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## **Socio – Economic Role of Service – Sector Small Business in Sustainable Development of the Russian Economy**

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***Abstract:***

*The aim of the present article is to summarize the results of the research on the socio-economic role of small business in the development of the Russian economy and creation of effective mechanisms for its infrastructure support on the basis of the service sector particular qualities. On the basis of statistical data and the results of their own research, the authors prove the increasing importance of service-sector small business in the sustainable development of the Russian economy. At the closing part of the article the authors justify the necessity of the creation of the mechanisms which are able to support the service-sector small business in terms of its features.*

***Key Words:*** *Russian Economy, Small and Medium Sector Enterprises, Socian and Economic Environment*

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***JEL Classification :***

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## **1. Introduction**

The investigation of the tendencies of the development of the economies of developed and developing countries more distinctly reflects the trend directed on the increasing of the service sector role. In its turn, the service sector possesses a high proportion of small and medium enterprises that are badly influenced by the deterioration of the macroeconomic situation. It is also impossible to dispense without the science-based approaches to the creation of such business support-tools.

It is worth mentioning, that the issues of the small business and the development of its support infrastructure in the service sector are underresearched in the modern literature. It can be noted that such scientists, as Omarova K.A., Sushchenko D.I., Mardanova G.A., Tatarskaya O.V., Yuts A.U., Ilyukhin V.V., Velibekova D.M., Magomedaliyev M.A. etc. reveal in their works only the separate issues of the small business development in the service sector of economy. (Velibekova, 2006; Mardanova, 2000; Omarov, 2011). However, active and often spontaneous development of the small business in the service sector requires a close attention to it.

Studying the aspects of the legal regulation of the small enterprises activity, it may be remarked, that development and support of the small business are the objects of great emphasis from the state, both, in Russia and abroad. This represents a very significant social and economic role played by small business in the economies of the countries, standing at different stages of development. The successful and harmonious development of the small business sector attests to the healthy economy, firmly standing on its feet and having a tendency to sustainable growth. Small business is an integral part of economic relations. Harmoniously fitting into their structure, it provides healthy competition and creates place of works.

Based on the study of the works of a number of the scientists (Dzhandzhugazova, 2013; Kostina, 2002; Mardanova, 2000; Omarov, 2011; Tatarskaya, 2001), the authors highlight the following key positive features, inherent for small business in the service sector:

- formation and maintenance of the natural competitive environment, that stimulates the optimization of the correlation between price and quality of goods and services, and is a natural anti-monopoly regulator;
- flexibility, agility, mobility and adaptability of small business allow it to adapt to the rapidly changing situation on the modern markets and meet consumer demand, both individuals' and large companies'. This feature is especially required in condition of high differentiation of the consumer demand and growth of the offered services range. High productivity of the

operation is impossible without formation of both deep specialization and extensive cooperation;

- creation of new places of work-the most important socio-economic function, which significantly reduces the level of unemployment, provides population with means of subsistence and stabilizes the situation within society;
- innovative potential, implemented by means of development and introduction of new services. Working in conditions of tough competition for purposes of profit, small enterprises actively use the opportunities opened by the era of scientific and technological revolution. No doubt, small business cannot afford to hold large-scale research and development, though, in the developed countries such as the United States, it accounts for over 50% of scientific and technological developments and innovations;
- small business serves as the foundation for the formation of the middle class, which is the guarantor of stability and sustainable development;
- attraction of own resources and free resources of population for the entrepreneurship;
- development of new forms of cooperation, such as franchising and marketing partnerships.

Thus, service-sector small business performs important social and economic functions, so the ongoing increase of its role is not an accident but a necessary pattern. The development of small business in the USA and Western Europe has a rich history. However, on the Post-Soviet space, small business has been forced to start from scratch and its history totals a quarter of a century.

## **2. Methodological Framework**

Scientific works of such authors, as A.O. Blinov, V.S. Balabanov, V.P. Bychkov, M.V. Bepalov, I.V. Kirichenko, A.G. Komarov, A.U. Paholkova, U.L. Starostin, L. L. Topysheva, V.A. Schwander, B.M. Shirokov, I.N. Shapkin, E.G. Yasin, N. Moiseyeva, U. Osipov, E. Utkin and others have served as a methodological basis of research on the socio-economic role of service-sector small business in the sustainable development of the regions and states. They are dedicated to the evaluation of the role and importance of small business, the specifics of its development and functioning and legal regulation of its activity. Research on the questions of the state support of the small and medium enterprises have been carried out in the works of the following scientists: T.P. Afanasyeva, A. Y. Bimbad, E.M. Bukhwald, A.V. Vilensky, S.U. Lebedeva, M.G. Lapusta, V.G. Makeev, A.V. Todosiychik, S. E. Shepeleva, etc. The works of such foreign authors, as J. Brights, M. Weber, A. Mills, F. Knight, M. Peters, J. Charlton, J. Schumpeter cover the questions of characteristics and patterns of small business development (Schumpeter, 1949; Knight, 1961).

