

УДК 338.1  
JEL: O1, O31, P2

## FEATURES OF PROVIDING STEADY INFRASTRUCTURE OF ENTREPRENEURSHIP ACTIVITY

Vitalii A. Vernikov<sup>1</sup>

<sup>1</sup> Plekhanov Russian University of Economics, Russian Federation  
36, Stremyanny, Moscow, 113054

Candidate of Economic Sciences, Associate Professor of "Accounting"  
E-mail: vernikov72@mail.ru

Received: 04/04/2015

Approved: 04/27/2015

### Abstract

**The subject / topic.** *This article discusses the features of sustainable infrastructure of business activity.*

*The theme of the article is very relevant at the time of transformation and the onset of a new transitional phase in the global economy.*

**Conclusions / significance.** *The overall crisis in almost every sector of Russia, demanded the application of the new ideology of the organization and business management. In Russia, a new stage in the development of business management - establishment of a domestic methodology, comprehensive resources and training for the professional management on the basis of domestic achievements, global experience and creativity of its processing with the actual conditions of our country. The need to use an effective methodology for enterprise management in Russia is determined by two factors: the increasing complexity of the organization, and the fact that modern management methods widely used in countries with market economies.*

*Imperative of our time – to find a scientific management methods in order to create effective management systems. In this paper, a study of modern methods of development and management of business structures.*

*An important condition for achieving these objectives is to ensure the sustainability of development and functioning of the business, as well as strengthening its position and role in the development of socio-economic processes, both at the national and regional levels.*

**Methodology.** *Theoretical base articles were works of domestic and foreign scholars on various aspects of the theory of the world economy.*

*As a methodological basis used methods: analysis, synthesis, analogy, comparison, induction and deduction, mathematical and statistical (cluster, factor and the method of statistical surface).*

**Keywords:** *Entrepreneurship, small business, infrastructure, market infrastructure, infrastructure, infrastructure elements, institutions, infrastructure, business support, institutional, small business, business risk.*

**Correspondence:** *Vernikov V. A., Plekhanov Russian University of Economics, vernikov72@mail.ru*

**Reference:** *Vernikov V. A. Features of providing steady infrastructure of entrepreneurship activity. M.I.R. (Modernization. Innovation. Research), 2015, vol. 6, no. 2, part 2, pp. 54–60.*

Market economy, which is a favorable environment for the operation of various types of objects that differ in scope and function, requires their consistent and dynamic developing. Nowadays, entrepreneurship and business entities that carry it – entrepreneurs – are playing an important role among numerous factors of social and economic progress in most countries of the world.

The transition to market economic conditions, privatization of state enterprises in our country has led to the formation of independent economic entities. The basic principles of their functioning is not only legal independence and self-organization in all areas of financial and economic activities, implying self-financing, material and financial responsibility for the results of their activity, i.e. taking on all the business risks, the choice of funding sources, their distribution and use, prioritizing of their activities and solving other important problems of entity functioning.

Business development, creation of enterprises of different ownership and organizational forms led to the necessity of building an infrastructure system for effective functioning of business units, fully and adequately reflecting the numerous and diverse needs of business and adaptive to market conditions of their work.

The term "infrastructure" has been applied in studies of western economists and has several possible explanations of its origin. One binds to the emergence of the infrastructure construction industry, identifying it with the foundation of a building, its "skeleton" (from the Latin. «Infra» – under, below, and «structure» – structure, location). Another option links the origin of the term with a military action profile as a set of successful military operations providing facilities and communications. However, all researchers agree that infrastructure is a necessary component of any integrated economic system.

Some authors understand the market infrastructure as a combination of activities to ensure the efficient functioning of the objects of market economy and their unity in a real marketplace [2].

A well-known researcher of the problem – R. Iohimsen gives the following definition: "The infrastructure is a collection of material, institutional and individual conditions at the disposal of business units and the corresponding alignment of income associated with the same productivity factors, allowing for expedient distribution of resources to ensure the full integration and perhaps the highest level of economic activity. "J.F. Ray writes that "the word" infrastructure "has no precise definition: as a rule, it means all services required for a modern economy." Russian economist V.N. Stakhanov defines the essence of the infrastructure as a set of specific work processes for the production of services, providing the exchange of activity in social production and human life" [3].

