Assessment of the Competitiveness of Regional Systems of Entrepreneurship of the Southern Federal District

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Abstract: In this study as a methodological basis for the conditions of competitive functioning of small and medium enterprises in territorial economic systems of various levels, we considered the methodology of enterprise management, the creator of which is a famous scientist and consultant-practitioner in the field of corporate governance Itzhak Adizes. This methodology offers a number of original ideas, the application of which in the management of subjects of economic activity allows ensuring their successful functioning. The authors proposed an algorithm for assessing the competitiveness of business systems based on the definition of indicators of functionality, consistency, proactivity and organicity. Each of these indicators was calculated using officially published statistical data. A practical assessment of the competitiveness of entrepreneurial systems was made on the example of regional entrepreneurial systems of the Southern Federal District of the Russian Federation. This assessment made it possible to identify «bottlenecks» in the competitiveness of regional entrepreneurial systems and to form practical recommendations for their elimination.

1 INTRODUCTION

The economy of the Russian Federation is currently undergoing a very difficult historical period. Russian enterprises, industries and regions are facing serious challenges caused, on the one hand, by unprecedented economic sanctions from Western countries and, on the other hand, by the acute need to competitively promote their own products in the domestic market.

The rational solution in this situation is the effective development of Russian small and medium enterprises, for which the actual improvement of mechanisms and management tools that, ensure, above all, the successful and competitive functioning of small and medium enterprises. As part of this requirement, new challenges arise for both economic science in general and for its managerial applications, in particular.

A special place in the processes of strengthening economic sovereignty traditionally plays a small and medium enterprises. Russian entrepreneurship in recent decades has formed and has become a full-fledged pillar in the economic development of the country. It has proved its ability to be a driver in certain branches of economy as well as to adapt and survive various crisis processes and phenomena in economy. Therefore, ensuring the competitive functioning of this sphere of the country's economy today is an extremely important task, and the direction of improving the process of state support for entrepreneurship in the face of economic sanctions is the highest priority at all levels of public authority.

The study of the management process of socio-economic system of any level, as well as any economic entity, should be carried out in the framework of the system approach. Under the system approach, the management process is presented within the framework of the economic system under study (the system of an economic entity, the system of organization, etc.).

It should be noted that the interaction in the management process of the subject and object of management (controlling and controlled subsystems) is carried out in constant accordance with the purpose

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of management, in the definition and achievement of which the subject and object of management are constantly involved. Management decision, in turn, is a rather complex system process. This process was studied in quite detail in the works of Itzhak Adizes (Adizes, 1979; Adizes, 1985; Adizes, 1999), who presented a managerial decision as consisting of two processes - the process of developing a managerial decision and the process of its practical implementation.

The authors of the present study adhere to the same concept. Obviously, in the management process model, the process of developing a management decision is the prerogative of the management system, the management subsystem or the management entity, and the process of implementing a management decision is the prerogative of the production system, the management subsystem or the management entity.

This corresponds to the logic of the management process. When developing a managerial decision, an «image» of the future decision is formed, which is «transmitted» by direct communication from the subject of management to the object of management. When implementing a managerial decision, the information about the state of the production subsystem, determined primarily by the process of implementing the managerial decision, is «transmitted» from the control object via feedback.

2 MATERIALS AND METHODS

Problems of definition, an estimation and increase of competitiveness of the enterprises always remain actual and constantly are in the center of attention both foreign and domestic scientists, experts and analysts. So, according to M. Porter, one of the leading experts in the study of competitiveness, enterprise competitiveness is closely related to its productivity (Porter, 1998). L. Greiner notes that the competitiveness of an enterprise is characterized by changes in the intensity of various managerial priorities, the turbulence of change when an enterprise experiences a cyclical revolution (Greiner, 1972). T. Cummings, C. Worley believe that enterprise competitiveness means how well an enterprise is able to use the available knowledge capital (Cummings, 2005). R. Quinn, K. Cameron characterize enterprise competitiveness and development through changes in three criteria: entrepreneurialism, formalization (control) and adaptability (Quinn, 1983).

Every enterprise that wants to succeed in the market must build a competitive open business model that will distinguish it from its competitors (Teece, 2010; Schneider, 2013). According to A. Balkyte, M. Tvaronavičiene, the need for constant renewal creates the need for modernization, so enterprises have to look for solutions by which their current activities will be competitive and can be performed much more efficiently (Balkyte, 2010).