In the course of research on the socio-economic role of service-sector small business in the sustainable development of regions and states, the authors have been using various pieces of statistical data for the recent years, as well as their own studies that have led to the conclusion that along with the development of society people are increasingly in need of providing the quality medicine services, education, culture, housing and recreational services. The needs of society generate structural changes in the economy, service sector is gaining pace.

### **3. Results**

#### **3.1 Assessment of the Key Indicators of Service-Sector Small Business Performance**

According to Rosstat, the service sector share in GDP has increased in Russia by 6.3% for the period from 1995 by 2013, respectively from 51.4% to 57.7%, at the same time there is a decrease in the share of material production from 41% to 28, 8% during the same period. Employment in the service sector also increased from 56.1% in 1995. to 71.1% in 2013 (Russian Statistical Yearbook,2014). The rapid development of the service sector in the international community was noted already in 1970-1980, while in the USSR, this sector occupied insignificant place in the economy, in spite of the achievements in medicine, education, culture and sport. Even at the present stage of development, the service sector in Russia remains behind the world trends, where its share in the gross domestic product contains more than 70% (Akhmadishina, 2014; Russian Statistical Yearbook, 2014).

Analyzing this and another statistical data, it can be resumed: small enterprises increasingly occupy the market niches of the service sector, their number makes up more than 84% of the total number of enterprises. According to experts, the development of small business is one of the most cost-effective and fastest way of service sector development (Gorokhova, 2013). Small enterprises mobility gives to country the ability to quickly adapt to the new needs of society. Small business creates a competitive environment and development of services market. Under the conditions of crisis and unemployment it is able to create new places of work on principles of self-employment and employment. Problems and prospects of small business development remain relevant at the present stage of unstable situation, caused by the introduction of new sanctions.

To estimate the contribution of service-sector small business to the economy it is necessary to compare the key indicators of small business performance in Russia and abroad. For comparison the authors will use the figures of the Federal State Statistics Service for the period of 2010-2013 years in Russia in absolute and

relative terms about the qualities of small enterprises, the size of their turnover, number of employees, etc. (Table 1)

**Table 1. The key indicators of the performance of small and medium enterprises for 2010-2013 years**

indicators	Medium enterprises			Small enterprises)					The tempo of growth,%
	2010	2011	2012	2013	2010	2011	2012	2013	13/10
The number of enterprises (at the end of the year), thnd. ps.	25.2	15.9	13.8	13.7	1644.3	1836.4	2003.0	2063. 1	125.5
including: in the sphere of material production, ps.	9 728	7 663	6 649	6 462	238 363	252 428	277 689	282 354	118.5
in the service sphere, ps.	14 951	8 278	7 115	7 218	1 381 372	1 556 567	1 695 734	1 750 182	126.7
Average number of employees (without external), thnd. people	2 426.7	1 964.4	1 719.5	1 630.7	9 790.2	10 421.9	10 755.7	10 775.2	110.1
including: in the sphere of material production	1 199.2	1 051.3	1 051.3	1 856.3	823.6	2 298.3	3 510.7	2 297.5	279.0
In the service sphere	1 190.6	874.3	874.3	742.5	6 597.6	8 058.2	8 385.2	8 401	127.5
Average monthly wages, rub.	17 246	19 824	21 537	23 961	12 367	15 743	16 711	17 948	145.1
including: in the sphere of material	98 003	113 588	121 489	135 293	62 821	80 057	85 953	94 274	150.1