Thus, in this interpretation the market infrastructure is understood as a set of activities to ensure the efficient functioning of the market economy and the objects of their unity in a real marketplace.

Being a specific product of a certain socio-economic system, the infrastructure in general and business infrastructure, in particular, came into existence at a certain level of economic development, as an objectively necessary consequence of the structural changes occurring in the economy of states (regions). Therefore, the business infrastructure in the aggregate of its components is a mechanism to compensate the increasing disorder and heterogeneity effects of the environment and it affects the activity of the entity in order to increase their stability in the market and the impact of the reproduction process.

Defining the boundaries of infrastructure and isolating it from the system of social reproduction, it should be kept in mind that it can not be regarded as the arithmetic sum of the economy serving the industries identified in accordance with the existing methods of classification of industries. In my view, the infrastructure separation becomes significant only in case that these industries in aggregate perform a

united function in the process of social reproduction. Only complexes of industries and activities implemented through them, which have a functional purpose and with certain common characteristics can be considered to be infrastructure. Activities of business, with the trends in the international market, allowed in a relatively short period of time to identify and to get down to the construction of the missing components of infrastructure business provision of the domestic market.

All this fully refers to the infrastructure of small business. The term "infrastructure" means a set of industries, enterprises and organizations within these industries engaged in certain activities designed to promote and create conditions for the normal functioning of small business.

A comprehensive and well-functioning infrastructure environment is one of the major factors in the development of small business and the implementation of effective measures to ensure its activities due to the forms of direct and indirect support from the government and various market structures.

The infrastructure of a small business started to develop almost from the first steps of a small business creating as an economically significant component of a new market economy in Russia. On the one hand, this process was spontaneous, the momentum for its development came from the emerging needs of a small business; and on the other hand, it started thanks to the purposeful actions of state and public organizations as well as the assistance programs for small businesses.

Small business infrastructure was originally designed to solve a two-fold task: firstly, to encourage the growth and self-development of small businesses, and secondly, to direct their activity mainly in the niches and areas of economic and business activities that are mostly promising for small businesses, as more agile and easier adaptable to the rapidly changing market conditions and flexible economic structure compared with big business.

The aim of forming the infrastructure of a small business as an independent subject of economic relations is to create favorable conditions for its development and to ensure a comprehensive and targeted support for small businesses in various fields: legal, financial, property, personnel, and providing businesses a wide range of business services.

Infrastructure of a small business is a kind of "environment" for business, able to cover all aspects of the activity and all the needs of small enterprises in different industries, different degree of "economic maturity".

The construction of infrastructural support of a small business should be based on the following principles:

- complexity;
- continuity and sustainability;
- focus and perspective;
- flexibility of institutional and financial arrangements.

The environment, providing small businesses activities, that characterize their infrastructure is a set of elements which have both internal (among the elements of the complex) and external (among small organizations) communication.

Infrastructure business activities support of small forms is achieved through teamwork of various infrastructure elements, such as: business-legal, fiscal, administrative, scientific, technical, financial, foreign, information (Figure 1).



Figure 1. Element of infrastructure of small business

Each element of the infrastructural support of small business must ensure the implementation of the positive processes in the development and management of small business. Taken together, all these elements form an infrastructure environment that provides efficient operation of small businesses.

In the federal law "On the Development of Small and Medium Enterprises in the Russian Federation" the economic category "infrastructure support of small businesses" is used, which, according to the authors of the law, includes the system of commercial and non-commercial organizations established or carrying out their activities in order to implement development programs, to support or to provide conditions for the functioning of small businesses. Also, the infrastructure of small business support includes centers and agencies, state and local funds to support small business, Credit Assistance Fund (guarantee funds, guarantees), innovation and technology centers, business incubators, consulting centers and other organizations that in one way or another are connected with the support of small businesses [1].

