

The Strategy for Development of Small and Medium Entrepreneurship in Russia till 2030: Ambitions and Realities*



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Abstract. The article analyzes the basic propositions of the Strategy for Development of Small and Medium Entrepreneurship (SME) in the Russian Federation till 2030 and the comparison of the key parameters of this strategy with target SME development indicators, which had been earlier given in various planning and forecasting documents of the RF Government. The paper investigates the main causes of the failure with the previously declared benchmarks for a powerful “breakthrough” in this sector of the national economy, in particular, via realization of a set of goal state programs of SME promotion and development. Insufficient results of the state policy for promotion and development of SME for a long time were explained not only by its rather primitive tools, but also by its isolation from other key directions of the state economic policy and by general unsatisfactory trends in structural reforms in the Russian Federation economy. The paper also proves the need to upgrade the entire ideology of SME promoting policy in the Russian Federation taking into account the actual level of development of small business in the national economy as well as the tasks that define its priorities for the future, mainly, in the context of transition to innovative development. The author formulates the conditions under which it would be possible to implement the main parameters of a new strategy for SME development in the country. Special attention should be paid to the practical ways of coordinating state policy for promotion and development of SME with the formation of a single system for strategic planning in the Russian Federation, with the elaboration of efficient industrial policy,

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expansion of public-private partnership practice, etc. An important prerequisite for effective strategy making in the sphere of government policy aimed to develop and promote SME consists in its decentralization, i.e. the expansion of the functions and economic interest of sub-federal (regional and local) authorities in implementing the measures aimed to support SME.

Key words: small and medium entrepreneurship, government support, strategic planning, industrial policy, decentralization of government policy in relation to SME.

The current stage of Russia's economic development and its inherent difficulties now more than ever before require comprehensive managerial decisions that would be intended for a long-term period and would support new and positive trends in economic and social development in the country. The adoption of the Federal Law "On strategic planning in the Russian Federation" [17] provides an opportunity of practical formation of the system of state and municipal administration. This task concerns all levels of public authority – federal, regional and local, which, in accordance with the law, form a "vertical" of strategic planning based on a unified regulatory and methodological base.

At the same time each administration level forms its own "horizontal" of strategic planning that integrates the spatial and sectoral components of the plan and its key tools, namely: program-target methods of management and budgeting, a system for plans and programs forecasting and monitoring, development institutions, public-private partnership mechanisms, etc. This also concerns the range of issues relating to various aspects of government policy aimed to develop and support small and medium entrepreneurship.

Socio-economic strategizing and small business

Modern society cannot do without ideas about the future of the economy as the basis of its development; without the ideas about what its future would be. But this strategizing does not have only a purely economic sense. As L.I. Abalkin points out, the development and adoption of a strategy "provides the government policy with moral support and expresses confidence in it" [1, p. 85]. This idea is extremely important when applied to the strategizing of SME development, since SME is not only a sector of the economy, but also a mass economic and social phenomenon, because small and medium business comprises 95% of commercial companies operating in Russia. It is also one of the most important components in the formation of the middle class, which is the most significant pillar of economic dynamics and socio-political stability of modern society.

First of all, it is necessary to focus on what characterizes the strategic approach to socio-economic planning under the conditions of modern social market economy. In our view, it is the following principles of public and municipal administration: comprehensive coverage of all the main spheres of economic

and social processes in the economy as a whole and its individual spheres in accordance with the regulation of the spatial pattern of distribution of productive forces; a scenario variant of socio-economic strategizing; long-term character of the goals and their adequate economic support; program-targeted management and budgeting; the use of public-private partnership mechanisms.

An important principle of economic strategizing consists in the harmonious combination of targeting for each level of management with the system of incentives that characterize the priorities set out in the strategy as key interests of society as a whole. R.S. Grinberg points out that economic strategies and indicative plans they contain are “not orders but incentives to reach the goals desired” [19, p. 19]. Of course, such an economically and institutionally optimal model of strategic planning in the form of a single and coordinated “vertical” for all levels of state and municipal administration cannot be created overnight. It requires the accumulation of experience, continuous improvement of the legislative framework and related methodological developments and selection of the relevant tools.