production									
In the service sphere	131 730	175 099	193 019	217 625	96 609	122 939	130 322	138 110	143.0
turnover, bln. rub.	7 416.2	150.4	710.6	717.5	18 933.8	22 610.2	23 463.7	24 781.6	130.9
including: in the sphere of material production	1 598.6	534.1	469.4	506.3	2 242.7	2 563.9	2 854.6	3 031.8	135.2
In the service sphere	5 687.1	3 616	3 241	3 211	16 369.1	20 013.2	20 587.5	21 723.8	132.7
Investments to the capital stock, bln. rub.	209.3	262.2	209.1	274.3	520.3	431.6	521.5	574.9	110.5
including: in the sphere of material production	118.2	144.5	133.9	168.1	-	148.8	185	170.5	114.6
In the service sphere	89	113.6	73.8	104.3	-	279.5	335.9	403.1	144.2
Fixed assets, bln. rub.	1 232.5	394.2	657.2	689.7	16 27.2	17190.2	19 628.5	63 724.1	385.6
including: in the sphere of material production	665.3	721.3	654.1	778.2	778.8	879.3	1 454.6	1 779.9	228.5
in the service sphere	537.2	603.1	790.6	832.2	3 921.6	3 886.2	4 798.6	6 588.5	168.0

Current assets bln. rub.	2 185.6	2 579.5	3 443.9	3679.1	13 010.2	14 927.6	18 121.1	61 358.8	471.6
including: in the sphere of material production	845.6	884.8	938.9	1043.6	1547.9	1434	2 015.4	3 027.4	195.6
in the service sphere	1 245	1 514	2 257	2 540.8	10 457.9	12 668	14 955.3	23 539.2	225.1
Capital and reserves, bln. rub.	850.4	986.1	1 267.4	1283.7	14 631.1	15 211.5	17 501.4	18 591.1	127.1
including: in the sphere of material production	451.4	490.4	514.2	564	532.1	628.9	1 340.9	1 335.7	251.0
in the service sphere	389.7	481.6	635.4	681	2 414.9	2 439.1	2 815.9	4 793	198.5
Net financial result, mln. rub.	139 387	162 101	216 277	20015 9	535994	474168	950211	14370 52	268.1
including: in the sphere of material production	62012	68 827	79 735	67 920	78 204	81 036	105 957	159 114	203.5
in the service sphere	76 085	89 932	133 436	11 6396	365 044	400 176	610 145	126 3154	346.0

Note: The data on the small enterprises investments for 2010 is not provided.

Source: Made up by the authors on the basis of Rosstat data.

[http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/ru/statistics/publications/catalog/](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/publications/catalog/)).

The number of small enterprises in Russia at the end of 2013 was slightly more than 2 million. On the whole, it can be concluded that during the analyzed period, all key indicators of small business performance increased: the number of enterprises grew by 25.5%, while the growth rate of the number of service businesses is more (26.7%) than the growth rate of material production enterprises (18, 5%); the

average number of employees increased by 10.1%, in the sphere of material production- by 79%, in the service sphere- by 27.5%; the average monthly wages increased by 45.1%, in the sphere of material production- by 50.1%, in the service sphere - by 43%; turnover of enterprises increased by 30.9%, in the sphere of material production- by 35.2%, in the service sphere- by 32.7%; investments to the capital stock increased by 10.5%, typically ,that in the service sphere more (44.2%) than in the sphere of material production (14.5%); fixed assets increased by 285.6% in the sphere of material production - by 128.5%, in the service sphere - by 68.0%; current assets in their value increased by 371.6% in the service sphere their cost increased to a greater degree (by 125.15%) than in the sphere of material production (by 95.6%); capital and reserves increased by 27.1% in the sphere of material production - by 151.0%, in the sphere of service - by 98.5%. It should be mentioned that net financial result for all small enterprises is positive, but at the same time it has a great tendency to increase in the service sphere (by 246%) than in the sphere of material production (103.5%).

The next step will be to analyze the contribution of small and medium enterprises into the main economic indicators of Russian businesses for 2010-2013 years (table 2).

**Table 2. The share of small and medium enterprises in the main economic indicators of the Russian businesses for 2010-2013, in percent**

indicators	Medium enterprises				Small enterprises			
	2010	2011	2012	2013	2010	2011	2012	2013
The average number of employees (without external)	5.2	4.3	3.7	3.6	21.0	22.7	23.4	23.5
Turnover	7.1	5.1	5.4	4.9	21.4	22.2	21.1	20.5
Investments to the capital stock	2.3	2.4	1.7	2.3	7.2	3.9	4.1	4.3
Fixed assets	1.6	1.6	1.7	1.1	21.9	20.3	19.8	40.6
Current assets	3.8	4.0	4.4	2.3	22.4	23.0	23.1	39.1
Capital and reserves	1.3	1.4	1.5	1.4	21.7	21.0	21.2	20.5

Source: Made up by the authors on the basis of Rosstat data.[http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/ru/statistics/publications/catalog/](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/publications/catalog/)).

