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Institutional Transformations of the SME Sector and the Need to Change the Priorities of Its State Support

A.A. Blokhin^a, K.V. Glukhov^b

^{a,b} Institute of Economic Forecasting of the Russian Academy of Sciences,
Moscow, Russia;

^a Financial university, Moscow, Russia

ABSTRACT

The article compares the declared goals and the actual dynamics of the development of the sector of small and medium-sized enterprises in Russia. This sector receives quite significant government support but does not fully use it for its own purposes and development, transferring part of the income to larger companies. Large companies dominating SMEs receive institutional rents in this way, and the state, in fact, finances their development. The relevance of the topic is determined by the need for structural and institutional restructuring of the Russian economy in the context of sanctions. State policy should focus more clearly on identifying and overcoming barriers to the development of small, medium, and large businesses. Such barriers include the transition from a medium-sized business to a large one when the annual revenue reaches the threshold of 2 billion rubles.

Keywords: small and medium-sized enterprises; state support; institutional rent; institutional traps; barriers; dominance; hierarchy of the economy; lists of SMEs

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Small and medium-sized enterprises are singled out as an important sector of commercial organisations because of their special influence on the output of various goods and services, the labour market, and the income of the population. It is believed that a developed SME sector indicates the presence of highly productive enterprises [1], creating new jobs [2, 3], introducing innovations, developing new market niches [4–6]. The topic is particularly relevant due to the deep institutional transformation of the Russian economy caused by external shocks. The SME sector could contribute to the search and mastering of tools for its adaptation to new conditions, “launching” structural changes, including at the micro level.

The need to support and develop the SME sector in Russia has been discussed by the scientific community and government leadership since the late 1980s. [7]. State support measures have been actively implemented since the mid-2000s. [8, 9], but their effectiveness is still assessed low — they have not led to the required changes [10, 11]. The declared general goals and principles remain unchanged: job creation, growth of the sector’s share in GDP, introduction of innovations, improvement of the quality and diversity of services.¹ However, in different periods the emphasis in them shifts. Thus, the 1995 framework law proclaimed the goal of creating at the federal level economic, legal, and organisational conditions for the formation of a developed infrastructure of small business that would ensure its effective growth.² In the Federal Law of 24.07.2007 No. 209-FL “On the Development of Small and Medium-Sized Enterprises in the Russian Federation” (209-FL)³ the objectives are expanded and clarified in favour of SME development, increasing competitiveness, increasing the share in GDP,

increasing the number of employees — the focus shifts from formation and sustainable functioning to SME development. The changing range of objectives can be observed in the relevant strategic planning documents and SME development programmes. However, the situation in the sector remains approximately the same (*Table 1*). More precisely, it does not manifest itself in the mentioned targets.

209-FL was supposed to form a new approach to SME entities, define the principles of state support, including special tax regimes and simplified rules. Since its entry into force, many programmes and support measures (financial, tax, etc.) have been introduced at the federal and regional levels. The main ones are the provision of soft loans, subsidies, and tax incentives,⁴ including a variety of non-financial measures (consulting services, assistance in registration, etc.) approved at the regional and municipal levels. However, their impact on the sector is difficult to assess.

Despite a wide range of measures, the contribution of the SME sector to GDP (*Table 1*) remains low compared to developed countries and has hardly grown over a long period of time (in the Republic of Korea the sector accounts for 48 per cent of GDP, in Great Britain — 51 per cent, in Germany — 53 per cent and in Finland — 60 per cent) [12].⁵

It should be noted that significant differences between the indicators of 2000 and 2010 and subsequent years are caused by changes in the methodology of their accounting.

The concept of “medium-sized entrepreneurship” appears in the legislation with the entry into force of 209-FL. Before that, support for small businesses was mainly based on the Decree of the President of the Russian Federation of 04.04.1996 No. 491 “On priority measures of state support for

¹ Report on the results of the study of the structure and growth dynamics of SMEs — recipients of state support in 2020. URL: https://corpmsp.ru/upload/iblock/b9d/Otchet-o-rezultatakh-issledovaniya-struktury-i-dinamiki-rosta-subektov-MSP-poluchateley-gosudarstvennoy-podderzhki-2020_.pdf (accessed on 20.06.2023).

² URL: https://www.consultant.ru/document/cons_doc_LAW_6857/

³ URL: https://www.consultant.ru/document/cons_doc_LAW_52144/

⁴ URL: https://www.economy.gov.ru/material/directions/nacionalnyy_proekt_maloe_i_srednee_predprinimatelstvo_i_podderzhka_individualnoy_predprinimatelskoy_iniciativy/ (accessed on 20.06.2023).

