

Functions of small business in the development of the middle class in Russia

As international experience shows, small business performs a significant function in the development of middle class. It is therefore necessary to characterize the state of small business in today's socio-economic system of Russia, to identify the characteristics of small businesses representatives that identify it with the middle class, to determine the function of small businesses in the development of the middle class, to develop measures to support small businesses. The paper uses the methods of content, structural, functional and stratification analysis, presents the results of expert surveys and sociological studies conducted by domestic scientists and also by the author.

Small business, middle class, life quality, characteristics of the middle class, characteristic of small business, small business functions.



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The large number of middle-class is an indicator of social stability, efficiency of socio-economic system, the effectiveness of economic, social and political institutions of the country. As international experience shows, small business development promotes its formation.

Development and support of small business is one of the most important tasks of the state. That is why in modern Russia there is legal basis for its regulation. For example, the following laws and regulations are adopted in the country: Federal Law № 209-FL dated July 24, 2007 “On the development of small and medium enterprises in the Russian Federation”, July 22, 2008 Government Resolution № 556 “On the limits of proceeds from the sale of goods (services) for each category of small and medium-sized businesses”, Federal Law № 432-FL dated December 28, 2010 amending Article 33 of the Federal Law “On mandatory

pension insurance in the Russian Federation” on insurance premiums rate cuts for small businesses in 2011 – 2012.

The attention of the scientific community is also paid to the problems of small business. Thus, the role of small businesses in the process of stratification of Russian society is analyzed in the works by N.D. Appakova, E.A. Arslanova, N.A. Bezzubenkova, A.V. Bykovsky, I.V. Dolgorukov, E.A. Isaeva, V.V. Korshunov, E.V. Mikhalkina, A.A. Rezvanov and others.

The condition of the modern small business in Russia, according to experts¹, largely reflects the modification of values and models of social and economic behavior, since its activity is

¹ Expert survey is carried out by the author, the time of the survey – March 2011; № = 12; experts: guidance of federal and municipal authorities, representatives of the information and analytical agencies; research objective is to identify the ways of social control aimed at improving the efficiency of small businesses.

not only influenced by the factor of traditional entrepreneurial risk but also volatility of the social environment.

In today's economic and social system small business is one of the most important sources of the middle class formation, and therefore it requires the creation of favorable conditions for its maintenance and development. The basis of small business support should be incorporated measures of social control.

According to V.V. Radaev, entrepreneurship is constituted by three essential elements: organizational action, initiating change, cash income as a goal and criterion of success². From the perspective of classical economics, a psychological portrait of the entrepreneur consists of the following characteristics: intelligence and focus on new knowledge (I. Kirzner); imagination and ingenuity (J. Shekl); personal energy and will to act (J. Schumpeter, F. Wieser), a combination of intellect and imagination (W. Sombart)³.

Thus, a small business is a peculiar form of social organization of economic activity, the complex economic mechanism, task of which is to find the ways and means of efficient use of scarce (rare) resources in the face of uncertainty. Federal Law № 209-FL dated July 24, 2007 "On the development of small and medium enterprises in the Russian Federation" establishes a staff including up to 100 people as a criterion for classifying firms to small business.

Small business is an objectively necessary element of any developed socio-economic system, without which the economy and society as a whole cannot exist and develop. True basis of countries life in market economy system are small businesses as the most massive, dynamic and flexible form of commercial activity. Small businesses, according to the results of stratification analysis, largely generate middle-class development in contemporary Russia.

² Radaev V.V. Economic Sociology. Course of lectures: textbook. – M., 1997. – P. 99.

³ Radaev V.V. Ibid. – P. 100.

According to the Federal State Statistics Service⁴ of Russia on April 1, 2011 there were 230 900 small businesses. Small businesses form a separate group with distinct quality characteristics. According to the BEA Foundation "Bureau of Economic Analysis", representatives of small businesses noticeably surpass other groups in educational level, in all living standards measures, in all basic forms of social and economic activity. Entrepreneurs on average are more qualified, better financially equipped, more mobile. At least three-quarters of small businesses actually can be referred to the middle class by all the considered indications⁵.

