Trends and priorities for sustainable development antirecession Russian business

Vitaliy Komlev1,* Larisa Cheglakova1, Alexander Timin1, and Irina Kubrak2

1 Vyatka State University, Moskovskaya str., 36, Kirov, 610000, Russia
2 Moscow regional state University, Radio str., 10, Moscow, 129125, Russia

Abstract. On the background of geopolitical tensions and a slow release of the highly developed countries from the global financial and economic crisis (according to the UN, accelerate economic development in the world is within +3%), growth in Russia slowed. Small and medium-sized business structures shape economic Foundation of the entire economy of the industrialized countries are the key driver of economic growth and stability. To this conclusion independently come to many economists. After the collapse of the Soviet Union and the socialist countries their further transformation was largely predetermined by the fact that against the backdrop of the collapse of large industrial enterprises quickly began to arise and develop small and medium-sized business structures. The demand for innovative, functional mobility, flexibility and a focus on the development of the consumer market that creates real preconditions for focusing attention on small and medium business. So, in recent years, the share of total tax revenues in the budget of St. Petersburg only from small businesses closer to 33%.

1 Introduction

It is known that for every thousand people in Russia has only 7 small businesses, and, according to Rosstat (2014), in Russia there is a tendency to reduce the number of medium-sized enterprises and the growth of the small. Note that in Europe and the United States for every thousand people there are 30-35 small businesses. In Germany, small family businesses about 3.5 million, and they provide employment to 70% of the total working population, i.e. 20 million people. In the United States today there are over 20 million small businesses open every year and 1 million new businesses. Therefore, every third American family is busy in small business. In addition, the oil and gas sector of the U.S. economy 82% is represented by enterprises of small and medium business [1-12].

2 Materials and Methods

Category "recession" (from lat. Recessus – retreat) in Economics means the recession (or slowdown in its growth), the nature of turizmiza zero growth/decline of the gross national

*Corresponding author: usrl1962@vyatsu.ru
product in the country for two blocks (sometimes up to 5-8 blocks), while increasing the level of prices ("inflation recession"). Autonomous recession (recession in a particular country) is different from the crises of reproduction of shorter duration, depth and destructive, and always follows the phase of economic growth, optimization of business activity and economic growth. At the microeconomic level of the enterprise "recession" is a decline in production or a slowdown of its growth.

The regularity of arrangement of points of local extrema allows in the future to start the growth of production with higher level than in the previous cycle. The recession, in fact, is a modification of the structure of the reproduction cycles, which are influenced by shifts in the global economy and market volatility of industrialized countries in the transition to a new stage of scientific-technical and socio-economic progress [2-15]. Recession often precedes the phase of economic crisis and depression. The depression, according to various sources, defined as a decline in real GDP by more than 10% or an extended (up to two years or more) decline in production [1,13].

There is a recession in the Russian economy. Reuters notes that the deceleration of the Russian economy is clearly beginning to manifest in 2011. In 2012, Russia moved from a surplus budget to a deficit. In addition, according to materials published by the Legatum Institute, Russia in 2014 was slowly losing the indicators of well-being. This is evidenced by the index of a "Prosperity Index". Russia lost 7 points in the ranking of the welfare of the world compared to the previous year and was on the 68 the place (index for 142 countries and covers 96% of the world population and 99% of world GDP) [2,14].

Antirecession problems of sustainable development of economy and antirecessionary management have always been the center of attention of economists. "Antirecession management" is a new management paradigm, integrated, systemic management of economic entities (in our work - these are the enterprises of small and medium-sized businesses, entrepreneurial biocluster), with emphasis on countering the recession. This management, foreseeing the danger of a recession and into crisis, including measures to minimize negative impacts of the recession on businesses, regions and the Russian economy as a whole. System antirecessionary management in the business sphere is based on the following principles: the adequacy and responsiveness, early diagnosis recessionary processes, mobilization of internal resources of enterprises, the consideration of entrepreneurship as an important factor of fight against recession.