⁵ Country data are given only for small businesses without medium-sized businesses.

Table 1

Main indicators of SME dynamics for the respective years (data for 2000 – only for small business)

Indicator/year	2000	2010	2015	2021
SME share in GDP, %	10.0	21.0	19.9	20.3
Number of SMEs, million units.	0.875	3.08	5.52	5.68
Share of SME employment (of total labour force), %	12.00	26.00	25.50	20.65
Number of people employed in SMEs, mln people	7.60	17.61	18.45	15.49

Source: Rosstat data: https://rosstat.gov.ru/storage/mediabank/MSP_v_VVP_s_2017.xlsx; https://nisse.ru/upload/iblock/700/SME_2012_25.07.2012.pdf; <https://cyberleninka.ru/article/n/kolichestvo-subektov-malogo-i-srednego-predprinimatelstva-i-chislennost-ih-rabotnikov-analiz-slozhivsheysya-struktury/viewer>; <https://rosstat.gov.ru/storage/mediabank/obsled-tom1.pdf>

small business in the Russian Federation”.⁶ In the databases of Rosstat from 2003 to 2007 (earlier data are not available) only “small business” appears inclusive.

Since 2017, the category of labour activity “self-employed” — those who have the right to receive tax and other benefits from the state under a number of SME support programmes (for example, under the “Programme 1764”⁷), but are not included in the unified register of SME entities [13]. Over the past two decades, tax regimes for small businesses have been repeatedly clarified (for example, micro- and medium-sized enterprises were separated from it and individual entrepreneurs and self-employed were added).

Thus, the dynamics of the SME sector and its declared development goals have remained very poorly linked for a long period of time. More effective SME support requires a shift towards measuring the impact of these measures, eliminating redundant expenditures, and focusing on genuinely useful areas.

The authors believe that it is necessary to identify the existence of broad zones of leading dynamics in the SME sector (including their dependence on the sectoral and institutional characteristics of companies), to show their relationship with the activity of their affiliates — large companies,

banks, retail chains — and on this basis to revise the existing approaches to SME support.

To achieve the above goal, it is convenient to use the theory of economic dominance in a multilevel economy [14], according to which in many sectors of the Russian economy in recent years there has been a serious consolidation of big business and deepening of its stratification by different levels: alpha-, beta- and gamma [15]. Businesses with better institutional conditions receive non-market advantages of access to better resources, as well as institutional rent, which is interested to use in lobbying for new institutional barriers in worse conditions. Such stratification not only separates the sources and factors of growth by levels, but also forms stable barriers between them, and, consequently, institutional traps [16]. Larger businesses protect their markets from the entry of weaker, smaller firms [17–19]. The SME sector in this hierarchy usually belongs to the “lower” level and falls into the corresponding traps of gamma business — low incomes, catch-up development, limited growth prospects.

It follows that the effects of SME support through the mechanisms of redistribution of institutional rents are received by larger Russian and foreign businesses.

Firstly, many companies in the SME sector are subsidiaries of large companies [20] and, as a rule, participate in the formation of costs. Even if profit centres in holdings are represented by small com-

⁶ URL: <https://base.garant.ru/106121/>

⁷ URL: <https://base.garant.ru/72141688/>

panies in terms of the number of employees, they do not fall under the criteria of SMEs because of the volume of products shown in reports.

Second, when co-operating in the production of complex products, it is usually the later stages of assembly or processing that provide more value added. Consequently, most of the profitability is provided by the large enterprise that manufactures the final product for the business, and least of the profitability is provided by the numerous small and medium-sized suppliers.

Thirdly, SME competition among SMEs leads to the emergence of more successful growth leaders who become attractive for takeovers by larger companies. Their successful market strategy then yields results outside the SME sector.

Fourthly, there is always the possibility of SMEs growing and breaking through to a higher level — then they themselves become leaders of a group or network of small business companies, growing and “fragmenting” as they approach the threshold beyond which they cease to be considered SMEs and lose their respective advantages. Sooner or later, the group leader company itself becomes a profit concentration centre and ceases to be a small or medium-sized one.

Fifth, in countries with developed economies (banking systems), the centres of profit formation are not only the parent companies of holding companies, but also financial or other intermediary structures. This makes it possible to generate a large number of small business companies in the service sector, leaving their profitability under the control of banks, trade or other organisations. In Russia, such a mechanism has not yet become widespread — small businesses remain under the strong influence of large companies or city and regional authorities, so their marketing strategies are limited to the dominant structures.

