IMPROVING THE REGULATION OF SMALL BUSINESSES IN CONTEMPORARY CONDITIONS

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INTRODUCTION
A prerequisite for success in the development of small businesses (SB) is comprehensive and stable state support. In the crisis conditions of economic development, it is the state’s support to SB that can lead to an improvement in the economic situation both in the regions and in the country in general. Currently, the state associates hopes for rapid positive structural changes in the economy, a way out of the economic crisis, and the creation of conditions for economic growth with small and medium-sized businesses.

As evidenced by the latest global trends in economic development, it is the targeted state support of enterprises, especially SB, that is the most important feature of the regulatory policy in the field of entrepreneurship. In this case, the state guarantees all entrepreneurs, regardless of their chosen organizational forms of entrepreneurial activity, equal rights, creates equal opportunities for functioning, access to material, technical, financial, labor, information, natural, and other resources.

The study of issues related to the regulation of SB has found its reflection in the works of Bukhtiyarov (2020), Dedusheva (2017), Kartashov (2020), Kofanov (2016), Syroizhko (2021), Khamirzova (2020), etc. Their works reveal the issues of creating organizational, legal, and economic conditions for the SB development and further improvement of the mechanism for implementing the state policy of supporting SB.

METHODS
The theoretical and methodological basis of the research includes the abstract-logical method, methods of induction, deduction, analysis, synthesis, systematization, used to justify approaches to determining the features of small entrepreneurship in present-day conditions. The information base of the article includes the statistical data of state bodies, legislative and regulatory documents governing the economic and legal aspects of regulating SB, as well as the scientific research outcomes (AGAMIROVA et al., 2017; MARKOVA et al., 2021; ZAVALKO et al., 2017).

In the course of the research, it is planned to systematize the peculiarities of the SB development, work out measures for coordinating activities between the main participants of SB, as well as determine the individual features of entrepreneurial structures in SB in the context of economic and legal regulation.

RESULTS
The practice has shown that small companies can respond quickly to changes in consumer demand, and thereby ensure the necessary balance in the consumer market. At the same time, the main business makes a significant contribution to forming a competitive environment. This is one of the leading sectors that largely determine the pace of economic growth, the state of employment of the population, the structure and quality of the gross national product. It should be noted that the economic risk in the SB sector is usually higher, while the life cycle of small enterprises is usually shorter than that of large companies.

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Even in economically developed countries, small enterprises are experiencing certain characteristic difficulties. For example, small firms often lose to large ones in the struggle for credit resources. Banks refuse loans to small firms, and if they do, then at high interest rates, which leads to an increase in the cost of production and hinders the modernization of production due to lack of funds. In this context, the development of any form of entrepreneurship depends mainly on the stability of the state’s economy and social policy, positive public opinion, and preferential tax regulations.

Figure 1. SB development conditions

| Small business development conditions |
|--------------------------------------|
| Stability of the state economy and social policy |
| Favorable public opinion |
| Preferential tax regulation |
| Availability of a developed business infrastructure |
| Effective system of intellectual property protection |

Source: Search data.

Therefore, the factor that determines the high social significance of SB is that by its nature, SB is based on considering local needs, interests, with a focus on local markets, it relies on the historical background and cultural traditions of the country, the diversity of existing cultures, and in terms of relations within the enterprise approaches to family ones. Studies show that due to a smaller scale, small enterprises are more flexible to variable economic conditions, and are more able to respond to fluctuations in consumer demand. The currently existing scientific concepts characterize entrepreneurship based on three aspects:

1) the availability of various types of resources and the ability to dispose of them to make a profit with the constant presence of a risk factor and uncertainty of the final result of activity;

2) effective management and organization of the production process based on constant and extensive use of innovations;

3) special innovative, creative behavior of an economic entity, its entrepreneurship, which is the economic process driver.