The search for an adequate quantitative expressions describing the process of sustainable development antirecession economic functional systems (EFS) is one of the priorities of the system of public strategic management. "Antirecession the development of" entrepreneurship this development of the enterprises of different level of complexity based on control, aimed at the prevention, elimination or minimization of the impact of adverse business factors and processes through the application of complex of modern management methods, strategic management and marketing, development and implementation of targeted strategic innovation-entireties-sessional programmes, the formation of new business structures (including business bioclusters), allowing to level negative influence of the recession and to support sustainable development of economic entities, relying mostly on their internal resource potential, which today is especially important in the conditions of reduction of budgets of the Russian Federation to invest in the regions.

The most significant methodology for assessing the sustainability of the EFS of various hierarchical levels require the inclusion and integration of environmental components with parametric analysis of the socio-economic dynamics. The modern concept of sustainable development of EFS include conducting parametric analyses of the reproductive triad of vectors – economic, social and environmental. This environmental adjustment of the main indicators of economic development (system of environmental accounting) was proposed in 1993 by the Statistical division of the UN Secretariat. The basis of this methodology based
on environmentally adapted net domestic product (chvp), which is the result of the correction of net GDP. The sequence of operations environmental adjustments to GDP as follows: \[ GDP = (PMC - OL) - EI \]

where \( PMC \) – net domestic product; \( OL \) – valuation of depletion of natural resources (deforestation, mining, oil, gas); \( EC \) – valuation of environmental damage resulting from pollution of air, water, depletion of soil, groundwater, waste disposal, etc. According to the presented estimations, the value of environmentally adapted net domestic product in selected countries could reach 60-70% of GDP. Therefore, it is possible that in the formal GDP growth, there is a clear environmental degradation of the national economy. This provision is particularly important for Russia where large scale natural resource depletion and environmental pollution. Especially clearly this situation illustrates the calculation of the so-called "genuine savings" (is) proposed by the world Bank. IP is an effective integral indicator showing the actual rate of accumulation of national savings after accounting for natural resources depletion and pollution damage to the environment. This index includes a broader and more perfect account of natural resources, but, importantly, accounting and human resources. According to the world Bank, the share of natural capital in national wealth for over 100 countries averaged 2 to 40%, and the share of human capital is 40-80%. At the same time, in developed countries the share of natural capital in national wealth does not exceed 10%, and human capital - more than 70%. For many underdeveloped countries the proportion of agricultural components in natural capital equal to 80%, and in highly – 40%. Calculate the true savings is in percentage of the consecutive correction of the GDP. So, in the first stage, calculate the value of net domestic savings (FWM) as the difference between GDP and the rate of depreciation of physical capital (OFC). In the second phase of FWM increases on spending on education (RO) and reduced by the amount of depletion of natural resources (IPR) and damage from environmental pollution (UZP):

\[ IP = (GDP - OFC) + RO - IPR - UZP \]  

(1)

From Table 1, prepared according the proposed design scheme should in 2014, on the basis of the formal calculation of GDP in Russia increased by 9% compared with 2013. Given the consistent adjustment of economic indicators, the true domestic savings fell by 13.4% due to the depletion of resource base of the country. It is clear that further sustainable development of Russian economy is impossible without prompt action to compensate for the depletion of natural capital (energy resources) at the expense of increase investment in physical (fixed and working), and human capital, as well as in renewable natural resources.

Table 1. The true rate of domestic savings in the separated countries in 2014 (% of GDP) (according to the world Bank).

<table>
<thead>
<tr>
<th>Country</th>
<th>True domestic savings</th>
<th>Country</th>
<th>True domestic savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>18.0</td>
<td>Brazil</td>
<td>6.3</td>
</tr>
<tr>
<td>Germany</td>
<td>10.2</td>
<td>Czech Republic</td>
<td>17.0</td>
</tr>
<tr>
<td>France</td>
<td>14.3</td>
<td>Poland</td>
<td>12.7</td>
</tr>
<tr>
<td>UK</td>
<td>7.0</td>
<td>Hungary</td>
<td>16.3</td>
</tr>
<tr>
<td>Canada</td>
<td>13.7</td>
<td>China</td>
<td>26.8</td>
</tr>
<tr>
<td>USA</td>
<td>9.3</td>
<td>Russia</td>
<td>-13.4</td>
</tr>
</tbody>
</table>

We also note that the world wildlife Fund (WWF) developed two more aggregated indicator of sustainability. This is the living planet index (IGP) and the indicator "ecological footprint" (ES) [2,4,9]. The WWF project began in Russia in 1988, and in 1994 opened a Russian office of the WWF. Since then, the territory of the Russian Federation carried out more than 150 field projects in 40 regions of Russia and invested more than 30
million Dol. of Laramie in projects to preserve and increase the flora and fauna of the country.