Thus, the elements of the small business infrastructure include state, public and commercial institutions through which the organization and provision of

various forms and types of support for a small business are carried out, i.e. availability of institutional support of a small business is the most important condition contributing to its formation, management, operation and development.

One of the key elements of the infrastructure of small business support ensuring the creation of conditions for their development and functioning is the presence of an appropriate legal environment favorable to small businesses and totally transparent, unrepugnant to each other legislative and regulatory acts of direct action aimed at effective and system support and development of this sector of economic activity - small business.

Virtually in every state with a socially oriented economy there is a law, which is a kind of a code of a small

business that provides it a real support through the creation of conditions for the development of the financial infrastructure and aims to encourage their full development (for example, the law of the PRC's "On the support and promotion of small and medium enterprises", acts of other states in the area of small business: Poland, the Czech Republic, Hungary, Japan, etc.).

In Russia the Federal Law "On state support of small business in the Russian Federation" was adopted in 1995. In July 2007, the above mentioned new law "On the Development of Small and Medium Enterprises in the Russian Federation" was adopted and it greatly enriched the existing legislative practice of the support of small business and clearly defined the position of the state and regional authorities for the development of infrastructure of small business institutions.

Normative legal acts regulate the forms and methods of government incentives and the activity of small businesses, the procedure for conducting inspections, administrative restrictions of their activities, provide tax benefits for small business, great opportunities for business associations in civil societies and organizations and accumulating of funds in the credit cooperatives.

But, despite the active legislative activity in the area of small business, one of the current problem is the large number of existing legislation and therefore they need to be systematized. The purpose of this systematization should be the elimination of gaps and weaknesses in the regulation of small businesses and the infrastructure of its support. The improvement of legislation in terms of legislative and legal infrastructure support of small business should be directed to:

1. Ensuring vertical consistency of normative legal documents with federal ones and horizontal consistency with all other legislative acts being in force at the moment.
2. Review of the provisions of the federal legislation regarding taxation in general and in small businesses in particular, in terms of its reduction and simplification.
3. Adoption of new federal and republican laws that promote a more dynamic development of small business.
4. Legislative initiative to the state authorities to limit interference by the public authorities at all levels and local authorities in certain areas of small businesses by providing administrative and criminal liability for such intervention, to provide legal guarantees of stability and long-term policy for small and medium businesses; to divide its powers to regulate and support among regional and municipal authorities regarding the development and adoption of regulations as well as the privilege for the lease payments and credit, to develop the financial and credit support of small businesses, namely to establish an effective mechanism for their concessional lending and insurance conditions for the establishment and developing of guarantee funds.
5. Revision and amending of certain provisions of the legislation directly governing the development and operation of small businesses and defining the state policy in the sphere of small business in the Russian Federation.
6. The adoption of the Law "On Basic Principles of interaction of producers associations with the state authorities, which would define the legal framework for cooperation of producers associations and public authorities, rights and duties assigned to these associations, aims and principles of their cooperation with the authorities, the peculiarities of the creation, activity, reorganization and liquidation of commodity associations, the ability to perform a number of management functions, as well as other regulations related to the protection of the economic interests of producers and the regulation of product markets.
7. The introduction of changes and amendments to the legal framework of leasing activity in the regions in order to provide tax incentives to investors who invest in these activities, the opportunities to use the assets of insolvent companies as a source of resource support for small businesses through their transfer to long-term leases or lease.
8. The adoption of national target programs at national level, the new president decrees, resolutions and ordinances governing public

support and involvement in the business activities of certain categories of people (young people, pensioners, large families, agricultural workers, orphans, etc.).

In forming an integrated system of infrastructure development and support of small businesses it is important to rely on systematic and widespread monitoring of the diverse and dynamic needs of small businesses in the services of various institutions of the market infrastructure. In addition, it is important to take quick adequate measures for establishing the missing institutions of infrastructural support of small business for its successful development.

Moreover, legal and economic conditions for interaction of infrastructure institutions to small business are likely to be different from the conditions of their work with other business structures.