Besides, SB gives the country’s market economy due to flexibility, mobilizes significant financial and production resources of the population, carries a significant antimonopoly potential, contributes to the smoothing of social conflicts, plays an important role in the social and economic survival of certain segments of the population and the entire regions of the country.
It should be emphasized that by its nature, the SB objectively tends to a certain territory, which creates a favorable local socio-economic climate for its functioning and development. It is the regional centers as integral territorial socio-economic entities that are the sources of transformations in the general system of public relations and relations in the state, including economic ones, and create relatively favorable conditions for the development of viable small entrepreneurship. This is caused by the several reasons considered below.

Firstly, all components of society, namely, population, production, housing, infrastructure, state, as well as local, public administration, and self-management are concentrated to one degree or another in a relatively small space within a large city.

Secondly, several reproduction cycles (for example, socio-demographic, investment and construction, budget) occur in its main subsystems located within the boundaries of a large city.

Thirdly, all the largest cities are traditional administrative centers, which are endowed with important political, cultural, economic ties, and also fulfill the role of supporting nodes in the territorial organization of society.

Fourth, the largest cities have at their disposal a huge potential in the form of an appropriate economic and geographical location, a multifunctional household structure, a combination of production facilities and science, culture, and education. All this makes them leaders of socio-economic transformations, and they ensure the formation of a single economic, cultural, scientific, and information space.

Fifth, large cities are the most important centers of commercial and financial-budgetary activities. In particular, they are the main donors of funds to the local and state budgets of the Russian Federation.

Sixth, the largest cities play an essential role in forming market infrastructure. It is here that legal offices, marketing, consulting, audit organizations, brokerage offices, stock, and currency exchanges, insurance companies, advertising agencies, exhibition complexes, centers providing services for the development of information technologies and business communication tools, associations of entrepreneurs, as well as public and state funds for promoting entrepreneurship development are located.

For the Russian economy, no matter what type of activity small enterprises are based on, strong and growing competition with imported goods and services on the domestic market and beyond its borders increasingly forces an entrepreneur to think in global categories of the world market. This triggers incentives for producing high-quality, competitive products. At that, state support for such enterprises is primarily associated with consulting in the field of management and marketing. For such firms, state support is not so much important as state regulation of entrepreneurial activity, in particular, risk insurance.

At that, one can highlight the main advantages of SB in the country’s economy, namely a high degree of specialization of production and the ability to work on individual orders, greater flexibility, and quick response to new ideas (Figure 2).
In turn, the state regulatory policy of promoting the development of small entrepreneurship addresses a wide range of tasks that the Russian economy faces in general. This concerns the following:

1) Attracting free economic resources to the economy is typical for large enterprises, where some employees cannot fully effectively implement their knowledge, unique abilities, and labor skills. The main reason is the organization and remuneration conditions, which do not stimulate them to total dedication.

2) Flexible and timely response to economic development trends. One of the features of small enterprises is increasing the production of consumer goods and services without significant capital investments, expanding their range, and providing a flexible, timely response to changes in demand. In this case, small local sources of raw materials and waste from large-scale production are rationally used.

3) Promoting the development of innovation infrastructure will provide the necessary prerequisites for the interaction of innovation activities and will involve in the system the necessary social, legal, economic, information, and other institutions supporting SB at all stages of the innovation cycle.

4) Assistance in solving the employment problem will ensure the involvement of qualified personnel in entrepreneurial activity according to the needs.

5) Overcoming territorial and sectoral monopolies will promote the development of competition based on the principles of honesty and quality of doing business.

6) Developing a SB is a positive alternative to the withdrawal of entrepreneurial structures from the shadow economy, eliminating its hidden position in the market by improving the environment of legally operating SB entities.
At that, it should be emphasized that the unfavorable trends that have been observed in the development of SB in recent years reflect its response to the negative processes taking place in the entire economy and society in general. Besides, the development of SB was facilitated by the fact that it was recognized by the state as one of the most important elements of the national economic system, which requires special attention and support.