3 Results

Another indicator, suggested by WWF, "ecological footprint", defined as a measure of the impact on the environment, which can calculate the time-measures of environmental space (area) required for production of resources consumed and waste storage. That is, the ES describes consumption of environmental resources to sustain human life.

According to WWF, ES as a result of human impact on the environment on average increases by 1.5 – 2% per year. Moreover, there are reports that at present the actual anthropogenic impact on 30% exceeds the Earth's capacity [2,8,9]. So, in 2005 ES inhabitant of the Earth covered 2.7 hectares, while the planet is able to provide each of about 2.1 ha [3,8]. In this regard, note that the area is environmentally dangerous to humans territories is increasing from year to year. So, in Russia it has already reached 15% of the area of the entire country, and the population living there is about 30 million people [5,6].

According to calculations by WWF, the largest eco-trace accounts for the average American is 6.4 hectares, or three times more than capable of giving the Earth's biosphere. Eco-trace citizen of the Russian Federation approximately 3.7 ha. In this eco-trace people in developing countries is 2.2 hectares, and underdeveloped countries – 1 ha.

In addition to the above, the international community endorsed the system of environmental-economic indicators proposed by the International organization for economic cooperation and development (OECD) [1,3,8-16]. This system provides for the allocation of three types of indicators: environmental – to assess the effectiveness of activities in the field of environmental protection; industry – for inclusion of environmental issues into sectoral policies and environmental output from environmental reporting and used for inclusion in sectoral policies, in particular, and for the sustainability management and environmental management.

4 Discussion

In Russia development of small and medium enterprises face serious difficulties. First, the tax system for small and medium businesses are far from perfect. Unreasonably high tax burden in Russia, reaching 50% of GDP (in China, for example, 25% of GDP), is one of the reasons for low economic growth. According to the National Institute of system researches of problems of business, last year in Russia as a whole fell sharply, the index of business confidence. After all, according to the conducted tax policy for small and medium businesses, since January 2013, the company in addition to traditional tax, must still pay the accrued compensation Fund employees insurance contributions, which also increased in recent years. Second, financial aspects are not adjusted to the relations of small and medium business with the enterprises-monopolists: Lenenergo, Lengaz, "water". The excessive growth of housing prices is strangling business structure, driving them into recession. Note also that for small companies engaged in the manufacturing and in the field of social services established a benefit transition rates to pay insurance premiums for 2014 - 20%, 2014 – 30%, in 2015 – 34%. At the same time, 140 thousand small businesses engaged in high-priority areas of business, such benefits will be denied.

It should also in this connection to note the measures taken by the state and civil society for the development of self-regulatory mechanisms in the sphere of development of regional markets of goods and services. In particular, it is worth noting the formation of the Interbranch expert Council on the development of the consumer market (MES) consisting
of the largest unions (associations) suppliers and manufacturers of goods and services, public organizations of consumers of goods and services. One of the outcomes of the MES was the establishment of a Code of good practice for relationships between retail chains and suppliers of consumer goods and services.

The main objective of MES is, in fact, consisted in the elaboration and implementation of policies and initiatives that would promote the interests of business, consumers and the state. In particular, WEC has taken the initiative to include some of the most effective practices of the "Code of good practice for relationships between retail chains and suppliers of consumer goods and services" in the content of the amendments was to make changes to the Federal law "About bases of state regulation of trade activities in the Russian Federation (2009).

In connection with a service-oriented role of inter-territorial cooperation, it is advisable to agree with the assessment of M. P. Burov, who formulated proposals for the development of a special Federal law governing the issues of regional socio-economic cooperation of the neighboring regions.

Note that contemporary notions of urban agglomerations dominated by the view that their effect is not only in the growth of cities due to the expansion in the neighbouring areas, but also promotes the growth of competitiveness of these urban complexes in interregional and even in international division of labour, implement the existing in these areas the possibility of economic and labor potential in the growing (developing) areas. A natural process in this case is development in the territory of the service infrastructure to facilitate, among other things, and market development services to the socio-cultural sphere.