In their current form, the structuring of the key strategic planning documents is presented in the context of the “sectoral” and “spatial” components of the plan (Article 19 – “Sectoral strategic planning documents of the Russian Federation” and Article 20 “The strategy for spatial development of the Russian Federation” of Federal Law 172). For instance,

Article 19 states that the sectoral strategic planning documents define the development of a given sector of the economy and can be the basis for the development of state programs of the Russian Federation and its constituent entities, program-target documents of state corporations, state companies and joint stock companies with state participation. This approach does not seem quite correct, in our opinion.

First, statistics refers to the “sectoral” aspect of national economy as “type of economic activity” rather than “industry”. This often leads to the mismatch between the regulatory framework, individual parameters of the state programs and available statistical data, including the data on the development of SME. For instance, Russia is implementing the state program “Development of industry and increase of its competitiveness for the period till 2020” [8]. The provisions concerning the development of small and medium enterprises are contained in Federal Law 209 in Article 22 “Assistance to the subjects of small and medium business in the sphere of innovation and industrial production” [15]. Finally, there is Federal Law 488 “On industrial policy in the Russian Federation” [16]. But statistical data on the structure of GDP lack a general indicator such as “industry”; it was replaced with indicators for certain types of economic activity that correspond to the previous ideas about the branches of industrial production.

Second, modern economic system has socio-economic entities (institutions) that cannot be considered purely as a sectoral or

spatial aspect of strategic planning, because, in essence, they act as their symbiosis. The SME sector is such an institute, it integrates industrial aspects and spatial characteristics of national economic development.

Strictly speaking, Federal Law 172 does not say anything directly about SME. But this does not mean that the requirements of strategic approaches do not apply to the government policy related to SME. First of all, it is extremely difficult to imagine productive socio-economic strategizing in the country, especially at the sub-federal level, separately from the notions on long-term trends of SME development, and on the necessary measures of government and municipal support. Further, it becomes apparent that FL 172 focuses not on individual segments of the economy, but on the key principles, methods and strategic planning documents, the elaboration of which in management practice will be determined by a significant number of sub-legal acts, which will require further refinement for a long time. Finally, the success of strategic planning in the country in its sectoral and spatial elements will be determined to a large extent by the degree of integration and interaction of several recently adopted important legislative acts that create the foundation for government regulation of the economy. In addition to the above mentioned law on industrial policy, these acts include a law on public-private partnership [18].

At the 14th Forum on Strategic Planning held in Saint Petersburg on October 19–20, 2015, much was said about how the ideas on

the development of certain industries and sectors of the Russian economy can be “fit” into such long-term planning. This fully applies to the practice of strategizing the development of Russian SME and of all political measures of its state support. In this case it is necessary to decide what can actually be strategized in the sphere of development and state support of SME; how this strategy should be linked to other documents of sectoral and territorial strategic planning; whether a scenario variant of strategizing is applicable to SME, etc.

No doubt, it would be logical and very productive to make the national strategy for SME development and state support a mandatory strategic planning document at all the levels of management. This would help shape the strategy of SME in accordance with the strict requirements of the law to all strategic planning documents, in particular, in the context of their consistency – both in the sectoral and spatial aspects of strategizing. However, the emphasis on such a proposal might generate a large number of similar opinions concerning many other strategic documents developed in the country in individual areas and sectors of the economy, this would make such planning technically unfeasible.

In this regard, the proposal to introduce appropriate amendments to FL 209 of 2007 seems more realistic [15]. Thus, Article 2 of this law should be supplemented with a definition of national, regional and municipal strategy for SME development. Accordingly, it is necessary that articles 9, 10 and 11 of this

law contain the information on the powers of state authorities of the Russian Federation, constituent entities of the Russian Federation and local government bodies, the information should concern the formation of strategies for the development and support of SME according to the strategic planning documents developed at this level of management. The implementation of these standards will undoubtedly promote the strategic principles in the framework of government policy aimed to develop and support small forms of business in the national economy. However, in themselves, the innovations in legislation will not produce the desired effect, if the formal obligations are not backed up with economic resources for the development and support of SME and also with the institutions for their implementation at each level of management. This situation required the adoption of system-wide decisions.

The meeting of the State Council of the Russian Federation on development of small and medium business was held in April 2015. At the end of this meeting, the President of the Russian Federation Vladimir Putin signed a list of instructions, according to which the Ministry was given the task to prepare the draft SME development strategy up to 2030 (hereinafter – the Strategy). The special attention paid to this Strategy was due to the fact that it actually could initiate the development of strategic planning documents after the adoption of FL 172. According to the draft Strategy, its goal is to develop SME, on the one hand, as a factor in the

innovation development and improvement of the sectoral structure of the economy and, on the other hand, as an important tool of social development, ensuring the high level of employment and incomes and the formation of the middle class in contemporary society.