T.M. Egan describes the enhancement of enterprise competitiveness by the following criteria: organizational renewal, increase in profitability, change in organizational culture, improvement of organizational well-being, strengthening of learning and adaptation processes (Egan, 2002). A. Witek-Crabb, having identified three main aspects of enterprise development (organizational integrity, systemic approach, adaptability), in his study concludes that as enterprises grow, their management also changes, but does not necessarily become more mature in all the aspects studied (Witek-Crabb, 2014).

Russian scholars also justify the necessity of effective development of entrepreneurship and increasing its competitiveness through the improvement of management mechanisms and tools, using, among others, foreign experience. Thus, in their study (Komarova, 2017) Russian scientists I.P. Komarova and V.L. Ustyuzhanin study the reasons for the loss of competitiveness of the world's leading companies, occupying leading positions over a long period of time and come to the conclusion that the loss of sustainable competitiveness occurs as a result of the combined action of external and internal factors. The problem of a parity of competitiveness of regional business and competitiveness of regions of the Russian Federation are considered by such Russian researchers, as: M.R. Safiullin, N.Z. Safiullin, U.A. Saipullaev, L.N. Safiullin (Safiullin, 2013); V.N. Komarova, O.V. Zjablova, R.R. Denmukhametov (Komarova, 2014); N.V. Kuznetsova, N.A. Vorobeva, A.V. Koroleva (Kuznetsova, 2015); G.Y. Gagarina, N.A. Moiseev, A.V. Ryzhakova, G.V. Ryzhakov (Gagarina, 2016); and many others.

According to Yitzhak Adizes's methodology (Adizes, 1999), in order for a socio-economic system to be effective and efficient in the short and long term time horizons (or periods), its management must ensure the realization of four qualities: functionality, systemic, proactive and organic. These four qualities are characteristic of any socio-economic system, but in different degrees, one system is more functional and less systemic, another - more systemic and less proactive, etc. Any system, figuratively speaking, at

each moment of time demonstrates one or another degree of manifestation of each of the four functional qualities. These qualities should be considered as functions, which the activity of the socio-economic system is aimed at, in order to ensure the successful functioning.

Efficiency in the short term is characteristic of socio-economic system, if it shows its functionality, namely performs its main function - the satisfaction of the needs of the market, the needs of customers. Obviously, this is the main result of the functioning of the system, that is, the function for the sake of which the system exists. The management process is aimed at revealing this quality (one of four) by the system. Management, which provides effectiveness of a controlled system, is effective. Note that not only the successful production process in a separate system of small and medium enterprises, but also the successful promotion of its products and its successful realization causes effectiveness in this understanding.

Efficiency in the short term the socio-economic system manifests itself if it is systemic. This is ensured by the achievement of systematization of all its processes in the management process. Systematization of processes, occurring within the framework of socio-economic system functioning, means the realization of such processes as analysis, administration, budgeting, control, audit, monitoring, rationing, regulation, ordering, etc. In general, it is aimed at ensuring the effective resource provision of this process in the functioning of the system. Management that ensures the systemic nature of the managed system is effective.

The effectiveness in the long term socio-economic system is manifested if it is proactive, that is, the management of the system provides in it constant innovations and changes aimed at adapting or adapting to new challenges and threats. All this generally contributes to the innovative activity of the socio-economic system. Such activity of the system unambiguously contributes to the manifestation of competitive advantages by the products to be produced in the future. Specific management to ensure performance in the long term is carried out, figuratively speaking, in the present, and is aimed at obtaining results in the future. A system's proactive (upfront) design of products with competitive advantages is a condition for ensuring that system's competitiveness in the future. Proactivity is a quality that supports the innovative provision of competitiveness. The manifestation of proactivity by entrepreneurial systems (business entities) is the most characteristic feature of entrepreneurial behavior, which is based on entrepreneurial initiative and pursuit of everything new.

Efficiency in the long term, the socio-economic system manifests itself if, because of management, it is organic. This functional quality of the system is due to the existence of integrating dependencies and connections between its elements, and which provide the system with adaptation to changes in the internal and external environment. Some elements of the system «take over» the responsibilities of other elements of this system for the purpose of adaptation. To implement this functional quality in a separate socio-economic system of the meso- and macroeconomic level (countries, federal district, and region), management should be aimed at the integrative interaction between the structural elements of the system, as well as the interaction of these elements and the system itself with the external environment.