As social practice shows, a small business should be managed. For this purpose, as evidenced by the experts, participants of the survey, there appeared a scientific need to identify the indicators of small business. The main ones are the qualitative characteristics of the middle class. In modern science there are two major trends in the study of the middle class. The basis of the first trend is the recognition of some static characteristics of the middle class in all the historical circumstances and in all forms of economic society. A kind of universal model of the middle class is determined, the pattern of which is formed on the model developed in Western society. In the works of M. Weber, H. Spencer, A. Toynbee and others there is represented a subordinate analysis of the middle class in relation to social structure. The second trend is based on the assumption that in every society, there may be a specific middle class, depending on the type of society and historical era. In the works of T.I. Zaslavskaya, Z.T. Golenkova, I.E. Diskin, E.D. Igithanyan, V.V. Radaev, N.M. Rimashevskaya and others the Russian middle class made the immediate object of study within the framework of sociological analysis.

⁴ [Electronic resource]. – Available at: http://www.gks.ru/bgd/regl/b11_01/IssWWW.exe/Stg/d05/2-3-2.htm

⁵ [Electronic resource]. – Available at: http://www.interned.ru/articles/other/formirovanie_srednego.htm

From the standpoint of normative approach to the definition of the middle class there are fairly stringent criteria. From the standpoint of the relativistic approach the middle class is seen as a product of specific socio-economic conditions. The objective one is the conclusion of N.A. Molkova that “the middle class now appears as a kind of analytic category, which can be viewed as a social fact, and as a terminological convention”⁶.

The definition of L.A. Belyaeva is concise and adapted to Russian realities, according to which the middle class is a social entity having attributes that characterize its material resources, cultural capital and social status. These criteria allow to identify a social group of active, professionally trained and relatively financially secure population, which can serve as an actor of social and economic development of the country⁷.

In the defining the essence of contemporary middle-class the basis are its four main features allocated by T.I. Zaslavskaya:

- a set of social groups, which occupy an intermediate position in the social structure of society and serving as an intermediary between the upper and lower classes;
 - economically independence of part of society which is confident in the future and is interested in maintaining social order and social stability;
 - the most skilled, socially active citizens contributing to the progressive development of society;
 - the main carriers of the public interest and national culture making up the majority of the population and distributing images of their own culture to other social strata⁸.

⁶ Molkova N.A. Upper stratum of the middle class: the problem of definition // Bulletin of Lobachevsky RI. Series “Social sciences”. – 2007. – № 2 (7). – Pp. 69-73 (P. 69).

⁷ Belyaeva L.A. Once again about the middle class in Russia // Sociological Studies. – 2007. – № 5. – Pp. 3-13 (P. 4).

⁸ Zaslavskaya T.I., Gromova, P.G. On the issue of “middle class” in the Russian society // World of Russia. – 1998. – № 4. – Pp. 10-19.

The concept of long-term socio-economic development of the Russian Federation until 2020, approved by the Government of the country on November 17, 2008 № 1662-r⁹, it was noted that “a decent income and quality of life of our people, opening way for the formation of a truly massive and dynamic middle class can be guaranteed only on the basis of an efficient economy”¹⁰. The large number of middle-class in the system of social stratification is one of the components of a developed and stable society.

Middle class as a distinct social entity is the social basis and the driving force behind the reforms, it provides technological, technical and economic progress, contributes to the reproduction of a skilled workforce, creates and distributes samples of socio-cultural and socio-economic standards, develops and relays many innovative practices to the other social strata.

Stratified analysis shows that the Russian middle class is represented by all the strata of society: government officials, business leaders, owners of small and medium business, enterprise staff, employees of culture, education, medicine and others.