In this context, the main problems hindering the development of SB are the following: the imperfection of the taxation system; instability of budget financing of regional programs to support SB; underdevelopment of financial and credit support mechanisms and risk insurance of small enterprises; lack of self-financing mechanisms; limited access of small enterprises to production facilities and property of restructured enterprises; lack of reliable social security and safety of entrepreneurs; organizational problems of interaction of SB with the market and state bodies; as well as administrative barriers to the development of SB.

In this regard, it is believed that the development of small entrepreneurship is formed based on the system interaction of the institute of entrepreneurship, information, and factors that determine the vector of its functioning, restrictions on the access of small enterprises to the production facilities, and property of the restructured enterprises. This development is caused by the transformation processes of the Russian economy, which to date have formed the quality of entrepreneurship.

At the same time, the accelerated development of small entrepreneurship in the Russian Federation is possible based on the state’s consistent policy of decentralizing economic management and improving market mechanisms. The country also lacks formulated goals of state support for SB at the regional level, considering the peculiarities of each region. Therefore, the following recommendations can be identified for effective support and identification of the main development prospects of SB at the regional and local levels:

1) To promote the formation of a favorable business climate (to bring the current regulatory legal acts of local self-government bodies in compliance with the principles of the state regulatory policy.

2) To create new jobs, reduce unemployment and stimulate the development of entrepreneurship, local authorities need to promote self-employment of the unemployed by providing them with one-time monetary aid to start their entrepreneurial activity.

3) Take measures to develop small entrepreneurship in rural areas (develop mechanisms for providing moneyed assistance to small entrepreneurs, producing environmentally friendly agricultural products, engaged in their processing and export).

4) To encourage the holding of regional competitions (tenders) for the purchase of goods and the provision of services by small enterprises at the expense of state and local budgets, as well as to stimulate the participation of entrepreneurs in the implementation of regional orders.

5) To implement mechanisms of public-private partnership in the SB sector at the local level (to attract SB entities to participate in the formation of regional policy, to create regional councils of entrepreneurs, to stimulate the implementation of innovative and energy-saving technologies in the regions).

DISCUSSION

The reliability of the presented approaches is confirmed by the fact that further improvement only at the legislative level will not be able to qualitatively change the development of SB. In these conditions, the role of regional authorities and local self-government bodies, their policy to create a favorable business environment is increasing (KUZMINA et al., 2021; LUKIYANCHUK et al., 2020; OGLOBLINA et al., 2020). Therefore, the development of these processes will accelerate due to the weakening of the impact of industry factors and the strengthening of the influence of macroeconomic processes.
State intervention to ensure the development conditions of SB should be carried out through the implementation of socio-economic, monetary, financial, structural, investment, and scientific and technical policies in the form of various levers, such as, developing targeted programs with resource support, pursuing tax and tariff policy, providing a system of state orders, subsidies, loans, guarantees, information, and marketing support, developing a system of state forecasting and programming.

In other words, state regulation represents a form of purposeful influence of the state through a system of economic and administrative methods to support and ensure the development of paid services and other types of economic activity. State support is especially necessary for a small enterprise in a situation of crisis, as it will allow it to intensify its activities, provide employment for the population, and mitigate the detrimental effect of the crisis on the economy of the Russian Federation.

At the same time, SB needs real economic freedom. While in the previous period the main emphasis was on quantitative transformations, now that a critical mass of private property has been formed, the provision of real guarantees of its inviolability becomes a priority. Therefore, the priority area of the state institutional policy and regulation is the implementation of contemporary legal and organizational mechanisms for protecting intellectual property rights. It is necessary to ensure the protection of intellectual activity from unfair competition, illegal alienation, forgery, and restriction of rights in industrial, scientific, and other sectors.

**CONCLUSION**

Summing up, it can be noted that a small enterprise is an important link, playing a fairly significant role in the economy of any country. At that, a small enterprise is an integral part of the country’s socio-economic system, ensuring the sustainability of market relations, involving a significant part of the country’s citizens in the economic relations by establishing their private business, ensuring high efficiency of production through deep specialization and cooperation of production, which favorably affects the economic growth of the national economy.