An example of the manifestation of organic behavior in the management of small and medium enterprises is the activity of territorial clusters, where solely the integration processes between the economic entities and industries included in the cluster determine the success. Integration interaction of cluster participants within a territorial cluster contributes to the reduction of costs of their interaction with each other in the issues of production, resource provision of production and sales. In general, it ensures an increase in the competitiveness of each of the cluster participants.

Thus, the methodological foundations proposed by Adizes's theory can be considered as conditions for successful management of socio-economic systems of different levels (economy of the country, district, region, industry), ensuring their successful functioning (Table 1).

Table 1: Functional qualities of the system that ensure its successful management.

The time aspect	Successful management of the system aims to ensure that it:	
	performance	efficiency
In the short term time period	System functionality	Systematicity of the system
In the long term time period	System proactivity	System Organicity

Source: compiled by the authors based on: Adizes, 1979; Adizes, 1985; Adizes, 1999.

It is known from the theory of competition that the competitiveness of any system is determined by the competitive advantages of the product (products) produced by the system, which satisfy the needs of

the market and customers. Therefore, the functional qualities, formulated in relation to the systems of small and medium enterprises, can be the conditions determining the competitiveness of these systems.

Attention should be paid to the need for a meaningful interpretation of the functional qualities considered. Table 2 proposes economic values, which by their content can interpret the corresponding functional qualities. In this case, for convenience of further application, we denote the functional qualities of competitive management of systems of small and medium entrepreneurship by the corresponding indicators of functionality, the index of systemicity, the index of proactivity and organicity.

Table 2: The meaningful interpretation of the indicators of functional qualities of the system of small and medium entrepreneurship.

Name (designation) of indicators	Content Interpretation of the Indicators
1. Functionality Indicator (FI)	The volume of products sold. Turnover of enterprises. Turnover of enterprises by types of economic activity
2. Systematicity Indicator (SI)	Turnover of enterprises by type of economic activity, referred to the average annual number of people employed in the economy by type of activity. Gross value added, referred to the number of employees. Gross regional product attributable to the number of the population.
3. Proactivity Index (PI)	The volume of innovative products. The volume of financing of scientific developments. Investments in fixed capital
4. Organicity Index (OI)	Number of enterprises by type of economic activity. Number of enterprises in the region.

Source: authors.

The aggregate of the indicators of FI and SI, presented in the form of a geometric mean of their product, can be interpreted as an indicator of competitiveness of the system of small and medium enterprises in the short term time period (IC_{STP}):

$$IC_{STP} = (FI \times SI)^{1/2} \quad (1)$$

Thus, the more the system of small and medium enterprises and satisfies the market and customers, and at the same time is economical, the more this system in the management process shows competitiveness in the short term time period.

The aggregate of the indicators of PI and OI, presented in the form of the geometric mean of their product, can be interpreted as an indicator of the competitiveness of the system of small and medium enterprises in the long term time period (IC_{LTP}):

$$IC_{LTP} = (PI \times OI)^{1/2} \quad (2)$$

Thus, the more the system of small and medium enterprises shows innovative activity or innovative development, as well as at the same time integration interaction and cohesion, the more this system in the management process shows competitiveness in the long term time period.

The system of small and medium enterprises, corresponding to the indicators of competitiveness, both in the short-term and long-term time periods, can be considered as a competitively managed system. The final indicator of competitiveness of the system of entrepreneurship is determined in the form of the geometric mean of their product:

$$IC = (IC_{STP} \times IC_{LTP})^{1/2} \quad (3)$$

Based on the proposed algorithm, a practical assessment of the competitiveness of business systems of the Southern Federal District for the period from 2019 to 2021 was made.

3 RESULTS AND DISCUSSION

The Southern Federal District includes 8 subjects of the Russian Federation: Republic of Adygea, Republic of Kalmykia, Republic of Crimea, Krasnodar Territory, Astrakhan Region, Volgograd Region, Rostov Region, the city of federal significance Sevastopol.

To assess the competitiveness of entrepreneurial systems of the above subjects, the following indicators of functional qualities of management of small and medium enterprises were selected: the number of enterprises, the average number of employees, business turnover, investment in fixed capital (in terms of new and purchased from imports of fixed assets).

The values of the PF indicator, reflecting the regional share in the turnover of small enterprises (including microenterprises) by the subjects of the Southern Federal District, in the dynamics from 2019 to 2021 are presented in Figure 1.