To ensure the functioning and development of the small business infrastructure, constant monitoring of its constituents and institutions is required. For this purpose it is necessary to develop a system of indicators to monitor feedback loops to maximize the orientation of all the institutions of infrastructure to the real needs and real interests of small businesses. These indicators can be: the planned and actual volume of appropriations, grants and subsidies from the budgets of all levels of the budget system, allocated to support small businesses and the volumes of loans of banks allocated for this purpose, financial assistance from other sources, the total amount in terms of money provided to small business services and other indicators, in some way characterizing the scope of small business support through the involvement of various public and private sources. Probably it is advisable to decide on a more complete reflection and inclusion of these indicators in the statistical reporting.

As a rule, in foreign practice the promotion of small enterprises is rendered on terms different to that of the market (preferential loans and insurance, reasonable rent, business services at reduced rates, etc.). It is advisable that the established practice should be used more widely in Russian practice and that it should allocate infrastructure to support small businesses from a much broader set of organizations that specialize in providing various services and provide conditions for the activities of business structures.

An integrated approach to the certain elements of the infrastructure of small business objectively makes it necessary to form a unified concept of the business environment at both the federal and regional level.

The formation of development strategy of elemental components of the business environment at the federal and regional levels should be aimed at increasing the

provision of various services in the field of business, including small business, taking into account the high degree of innovation changes and volatility impact of external and internal environment factors.

Both increasing economic independence and responsibility of small businesses and responsibility of regional and federal authorities for the formation, implementation of programs of economic development of the territories, the efficient use all types of resources in order to increase the economic potential of small businesses act as economic and organizational measures in the creating of rational mechanism and regulatory processes of formation and development of the business infrastructure.

It should be noted that the most important institutions, in addition to the above mentioned, exerting an active impact on small businesses include: the system of educational and vocational guidance institutions, organizations that provide financial and brokerage services, media. These institutions determine the value systems and competitive market behavior of small business and create growth points and niches, providing acceptable stability and tolerance for risk, form expectations about the 'normal' level of profitability and income of small businesses [4].

All these organizations are the basis of infrastructure business support designed to solve all the pressing problems of small business both organizational and financial, to represent and lobby for the interests of businesses in the government.

Currently, the institutional structure developed, as it will be shown below, does not fully contribute to the formation and further development of the economically active and financially sustainable small businesses. It is seen primarily in the following positions:

- in spite of the adoption of programs and regulations, there is no working system of coordination among key institutions, infrastructures, which are aimed at providing support and assistance to small businesses;
- insufficient availability of infrastructure institutions for small businesses;
- there is still a weak link of the education market and the labor market which exacerbates low educational level of the population and entrepreneurs engaged in small business.

All this increases the "risk" of doing business in a small business and, on the one hand, creates high expectation of entrepreneurs profits as payment for risk, and on the other hand, provokes to find assurance, reliability, and profitability of business "alternative" to official [5]. This interferes with the positive development of small business, reducing its chances of success in their work, increasing the size of lost revenue.

Referring to the experience of the developed countries, it may be noted that a great variety of elements that form the infrastructure of small businesses as well as a great number of schemes and their interaction are characteristic of them. The systems of homogeneous infrastructure (agencies, centers, industrial parks) successfully operate within an integrated national or international network. For example, within the European Union (hereinafter - EU) a unified network of innovative entrepreneurial centers is created, which allows to apply the same information banks, techniques and similar requirements for projects selected by the business, to effectively use the financial resources allocated in the framework of EU programs.

Many countries have recently stepped up the process of centralization and concentration of facilities to support small businesses by concentrating in one place (under one roof) of different organizations where you can get the whole set of services provided to entrepreneurs.

Continuing the examples, the EU set up a network of research institutions on small businesses, combining institutions from twelve countries. The main goals of these organizations include an objective assessment of the phenomena occurring in the small business, and develop recommendations for government agencies, financial and economic institutions to create conditions that are mostly conducive to the development of small business.