Analyzing the data of table 2 it can be noted that proceeds from the sales of goods, works and services made up 20, 5% for small enterprises and 4, 9% for medium to the total turnover of the country. Respectively, the share of small enterprises employees-23, 5%, and those of medium enterprises-3,7%. Thus, there is a tendency of increase in small enterprises key indicators and decrease in the share of medium. One indicator (investments to the capital stock) is out of the range- if for medium

enterprises it remains at the same level as to the share of investments, for small enterprises it has decreased nearly by 3 percent.

Taking into account the present data (Small and medium business in Russia, 2014; Mardanova, 2000; Predvoditeleva & Balaeva, 2008) and the results of the authors' research it can be concluded that there are 5 main reasons, contributing to a decrease in investment activity of small business in the service sector:

- lack of own financial resources (49% of respondents point to this cause);
- a high percentage of commercial loans (28%);
- insufficient demand for the products and the uncertainty of the economic situation in the country (24%);
- investment risks (14%);
- poor condition of the technical facilities (11%);
- other factors compose less than 10%.

The next direction of the research will be the studying of the dynamics of economic indicators of individual enterprises in Russia for 2010-2013 years (table 3).

**Table 3. Proceeds from the sales of goods, works and services and the number of workers, employed in individual enterprises sphere**

indicators	2010	2011	2012	2013	The tempo of growth (2013 to 2010)
Proceeds, bln. rub.	4 671.2	8 057.2	8 707.4	9 732.9	208.4
including: in the sphere of material production	380.3	345.5	378.3	448.8	118.0
In the service sphere	4 192.8	7 624.8	8 220.6	9 149.4	218.2
The number of employees, thnd. people	5 385.9	5 453.1	5 647.1	5 429.5	100.8
including: in the sphere of material production	898	787.8	769	802.9	89.4
In the service sphere	4 311.9	4 502.5	4 694.9	4 433.1	102.8

It should be mentioned, that the statistical data of Rosstat does not include individual entrepreneurs (IE). The total number of registered IE at the end of 2013 composed 3 million 382.1 thousands, which is 12.9% less than a year ago. If judge by revenues

and the number of individual entrepreneurs, the service sphere businessmen succeed more in their activity (table 3). Revenues for the present period increased by 118.2%, the number of employees in the service sector increased by 2.8%. The twofold increase in the pension contributions rate in 2013 (from 17 thnd. To 35 thnd. rub.) led to the drastic fall in the quantity of self-employed people. Thus, the total number of small enterprises in Russia can be estimated a little over than 5 million. It should be mentioned that Russian business management practices the creation of small business enterprises in order to optimize the taxation and evade taxes. There can be non-official offices of large companies, the so-called "grey firms", one-day firms, enterprises, opened for the realization of fraudulent schemes on the use of budget funds. They fall into the statistical sampling and inflate the official statistics.

### **3.2 The analysis of the performance of the small enterprises on the basis of their economic activity**

Not less important are the indicators of small business enterprises, based on the types of activity. The situation is positive, when the present sector operates in real and innovative spheres of economy. Traditionally, according to Rosstat, service-sphere small business takes a large share in the proportion of companies: the units of wholesale and retail trade; repair of vehicles, motorcycles, household goods and personal items (39.1%); enterprises, carrying out operations with real estate, provision of services constitute 20.3%; construction sphere provides 11% of small business organizations. The firms of other types of economic activity occupy less than 11%. For the medium enterprises the situation is quite different: the first place belongs to the sphere of wholesale and retail trade; repair of vehicles, motorcycles, household goods and personal items (24,7%), the second- manufacturing industries (24.5%), the third - agriculture, hunting and forestry (18.4%), followed by - construction sphere (11.4%).

The information, based on the small business turnover data is almost the same, i.e. the leader is again the service sphere: the turnover of the units of wholesale and retail trade; repair of vehicles, motorcycles, household goods and personal items has composed 58,4% to the end of 2013; small enterprises, carrying out operations with real estate, provision of services provide a turnover of 10.5%; construction accounts for 11% of total turnover. Thus, the conclusion that can be drawn from the above is that small firms successfully operate in the service sphere, while medium enterprises-in the sphere of material production, exception is the trade sector, which is actively developing in general for small and medium enterprises (Rosstat, 2014 ). It is obvious that the share of the real sector of economy is small and points to the structural disparities in small business.