All of these and many other similar mechanisms are, in fact, ways of redistributing institutional rents from small businesses to larger businesses, often foreign. At the same time, the latter can dominate over companies in the Russian SME sector, not even operating in the Russian

market, but using the instruments of prices, tariffs, admission to foreign markets, product certification rules and other restrictive measures. In 2022–2023, there were systemic changes in such relations, but their impact on industry dynamics and the SME sector can be assessed only when the relevant statistical and reporting data become available.

Whether Russian or foreign companies dominate the SME sector in Russia, it can be figuratively thought of as a “nutrient broth” or “plankton” for larger businesses. The questions then arise: does the state consciously support big business by providing its aid to SMEs? And if so, should the objectives of such a policy be reformulated?

In order to test these theses, a hypothesis is formulated: in the SME sector there are significant segments in terms of volume and number of companies that are growing rapidly and very rapidly, the effects of which are manifested externally.

In this case, it should be established where the growth of successful SMEs “transitions to”: (a) they continue to grow, gradually becoming large, including absorbing other growing companies; (b) they are absorbed by a large business or were originally subsidiaries and dependent on it and due to that they grew; (c) they lose the speed of development and “split” into smaller ones, approaching a certain barrier.

If this hypothesis is true, it becomes clear why the state support measures do not have the desired effect — it manifests itself in the development of other sectors (the state, supporting small businesses, actually promotes the growth of large businesses). Then the support should be more targeted — aimed not so much at the growth of companies, but at overcoming the barriers to their development. In this case, it is necessary to understand how support should be redistributed and reformatted, focusing it exactly where it is needed most.

The hypothesis was tested by analysing information on the composition and some economic indicators of SMEs from the register of the Federal Tax Service of Russia (hereinafter — the FTS register). In 2021, it contained information on 5.8 mil-

lion organisations and individual entrepreneurs. However, there is no information on revenue, connections with the public sector, dependence on large legal entities, presence or absence of non-profit organisations and individual entrepreneurs in the list. In addition, it is impossible to upload data on a given list of SME entities.

Databases such as SPARK-Interfax (hereinafter SPARK)⁸ and Rusprofile⁹ are more convenient for research. The former reflects data on 1.4 million SMEs (approximately 24.1 per cent of the total number). The latter contains data on 5.5 million SMEs (approximately 94 per cent of the total). Each of them contains information that is not available in the other, and vice versa, such as ownership, tax regime, affiliation with any legal entities, affiliation with non-profit organisations, foreign ownership, etc.

It is at the boundary of the divide between SMEs and “non-SMEs” that certain patterns are particularly noticeable, so it is important to note that in both the first and second databases it is possible to find companies that are not included in the Federal Tax Service’s register, but actually belong to the SME sector in terms of revenue. According to the data for 2021, there were more than 114.6 thousand such companies in SPARK database and more than 495.8 thousand in Rusprofile. These companies “behave” as SMEs by their economic role and should be included in the analysis, albeit with appropriate caveats.

SPARK also found at least 400 companies that belong to the SME sector but have revenues of more than 2 billion roubles per year, i.e., above the permissible limit. These discrepancies are small but noticeable. They are probably due to errors in the process of submitting information and adding companies to or removing them from the relevant lists.

SPARK is the most “comfortable” database for quick testing of various hypotheses. It allows si-

multaneous uploading of information on many attributes (revenue, tax regime, belonging to the public sector, presence, or absence of an organisation in the SME register, etc.), but not more than 10,000 companies. Rusprofile cannot be used to upload a similar number of parameters. The register of SMEs of the Federal Tax Service of Russia allows to obtain data only on an individual SME, TIN, date of establishment and types of activities carried out.

Due to the above circumstances, the hypothesis was tested using SPARK data, and in the future such results should be rechecked on more complete data sets. Data for 2015 and 2021 were used in the calculations. All companies are ordered by revenue volume for the respective year and divided as follows:

First sample: 10 thousand SME companies with the highest revenue of those with annual revenue not exceeding RUB 2 billion (hereinafter referred to as the First sample; or SMEs up to RUB 2 billion).

Second sample: 10,000 non-SME companies with the highest annual revenue of those with annual revenue not exceeding RUB 2 billion (hereinafter — Second sample; or “non-SME” up to RUB 2 billion).

Third sample: 5,000 non-SME companies with the smallest annual revenues exceeding RUB 2 billion (hereinafter referred to as the Third sample; or non-SMEs over RUB 2 billion). This sample is half the size of the previous two samples, because the larger the companies, the fewer they are, and their revenues are many times higher than the threshold of RUB 2 billion. That is, the sample becomes too heterogeneous — we would get a comparison of SMEs with large and very large businesses. If we consider 5 thousand companies, the revenue indicators of the “top” and “bottom” of this list differ approximately 5 times in 2015 and approximately 1.5 times in 2021. The threshold of 5 thousand companies is set rather arbitrarily — we think that qualitative conclusions will not be affected, while quantitative ones can be refined by making estimates for different samples — 1, 2, 3 thousand companies, etc.

