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Drivers and Barriers to the Development of Entrepreneurship in Russia

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Abstract: This article is the result of a comprehensive study of the development of entrepreneurship in Russia. The authors rely on the analysis of statistical data, their own many years of experience in the system of higher professional and additional education, experience in practical activities in the field of entrepreneurship. The result of the study was a generalization of drivers and the level of their impact on the development of SMEs in Russia, as well as the identification of systemic basic problems that do not allow us to achieve the global average level of entrepreneurship development in our country in key indicators: such as employment, contribution to GDP and activity. The authors consider in detail the influence of the education system on the formation of a community of active and successful entrepreneurs in Russia and propose solutions in the field of forming a seamless educational trajectory from the pre-professional level to post-graduate professional education, updating the content of educational programs, increasing the level of engineering and technical training of entrepreneurs, profiling and separating training programs for entrepreneurs into a separate group of specialties based on a professional standard.

1 INTRODUCTION

The Russian state is actively working to improve the conditions for doing business, but the level of development of SMEs in Russia remains steadily low. Russia's economy lags far behind global standards in key indicators such as employment, contribution to GDP and activity.

As of the end of 2023, about 26.9 million people were employed in small and medium-sized businesses in Russia, which is approximately 25% of the economically active population of the country (Ministry of Economic Development of Russia, 2021). This value is lower than in most developed countries, where the share of employees in SMEs often exceeds 50%. For example, in the European Union and the United States, small and medium-sized enterprises make up a significant part of the economy and provide most of the jobs.

The share of SMEs in the gross domestic product (GDP) of Russia is about 20-25% (Ministry of Economic Development of Russia, 2021). Compared to developed countries, where this indicator can reach 50% or more, Russia demonstrates a lower degree of integration of SMEs into the economy. This indicates the need to further develop and support the sector.

In recent years, there has been an active creation of new small and medium-sized enterprises in Russia, but the level of their registration and activity remains lower than in countries with highly developed economies. For example, in 2022, a significant number of new companies were registered in Russia, but the growth rates do not correspond to those observed in countries with developed markets (A. Vasilyeva, 2021).

Despite the active and versatile state support and constant improvement of the conditions for doing business in Russia, the degree of demand for these

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opportunities remains insufficient due to the low activity and enlightenment of entrepreneurs.

2 THEORETICAL OVERVIEW

The development of entrepreneurship in Russia has a number of key drivers that contribute to the growth of small and medium-sized businesses. The comprehensive impact of national policy and state support, the global trend towards digitalization and innovation, infrastructure development and popularization creates favorable conditions for the growth of small and medium-sized businesses in Russia. The implementation of these drivers ensures the expectation of an increase in the share of SMEs in GDP and employment to target indicators.

Indeed, Russia is implementing national projects aimed at supporting SMEs, such as "Small and Medium Enterprises and Support for Individual Entrepreneurial Initiatives," which is manifested in the following processes:

- providing financial support to SMEs through concessional lending and leasing;
- reducing administrative barriers and improving business conditions;
- participation of small enterprises in technological development by generating innovations and applying the model of open innovations (N. Kireev, 2016);
- development of digital platforms and marketplaces, which have become a powerful catalyst for the growth of SMEs, (D.R. Musina, 2022);
- use of modern technologies to increase business efficiency and competitiveness;
- promotion of ideas of entrepreneurship through the media to develop young people's interest in independent business activity;
- development of entrepreneurial competencies through educational programs and accelerators (A. Vasilyeva, 2021);
- formation of a positive image of an entrepreneur in society;
- creation of technology parks, business incubators and other innovative infrastructure facilities (N. Kireev, 2016);
- development of transport, energy and telecommunication infrastructure (N. Kireev, 2016);
- formation of a system of services and consulting services for SMEs (A. Vasilyeva, 2021).

According to the generally accepted opinion, the main barriers to the development of entrepreneurship in Russia today include the following factors that the authors of this article see as subjective and situational:

- most researchers of entrepreneurship development problems note the lack of start-up capital faced by all entrepreneurs at the startup and business scaling stage, which makes it difficult to implement their ideas. However, it should be noted that the search and attraction of investments is the basic competence of an entrepreneur, his ability to find sources of financing and the art of grouping resources in a unique business model has a competitive advantage and business potential;
- some note a reduction in state support in 2024 in terms of financing a national project to support small and medium-sized businesses, which may negatively affect business growth and development. However, it must be recognized that the scale and level of state support for SMEs in Russia is, in fact, unprecedented, since in some regions there is no tax burden on new business, in priority industries taxes have been reduced to zero, entrepreneurs have access to a huge list of programs, services and services of the SME Corporation both offline and online. At the same time, it is necessary to recognize that the expansion of state support measures and their financing from the state budget does not create the expected effect on the growth of key indicators: employment, contribution to GDP and activity. This indicator requires a systematic revision of the national policy for the development of entrepreneurship.
- a number of researchers note difficulties in obtaining permits, licenses, and other necessary documents that can slow down the start of a business and its development. However, it should be noted that the level of bureaucratic barriers in Russia is significantly lower than the world average, and the control and regulatory function of the state is necessary in the interests of protecting the rights of various categories of society: consumers, employees, counterparties in business turnover and others. - financiers note that changes in the tax regime and tax policy create uncertainty and complicate planning for entrepreneurs. Of course, the tax burden is an important factor for an entrepreneur in business activity, however, it should be noted that financial and tax planning is also the basic competence of an entrepreneur and requires professional knowledge from him.

According to the authors of this study, an important and systemic barrier to the development of entrepreneurship is the issue of personnel training, which has a multiplier deterrent effect: firstly, due to the personnel shortage of qualified specialists, especially in the areas of IT and technology, which

complicates business development and innovation. At the same time, the training of entrepreneurs themselves requires a serious revision of the content of educational programs and the expansion of engineering and technical training of entrepreneurs. The formation of a community of active and successful entrepreneurs can be significantly influenced by the education system, offering solutions in the field of forming a seamless educational trajectory from the pre-professional stage from the age of 14 to postgraduate vocational education. A large backbone influence in the preparation and creation of a professional community of entrepreneurs will be the allocation of programs for training entrepreneurs in a separate group of specialties based on a professional standard, which is currently absent.

In Russia, work is actively underway to develop and implement professional standards, and they cover a significant number of professions. However, there are professions for which professional standards have not yet been developed. In particular, there is still no professional standard "Entrepreneur." The urgency of developing and approving such a professional standard is high for a number of reasons:

1. The development and approval of the professional standard "Entrepreneur" will help to develop uniform criteria for assessing and developing entrepreneurial skills and knowledge (personal competencies and professional knowledge), which will increase the competitiveness of our business in the world space.

2. Regulation of the quality of entrepreneurial activity: the "Entrepreneur" standard will help establish minimum requirements for entrepreneurial activity, which will help improve its quality, ensure transparency and fairness in business. This, in turn, will lead to building trust between entrepreneurs, investors, clients and society as a whole.

Support and development of entrepreneurial education: the "Entrepreneur" standard will become an important guideline for the education system, allowing it to more accurately target the training of specialists capable of effectively doing business. This will help develop educational standards and form a new generation of entrepreneurs capable of innovation and ready for the difficulties of modern business.

Development of entrepreneurial culture: as more and more people strive for independent business, a professional standard can contribute to the development of entrepreneurial culture. It can offer generally accepted norms and principles for the implementation of entrepreneurial activity, emphasize the importance of ethics in business and stimulate the desire for continuous training and development. It can also contribute to the establishment of mentoring relationships and the exchange of experience between more and less experienced entrepreneurs. In addition, there are currently no effective tools for regulating the activities of the self-employed, who also act as entrepreneurs and the number of which is significantly increasing every year (according to the Federal Tax Service as of 31.08.2024, the number of self-employed in the Russian Federation is 11,192,758 people, of which 10,647,134 are individuals, 545,624 are individual entrepreneurs). Most of the self-employed are registered in the Central Federal District - 3,575,948 people. In second place is the Volga Federal District - 1,883,211 people.

At the same time, it should be noted that entrepreneurship is an area where innovation and flexibility should be key success factors. Too strict or specific standards can constrain the creativity and ability of entrepreneurs to adapt to changing conditions. Therefore, when developing such standards, one must strive for a balance between ensuring quality and preserving opportunities for innovation. The professional standard "Entrepreneur" must be flexible and adapted to the rapidly changing world of entrepreneurship in order to support innovation and not put barriers to the development of entrepreneurial activity.

Also, as barriers to the development of the SME sector, some experts cite high risks in conditions of economic instability, in particular, high inflation and rising prices, additional financial burdens on small and medium-sized businesses, risks associated with threats of sanctions and the political situation. All this restrains SME investments in Russia, reduces their business activity and limits development.