Analysis of scientific literature can provide the basic criteria for the definition of the middle class: way of life, spiritual values, education, freedom (personal and consumer), property, income, size and structure of costs, self-identity. A significant place in the middle class criteria structure is taken by a market approach (due to a functioning market economic and social system of the country), which is based on the characteristics of the material standard of living of the existing / potential the middle class representatives. In addition to the normal diet, the possibility of purchasing durable goods, according to NEIT the Institute of Enterprise Issues, the representatives of the

⁹ [Electronic resource]. – Available at: <http://www.rosnation.ru/index.php?D=458>

¹⁰ Transcript of the speech of Party Chairman V. Putin. – 24.11.2008 GMT.

modern middle class should have an apartment, a car, the ability to go to domestic resorts and abroad on holidays, to save money (5 – 30% of income)¹¹. Most representatives of small businesses meet these criteria.

However, belonging to the middle class is not only determined by the level of income, income is the so-called “entry ticket” into the middle class. In a more condensed interpretation these criteria are as follows: income, education, ideological characteristics, self-assessment of own position in society¹². In this regard, the Russian small business is not at a sufficiently advanced stage of development, but has a considerable potential.

According to the sociologists of IS RAN, who applied their own complex criteria for evaluating, the middle class in Russia includes 20 – 22% of the economically active urban population; these are mostly the representatives of small businesses¹³. The analyst of the Higher School of Economics supports them, he believes that “if we take only the level of income without taking into account education, occupation and lifestyle, then about 20% of the population may consider themselves as the middle class”¹⁴.

According to research company “KOMKON” in Russia as a whole there are only 8% middle-class representatives (the researchers include here mainly senior and middle managers, small businesses representatives, skilled professionals with higher education).

According to the statistics portal “Statistika. Ru” the division by strata in Russia is conditionally as follows: the wealthy (rich)

¹¹ [Electronic resource]. – Available at: <http://www.ipnpu.ru/print/000292/>

¹² Cultivating middle class [Electronic resource] // Chelyabinsk. – 2008. – № 5 (138). – Available at: <http://www.chelmagazine.ru/viewart.php?id=1010>

¹³ Dobrynina, E.P. Sociologists have drawn a generic and detailed portrait of the Russian middle class // Rossiyskaya Gazeta. – 2007. – № 4276.

¹⁴ [Electronic resource]. – Available at: <http://www.ipnpu.ru/print/000292/>

segments of society constitute 8 – 10% of the Russians, the middle class makes up 10 – 12%, the remaining 80% is the lowest segment, i.e. poor people are those living below the poverty line¹⁵.

So, according to the estimates of various research centers, the proportion of middle class in Russia currently stands at 8% to 22%. All the experts agree on one thing: in comparison with developed European countries, where the middle class is nearly 70% of the population, the proportion of middle-class structure of Russia’s population is negligible. However, the social structure of society is dynamic a phenomenon. Its dynamics is manifested in the fact that along with the structural elements that characterize the structure of society as a whole, that is, social groups that are formed depending on the nature of production relations, the new structure elements are arising¹⁶.

One of these dynamic structures of contemporary Russian society is a small business. Entrepreneurs as the representatives of the middle class make a significant contribution to the development of Russian society, but with more support from the state and society, the deterministic balanced system of social control, a small business can have a significant positive impact on socio-economic processes.

Defining the functions of small businesses in the development of the middle class, it is necessary to identify the specific features of the representatives of Russian small businesses. However, as objective characteristics can be achieved by having analyzing the laws of modern society, having identified the common patterns. Both strategies are relevant because they are complementary to each other in the framework of functional analysis.

¹⁵ [Electronic resource]. – Available at: http://www.statistika.ru/uroven/2007/11/16/uroven_9307.html

¹⁶ Goryunova S.V. Middle strata and “middle class” in contemporary Russian society // Social Sciences and the present. – 2006. – № 4. – Pp. 58-67 (P. 58).

Motivation of small business

What mainly drove you to organize your own small business? (Give no more than 2 answers)	Answers, %
Getting a higher level of income	89%
Poor employment conditions and prospects	35%
The possibility of doing things you love	25%
Prestige, improving social status	16%
Other	7%

Contradictory character of small business social status is that in traditional societies, according to V.V. Radaev, entrepreneurship has never been among the noble classes¹⁷. In contrast, employers were located closer to the lower rungs of the social ladder. The situation is changing in modern societies. But even here things are not so smooth. According to the author's sociological research¹⁸ and expert survey, business is often chosen as employment mainly for reasons other than prestige.