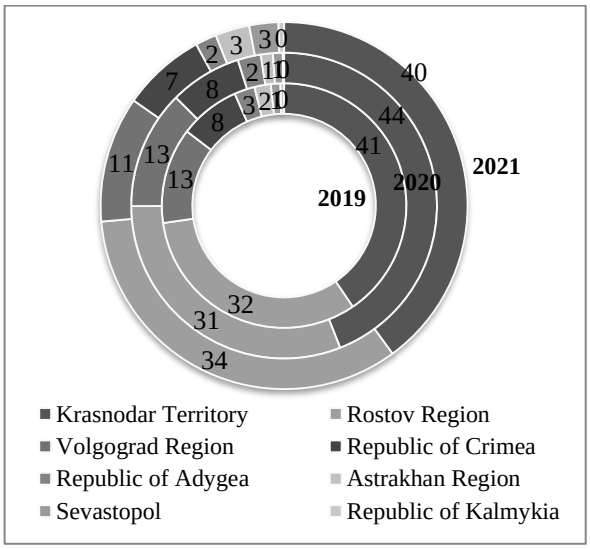

Figure 1: The structure of the FI indicator by RF subjects of the Southern Federal District in the dynamics from 2019 to 2021, %.

Source: calculated by the authors according to: (Small and medium business…, 2022; Regions of Russia, 2022).

Krasnodar Territory (average share for 2019-2021 is 41.49%) and Rostov Region (average share for 2019-2021 is 32.27%) have the largest regional share in the total turnover of small enterprises in the Southern Federal District. The cumulative share of these subjects of the Russian Federation in the Southern Federal District averages 74%. The Republic of Kalmykia (0.36% on average) and the city of Sevastopol (1.62% on average) have the smallest share. In the dynamics from 2019 to 2021, the FI indicator for half of the RF subjects of the Southern Federal District (Rostov Region, Astrakhan Region, Republic of Kalmykia, Sevastopol) shows growth. For the remaining four subjects of the RF, the average growth rate ranged from 83% to 99%.

The SI indicator was calculated as the ratio of the turnover of small and medium enterprises to the average number of employees for each of the eight subjects of the Russian Federation of the Southern Federal District in the total value for this federal district (figure 2).

The largest regional share of SI in the Southern Federal District is occupied by the Krasnodar Territory (average share for 2019-2021 is 17%), the Republic of Adygea (average share for 2019-2021 is 17.3%) and the Rostov Region (average share is 16.67%). The Republic of Kalmykia, the Astrakhan region, and the city of Sevastopol have the smallest share (less than 10% on average). In the dynamics from 2019 to 2021, the indicator SI shows growth in Krasnodar Territory, Astrakhan Region and Sevastopol.

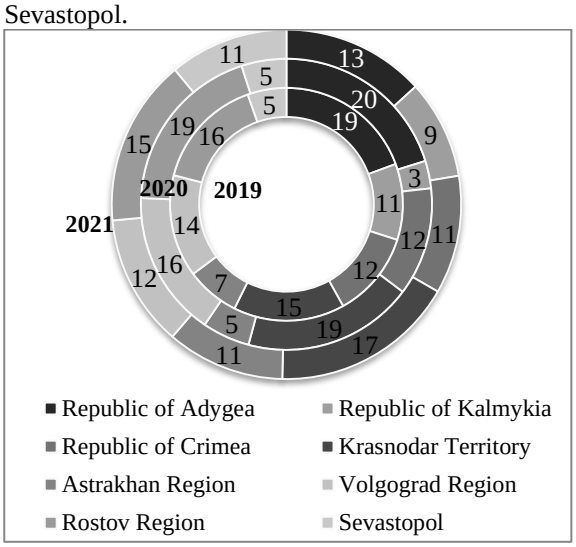

Figure 2: Structure of SI indicator by RF subjects of the Southern Federal District in dynamics from 2019 to 2021, %

Source: calculated by the authors according to: (Small and medium business…, 2022; Regions of Russia, 2022).

The PI indicator is calculated as the share of investment in fixed capital of small and medium enterprises in the total volume in the Southern Federal District. The results of calculations of PI in dynamics from 2019 to 2021 are shown in Figure 3.