Quite different situation is seen in the economies of the foreign countries. There small enterprises traditionally belong to the economic sector which gives a significant contribution to the gross domestic product and provides a considerable part of the population with work places.

The data on the EU countries for the year 2012, based on the study of the analytical center of SME Bank (Table 4).

**Table 4. Number of enterprises in the EU**

The size of the enterprise (number of employees)	The number of enterprises, mln. ps.	% total	Employment, mln. ps.	% total	Gross value added, trln. eu.	% total
Small and medium business (0-249), including:	20.73	99.8	87.48	67.4	3.59	58.1
Micro (0-9)	19.14	92.2	38.4	29.6	1.3	21.2
Small (10-49)	1.36	6.5	26.77	20.6	1.14	18.5
Medium (50-249)	0.23	1.1	22.3	17.2	1.14	18.4
Large (250+)	0.04	0.2	42.32	32.6	2.59	41.9
Total	20.77	100	129.8	100	6.18	100

Source: Small and medium business in 2012: international experience in management and finance / Analytical Center SME Bank.

The total number of small and medium organizations in the EU countries is estimated at 20 mln., that provides 58% of GDP and 67% of all work places. In the US, every third family is occupied in the field of small business in one of 20 million enterprises, providing employment for more than 50% of the population and up to 40% of the gross national product. The same pattern can be observed in other countries - Japan, the UK, China, Singapore. And the rapidly developing economies such as China, South Korea, India, Brazil are mainly built on small business. It is also noted that the share of the service sphere in the GDP is up to 70 %. Thus, there is a significant backlog of small business sector in Russia against the economies of the developed and even developing countries.

### **3.3 The problems and peculiarities of Russian small business performance in the service sphere**

Despite the dynamic development of the service sector and, particularly, small business, there are a number of objective causes that hinder the development of the service sector of the economy. Market relations predetermine the change of the tasks and functions of service sphere, organizational and legal forms of business activity, appropriate for the demands of the times, the system of revenue generation and, respectively, the change of the firms' action strategy (Omarov, 2011).

Current economic conditions require a diversity of ownership forms, organizational structures, business ideas and financial strategies for the development of small enterprises in the service sector. Although the service sector of economy has more than 20 years of enterprising development behind, but still small business experiences problems related to lack of experience: there is a flow of new staff and modern generations who do not possess necessary professional skills (Suptelo, 2015). In the service sphere, management itself and marketing should be built on another principle, different from that of material production, as we are dealing with a particular product - non-material service. In many ways, the service sector is focused on the population that forces to develop such marketing direction as social marketing, which is mainly implemented by the state and is undeveloped in the business community due to its low profitability. Selected financial, investment, commercial and innovative strategies are not of integrated nature. They are implemented fragmentary and are sometimes inappropriate for modern market requirements.

Of course, there exists such factor as the legal framework that regulates the service sector. Despite the variety adopted regulations (laws of the Russian Federation «Consumer protection laws», federal laws of Russia «On Education «,» On banks and banking activities «,» On auditing «,» On general tourist activity in the Russian Federation «etc.), it can be noticed that they are imperfect and often contradictory, and, of course, require good legal knowledge from the entrepreneurs, which in itself is a challenge, as in small business, one person should combine the positions manager, economist, accountant, lawyer, marketer, merchant, PR-agent, etc. In addition, while creating your own business one need to take into account the historical, territorial, regional, national features of the development of services in Russia and especially the current state of politics, economy, culture, specifics and trends of the structural changes of the economy that expects such competences as the possession of information-search skills and analytical methods.

The main problem of the service-sector small business - is the lack of effective management at all levels of management , which needs improvement and the search for new effective tools and mechanisms ,as continuous crises with a period of 3-4 years indicate instability of the Russian economy and its vulnerability caused by the lack of very these effective mechanisms. Mostly, the banking system suffers from

the crisis. In turn, economic failures in the banking system have a negative impact on other sectors activity. The existing tax system restrains the growth of business activity in the service sector. Adopted programs of support and development of small and medium enterprises do not take into account the specifics of the service sphere development, they are focused on the general issues of financial, property, consultancy and information support of the small business (Omarov, 2011). There are a range of other problems: lack of production spaces relevant for sanitary norms and rules of accommodation of public service establishments; the poor quality of most services and the necessity to improve the service grades; price barriers in obtaining personal services for citizens with low and even middle-income; asymmetry of information market and lack of public awareness about personal service enterprises and the services they provide.