At the same time, the development of SB is possible only based on a conceptually balanced system of state and legal measures aimed at economic, social, informational, educational, and other types of support provided for SB. Without a state-legal policy in this area, the development of SB is impossible, the effectiveness of its activities is sharply reduced, while the goals and purpose are deformed.

Due to state intervention in the development of SB through the implementation of economic, monetary, financial, structural, investment, and scientific and technical policies in the form of various levers, it is possible and necessary to intensify activity, and on its basis to ensure employment of the population, and mitigate the detrimental effect of the crisis on the economy of the Russian Federation. All this will create favorable conditions for the free development and decent life of every entrepreneur.

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Improving the regulation of small businesses in contemporary conditions
Aperfeiçoamento da regulação dos pequenos negócios em condições contemporâneas
Perfeccionamiento de la regulación de las pequeñas empresas en las condiciones contemporáneas

Resumo
O artigo se dedica a melhorar a regulação das pequenas empresas nas condições atuais. Revela-se que as pequenas empresas são um elo importante e desempenham um papel bastante significativo na economia de qualquer país. É comprovado que o desenvolvimento de pequenos negócios só é possível com base em um sistema conceitualmente equilibrado de medidas estatais e legisais voltadas para as medidas económicas, sociais, informativas e outros tipos de apoio. Determina-se que, sem uma política estatal-legal nessa área, o desenvolvimento de pequenos negócios é impossível, a eficácia de suas atividades é drasticamente reduzida, as metas e o propósito são deformados. Revela-se que, devido à intervenção estatal no desenvolvimento de pequenos negócios por meio da implementação de políticas económicas, monetárias, financeiras, estruturais, de investimento e científicas e técnicas na forma de diversas alavancas, é possível intensificar as atividades e, com base, garantir o emprego da população e mitigar o impacto negativo da crise na economia.

Palavras-chave: Economia. Política. Estado. Crise. Crescimento económico.

Abstract
The article is devoted to improving the regulation of small businesses in present-day conditions. It is revealed that small business is an important link and plays a fairly significant role in the economy of any country. It is proved that the development of small businesses is possible only based on a conceptually balanced system of state and legal measures aimed at economic, social, information, and other types of support. It is determined that without a state-legal policy in this area, the development of small businesses is impossible, the effectiveness of its activities is sharply reduced, the goals and purpose are deformed. It is revealed that due to state intervention in the development of small business through the implementation of economic, monetary, financial, structural, investment, and scientific and technical policies in the form of various levers, it is possible to intensify activities, and on its basis ensure employment of the population, and mitigate the negative impact of the crisis on the economy.

Keywords: Economy. Politics. State. Crisis. Economic growth.

Resumen
El artículo está dedicado a mejorar la regulación de las pequeñas empresas en las condiciones actuales. Se revela que las pequeñas empresas son un eslabón importante y desempeñan un papel bastante importante en la economía de cualquier país. Está demostrado que el desarrollo de las pequeñas empresas sólo es posible sobre la base de un sistema conceptualmente equilibrado de medidas estatales y legales dirigidas a la asistencia económica, social, de información y otros tipos de apoyo. Se determina que sin una política jurídica estatal en esta área, el desarrollo de las pequeñas empresas es imposible, la efectividad de sus actividades se reduce drásticamente, los objetivos y el propósito se deforman. Se revela que debido a la intervención estatal en el desarrollo de las pequeñas empresas a través de la implementación de políticas económicas, monetarias, financieras, estructurales, de inversión y científicas y técnicas en forma de diversas palancas, es posible intensificar las actividades y, sobre su base, garantizar el empleo de la población y mitigar el impacto negativo de la crisis en la economía.

Palabras-clave: Economía. Política. Estado. Crisis. Crecimiento económico.