Evaluation of the implementation of entrepreneurial potential (on the example of the Republic of Tatarstan)

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Abstract. Increase in the number of small businesses and the lack of effectiveness of existing support at local and regional level have led to curb the development of entrepreneurial activity. The article presents the methodological tools for assessing the effectiveness, which allows to identify existing municipalities in the advantages and disadvantages for the implementation of entrepreneurial potential, including the effectiveness of state and municipal support measures, as well as calculate the degree of progress in the implementation of entrepreneurial potential. In order to evaluate the implementation of the business potential of the Republic of Tatarstan and the impact of their public support at the regional level was calculated indexes of business activity in the municipal districts (MD) of the republic. It should be noted that a major breakthrough in share of small and medium-sized businesses is important to the whole ecosystem. The method of evaluation of the implementation of entrepreneurial potential which is presented in this paper can be used by every competent organization to analyze and form the effective programs of the economic and finance development.

1. Introduction
Promoting entrepreneurship in Russia has been a core objective of the public policy ever since 9 years ago President Medvedev voiced the objective that by 2020 60-70% of the active population of the country should be engaged in entrepreneurial activity. Today this figure is significantly smaller, so an increasing need in the qualitative development of the functioning of business, and quantitative growth of new business entities.

The research goals of the paper are to find the method for evaluation of the implementation of entrepreneurial potential of regions and on the example of the republic of Tatarstan try it in the analyses practice.

2. Theory/calculation
In Russian Federation (RF) entrepreneurial activity in the presence of positive dynamics is characterized by a low level and pace. Thus, if the average index of overall business activity is 4.8 - 5.2%, then by region its value ranges from 1.2% to 10%. The most difficult is the state of the business sector in the regions where a small number of "potential" or "nascent" entrepreneurs.
State developed countries consider SMEs as a basis of economic policy. In this case, big business is not opposed to small, they are only mutually complement each other. The development of entrepreneurship has important benefits, both economically and socially. In the Report of European Commission 2012 states that Entrepreneurship is not only a driving force for job creation, competitiveness and growth; it also contributes to personal fulfillment and the achievement of social objectives. [1] A major role of entrepreneurship in the social and economic development of the country and the factors that determine its weakness in comparison with large enterprises, determine the need for state regulation of its development. Bulk of the work on development of business relates to the regional level.

Republic of Tatarstan, according to the magazine Forbes, heads the list of the top 30 regions in Russia for business. Tatarstan is one of the most investment-attractive regions in Russia and among the top ten in the number of small and medium-sized businesses. There are various elements of business support infrastructure - technology parks, business incubators, industrial parks and playgrounds, cluster development centers and others. And what is important - not only in cities but also in areas of the Republic. In this case, the occupancy rate of technology parks and business incubators today is almost 100% - entrepreneurs actively utilize the opportunities available to them the business support infrastructure in the Republic.

However, the statistics and the results of sociological studies show that the entrepreneurial potential of the economy of the Tatarstan is far from being fully utilized. Today, small and medium business in Tatarstan has more than 140 thousand business entities, which employs about 500 thousand people. Meanwhile, studies show that the business would like to have a significantly greater number of citizens of the republic, and more than a quarter of them (28.6%) - on a permanent professional basis. However, more than half of the respondents (51.4%) said that, as part of their profession from doing business there is.

In developed countries such as USA, Japan, Canada, Germany, the share of small enterprises in the economy is 97 - 99 percent, and only 1 - 2 per cent is attributed to large holdings. Share in GDP is on average 50 percent. In addition MSEs attracts large share of foreign investments. Direct foreign investments are an important factor to intensify territorial development, because in addition to increasing the GRP, they contribute to the growth of the regional local investments. [2]

In Tatarstan, the index of the share of small and medium-sized businesses in the GRP is only 27%. GRP RT is formed mainly from the large business of the real sector of the economy (mining and industry). In the small and medium business as the bulk of the republic does not take the manufacturing sector (in 2011 the share of turnover of small and medium-sized enterprises (including micro-enterprises) all activities in the turnover of organizations of all activities was 23.3%. Greatest contribution to the turnover made small and medium-sized enterprises operating in the wholesale and retail trade (46.6%), construction (19.6%), in the area of operations with real estate, renting and business services (11.5%) and only 10.6% in the manufacturing sector. In this regard, for the past few years, all the main directions and measures of state support of entrepreneurship focused on the development, namely, the production sector.