However, it should be noted that the role of risks in business is multifaceted and includes both negative and positive aspects. Being an integral part of entrepreneurial activity, risk is a lever for the formation of its results, leading to both losses and success. And the stronger the leverage of this lever, the higher the possible winnings and failures. Modern entrepreneurs must be prepared for potential losses and failures, which makes risk an important element of their strategic planning. At the same time, active and professionally competent entrepreneurs are looking for high-risk zones and start their activities in them, as they understand that this is where the sources of opportunities are. Entrepreneurs willing to accept reasonable risks can benefit from innovative ideas and new markets, which in turn can lead to high

profits (D. Vasiliev, 2022). This highlights the need for professional training for entrepreneurs. Successful entrepreneurs must be able not only to recognize and assess risks, but also to effectively manage them to achieve their business goals.

To assess the need for entrepreneurs in Russia in order to achieve the global average level of the contribution of small and medium-sized enterprises (SMEs) to the gross domestic product (GDP), it is necessary to consider the current indicators and compare them with world standards.

At the moment, the share of active entrepreneurs in Russia is about 2.9% of the total population. This is significantly lower than the global average, which is 23%.

To achieve a global average of 23%, it is necessary to calculate how many new entrepreneurs will be required:

- the population of Russia is approximately 146 million, 23% of this number are about 33.6 million entrepreneurs.

- taking into account the current 2.9% (about 4.24 million), Russia needs to create an additional about 29.36 million new entrepreneurs.

3 RESEARCH TECHNIQUES

As part of the preparation of a scientific article on the topic: "Drivers and barriers to the development of entrepreneurship in Russia," the authors use the following methods of conducting scientific research:

- data analysis method, which analyzes the number of small and medium-sized businesses in various regions of the Russian Federation;
- a method for assessing the level of influence of factors, with the help of which factors affecting the development of entrepreneurship in the Russian Federation are identified;
- generalization method, with the help of which conclusions are drawn about the need to develop measures to support small and medium-sized businesses;
- a method of object modeling, which is used to develop a model for the development of entrepreneurship.

4 RESULTS

To reach the global average, Russia needs to increase the number of entrepreneurs, which implies the creation of a more favorable environment for business. Let's take a closer look at it.

Improving the business climate. Measures are needed to improve the legislative framework and reduce administrative barriers, which will increase the confidence of entrepreneurs in the state and reduce the level of the shadow economy (Biryukova V.V., 2020)

Support for start-up entrepreneurs. It is important to develop programs that will support startups and small businesses, including access to funding and advice (N. Yakushev, 2021).

Currently, there are various programs to support entrepreneurs, such as competitions of the Innovation Promotion Fund, programs and tools for business development from the Department of Entrepreneurship and Innovative Development of the city of Moscow, etc. However, these programs are associated with large bureaucratic procedures, which does not always make them attractive to novice entrepreneurs.

Education and training. An increase in the number of educational programs aimed at developing entrepreneurial skills, especially among young people, which can increase the level of entrepreneurial activity (G. Shirokova, 2022). It also requires the development of a model for subsidizing educational programs for entrepreneurs. Despite the fact that there are a large number of free educational resources on the Internet, and the SME Corporation also has a large number of online courses for entrepreneurs, nevertheless, high-quality educational products are not provided free of charge. In addition, entrepreneurs may encounter a large number of materials in which the information does not correspond to reality. Therefore, to increase the efficiency of educational processes, it is required to allocate subsidies for the purchase of educational products from the best practice-oriented universities.

Regional development. Given that more than half of those employed in SMEs are concentrated in several regions, it is necessary to develop entrepreneurship in less active regions in order to create a level playing field for all (N. Yakushev, 2021). This problem can be solved by investing in domestic infrastructure. Here it would be advisable to use the experience of China, which directed large funds to the construction and development of critical infrastructure in order to ensure independence and autonomy in the event of world conflicts. The sanctions war unleashed by the West against Russia confirms the need to develop internal infrastructure that will ensure the creation of new jobs, as well as new opportunities for entrepreneurship.

Thus, in order to reach the world average level of GDP contribution to SMEs, Russia needs to

implement a set of measures aimed at developing entrepreneurship and creating conditions for the growth of the number of active entrepreneurs.

To train entrepreneurs in Russia, it is necessary to take into account a number of requirements that will help create an effective educational environment and develop the necessary skills. The main requirements include:

1. Fundamental practice-oriented theoretical knowledge. The training should cover the basics of economics, finance, accounting, legal aspects of doing business, management and marketing. Moreover, such knowledge should form a reserve for entrepreneurs, which they can use in real activities.

