administrative limits, low level of regulatory protection of business entities;
- underdeveloped production and innovation systems for business motivation.

Undoubtedly, the main factor is the overall economic potential of the locality, which is very small for the Kalmykia region: economically active citizens emigrate from the region due to high unemployment, lack of the production sector, which contributes to the import of products and products from other regions of the country, thus forming high prices for them, with a small salary, it reduces the quality of life of the local population.

The activity of small business structures in most cases depends on the help of the executive authorities, whose role in the development of entrepreneurship is quite large.

Practice shows that the difficulties in the economy, including in the field of entrepreneurship, are most successfully solved by targeted software tools because an integrated approach helps to ensure the most rational integration of financial, capital, human and other factors of production in the promising sectors of economic growth [6].

CONCLUSION

In order to preserve the existing and creation of new economic entities, increase the number of jobs, fiscal and non-tax payments and fees, business entities from the state and municipalities need to provide organizational, technical, financial, credit and property support. Priority measures of state support for small businesses should include: creating a stable legislative base, leveling administrative and territorial barriers in licensing entrepreneurship, membership of small businesses in the supply of goods for regional, municipal and federal requests, fundamentally new procedures for investment and credit support for entrepreneurship, improving the tax system. In general, the list of listed activities should contribute to the development of strategic plans and forecasts for the development of business structures and their actual placement.

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