Adopting the program of the service-sector small business support in Russia, the peculiarities of the sphere and specifics of the very category «service» are to be taken into consideration (Akhmadishina, 2014; Baranov, 2014; Velibekova, 2006; Gorokhova, 2013; Mardanova, 2000):

- the intangible nature of many services that does not allow to assess and consider their quantitative characteristics, which makes it difficult to use existing instrumental methods of monitoring and verification;
- the service sector is more actively than other industries developing with the evolution of Internet technologies, in general, it is more sensitive to changes in market conditions, more mobile compared to the sphere of material production, and responds rapidly to changes in the needs of the population;
- being a dynamic industry, the service sphere is ahead of the development of infrastructure of the small business support, which is an obstacle to its further growth;
- the service sector is more a basis for the development of social sphere, improvement of the quality and standards of living;
- the provision of services does not suppose the transfer of ownership;
  - the service leads the material production, but it does not change the product itself, it changes its quality, through the provision of certain services (after-sales service, crediting, etc.);
- the service sector supposes a rapid turnover of the capital and payback as a consequence of the short production cycle;
- there is a high degree of service differentiation, which is associated with diversification, individualization and personification of demand for services and is observed as an important stimulus to innovation in the service sector, as the complex structure of demand leads to the occurrence of new, non-standard services, the search of brand-new ones becomes a permanent process, increasingly developing with the saturation of the demand.

#### **4. Conclusion**

Taking into account the above mentioned specific factors, and also based on the intentions of the federal and regional authorities to support small business, the reasonable step is to create favorable conditions for its development with the purpose to strengthen the social and economic importance of small enterprises in sustainable development of the economy. Support of small businesses will allow implementation of its innovation potential. The cooperation of business structures and the state with the active support of small business can be regarded as a necessary step in the modernization of the economy. It will be justified and advisable to develop and maintain the service-sector small enterprises, as reinforcing spontaneously established market trends, the state will spend the less efforts and financial resources on supporting small business.

Summing up their own research on support of small business, and research of their colleagues on the development of the service sector of the economy, the authors suggests improvement of the existing tools of small business support as well as development of new ones in order to form a stable middle class in the country (Dzhandzhugazova, 2013; Averin & Ryazanov, 2015; Kostina, 2002; Mogzoev, 2011; Omarov, 2011; Kiselev, Svetovtceva &, Rudenko, 2015; Rudenko et al, 2015; Bunakov et al,2015):

- to develop an effective system of the small business support infrastructure, reaching its uniform development within the regions with the aim of providing the equal access to infrastructure support of all subjects;
- to develop a system of provided services quality
- to involve big business in the system of small business support through the implementation of public-private partnerships;
- to provide favorable tax treatment and tax holidays;
- to keep the demand for small business products and their sale by means of integration of small firms into existing logistics chains of large enterprises;
- in terms of inflation to revise and increase the threshold values of proceeds and the balance costs of the assets to classify the companies into the category of small enterprises;
- to reduce the number of supervision checks for small firms;
- to moderate the state regulation of small business activity, but at the same time to tighten legislation, aimed at increasing the degree of consumer protection;
- to reduce the limitations in the trade of services;

- to modify the regulatory framework in the direction of reducing the number of legal acts and improvement of their quality;
- reduce the time constraints for registration of a business undertaking and to simplify the procedure of connection to heat, electricity and water;
- to strengthen information support to the small companies and make it more transparent and accessible;
- to develop a more effective financial mechanisms to support the small firms; to improve the mechanism of guarantee and credit insurance of small business subjects, with the purpose of further replacement of direct subsidiaries to the system of credit;
- to form free courses for beginning entrepreneurs with combination of distance and presentia seminars on sectoral basis;
- to strengthen the consulting support of small business and to form the basis of the complete complex financial strategies for development of the service sector business;
- to develop and implement the regional policies for the creation of system of goals, objectives, legislative and economic measures for the development of services, in order to maintain the stability of the demand of the vast masses of the population for services during the crisis.
- The implementation of above mentioned tools of small business support infrastructure will contribute to the strengthening of the role and importance of small firms, expansion of use of market mechanisms, reduction of the impact of negative tendencies, arising in the process of operation of the service economy and, in general, allow moving to the sustainable development of Russia economy.

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