2. Practical training. Courses should include practical classes, internships and projects that allow students to apply their knowledge in real conditions. It is impossible to teach entrepreneurship only in theory. This is the same as telling how the car works, and after such a story, a person must immediately drive it.

3. Development of entrepreneurial competencies. It is important to build students' skills such as critical thinking, creativity, self-presentation, public speaking, teamwork and leadership.

4. Motivation and entrepreneurial spirit: Learning should foster motivation for entrepreneurship and an understanding of the importance of entrepreneurial thinking.

5. Social responsibility: the program should include elements of social responsibility of business, which will help future entrepreneurs take into account the interests of society and the environment. A real entrepreneur must have moral values that will not allow him to build an activity based on deception, fraud, etc. Unfortunately, at present we often come across such activities as financial pyramids, infocyganism, aggressive marketing, which forms a misconception in people, etc. An entrepreneur should avoid such "false tools."

6. Community building: Communities need to be formed where future entrepreneurs can share experiences and receive support from more experienced colleagues and mentors.

7. Government support: It is important that educational institutions have access to resources and support from the state, which will ensure stability and predictability in training.

8. The use of modern technologies: the introduction of digital technologies and online courses for entrepreneurship training, which will expand access to education and make it more flexible.

These requirements will help create a comprehensive training program for entrepreneurs that contributes to the development of small and medium-sized businesses in Russia.

The authors propose a model for the development of entrepreneurship (Figure 1), which identifies the main elements that ensure the development of entrepreneurial projects.

The model is based on the interaction of the following subjects:

1. SMEs;
2. Government agencies;
3. Banks;
4. Universities.

The role of the state is as follows:

Figure 1: SME development model.

1. Development and approval of the professional standard "Entrepreneur" to consolidate this profession and the formation of educational standards. Currently, the training of entrepreneurs is carried out in the direction of "Management," which was adopted from Western countries. But only management arises when an entrepreneur has an entrepreneurial project and he is going to scale it. Article 2 of the Civil Code of the Russian Federation enshrines the concept of entrepreneurial activity, and not management or marketing.

2. Formation of measures to support SMEs aimed at providing subsidies for the purchase of production equipment, digital infrastructure, and education.

3. Grant support for entrepreneurial projects, providing grants for development with the possibility of attracting support from industrial partners, which will allow entrepreneurs to move from first sales to a constantly developing business.

4. Development of infrastructure in the state, which will provide new opportunities for the implementation of entrepreneurial projects (construction of railways and highways, communications, technology parks, etc.).

5. Formation of digital services for entrepreneurs, which will reduce the time for obtaining permits, searching for premises for activities, etc.

6. Special tax regimes. It is necessary to preserve the existing and develop new special tax regimes aimed at supporting the work of SMEs, especially those involved in the production of products.

A serious role in this model is assigned to banks, whose profits are constantly growing. Banks should organize grant programs to support SMEs, allowing entrepreneurs to scale their business with the help of financial support and bank ecosystem services, including market analysis tools, marketing, target segment assessments, etc.

The education system is seen as a subject that ensures the formation of a seamless educational path from high schools to master's and graduate schools. The study of the basics of entrepreneurial activity begins in grades 10-11 of schools, then applicants enter Universities for educational programs for training entrepreneurs. Such programs should be distinguished by the presence of built-in design accelerators, active interaction with the business incubator, which provides, among other things, support in the preparation of applications for grants, and the involvement of entrepreneurs for master classes.

5 CONCLUSIONS

Economic growth and the level of well-being of citizens can be ensured through the development of entrepreneurship, an increase in the number of entrepreneurs whose projects are developing and actively scaling. But in order to ensure such development, the formation of an entrepreneurial climate in the state is required, which includes the development of a professional standard "Entrepreneur," the development of an educational standard "Entrepreneurship," an increase in measures to support entrepreneurial projects not only from the state, but also from the banking sector, the formation of infrastructure providing digital services to support entrepreneurial activity.

An important component is also an increase in the number of infrastructure projects in the state, which contribute to the emergence of new entrepreneurial projects and their active development.

Separately, it should be noted the issues of regulating the business environment that ensures healthy competition and development, and not situations when large networks (and very often registered offshore) squeeze out any entrepreneurial initiatives. Naturally, it is often simply impossible for an SME to compete with a huge network.

Thus, in order to really ensure the growth of SMEs that will function, develop, and not close in 3 months, it is necessary to comprehensively approach the support of SMEs in order to ensure their sustainable development in the long term.

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