Thus, lots of the market participants, including government and public organizations, are aimed at improving the environment of the business by improving its infrastructure provision in different areas and fields, creating a qualitatively new conditions for its operation.

At the same time, it should be noted that today's domestic and economic relations in the developed countries are characterized by a combination of private economic initiative with active economic activities of the state. But the regulating function of the state plays an important role and this is due to many reasons. First of all, this is due to the need to solve such economic problems that require collective efforts and can not be realized by the market mechanism: among them the creation and maintenance of an appropriate level of business infrastructure has an important place.

It is also explained by the important fact that, up to 90's the main method of solving problems of national importance was state business. However, in the late 80's the conditions of capital accumulation and reproduction in general altered dramatically. The shift to market-based methods of state influence on the economy demanded recovery of finance. This

has become all the more urgent that the necessity for the restructuring of the economic mechanism coincided with a terrible financial crisis. The first radical changes were made in public enterprise – a large-scale privatization was unfolded. This measure solved a number of important tasks. On the one hand, it became possible to use the catalytic role of market competition and to eliminate artificial barriers to private business. On the other hand, mechanisms of coordination of common structural strategy of development of the national economy were remained. This is particularly necessary in a situation when the trend towards the internationalization of production is increasing, while the previously existing methods of state regulation were reckoned on independent national economy.

At present the focused regulation inevitably intruded into macro- and micro-economic processes, interacting with the traditional market system. But it would be wrong to imagine that the dynamics of the modern Russian market economy should be associated only with the strengthening of regulatory elements in the economy and to derogate market economic mechanism. The market should remain the basic element of the Russian economic system, its relevance in the present conditions is increasing. However, Russian economy needs the market without its negative traits – the elements and the devastating effects of competition. P. Samuelson said: "Our task is to use useful features of the market so that the market mechanism does not lead too far away from the desired goals." In this task a state plays the major part. "The activities of the state, - emphasized Galbraith - should be aimed at improving the market and not to override or bypass it."

Thus, at present in all developed countries, including Russia, the state has an important function - it is one of the channels connecting the corporate and market systems, and establishing the rules of such interaction. As a result, today the Russian economy is based on a mixed economy, which is characterized by the synthesis of the mechanisms of market self-regulation and regulatory function of the state.

However, there are downsides to this process. The present day extension of direct government intervention in the economy leads to bureaucracy and a negative impact on the effectiveness of regulatory measures. As a famous French researcher Michel Crozier correctly noted "in the debate on the state as an economic entity two concepts of "regulation" and "regulation" are mixed". There are both natural regulation, to which economical regulation is referred, and a social one. In order to free the economy from the excess of "bureaucratization" it is necessary to understand the two types of regulations and to determine their impact on the economy".

The reduced efficiency of state enterprises is also found. There are many reasons for this. Among the main should be noted that the state is involved mainly in the low-profit sectors, unprofitable for a private entrepreneur, but necessary for the normal functioning of the economy as a whole. An insufficient degree of autonomy is also called as one of the causes of the low profitability of state-owned enterprises. Thus, the economic mechanism of modern Russian market economy should try to ensure that the state delegates to market certain sectors of the economy and patronizes the most vulnerable and "weak" economic entities, which include small businesses.

The characteristic of modern economic practice demonstrates a high degree of control of the Russian market at present. The question is not whether or not should a state participate in the economic processes but what are the measures and forms of its participation.

The issue of state regulation of infrastructural support of small businesses is constantly raised in scientific publications, and these problems are of great importance not only from the public positions, but also in terms of the inclusion of small businesses in the economic processes as competent businesses. At the same time, the vast majority of small businesses (according to various polls – 90%) did not use the opportunities of such a support or did not get it. In scientific studies, the possibilities for support of small enterprises on the part of other subjects of the economic system – such as market institutions – are not observed. Therefore, it is important to link these capabilities with the real needs of small businesses, identifying the necessary and sufficient level of government regulation, allowing to develop a small businesses system to ensure the development of the economic potential of the state.