Table 1. Levers and tools for action and regulation of business activity in the region.

| Methods of direct action                  | Methods of indirect actions.           |
|------------------------------------------|----------------------------------------|
| Regional order                           | Price limit                            |
| Preferential taxation                    | Customs tariffs                        |
| Concessional lending                     | Lobbying for the interests of the region|
| Warranty administration                  | Federal investments and leasing         |
| Grants and interest-free loans           | The state order                         |
| Compensation                             | Fiscal policy                           |
| Accelerated depreciation                 |                                        |
| Examination and Licensing                |                                        |
| Preferential regional legislation         |                                        |
| Antitrust policy                         |                                        |
| Leasing policy                           |                                        |

In addition MSEs attracts large share of foreign investments. Direct foreign investments are an important factor to intensify territorial development, because in addition to increasing the GRP, they contribute to the growth of the regional local investments. [2]
The main methods of influence on entrepreneurial activity at the regional level are shown in table 1. Problems in the regions of Russia in general and in the Republic of Tatarstan in particular are (ranked in descending Relevance - first problem that can be solved at the municipal - the regional level, then the problems that can be solved only at the federal or inter-regional level, or it is impossible at this stage development):

- The unavailability or high cost of resources, the cost of construction, equipment, connectivity
- Problems of access to affordable financing (unfavorable)
- Lack of qualified staff
- Lack of information and legal support
- Lack of an integrated approach to the start-up and consistent system of state support for the stages of development of micro - small - medium
- Lack of a differentiated approach to SME companies of all sizes (selective support measures): micro-business (grants, training, business incubation); small (subsidies, innovation, equipment, resources); medium (here already can only support innovation, the manufacturing sector) and different fields of activity (industrial, rural business innovation)
- Administrative barriers and difficulties, long-term registration of all necessary permits and approvals
- High levels of corruption and inequitable distribution of resources and demands, hence - unfair competition
- Inequality before the law of all market participants, changing and contradictory legislation
- Tax policy does not stimulate research and development business, production and deep processing, does not stimulate the growth of official wage fund
- Monopolization of industries (in particular, trade, energy), and unlimited high growth rates for energy resources (fuel, electricity and obtaining additional capacity)
- Unstable economic situation, does not have to start investment projects

Activities in the Republic of Tatarstan measures to support SMEs for 2011-2013 covered areas such as preferential loans SMEs providing guarantees to small and medium-sized businesses Guarantee Fund RT program "Leasing-Grand" (subsidizing the cost of the lease agreement), the provision of financial assistance in establishing their own business, grants for the development of farms, partial compensation tuition., legal and information support of business.

To improve the human resource capacity of the business in Tatarstan regular events aimed at training of entrepreneurs and their employees. They include both direct training and various types of seminars, meetings, meetings of the "round table" gallery with the invitation as representatives of the state bodies of the republican and federal level, as well as prominent members of the business community, business coaches. There is a program "Virtual University Entrepreneurs" - educational site on entrepreneurship, bringing together as operators of all universities and consulting firms engaged in this specificity. Human capital density measures the share of highly-qualified individuals in the regional labor force. A high human capital density may be seen as an indicator that a region is rich in knowledge. There is extensive empirical evidence for a positive relationship between regional human capital and entrepreneurial activities. [3] So the interaction of the business community with the universities is one of the key conditions for the realization of entrepreneurial potential. Moreover, as formal entrepreneurship education was found to have a motivating rather than a qualifying impact it should be complemented by internships and on-the-job training (The Interplay between Entrepreneurship Education and Regional Knowledge Potential in Forming Entrepreneurial Intentions)

In order to evaluate the implementation of the business potential of the Republic of Tatarstan and the impact of their public support at the regional level was calculated indexes of business activity in...
the municipal districts (MD) of the republic. Business activity is estimated using relative indicators such as the number of SMEs in the 10,000 residents output by 1 company, and others. To achieve comparability of data and evaluate the business activity of all MP, regardless of their size. The present work is based on using only the official statistics, excluding the effect of business impact of unresolved elements of work (underground economy).

Table 2 shows metrics for calculating the business activity of municipalities of the Republic of Tatarstan.

| Parameters for calculating the index of business activity | The weight of factor. |
|----------------------------------------------------------|-----------------------|
| Number of economically active SMEs per 10,000 population | 0.3                   |
| MR RT (total growth of over 5 years)                     |                       |
| Number of jobs per enterprise (total growth of over 5 years) | 0.2                   |
| Revenue from sale of goods (works, services) for 1 company (the total increase over 5 years) | 0.2                   |
| The volume of investments by an average of 1 company (total growth of over 5 years) | 0.3                   |

An index is calculated by the formula (1).

\[ BA = \sum [X_i \times P_i] \]  

(1)

where BA - the total weighted assessment of business activity of a particular municipality (index); X(i) - the total numerical score of the i-th factor for the municipality; P(i) - i-th weight factor.

The results vary from 0 to 1, where 1 is the best practice. Results of calculation are grouped by six economic zones (table 3), which allowed to identify the most developed areas of the country.