Several major socio-economic tasks are highlighted as the key elements of the Strategy for SME development up to 2030 (this paper is still under discussion). These elements include the increase of SME turnover in comparable prices in 2.5 times in comparison with the level of 2014. This is expected to match the increase in the share of SME in Russia's GDP by no less than 1.5 times. Indeed, in the world practice the most important indicator of SME development is considered to be its share in GDP. However, Russian statistics has not published the data on the share of SME in GDP for quite a long time (these data were published in 2006 for the last time). Such information appears from time to time in different sources and often differs as well. For example, the draft Strategy states that SME currently accounts for "about one fifth" of Russia's GDP. The Strategy also suggests there will be a 2-fold increase in the labor productivity of those employed in the SME sector in comparison to 2014; according to the Strategy, the share of manufacturing in the economic turnover of SME will increase up to 20% (vs the current 12–13%). As for social consequences, the Strategy envisages the increase in the proportion of those employed in SME up to 35% in the total employment.

Proportion of small and medium businesses in the main economic indicators of the Russian Federation, as a percentage to result

Indicators	Medium enterprises				Small and microenterprises			
	2010	2011	2012	2013	2010	2011	2012	2013
Average number of employees (without external part-timers)	5.2	4.3	3.7	3.6	21.0	22.7	23.4	23.5
Turnover	7.1	5.1	5.4	4.9	21.4	22.2	21.1	20.5
Investments in fixed assets	2.3	2.4	1.7	2.3	7.2	3.9	4.1	4.3

Source: Rosstat data.

The main indicators that characterize the place of the SME sector in the Russian economy are presented in the *table*.

When assessing these targets, we must primarily bear in mind that in the period of Russian economic reforms, the sphere of SME (the term “medium entrepreneurship” was fixed in the legislation only in 2007) developed very unevenly and ambiguously. This was largely due to the fact that the measures of government support to SME at all levels of management in that period were declared more than actually implemented [2, p. 2-14; 7]. Thus, after 2010, there was a decrease in the number of enterprises that met the criteria of “medium business”, the number of those employed at these enterprises reduced as well as the economic turnover of these enterprises, alongside a moderate increase in investments of this group of enterprises in fixed capital. The situation was slightly more favorable in the sphere of small and microenterprises. Formally, their total number and volume of economic turnover (in current prices) increased, but the number of employees of these enterprises remained virtually unchanged in recent years; investment of small enterprises showed no visible growth (in constant prices). The SME

sector accounts for only 5–6% of the total amount of fixed assets and 6–7% of the volume of investment in fixed assets in the country as a whole. The characteristics of Russian SME that we formulated almost 20 years ago as “entrepreneurship without ownership” is still relevant today [3, p. 9; 4, p. 10].

The share of manufacturing industries in the economic turnover of medium enterprises (22–23%) is not growing; nevertheless, it remains more than twice higher than that of small and microenterprises (9–10%). Given the certain reduction in the number of medium enterprises, we can conclude that here the layer of already mature enterprises is identified, and they are able, under appropriate targeted support measures, to solve the development issues of modern competitive high-tech industries, to occupy their own niche in the process of re-industrialization of Russia's economy. At the same time, the fact that small and microenterprises are abandoning the service and trade-and-intermediary niche, despite the previously optimistic forecasts, still seems to pose quite a challenge.

Thus, on the whole, small business of Russia still cannot turn its “face” to the real sector of the economy, the sphere of industrial

production, and solution of modernization tasks. In essence, it remains low-active not only in investment aspect but also in innovation aspect. According to the data presented at the meeting of the State Council of the Russian Federation on April 7, 2015, the proportion of small businesses operating in the field of technological innovation, has remained below 5%. Moreover, according to Rosstat (2013), according to an indicator such as the share of innovation goods, works and services in the products of manufacturing industries, small business (excluding medium and microenterprises, and individual entrepreneurs) is significantly inferior to large enterprises (2.24% vs 11.6%).