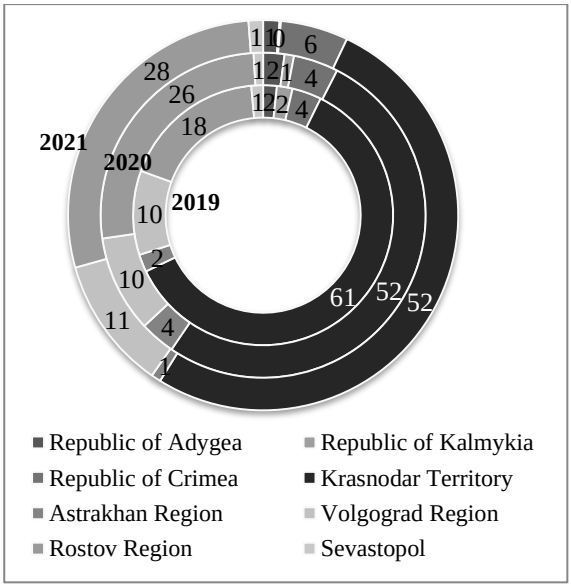

Figure 3: Structure of the PI indicator by subjects of the Russian Federation of the Southern Federal District in the dynamics from 2019 to 2021, %.

Source: calculated by the authors according to: (Small and medium business…, 2022; Regions of Russia, 2022).

The largest regional share (more than 50%) in terms of PI in the Southern Federal District is occupied by Krasnodar Territory (average share for 2019-2021 is 54.79%). The smallest share (less than 2%) is occupied by the city of. Sevastopol and the Republic of Kalmykia. In the dynamics from 2019 to 2021 for the PI indicator positive dynamics is observed in the Rostov region (the highest growth rate – 125%), the Republic of Crimea (growth rate – 124%) and the Volgograd region (growth rate – 102.6%).

The OI indicator was calculated as the regional share of the number of small and medium enterprises in the total value of the Southern Federal District. The results of calculations of OI in dynamics from 2019 to 2021 are presented in Figure 4.

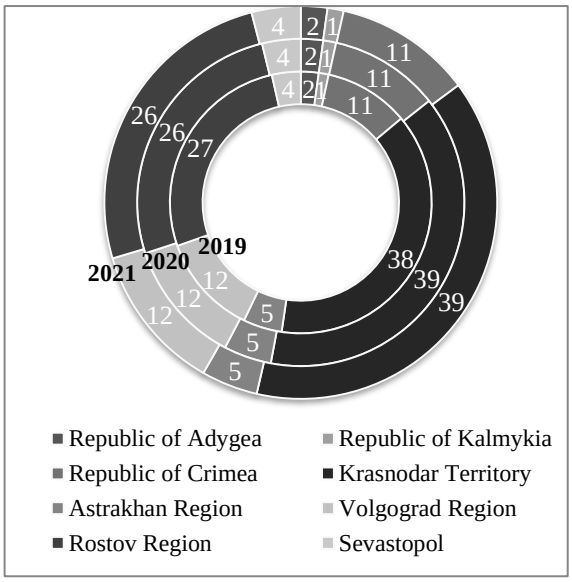

Figure 4: Structure of the OI indicator by subjects of the Russian Federation of the Southern Federal District in the dynamics from 2019 to 2021, %.

Source: calculated by the authors according to: (Small and medium business…, 2022; Regions of Russia, 2022).

The Krasnodar Territory (average share for 2019-2021 is 38.6%) and Rostov Region (average share for 2019-2021 is 26.19%) have the largest regional share of OI in the Southern Federal District. The cumulative share of these subjects of the Russian Federation in the Southern Federal District averages 65%. The smallest share is occupied by the Republic of Kalmykia (1.28% on average), and the Republic of Adygea (2.19% on average). In the dynamics from 2019 to 2021 in terms of OI for half of the RF subjects of the Southern Federal District (Krasnodar Territory, Republic of Kalmykia, Republic of Crimea, Sevastopol) the growth rate is positive. For the remaining four subjects of the Russian Federation the average growth rate is negative.

Based on the obtained indicators of FI and SI of small and medium enterprises in the Southern Federal District, the IC_{STP} indicator was obtained, and the results are presented in Table 3.

Table 3: IC_{STP} indicator of regional systems of small and medium enterprises of the Southern Federal District, %.

RF subjects of the Southern Federal District	2019	2020	2021
Krasnodar Territory	25,02	25,02	26,10
Rostov Region	22,40	22,40	22,81
Volgograd Region	13,42	13,42	11,64
Republic of Crimea	9,79	9,79	8,97
Republic of Adygea	7,24	7,24	4,98
Astrakhan Region	4,01	4,01	5,75
Republic of Kalmykia	2,24	2,24	2,11
Sevastopol	2,61	2,61	5,32

RF subjects of the Southern Federal District	Average annual growth rate
Krasnodar Territory	2,14
Rostov Region	0,92
Volgograd Region	-6,89
Republic of Crimea	-4,29
Republic of Adygea	-17,12
Astrakhan Region	19,71
Republic of Kalmykia	-2,86
Sevastopol	42,65

Source: calculated by the authors according to: (Small and medium business…, 2022; Regions of Russia, 2022).

