Problems and main directions of innovative development of small and medium-sized businesses in agriculture of Russia

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Abstract. The article of the current state of small and medium-sized businesses in the Russian Federation is discussed. The problems that unlike the countries of Western Europe, hamper the harmonious development of small and medium-sized businesses are noted. Most attention is paid to the problems of small and medium-sized businesses in rural areas. A large imbalance has been established between the number of small and medium-sized enterprises in rural areas and the city. The results of studies in the form of diagrams are presented. The reasons for the large difference in the number of small and medium-sized enterprises between the countryside and the city are determined. It is noted that the emergence of a large number of urban-type villages in rural areas near large cities does not change the situation. Areas of activity in which small and medium-sized businesses will more conveniently develop in rural areas are identified. Conditions have been established that will contribute to the development of small and medium-sized enterprises in rural areas. The proposals for improving the efficiency of small and medium-sized businesses in rural areas in the Russian Federation are presented. Particular attention in the proposals is given to the problem of reducing the young population in rural areas. Therefore, the submitted proposals take into account the strategic and socio-economic aspects of the development of small and medium-sized enterprises in the Russian Federation. It is noted that this approach to solving problems is used in Western Europe.

1. Introduction
An analysis of the development of innovative areas is shows that one of the main sources of economic growth in advanced countries (USA, Japan, China, Germany, etc.) is the development of small and medium-sized businesses [1-10]. The increase in enterprises in this sector of the economy increases the number of jobs, leads to increased of the competition and has a significant impact on the socio-economic situation in the country [1-12].

In addition, small and medium-sized businesses are actively involved in various environmental projects. For example, it develops methods for reliable and fast express control of the state of territories and other types of services [13-19]. Such projects in most cases are not interesting to large businesses. Even in solar energy, small and medium-sized businesses are more impoverished than large, even in the field of solar energy development [20-24]. In hydropower, especially small, the role of small and medium-sized businesses is becoming decisive. Small and medium-sized businesses are involved in the operation of dams, locks and their modernization [25-27]. In the treatment of waste
and garbage, priority is given to small and medium enterprises at the first stage of work [8, 9, 22, 28, 29]. Small and medium-sized businesses are actively introducing various means of automation in the production of products [30-33].

Therefore, the development of small and medium-sized businesses is a priority task in the economic policy of the Russian Federation. Since the dynamic and sustainable development of this economy sector is aimed at creating an effective competitive environment and improving the quality of life of the population.

2. The role of small and medium-sized businesses in the economy of the Russian Federation

In modern society, business plays an integral role in meeting the needs of the population in goods and services. Its successful activity ensures employment of the population, replenishment of budgetary and extra-budgetary funds, application of new business models and innovative technologies in practice [1-10, 34-41].

In conditions of the limited access to financial and material resources, small and medium-sized businesses are forced to look for new opportunities for its development and profit. For this, small and medium-sized businesses are actively using their intellectual potential, for example, new developments by scientists and engineers [42–44]. This is one of the most important competitive advantages of small and medium-sized businesses compared to large companies.

In the Russian Federation, this sector of the economy, despite the implementation of annual state programs to support business entities, continues to experience serious difficulties. There are several reasons for this. First of all, by organizing small and medium-sized businesses, entrepreneurs take risks. This risk is associated with the goal of maximizing profits and their self-realization. Therefore, they are ready in their business to introduce new ideas and advanced technologies [42, 45].

A special feature of small and medium-sized businesses, especially in rural areas, is the possibility of various ways to carry out their activities. These methods can be implemented both on personal work with members of your family, and using wage labor. All this is combined with the operational management of the production and economic activities of small and medium-sized businesses.

This allows small and medium-sized businesses to have their own social component in the economy. This component is expressed in the following.

- expansion of self-employment of the population;
- to the expansion of employment (in developed countries, more than half of all employees are employed in the sector of small and medium-sized businesses);
- to create jobs with low capital costs;
- the ability to receive income for the socially vulnerable population: women with small children, disabled people, ethnic minorities;
- to the strengthening and development of social ties;
- to reduce imbalances in the income of various social groups;
- to the training of skilled and semi-skilled workers through the apprenticeship system;
- to develop skills in entrepreneurial activity and management;
- to more fully meet the needs of the population.

Therefore, the main social effect of small and medium-sized businesses can be formulated as follows. This is an opportunity for a wide segment of the population to realize their organizational, entrepreneurial and creative abilities. This is especially important in rural areas. In this part of the Russian Federation, living conditions are steadily deteriorating and the outflow of the population is increasing. An innovative approach and the ability to realize oneself can help overcome these negative factors.

The according to statistics from Rosstat and the Ministry of Economic Development, the contribution of small and medium-sized businesses to the Russian economy in 2014 was 19%, in 2015 was 19.9%, in 2016 was 21.6%, in 2017 was 21.9%. In 2018, due to the crisis, the contribution decreased to 21.7%. In most Western countries, the share of small and medium enterprises in gross
domestic product (GDP) is more than 50%. For example, in Germany was 53%, in Sweden was 58%, in Italy was 68%.

The share of Russian small and medium enterprises in GDP remains insignificant (2 times lower than in developed countries). In agriculture, the difference is more than 20 times. The main factor in the growth of the number of enterprises in the western countries in the agricultural sector is the active state support, reduction of various administrative barriers, as well as the formation of a real infrastructure.