The respondents were asked to select no more than two possible answers to the question "What mainly drove you to organize your own small business?" The answers are located as follows (*table*).

It is essential that the motive of improving the social status in the list of responses of contemporary Russian representatives of small businesses is located only in 4th place (16% of responses). If the spiritual needs are not supported by material resources it becomes impossible to develop and strengthen the middle class.

At the same time, business has almost all necessary features of ideology as a systematic worldview, because it contains a set of rationalizing schemes relating to both individual action and to social development.

¹⁷ Radaev V.V. Economic Sociology. Course of lectures: textbook. – M., 1997. – P. 123.

¹⁸ Authorship sociological study – conducted in March-April 2011 among small entrepreneurs in Nizhny Novgorod and the Nizhny Novgorod Oblast, [General total – 564 thousand people; sampling error – 4.34; respondents – representatives of small business – N = 509; purpose of the study – to identify the ways to improve the social management technologies by small businesses; dates – March – April 2011, the group – "entrepreneurs".

As noted by V.V. Radaev, often it is the ideology of liberated entrepreneurial spirit that proclaims everyone's right to economic initiative, undertaken with a view to material well-being¹⁹. Herein is the value and ideological function of small business in the development of middle class.

Stratified analysis showed that a small business as a social entity has a definite impact on the modern structure of Russian society. First, small businesses represent the state of the market society's culture. Second, for small business it is characteristic to gain a foothold in both the traditional and the new social niches. Third, the scope of small business is a mechanism for upward social mobility of those groups who previously were not included in the process of interaction with the market.

The downside of the modern market state of the Russian socio-economic system is that the functioning of many institutions is unbalanced. The results are not only visible on the surface phenomena of corruption in the administrative apparatus, the monopolization of the economy, joining of the bureaucratic state elite and the oligarchy, business shadowing, but also an unreasonably modest impact of small business on market processes development and the formation of a balanced market structure of society²⁰.

¹⁹ Radaev V.V. Economic Sociology. Course of lectures: textbook. – M., 1997. – P. 123.

²⁰ Rezvanov, A.A. Economic strategies in the social positioning of small businesses: doctoral thesis abstract, soc. Sciences. – Rostov-na-Donu, 2009. – P. 3.

As is shown by the results of an online poll conducted by “Voice of Runet”, considering the possibility of different social groups to get into the middle class the Russians have estimated the opportunities of businessmen, entrepreneurs, attorneys, lawyers and judges as the best (49%). In addition, most respondents inclined to identify themselves with the middle class were the owners or part owners of companies (64%), individual entrepreneurs (54%)²¹. As explained earlier, self-identity is one of the main criteria for inclusion in the middle class.

The problem of Russia’s future lies in the balanced development of social market economic system, in the implementation of the triune formula of “state-society-market”²². In order to develop recommendations for creating such an environment there was conducted a sociological analysis of small businesses in the context of their social significance.

It has been revealed that the integral criterion that characterizes the identity of the middle class is the quality of life. Quality of life is a complex socio-economic phenomenon, which is measured by person’s satisfaction with his or her life or its individual aspects depending on the particular set of objective socio-economic reasons, social and psychological environment, individual personal characteristics, attitudes and values. The role of small business in the development of the middle class is characterized by a comprehensive study of quality of life of its subjects.

In the last decades certain performance characteristics of small businesses in Russia has changed considerably towards improving, such as the: quality and standard of living, lifestyle, living conditions, needs and values, activity (functional) component, health, recreation and leisure, perspectives, the ability to and the degree of accumulation.

²¹ [Electronic resource]. – Available at: http://www.faraa.ru/publ/srednij_klass/7-1-0-275

²² Rezmanov, A.A. Ibid. – P. 4.