In our country small businesses themselves and regulatory mechanisms of their support are still developing. The ever-changing "rules" do not allow small businesses to develop dynamically. And that is why we can say that scientific thought must seek ways to optimize the infrastructure support for small businesses in a variety of relationships.

### References

1. On the development of small and medium enterprises in the Russian Federation. Federal law. Meeting legislators. Russia 30.07.2007, no. 31, art. 4006.
2. Ksenofontova N.A. Guarantee mechanisms to support small business. *Small business*, 2006, no. 4.
3. Infrastructure to support small businesses in Russia. Moscow, Business Center "Agrokonsalt", 2009.

4. Ruchkan LM Improving infrastructure to support small businesses. (Collection of articles.) M.: MGUS, 2008.
5. Golikov V. State support for small businesses at the regional level. *Entrepreneurship in Russia*, 2010, no. 3.
6. Dudin M.N., Ljasnikov N.V., Kuznecov A.V., Fedorova I.Ju. Innovative transformation and transformational potential of socio-economic systems. *Middle East Journal of Scientific Research*, 2013, vol. 17, no. 10, pp. 1434–1437.
7. Dudin M.N., Ljasnikov N.V., Pankov S.V., Sepiashvili E.N. Innovation Foresight as a Tool of Competitive Development of Business Entities. *World Applied Sciences Journal*, 2013, vol. 26, no. 8, pp. 1086–1089.
8. Dudin M.N., Ljasnikov N.V., Sekerin V.D., Gorohova A.E. Historical aspects of global transformation of engineering thought in industry and agriculture in the context of changing the technological modes. *American-Eurasian Journal of Sustainable Agriculture*, 2014, vol. 8, no. 6, pp. 17–22.

МИР (Модернизация. Инновации. Развитие)

РАЗВИТИЕ

ISSN 2411-796X (Online)

ISSN 2079-4665 (Print)

## ОСОБЕННОСТИ ОБЕСПЕЧЕНИЯ УСТОЙЧИВОЙ ИНФРАСТРУКТУРЫ ПРЕДПРИНИМАТЕЛЬСКОЙ ДЕЯТЕЛЬНОСТИ

Виталий Александрович Верников

### Аннотация

**Предмет/тема.** В данной статье рассматриваются особенности обеспечения устойчивой инфраструктуры предпринимательской деятельности. Тема статьи весьма актуальна в момент трансформации и наступления нового переходного этапа в мировой экономике.

**Выводы/значимость.** Общий кризис, охвативший практически все отрасли России, потребовал применения новой идеологии организации и управления предпринимательской деятельностью. В России начался новый этап в развитии управления предприятиями – создание отечественной методологии, комплексных средств и подготовка кадров для профессионального управления на основе отечественных достижений, мирового опыта и творческой его переработки с учетом реальных условий нашей страны. Необходимость использования эффективной методологии управления предприятиями в России определяется двумя факторами: возрастающей сложностью управления организаций, и тем, что современные эффективные методы управления широко применяются в странах с рыночной экономикой. Веление времени – найти научные способы управления с целью создания эффективных систем управления. В данной статье проведено исследование современных методов разработки и управления предпринимательскими структурами. Важным условием достижения этих целей является обеспечение устойчивости развития и функционирования предпринимательства, а также укрепления его позиции и роли в развитии социально-экономических процессов, как на национальном, так и региональном уровнях.

**Методология.** Теоретической базой статьи стали труды отечественных и зарубежных ученых, посвященные различным аспектам теории мировой экономики.

В качестве методологической основы применены методы: анализ, синтез, аналогия, сравнение, индукции и дедукции, математико-статистические (кластерный, факторный и метод статистической поверхности).

**Ключевые слова:** предпринимательство, малый бизнес, инфраструктура, рыночная инфраструктура, элементы инфраструктуры, поддержка бизнеса, бизнес-риски.

**Для ссылки:** Верников В. А. Особенности обеспечения устойчивой инфраструктуры предпринимательской деятельности // МИР (Модернизация. Инновации. Развитие). 2015. Т. 6. № 2. Часть 2. С. 54–60.