The specific feature of the Strategy consists in the fact that it involves not only the quantitative growth of SME in the Russian economy (by its share in GDP and total employment), not only its qualitative improvement (e.g. labor productivity indicators), but also the achievement of the fundamentally different role of SME in forming long-term development trends in Russia's economy. To achieve these objectives, the Strategy envisages a significant volume of budget expenditures and a number of significant institutional innovations. They include the creation of a single center for support of SME, the creation of new market niches and new opportunities for technological development for small businesses, available financing and predictable fiscal policy, and qualified personnel. Does it provide sufficient grounds to say that strategizing in

the development of Russian SME and the formation of the corresponding direction of economic policy of the state has been successfully implemented?

In other words, it is necessary to answer the question: to what extent is the "Strategy of SME – 2030" consistent with current trends in the public administration system and the current stage of development of this sector of the Russian economy? Of course, the article does not intend to make an exhaustive "critical analysis" of this document. The author aims to highlight a number of aspects that are especially important for making the Strategy a practically significant document in this area of government economic policy.

Strategy – 2030: what are the chances for implementation?

It is obvious that the "SME Strategy until 2030" may not be a simple renewal of a series of similar documents that were adopted in previous years and did not enjoy much success in terms of their practical implementation. Otherwise, the final result of the new SME strategy will be the same. The so-called road map "Development of small and medium business" until 2012 can serve as an example, it provided for the increase in the share of the SME sector in Russia's GDP from 21% in 2008 (what we have today) to 29% in 2012, the figure we never reached. Now it is planned to increase this share up to 45–50% (!), which actually requires a fundamentally different structure of the whole national economy. From this point of view it is important that strategic planning in the sphere of SME (like

in the economy on the whole) would not be reduced only to the stabilization of quantitative indicators. You need a specific “slice” of institutional strategizing, i.e. simultaneous planning on the long-term horizon of those institutional innovations that should ensure the achievement of plan priorities, including the development of the SME sector and enhancement of its positive impact on the development of the national economy.

The regulatory document of a new type – a genuinely strategic document – can be worked out provided that at least two major issues are resolved. First, it is necessary to determine to what extent and how exactly this strategy should be linked to other documents of sectoral and territorial strategic planning. Second, it is necessary to determine what exactly should be strategized in the field of SME development and government support.

The answer to the first question seems self-evident. The actual strategizing of SME that overcomes the former tendency of self-isolation of this direction of government economic policy is possible only in linking the SME strategy to all the source or key strategic planning documents. The main role among these documents belongs to the Strategy for Socio-Economic Development of the Russian Federation until 2030, the work on which is still going on. It would be incorrect to assert that the SME Strategy until 2030 “pays no attention” to FL 172 on strategic planning and does not take into account its basic requirements, etc. However, achieving real

coordination is complicated by the fact that the implementation of the model of strategic planning in the Russian Federation is still at a very early stage, and the corresponding key documents have not been prepared yet. It is not clear when the strategic documents for the development of industry referred to in FL 172 on strategic planning and FL 488 on industrial policy will appear.

The state program “Development of industry and increase in its competitiveness” [8] does not serve as a means of consolidation, because it is difficult to find anything in it that reflects the vision of the role of SME in the development of Russia’s industrial potential. An example of this situation can be found in the so-called departmental programs for providing support to SME, these programs are implemented by several federal bodies of executive power. Even if these programs include the goals of development of industrially-oriented SME, they cannot fully solve this problem, since they are implemented by departments alone and without any coordination with the programs (strategies) in other industries.

The state program “Economic development and innovation economy” [9] presents the goals and tools of state policy in relation to SME in a very blurred way. This program includes subprogram 2 – “Development of small and medium entrepreneurship”. This subprogram focuses on increasing the proportion of people employed in the SME segment of Russia’s economy from 25% in 2012 to 29.3% in 2020 and on increasing the

total number of SMEs that receive government support by not less than 1,650 thousand units (!) by 2020. Despite the fact that the essence of the program lies in the idea of transition to innovation economy, the document makes it very difficult to understand what exactly is viewed as the role of small economic forms as special subjects of innovation activity. Nor does the document contain instructions concerning the targeted measures of support provided to a special group of innovation-oriented SMEs. In fact, it is all reduced to adding “legitimacy” to the departmental programs of the Ministry of Economic Development. Such measures are necessary and timely, but there are other necessary prerequisites for the transition of Russia’s SMEs to a qualitatively new stage in their development and approval of their role as an important “actor” of innovative modernization of the economy.