The according to the Unified Register of the Russian Federation on small and medium-sized businesses, the following information is obtained. The total number of legal entities and individual entrepreneurs, as of 10.07.2019, amounted to 6,212,137 entities. They are divided as follows:

- legal entities - 2 764 114: small enterprises 2 746 053 (of which 2 528 680 micro-enterprises) and medium-sized enterprises 18 061;
- individual entrepreneurs - 3,448,023: small enterprises 3,447,707 (of which 3,421,032 are microenterprises), 316 medium-sized enterprises.

More complete information is presented in table 1. Of all small and medium-sized businessmen, less than 1% actually work in agriculture.

### Table 1. The number of business entities and sole proprietors, as of 10.07.2019 in the Russian Federation.

| Federal district     | Micro | Small | Medium | Total | Micro | Small | Medium | Total |
|----------------------|-------|-------|--------|-------|-------|-------|--------|-------|
| Central              | 894 846 | 78 569 | 7 109  | 980 524 | 950 777 | 6 113  | 81   | 956 971 |
| North-western        | 353 768 | 28 135 | 2 155 | 384 058 | 345 534 | 2 315 | 27 | 347 876 |
| Southern             | 191 647 | 16 934 | 1 382  | 209 963 | 512 762 | 3 428 | 26 | 516 216 |
| North-Caucasian      | 45 277 | 4 251 | 419 | 49 947 | 156 172 | 787  | 9 | 156 968 |
| Volga                | 437 346 | 40 202 | 3 197 | 480 745 | 617 900 | 6 164 | 74 | 624 138 |
| Ural                 | 214 883 | 17 690 | 1 419 | 233 992 | 291 457 | 2 618 | 33 | 294 108 |
| Siberian             | 271 405 | 21 768 | 1 711 | 294 884 | 356 926 | 3 219 | 38 | 360 183 |
| Far Eastern          | 119 508 | 9 824 | 669 | 130 001 | 189 504 | 2 031 | 28 | 191 563 |
| Total                | 2 528 680 | 217 061 | 18 061 | 2 764 053 | 3 421 707 | 26 675 | 316 | 3 448 023 |

A comparative chart of the number of legal entities and individual entrepreneurs, according to the Unified Register of the Russian Federation of small and medium-sized enterprises, is presented in figure 1.

**Figure 1.** The comparative chart of the number of business entities and sole proprietors.
In figure 2 the number of small and medium-sized businesses as of July 2019 is represented. These data are obtained from a single register of small and medium-sized enterprises of the Federal Tax Service of the Russian Federation. According to statistics, the Central Federal District takes first place and makes up 31% of the total number of small and medium-sized businesses in the Russian Federation.

Figure 2. The number of small and medium-sized businesses in July 2019.

An analysis of this diagram shows a difficult to explain distribution of enterprises by Russian regions. More interesting information allows you to get the data presented in figure 3.

Figure 3. The turnover structure in the small and medium business sector by type of economic activity in 2018.
An analysis of the results shows that the sector of agriculture with forestry, hunting, and fishing accounts for less than 1.6% of the total number of small and medium enterprises. In developed western countries, where there is almost no hunting and fishing, this percentage is at least an order of magnitude higher.

3. Innovative directions of development of small and medium-sized businesses in the Russian Federation.

The reasons for the imbalance in the development of small and medium-sized businesses in various fields can be found in the data of the All-Russian Center for the Study of Public Opinion. On these data based, as well as a review of domestic and foreign studies of various authors, we can conclude. Small and medium-sized businesses are one of the main driving forces of the economic life of society, which can have a significant impact on their level and quality of life. In rural areas, this process is particularly pronounced. In addition, world experience shows that the commercial implementation of scientific research occurs only with the active development of the intellectual property market.

Given the features of the Russian Federation, for the development of small and medium-sized businesses in rural areas, multidisciplinary studies with practical testing are needed. In Russia so far, the bulk of the research is done for the sake of research itself. The lack of an intellectual property market does not allow the commercial implementation of scientific research. In some cases, research is divorced from reality. And the use of their results causes harm and losses to small and medium-sized businesses.

On the other hand, the research results showed that for the innovative development of small and medium-sized businesses in the rural areas of the Russian Federation, it is necessary to solve a number of tasks:
- the improving the conditions for tax reporting for small and medium-sized enterprises;
- the assisting in the promotion of goods and services;
- the improvement of the system of procurement of agricultural products by state bodies from small and medium-sized enterprises;
- the creation of a support and development system for small and medium-sized agricultural producers;
- the introduction of a new tax regime.

This should be addressed now, as work in the countryside is considered one of the most difficult. Every year, people are becoming less and less involved in agriculture in Russia.

4. Conclusion

The solving the tasks set in the development of small and medium-sized businesses in the Russian Federation will facilitate a number of socio-economic problems that have developed in the market, especially in rural areas. Firstly, small and medium-sized businesses will be able to ensure the formation of a competitive environment. Thirdly, the number of new jobs will increase. Fourth, businessmen is the basis for the formation of the middle class of the country's population.

In order to give the right vector in the direction of development and sustainable growth of small and medium-sized businesses in Russia, it is necessary not only a reasonable and rational impact from the state, but also people's faith in the success of their business. The prospects for work in agriculture.

The effective regulation and creation of conditions for the development of small and medium-sized enterprises in the rural areas of the Russian Federation is one of the important state priorities at the present stage of economic development.

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