Thus, the quality of working life, in accordance with the definition of N.A. Gorelov, is work activity, which in itself and in its results in accordance with certain set of labor laws and other legal acts of the rules aimed at providing employees with opportunities to develop their creative abilities fully and their rational use in the process of meaningful work, to participate in management and decision-making, and also to ensure safe and supportive living and health conditions, providing recreational and leisure time²³. Some researchers, for example, V.N. Bobkov, isolated not just the quality of working life in the structure of the quality of life, but “the quality of labor and business life”, which is largely characterized by the quality of work, and is expressed in the level of workers’ skills and productivity, in the amount of income from small businesses compared to the life cost and productivity, as well as in the creation of decent working conditions²⁴. Thus, entrepreneurial activity from the point of view of its activity subject is a professional working activity having specific features.

Since the problem of life quality and, in particular, the quality of working life is a kind of determinant of the success of entrepreneur’s meeting various needs and development of these needs²⁵, this is evidence of social and economic functions of small businesses in the development of the middle class.

In modern conditions the main factor in the development of society is a man with his or her intellect, high levels of education and training, business and social activity²⁶; in small business

²³ Incomes policy and the quality of life / ed. by N.A. Gorelov. – SPb.: Peter, 2003. – 104 p.

²⁴ Bobkov V.N. Poverty, standard and quality of life: analysis methodology and mechanism for implementing // Living standard of the Russian regions’ population. – 2005. – № 1. – Pp. 8-11.

²⁵ Maslow A. Motivation and personality [Electronic resource] / transl. by A.M. Tatlybaeva. – SPb.: Eurasia, 2004. – Available at: <http://psylib.org.ua/books/masla01/txt03.htm#2>

²⁶ Belograd I.N. Middle class as a subject of social and philosophical analysis: doctoral thesis. soc. sciences. – M., 2005. – 326 p.

some potential is concentrated that allows him or her to approach not only to economic indices of the middle class (mainly income level) but also to the socio-cultural ones (education, intellectual development, professional competence). It is of interest the point of view of researchers who mark the function of national culture values exponent among the functions of middle-class²⁷. The modern small business rather reflects a certain mood and expectations of Russian society on the selection of the type of activity to produce the desired income level. It is early to speak about the function of relaying the national culture by entrepreneurs, but this must become one of the guidelines of the Russian socio-economic system development. In studying the role of small businesses in the development of the modern middle class the two blocks of values associated with the socio-economic sphere of life are important: characteristics of the individual consciousness of its subjects and the degree of tolerance to the competitive market economy of modern type. This demonstrates the resource function of small business.

Social practice suggests that the perception of competition as a positive phenomenon appears as an indicator of small businesses readiness to new environmental conditions, the formation of a new lifestyle.

The choice of equality of opportunities rather than equality of income supports the trend of shift in focus from general towards individual and increasing personal responsibility for lives.

Today's small businesses representatives are focusing more on individual responsibility and non-conformism, which testifies of their value-ideological and competitive function. Currently, the middle class representatives have more

influence on economic development of the country; they are more tolerant to market conditions. It is essential that the middle class representatives are more likely than others to agree that it is better to stand out among the others and to be an individual than to live like everyone else²⁸.

Thus, small businesses subjects as members of a modern emerging middle class are more productive in a market economy, more tolerant to the existing socio-economic conditions, which is a positive indicator, and act as a middle class stabilizing.

As revealed earlier, the value guidelines of contemporary middle-class are: a sense of personal responsibility for destiny, determination to secure the existence of own work responsibilities and a desire to assert oneself in a free society²⁹. The results of an author's survey of entrepreneurs prove that these qualities correspond to the life guidelines of modern small businesses, at the same time they serve as a source of proliferation of new aims and features of consciousness. The desire to get into the middle class, to stay in it and to help your children find a place there is a strong stimulus for sustained and high-performance work. Therefore, small business plays an essential function in the implementation of population's social mobility in society.

The results of the survey conducted by S.V. Goryunova are relevant to confirm the identification of small business with the modern middle class.

Representatives of the modern middle-class of the Russian society rely primarily on their own strength but not on state support, believing themselves to be able to influence what is happening to them and their families.

²⁸ Mareeva S.V. Ibid. – P. 114.