The trend of the IC_{STP} indicator of the system of small and medium enterprises of the Southern Federal District from 2019 to 2021 is shown in Figure 5.

A general analysis of the dynamics of the ICSTP indicator of small and medium enterprises in the Southern Federal District from 2019 to 2021 shows a significant increase in this indicator in the city of Sevastopol (an increase of 42.65%) and Astrakhan region (an increase of 19.71%). Positive dynamics is also observed in Krasnodar Territory and Rostov region. The decline in ICSTP of the system of small and medium enterprises of the Southern Federal District in the short-term time period from 2019 to 2021 occurred in the Volgograd region, the republics of Adygea, Kalmykia and Crimea.

On the basis of the aggregate of PI and OI indicators

the ICSTP indicator of the system of small and medium enterprises of the Southern Federal District was obtained. The results of the calculations are presented in Table 4.

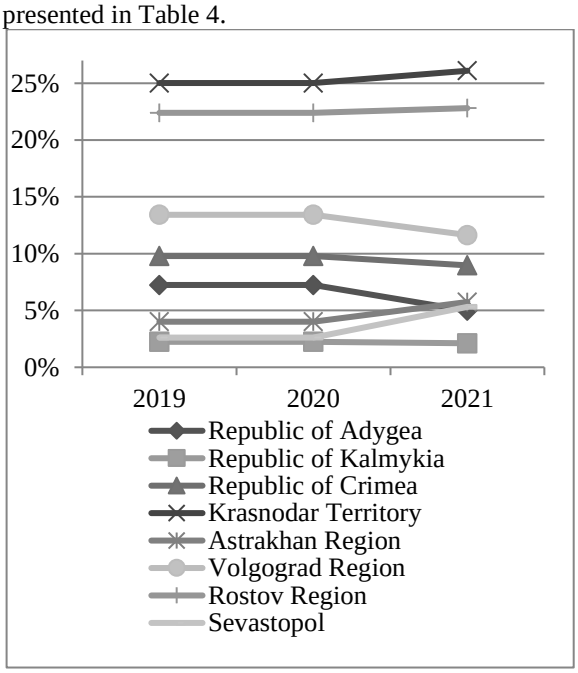

Figure 5: Trends in the IC_{STP} indicator of regional systems of small and medium enterprises in the Southern Federal District from 2019 to 2021.

Source: calculated by the authors according to: (Small and medium business…, 2022; Regions of Russia, 2022).

Table 4: IC_{LTP} indicator of regional systems of small and medium enterprises of the Southern Federal District, %.

RF subjects of the Southern Federal District	2019	2020	2021
Krasnodar Territory	48,25	44,80	44,82
Rostov Region	21,97	26,28	26,81
Volgograd Region	11,42	10,90	11,56
Republic of Crimea	6,19	6,97	7,97
Astrakhan Region	3,24	4,08	1,92
Sevastopol	2,28	1,89	2,20
Republic of Adygea	1,93	2,16	1,72
Republic of Kalmykia	1,55	1,10	0,39

RF subjects of the Southern Federal District	Average annual growth rate
Republic of Crimea	13,43
Rostov Region	10,46
Volgograd Region	0,61
Sevastopol	-1,71
Krasnodar Territory	-3,62
Republic of Adygea	-5,80
Astrakhan Region	-22,96
Republic of Kalmykia	-49,71

Source: calculated by the authors according to: (Small and medium business…, 2022; Regions of Russia, 2022).

The highest value of the IC_{LTP} indicator of the system of small and medium enterprises (on average 45.95%) is observed in Krasnodar Territory. In second place is the Rostov region. And the third place in the Southern Federal District for this indicator is occupied by the Volgograd region. Analysis of the dynamics of the IC_{LTP} indicator of small and medium enterprises in the Southern Federal District from 2019 to 2021 shows a significant decrease in this indicator in the Republic of Kalmykia (increase -49.71%) and the Astrakhan region (increase -22.96%). Positive dynamics is observed in the Republic of Crimea and the Rostov region.

The dynamics of the IC_{LTP} indicator of the system of small and medium enterprises of the Southern Federal District from 2019 to 2021 is shown in Figure 6.