Table 3. Business Activity Index.

| Economic zones                  | Index of business activity | Economic zones                  | Index of business activity |
|---------------------------------|----------------------------|---------------------------------|----------------------------|
| Kazan agglomeration             |                            | Predvolzhskaya economic zone    |                            |
| Vysokogorsky MD                 | 0.31                       | Kamsko-Ustinsky MD              | 0.31                       |
| Kazan city                      | 0.34                       | Buinsky MD                      | 0.35                       |
| Verkheuslonsky MD               | 0.38                       | Tetyushsky MD                   | 0.4                        |
| Attinsky MD                     | 0.42                       | Drojanovsky MD                  | 0.41                       |
| Pestrechinsky MD                | 0.45                       | Apastovsky MD                   | 0.48                       |
| Zelenodolsky MD                 | 0.48                       | Kaybitsky MD                    | 0.23                       |
| Laishevsky MD                   | 0.5                        |                                 |                            |
| Predkamsky economic zone        |                            | Zakamskaya economic zone        |                            |
| Arsky MD                        | 0.35                       | Aksubaevsky MD                  | 0.36                       |
| Rybno-Slobodsky MD              | 0.36                       | Chistopolsky MD                 | 0.38                       |
| Kukmorsky MD                    | 0.38                       | Nurlatsky MD                    | 0.38                       |
| Tyulachinsky MD                 | 0.44                       | Novosheshinskii MD              | 0.39                       |
| Baltasinsky MD                  | 0.47                       | Alkeevsky MD                    | 0.41                       |
| Mamadyshsky MD                  | 0.52                       | Alekseevsky MD                  | 0.43                       |
| Sabinsky MD                     | 0.56                       | Spassky MD                      | 0.5                        |
| Naberezhnochelninskaya agglomeration | 0.26               | Sarmanovsky MD                  | 0.09                       |
| Agrizsky MD                     | 0.27                       | Bavlinsky MD                    | 0.34                       |
| Mendeleevsky MD                 | 0.34                       | Yutazinsky MD                   | 0.34                       |

Yugovostochnaya economic zone
Zainsky MD 0.34
Aznakaevsky MD 0.38
Naberezhny Chekny city 0.38
Leninogorsky MD 0.4
Nizhnekamsky MD 0.43
Cheremshansky MD 0.44
Muslumovsky MD 0.44
Bugulinsky MD 0.48
Elabyzhsky MD 0.46
Almeyevsky MD 0.49
Tukaevsky MD 0.48
Aktanyshsky MD 0.50

In the whole country during the analyzed period is marked increase in the number of economically active small businesses, with a minimal increase in production of goods and services per facility. Quantitative growth has not led to an increase in the share of "manufacturing industries." A marked reduction in the number of medium-sized enterprises, accompanied by an increase in turnover, including one company at the same time revealed a decrease overall investment activity of medium-sized enterprises questioned the increase in business activity in the following period. The totality of the established indicators of municipalities of the Republic of Tatarstan conditionally divided into 3 groups with high (BA index > 0.45), medium (0.38< BA index < 0.44), and low activity (BA index < 0.38). The group with high business activity attributed 13 municipal districts, 17 - to a group with an average of business activity, and 15 - the group with low business activity.

The role of public support evident in the municipal districts of the Republic of Tatarstan, but there are areas that showed minimal activity with a significant amount of state support. In the process of monitoring manifested question of lack of information in the public space of the results of independent studies on the effectiveness of public support for SMEs. A slowdown in the development of entrepreneurship and the quality has been adversely affected insufficient focus management (at all levels) for technological innovations to modernize and blurring policy priorities in support of SMEs.

In this study, small and medium business is actively developed in areas traditionally being subsidized. In terms of state support for SMEs is the leader Kazan - more than 80% of all funds allocated for this activity in the country. Next come Naberezhnye Chelny, Tukaevsky and Sabinovsky MD. In addition, attention is drawn to the following trend: the largest volumes of state prepared areas with high and medium business activity. Least of all was the Kamsko-Ustynsky MD - 400 thousand. Rubles for these five years.

Summarizing, we can say that the problem areas of support of SMEs in Tatarstan are irrational, and lack of support structure (preponderance towards infrastructure), lack of municipal funding programs absence of some of the institutions of SMEs lack of a number of effective measures to support. The business climate in almost all municipalities have significant potential to improve and opportunities to use other benefits for enterprise development. According Ulesov, Safiullin et al. [4], due to lack of funding, many structures provide services in the free market prices are not available for small businesses. There is a deformation of infrastructures to support small businesses as a result of the lack of financial and resource assistance and improper personnel policy.

Incomplete implementation of entrepreneurial potential in Republic, as well as the existing problems in the field of SME support identified the need for change in the approach to the solution of these problems. To date, in the Republic of Tatarstan adopted the "Roadmap" development of small and medium-sized businesses in the 2014-2016 " [5], in the preparation of which take into account the experience of developed countries and regions of the Russian Federation. The main goal of this project was to identify and create a balanced system of interaction between business community and state enforcement authorities in the assessment of the formation, development and protection of the environment conducive to the sustainable development of small and medium-sized enterprises in the Republic of Tatarstan.

3. Conclusion
A major breakthrough in share of small and medium-sized businesses is important to the whole ecosystem. Speaking of small and medium business, we mean financial support in the form of grants and subsidies, as well as infrastructure and consulting. In addition, the development of a network of
industrial sites at the municipal level, the work of the Guarantee Fund, the Center for Export Support, Development Corporation RT contribute to the development of entrepreneurship.

4. References

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