²⁹ Lyashenko V.I., Svetlichnaya T.V. The middle class and the place of entrepreneur in the socio-economic structure of a modern democratic and transition society // *Ekonomichny visnik Donbass*. – 2009. – № 4 (8). – Pp. 45-53 (P. 45).

²⁷ Mareeva S.V. The middle class in the modern Russian society: the peculiarities of formation 2003 – 2009: Ph.D. thesis. soc. sciences. – M., 2009. – Pp. 112-113.

A more positive assessment of life is also characteristic of the middle class. This suggests that the Russian middle class began to perform the function of maintaining stability in society³⁰. These characteristics largely correspond to a portrait of a modern representative of small business. It is believed that its representatives strive to live, counting mainly on their own strength and abilities. Indeed, among those respondents who are inclined to identify themselves with the middle class, the percentage of those who believe in that change in their situation depends on individual effort, is 48 – 51%. In contrast, those who do not identify themselves with the middle class believe in the exclusive influence of personal effort only 29 – 31%³¹.

In the development of the modern middle class a number of strategies can be viewed: the strategy of multiple employment has virtually leveled; the main factor of success for a job placement or establishing business contacts are personal contacts and acquaintances; evaluation of the state as a “Latin American model where the state controls everything, but is not responsible for anything”³². Multiple employments are relevant for many small businesses because they often lack the resources ability to move within a strategically chosen direction.

In life guidelines, strategies of economic behavior and social well-being of the middle class in comparison with the sentiments of other members of society, L.A. Belyaeva has revealed certain contrasts: “confidence in the future, optimistic estimates of next year, life satisfaction, financial status of the middle class is much higher compared to the entire array of respondents”, “for most middle class

representatives, especially for the upper layer, the market situation is more preferable than the non-market”³³. Optimistic outlook for the future in general, positive assessments of the current financial situation, adaptation to the market environment are included into the features of a modern small business. Thus, small business performs not only economic but also political function in the development of the middle class.

Disturbing is the fact that from 2008 to 2010 the middle class in Russia fell by 5%. The Institute of Sociology of RAS considers a decline in welfare of a large part of qualified professionals as the main reasons for this. People are not interested in professional growth, because the state of the country’s socio-economic system does not motivate them to do so. The situation may change, according to experts, only with a rapid development of high-tech industries and the development of small and medium-sized businesses³⁴.

Using a functional approach, V.I. Lyashenko and T.V. Svetlichnaya concluded that the more active the small businesses, the better all public resources are used, the more active is socio-economic development³⁵. In this way small businesses promote the more harmonious and balanced development of socio-economic relations, so that the middle class is growing and developing.

Researchers in the field of social control point out that small business is a partner of the state not only in reducing social tension, minimizing the gaps between different population sectors and groups, but also in expanding the selection of different options for social development.

³⁰ Goriunova S.V. Middle strata and “middle class” in contemporary Russian society // *Social Sciences and the present*. – 2006. – № 4. – Pp. 58-67 (P. 60).

³¹ [Electronic resource]. – Available at: http://www.faraa.ru/publ/srednij_klass/7-1-0-275

³² Avrahamova E.M. The middle class of the Putin era // *Social Sciences and the present*. – 2008. – № 1. – Pp. 28-36 (Pp. 32-34).

³³ Belyaeva L.A. Once again about the middle class in Russia // *Sociological Studies*. – 2007. – № 5. – Pp. 3-13 (Pp. 8, 11).

³⁴ Cultivating middle class [Electronic resource] // *Chelyabinsk*. – 2008. – № 5 (138). – Available at: <http://www.chelmagazine.ru/viewart.php?id=1010>

³⁵ Zaslavskaya T.I. Stratification of Russian society // *Newsletter*. – 1996. – № 1. – Pp. 16-23.

The social environment with well-developed middle class, serving a support for a modern democratic system is the best for the development of the small business sector. In addition, small businesses in the context of social positioning are the link between an array of the population belonging to the poor, low-income groups, and the new socio-professional groups, demonstrating the motivation toward achievement in their activity and the opportunities for a high quality of life.