We believe that the central position in the strategizing of government policy in relation to SME should be the formation of a new ideology of this policy and, accordingly, a new system of priorities, institutions and tools for its implementation. In general, modern economic theory and management practice pay great attention to the specifics of small business entities and their importance as objects of government regulation policy. At that, in the Russian context in the last 20 years, the practice of such regulation favored the large-scale government paternalism with respect to SMEs and to the measures of direct and indirect (in the form of tax and other

benefits) investments of significant budgetary resources in this sphere. This has led to the situation in which the ideology and practice of government policy in relation to SME is dominated by the principles of mutual benefit, granting tariff preferences, quotas, etc. Of course, these methods of government policy in relation to SMEs as such are still relevant and they remain important in the practice of SME support in all developed states and especially in developing countries. Another thing is when these principles become prevailing and non-alternative in nature. Then the effectiveness of government policy in relation to SME, as demonstrated by the Russian practice, reduces considerably.

This again suggests that the new SME-related strategy up to 2030 cannot be a simple renovation or reincarnation of the numerous programs, concepts and road maps that have already been worked out previously. The ideology and practical tools of this policy that have been developed during 20 years of economic reforms in Russia require a deep rethinking. This is what should be primarily reflected in the Strategy for SME until 2030. We are talking about government policy in relation to SME that:

- is focused mainly not on achieving welfare and benefits, but on rapidly achieving market maturity and stability of the majority of SMEs, in order to promote greater independence from the state support factors;
- takes into account the increased ability of Russia’s small business to carry out not only

“compensatory” functions in the transition economy, but also to solve strategic problems that include innovation modernization and reindustrialization policy;

– is focused on the current internal segmentation of Russia’s small business with regard to the measures of support on the part of the government; this, in fact, must become a kind of compass for this direction of economic policy. It is possible to implement an effective development policy and support SME apart from selecting the relevant focal groups in it. What does the Strategy – 2030 offer in this regard?

The strategy allocates two focus groups of SMEs, namely: 1) “mass” SMEs that, as a rule, specialize in commercial transactions, services, manufacturing, and sales of agricultural products and, thus, they play a key role in providing employment, improving the quality of living environment; 2) “high-tech” SMEs that are export oriented enterprises, enterprises in the sphere of manufacturing and services, fast-growing companies (“gazelles”) that facilitate the implementation of innovation in production.

We believe that such grouping of SMEs as objects of state support is clearly insufficient, because it does not allocate the most important focus group – the group of Russian industrial SMEs – as a target for such support. These SMEs, in our opinion, do not necessarily have to be export oriented or even “super-innovative” but they must be able to play a significant role in the “new industrialization” of the Russian economy and in dealing

with practical issues of import substitution. This is where we can see the importance of close linkages between the SME Strategy until 2030, the main areas of industrial policy in the country and a relevant federal law and program documents on industrial development.

In this regard, we think it is very damaging for state policy in relation to SMEs that there is no adequate reflection of this issue in the law on industrial policy. The fact that SME is not mentioned in the law on strategic planning is not critical because this legislative act, as mentioned above, only generally refers to sectoral strategic planning documents. But the lack of direct links to the issues of development and state support of SME in the law on industrial policy is very difficult to explain. A long period of discussion of the draft law on industrial policy, unfortunately, has not ensured its high quality. The main and very common problem of this document lies in the lack of a system-wide and flexible and targeted approach to the object of legislative regulation. The law, in particular, is not clearly focused on the creation of a balanced system of economic entities in the Russian industry, while industrially-oriented small and medium business with its specific functions has long become a necessary element of “industrial landscape” in all the developed countries in the world, especially in terms of providing its innovation orientation [5, pp. 23-31].

The current situation is rather strange: the federal law on development of SME contains an article about providing support to industrial

SMEs (Article 22, FL 209 of 2007) and the key law on industrial policy contains no information on this account. This raises great concern that all the documents in the sphere of industrial policy that should be elaborated in the development of this law and strategic planning practices in general will simply pay no attention to the development of the industrial sector of SMEs. In addition, it has been almost 10 years since the law introduced the concept of “medium enterprise”; however, there is no clear notion concerning this group of economic entities as a special object with regard to objectives and policy instruments of government support, especially in industries [13, pp. 112-121]. This gap must be eliminated.