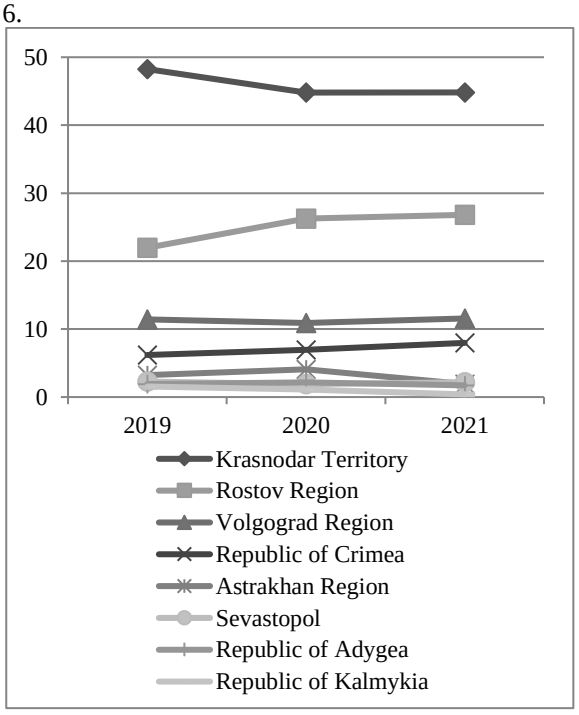

Figure 6: Trend of the IC_{LTP} indicator of the regional systems of small and medium enterprises of the Southern Federal District from 2019 to 2021, %.

Source: calculated by the authors according to: (Small and medium business…, 2022; Regions of Russia, 2022).

The results of the calculation of the total IC of the system of small and medium enterprises of the Southern Federal District in the dynamics from 2019 to 2021 are presented in Table 5.

Table 5: Final IC index of regional systems of small and medium-sized enterprises of the Southern Federal District, %.

RF subjects of the Southern Federal District	2019	2020	2021
Krasnodar Territory	34,75	35,96	34,20
Rostov Region	22,18	25,35	24,73
Volgograd Region	12,38	12,46	11,60
Republic of Crimea	7,79	8,17	8,45
Sevastopol	2,44	2,08	3,42
Astrakhan Region	3,61	3,26	3,33
Republic of Adygea	3,74	3,89	2,92
Republic of Kalmykia	1,86	0,83	0,91

RF subjects of the Southern Federal District	Average	Average annual growth rate
Krasnodar Territory	34,97	-0,78
Rostov Region	24,09	5,58
Volgograd Region	12,15	-3,21
Republic of Crimea	8,14	4,2
Republic of Adygea	3,52	-11,64
Astrakhan Region	3,40	-3,97
Sevastopol	2,65	18,41
Republic of Kalmykia	1,20	-30,1

Source: calculated by the authors according to: (Small and medium business…, 2022; Regions of Russia, 2022).

According to the data presented in Table 5, the highest value of the IC system of small and medium enterprises among the RF subjects of the Southern Federal District (an average of 34.97%) shows the Krasnodar region. In second place is Rostov region. And in third place is the Volgograd region. In the dynamics from 2019 to 2021, the growth of this indicator is observed in Sevastopol, the Republic of Crimea and the Rostov region. The lowest indicator and the largest negative dynamics are observed in the republics of Kalmykia and Adygea.

In general, the rating of the subjects of the Southern Federal District for 2021 according to the calculated indicators is presented in Table 6.

Table 6: Rating of RF subjects of the Southern Federal District by calculated indicators, 2021.

RF subjects of the Southern Federal District	IC_{STP}	IC_{LTP}	IC
Krasnodar Territory	1	1	1
Rostov Region	2	2	2
Volgograd Region	3	3	3
Republic of Crimea	4	4	4
Sevastopol	6	5	5
Astrakhan Region	5	6	6
Republic of Adygea	7	7	7
Republic of Kalmykia	8	8	8

Source: calculated by the authors according to: (Small and medium business…, 2022; Regions of Russia, 2022).

Thus, according to the data presented in Table 6 for all the indicators of the system of small and medium entrepreneurship the first place in the Southern Federal District is occupied by Krasnodar Territory, the second place – by Rostov Region, the third place – by Volgograd Region.