Based on the foregoing analysis, devoted to the definition of the functions of Russian small businesses in the development of the middle class, it was able to identify additional arguments that the modern small business can be identified with the middle class for most features. Thus, the modern Russian small businesses have the following properties that suggest their belonging to the modern middle class and are the functional characteristics of small business in its development: tolerance to market conditions, adaptability to the market environment, personal responsibility for life, positive assessment of life and activities; satisfaction with the existing financial situation, optimism.

It should be stated that there is some inconsistency in the evaluation of the subjects of the modern small businesses of their socio-economic status. On the one hand, their views reflect individual responsibility and non-conformism and also independence, independence in actions and judgments; on the other they recognize that the successful performance of commercial activities is largely dependent on relationships and contacts. The latter is directly related to the identified lack of positive in the evaluation of the state – it “controls everything, but is not responsible for anything”.

As the content analysis shows, the Russian small business is characterized by positive

qualities: optimism, creative orientation, mobility and willingness to adapt to dynamic market conditions. However, administrative barriers, hard tax pressure, the lack of structure and transparency in the law do not allow it to realize its full potential, develop and operate for the benefit of the society. Small businesses can make a greater contribution to the development of the middle class in Russia only in the presence of a comprehensive and systematic support from the state.

Theoretical conclusions

The functions of small business having a positive impact on the middle class in Russia today are the following:

1. **Social.** Improving social climate, employment problem solution, unemployment limitation, disclosure of personal creativity. The sphere of small business is the mechanism of the upward social mobility of those population groups who previously were not included in the process of interaction with the market.

2. **Economic.** Accelerating economic growth and development of national economy, giving the flexibility to a mixed type market economy.

3. **Political.** Promoting a more tolerant society in a competitive market economy of the modern type and democratization of market relations.

4. **Stabilizing.** Promotion of balanced development and harmonization of socio-economic relations, maintaining stability in society.

5. **Value-ideological.** Small businesses act as “bearers” of new values; they serve as a source of proliferation of new facilities and features of consciousness.

6. **Resource.** Development and maximization of efficient use of public resources.

7. **Competitive.** Formation and maintenance of an effective competitive environment.

Practical guidelines

In order to develop small businesses, which in turn will have a positive effect on the growth and consolidation of the modern Russian middle-class the researchers in the field of social management, administrative and legislative bodies, associations and public organizations should develop and implement the following measures:

1. Conceptualization of sociological and managerial approaches to the study of the social potential of small businesses as a complex organized system, which includes a selection of object-subject institutional complexes regulating social potential of the Russian small business (administrative, economic and socio-cultural), goals, objectives, mechanisms and methods of managerial measures for its implementation .

2. The development of a scientific problem, which consists of the need for resolving the contradiction between the current practice of implementation of separate mechanisms and modes of small businesses social control, which determine the underdevelopment of its social potential.

3. Rationale for transforming the social foundation for realizing the potential of small business through socialization, the development of human and social capital, corporate culture, the formation of work values and motivation to work.

4. The complexity of the planning and implementation of government programs aimed at social and economic development of society.

5. The introduction of compulsory monitoring of the exponent of self-identification of representatives of all social strata identifying themselves as middle-class into social management.

6. Systematics of the impact on small business to develop its social potential, which includes theoretical and methodological foundations and social mechanisms.

7. Management effects on the realization of social potential of the Russian small business requires not only focusing on the processes of innovative management systems designing, but also the formation of the social basis of its regulation by the transmission and reproduction of the world values of socially responsible entrepreneurship through the mechanisms of socialization, the introduction of common social and cultural standards and strengthening the traditions.

8. The development of mechanisms of social control, social forecasting and modeling.

Thus, the level of small business development is one of the most important indicators of social orientation of modern development of the country. Small business in Russia took its place in the national economy and has a number of important functions in Russian society. The role of Russian small businesses in the development of the middle class, and, therefore, in the development of the quality and standard of living of the society is quite high, but the comprehensive measures to support and improve its efficiency are still needed.

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