At the same time, strategic planning documents on the development of Russia’s industry should take into consideration that the system of economic entities in this sphere of economy should be not only balanced (large, medium and small enterprises), but also interrelated due to cooperation. Economic science and management practice have a firm opinion that the cooperation and other interaction of large, medium and small business is of paramount importance for the development of modern and industrial oriented SME. In general, small business promotes the development of business environment in the industry exactly to the same extent as any large industrial business “pulls” small business. This is why in the understanding of the causes of current stagnation of SME in Russia we cannot but agree with the opinion of R.S. Grinberg,

who points out that “small and medium business emerge when large business already exists. And large business in Russia is resource-oriented. It does not need small business” [11]. In this sense, it is difficult to agree with the fact that the first principle for implementing the Strategy for SME is as follows: “Small business first”. This is either a clear exaggeration, or just a misunderstanding of the real origin of current issues of Russia’s economy.

Of course, our viewpoint cannot be understood in the sense that all existing measures of providing government support to SMEs should be wound up due to their inefficiency. Accordingly, all the efforts should be refocused on structural change in the field of large-scale industrial production, because the very success in this direction will sooner or later initiate a powerful rise of the SME sector in the Russian economy. It would be reasonable just to abandon the remaining priority of “wide-coverage” measures of government support and to focus the provision of this support on the institutions and tools of support that meets the priority tasks of re-industrialization and modernization of the national economy as a whole.

It is also necessary to pay attention to the fact that the Strategy for SME development in the Russian Federation till 2030 poorly represents the spatial dimension of SME support and development. Meanwhile, interregional differentiation in this sphere is so great that all the talk about the trends and challenges of SMEs and about appropriate ways (measures) of their support “in general”

often resemble the measuring of the “average temperature in the hospital” – a Russian proverb about the uselessness of blind averaging. This means that the territorially differentiated efforts to support SMEs may not only contribute to the alignment of the Russian economy as a “field” of SME development, but also play a significant role in the alignment of the levels of economic development of Russian Federation subjects [12, pp. 43-58].

Technically, the current version of the Strategy contains a special Section 7 – “Territorial development”. However, its provisions are mostly general and declaratory; they are not based on the analysis of specific issues and difficulties of SME development in different types of Russia’s regions and, accordingly, do not contain specific proposals for overcoming them. The latter is possible through the decentralization of the whole system of government support of SMEs, the differentiation of its tools and terms of provision in different types of Russia’s regions [6, pp. 81–95], and through the stimulation of interest of sub-federal (regional and local) administration in the implementation of effective measures to support SME in the field. Nominally, the Strategy declares this principle of government policy in relation to SME: “It is profitable to create conditions for development of small and medium enterprises”. In this regard, the Strategy, just like all the previous documents of this kind, again and again promises that there will be incentives for involving public authorities

and local government in the activities aimed to develop SME. But the Strategy does not specify what exactly these incentives should be; and what it describes (for example step-by-step transfer of the greater share of tax revenues to local budgets; elaboration of the issues concerning the establishment of additional deductions in local budgets through tax revenues paid by SMEs) is, in fact, being discussed – and unsuccessfully – for more than a year [14, pp. 197-210].

Finally, it should be noted that the existing version of the SME Strategy barely mentions the role of the so-called development institutions in the development of SMEs. It mentions only the newly created corporation – JSC “Corporation of SME”, which apparently is the “single center of SME support”, which is mentioned in the key objectives of the Strategy (in the 1990s, similar functions were performed by the State Committee of the Russian Federation on support and development of small business, but it was a plenipotentiary federal body of executive power). The Strategy contains much information on other specialized financial institutions, property, information and other support provided to SMEs.

However, we cannot ignore the fact that nowadays the Russian Federation has many other institutions of industrial-innovation development, which, even if they are not formally focused on providing support to SMEs, in fact, cannot function well without the adequate development (participation) of this group of economic entities. These are

federal and regional science cities, public corporations, special economic zones of the federal and regional level, territorial development zones, rapid socio-economic development territories, industrial parks, etc. In the conditions of target management and, of course, with the integration of their participation in the SME Strategy until 2030, these institutions can also provide a powerful incentive to industrial and innovative SME as potentially the most dynamically developing sector of Russia's economy.

Thus, the Strategy for SME development in the Russian Federation must be not just a document that reflects the current problems and prospects of this sector of Russia's economy. The strategy should contain mechanisms for constant updating and flexible orientation of this direction of government policy towards the potential points of the most active growth of small and medium business, new promising "niches" of his contribution to the formation of a new, innovative image of Russia's economy as a whole.

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