4 DISCUSSIONS

According to established economic views (e.g., Greiner, 1972; Porter, 1998; Egan, 2002; Cummings, 2005; Balkyte, 2010; Witek-Crabb, 2014), the competitiveness indicator regardless of the chosen object of research (territory, business entity, products, etc.) is determined as a complex one, i.e. taking into account the current state of a group of indicators directly related to ensuring competitive positions of the research object. At the same time, each methodological approach to evaluation of competitiveness of a specific object of research uses its own group of indicators differentiated by the number (sometimes – unreasonably large) and specifics of the ratio of studied parameters in a complex (final, integrated) indicator, which is explained by justification by different researchers depending on their views and field of research of a different set of factors that determine competitiveness of the chosen object of research, as well as their weighting on the basis of expert assessments, which cannot but affect the quality of these calculations.

Presented in the study of the author's algorithm for assessing the competitiveness of business systems in accordance with the methodology of Itzhak Adizes based on the definition of four key indicators of functional qualities of the system – functionality, system, proactivity, organicity, and the arguments prove their necessity and sufficiency for the assessment in the short and long term time periods, as well as to calculate the final indicator of competitiveness of business. The substantiation of the substantive interpretation of these indicators for the system of small and medium entrepreneurship made it possible to carry out their calculation using officially published statistical data (which did not require special surveys to collect missing information) on the example of entrepreneurial systems of the Southern Federal District for the period from 2019 to 2021.

Our previous works (Korobov, 2017; Korobov, 2020) have shown that the sustainable socio-

economic development of small and medium enterprises is a significant structural part of any country's economy, its foundation and key elements of the mechanism for ensuring competitiveness. The findings of the current study clearly confirm the above and correspond to the opinion of D.J. Teece (Teece, 2010), S. Schneider, P. Spieth (Schneider, 2013), N.V. Kuznetsova, N.A. Vorobeva, A.V. Koroleva (Kuznetsova, 2015), G.Y. Gagarina, N.A. Moiseev, A.V. Ryzhakova, G.V. Ryzhakov (Gagarina, 2016), I.P. Komarova, V.L. Ustyuzhanin, (Komarova, 2017) that the condition for achieving the competitive advantage of the enterprise is to ensure the effectiveness of its activities in the short and long term.

The «bottlenecks» in the competitiveness of the system of small and medium-sized enterprises of the Southern Federal District, identified as a result of the assessment, enable the public authorities of the subjects of the Russian Federation of this district to focus their efforts on those areas that require prompt intervention to achieve efficiency and effectiveness of support and development of small and medium-sized enterprises in order to improve their competitiveness.

5 CONCLUSION

The practical assessment of the competitiveness of regional systems of small and medium enterprises has made it possible to form a number of interesting conclusions.

This analysis showed a strong correlation between the volume of the regional economy as a whole and its entrepreneurial system. Indeed, as the calculated rating of the RF subjects of the Southern Federal District (Table 6) shows, the competitiveness of regional systems is determined to a greater extent by such indicators as gross regional product, average wages, consumer demand, the volume of federal and private investment, the number of working population, etc. But the dynamics of both the IC_{STP} indicator and the IC_{LTP} indicator show certain shortcomings in the regional systems of state support and regulation of small and medium entrepreneurship.

The IC_{STP} indicator to a greater extent shows how effectively the system of state support and regulation of small and medium enterprises is built with regard to the promotion and development of local products of entrepreneurs and the formation of a regional legislative framework for doing business. In addition, here of particular importance is the average annual growth rate of this indicator (Table 3). As calculations show, in such regions as Krasnodar Territory, Rostov Region, Astrakhan Region, and Sevastopol these measures of state support are built effectively and provide the necessary result for business. However, in the republics of Kalmykia, Crimea and Adygea, as well as in the Volgograd region, the work of public authorities with regard to this direction of state support for business needs to be strengthened and a number of operational measures taken.

The dynamics of IC_{LTP} indicator in general is determined by the work of public authorities in relation to such measures of business support as the formation of infrastructure to support small and medium enterprises, development of productive sectors of business and attraction of long-term investments in the entrepreneurial sector of the economy. The calculations (Table 4) showed the positive dynamics of this indicator in the Republic of Crimea, Rostov and Volgograd regions. In other subjects of the Southern Federal District, this work is carried out insufficiently.

Overall, based on all the calculations of competitiveness, one can draw such a resultant conclusion that the system of state support and regulation is the most balanced in the Rostov region. And the experience of building this system should be taken into account in other regions of the Southern Federal District, naturally, taking into account local conditions and peculiarities of economy functioning.

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