The priority policy strategies of the inter-regional economic cooperation could include the following.
1. The organization of efficient actuation of the border resources of socio-economic interaction.

The unevenness of economic space in the regions (subjects of the Russian Federation) often manifests itself in the fact that in the regions usually have relatively prosperous in economic terms, the center, or more advanced areas and economically backward periphery. Therefore, the goal of promoting socio-economic development of peripheral areas can be carried out not only due to the help of the regional centre, but also due to the possibilities of actuating the possibilities of interregional relations in the border area. These relations concern not only the economy but also the socio-cultural relations. While determining role in the development of these relations can be natural factors.

For example, a promising area for the development of socio-cultural relations (including tourism) can be the area located near lake Peipsi (the so-called "Peipsimaa"), acting as a natural factor of development of socio-cultural ties between the adjacent territories of Estonia and Pskov region of Russia.

2. The formation of integrated scientific, industrial and service centers.

On the one hand, in this case we are talking about organizations new to the region "economic growth points" by the formation of various integrated systems that represent a certain way an organized group of legally independent but interconnected companies, suppliers of equipment, components, specialized services, service infrastructure, research institutes, universities and other organizations based in the territory of one or several administrative-territorial units.

In the Russian practice such systems are usually not reasonably interpreted as clusters, though it is more correct to use the term "protocluster" because the cluster shape, in line with its experience in different countries of the world, requires time not only to attract a certain set of cluster members (residents), and, above all, on the organization of a kind of corporate culture and relationships, and effective service infrastructure, without which the
cluster, or other form of integration will not be an effective tool for the development of the territory.

So, because of the admitted failures of the Federal legislation in 2013, according to UFNS on 23 October 2013 in Russia went bankrupt 148 458 thousand small enterprises. According to forecasts published in the Russian newspaper from 25 May 2013, in the near future from the business can go even up to 300 thousand individual entrepreneurs. Note that the index of business confidence in Russia, according to the Ministry, is progressively reduced, and in 2014 amounted to (-3%). Today, according to UFNS, the register starred (ceased to exist or went in the shade) at least 550 thousand individual entrepreneurs. As a result, lost his job over a million people. Such hard pressure in relation to the enterprise caused losses to the budget of 80-100 billion rubles and drove in recession most small and medium enterprises [4, 5, 11, 16].

5 Conclusions

This system of indicators linking economic issues and issues of anthropogenic load on the territory. The system of OECD indicators are presented in the form of the model "pressure-state-response". This model works as follows. Anthropogenic influence is causing "pressure" on the environment, which alters the balance between quantity and quality of natural resources ("state"); society responds to these phenomena by the change in public consciousness and behavior, changing public policies, i.e. "response to pressure" [7,8]. Such priority basic ecological-economic indicators for the Russian Federation can be: consumption of natural resources, level of technological disasters, environmental damage, environmental pollution, human health, disposal of waste, storage of waste, conservation of biodiversity, greenhouse gas emissions etc.

From these materials it becomes obvious that ecological substantiation of economic problems, rational combination of economic and environmental aspects in the process of reproduction of material goods and services - adequate sustainable development of the national economy, the real way to establish a coherent relationship of nature and society, the way economic progress and co-evolution of social, economic and environmental spheres [9,10]. We see that already in the 1970-ies in the world there is an imbalance between nature and human society. Natural ecological system, has the ability to heal itself, on a global scale failing to keep pace with human impact; the growing imbalance between consumption and resources, between the economy and environmental management, between man and Nature.

References

4. R. Steuer, Multiple criteria optimization: theory, computation and application/ (J.Wiley & Sons, New York, 1986)
5. S.I. Ozhegov, Dictionary of Russian Language. (Moscow, Onyx.1996)
6. E. Bogdanov, V. Zazykin, Psychological Features of Public Relations (Saint-Petersburg, Peter, 2004)

8. A. Mottaeva, MATEC 73, 07020 (2016)


13. T. Miroshnikova, N. Taskaeva, MATEC 73, 123284 (2016)