⁸ URL: <https://spark-interfax.ru/?ysclid=llc31zkrnu671771854> (accessed on 15.07.2023).

⁹ URL: <https://www.rusprofile.ru/?ysclid=llc32qb3bc996087374> (accessed on 14.07.2023).

SME companies with revenues of over RUB 2 billion, which are listed in SPARK (there are several hundred of them in 2015 and 2021), were not included in the samples under consideration. We believe that their absence will not distort the qualitative results, and it was more convenient to download information from SPARK in this way.

In addition, within these groups of companies, in some cases subgroups have been identified by industry, organisational, business, or other institutional characteristics.

The level of RUB 2 billion is taken as a threshold for classifying companies as SMEs: it is used to test whether the behaviour of companies changes when passing or approaching it.

More recent data are not yet available and can be included in the analysis as they become available. Then the changes in the SME sector after the external shocks in 2022 will become apparent. Subsequently, it is possible to carry out calculations for individual years of the study period, as well as up to 2014 — in order to clarify the relevant trends.

In addition, it is necessary to identify other samples (not only around RUB 2 billion of revenue per year) and analyse a broader population of companies not included in SPARK.

In calculations for this article, information on companies from SPARK was not cross-checked for known errors due to the labour-intensive nature of such work. In other studies, the authors have encountered situations where there was confusion, for example, with roubles and thousands of roubles. In the case of large samples, it is hoped that such errors are not regular and will not have a significant impact on the overall result.

No matching of the names or TINs of the companies in the 2015 and 2021 samples of the same name was checked — such a study could probably yield useful results, but has been postponed for now. The authors have assumed that the companies studied are more of a “place in the market” rather than an organisation with a name and history — those that have left are quickly replaced by others. This approach is acceptable in analyses of the highly competitive SME sector.

Table 2

Comparative analysis by revenue size of the first, second and third sample in 2015 and 2021

Samples	Revenue 2015 (RUB trillion)	Revenue 2021 (RUB trillion)	Annual average growth rate (in %)	Number of companies (units)	The smallest company in the sample by revenue (RUB mln)		The largest company in the sample by revenue (RUB mln)	
					2015	2021	2015	2021
First sample (SMEs – up to RUB 2 billion)	8.3	13.3	1.08	10 000	485	916	2000	2000
Second sample (“non-SME” – up to RUB 2 billion)	10.5	9.5	–1.07	10 000	516.4	333.0	2000	2000
Third sample (“non-SME” – over RUB 2 billion)	21.9	12.8	–1.09	5000	2000	2000	15 546.7	8976.3

Source: compiled by the authors.

The evaluation methodology is based on the comparison of geometric average growth rates (CAGR) of total revenues of the selected three samples of companies for 2021 in relation to 2015 (*Table 2*).

The results of the calculations presented in *Table 2* demonstrate that, firstly, the revenue of SMEs in the zone up to 2 billion roubles increases quite rapidly — its average annual growth is about 8%. Secondly, the average size of companies in this sample increases quite rapidly, and the lower threshold of the interval is “attracted” to the upper one: 10 thousand companies are located more densely — in the interval of 0.5–2.0 billion roubles — in 2015 and 0.9–2.0 billion roubles in 2021. Such indicators testify to the high dynamics of this segment — the number of organisations in the sample whose revenue exceeds, for example, 1 billion roubles per year, has grown several times over the period under review (from 2,329 in 2015 to 9,033 in 2021). Thirdly, the growth of revenue in the first sample looks even more significant against the background of its rapid decline in the second sample by 7% per year. This indicates a quantitative reduction and “erosion” of this segment. Such different dynamics of the characteristics of the two samples can hardly be explained only by the fact that the first one has state support and the second one does not. Perhaps the greater importance of “non-SME” companies compared to SMEs on the decline can be explained by the fact that the former appear immediately with high revenues (e.g. about 0.5 billion roubles per year) and are recorded as SMEs with a delay. They may be formed either as someone else’s subsidiaries or as a result of splitting up enlarged SMEs that have reached the two billion threshold (in these cases, it is unlikely that organisations of a very small size are created). There are probably other explanations for this.

The phenomenon of the high difference in growth rates between the first and second samples requires a closer economic analysis. In any case, it indirectly confirms very dynamic institutional transformations of the SME sector in the

“pre-threshold” zone — up to 2 billion roubles of revenue per year.

Important features of SMEs’ behaviour in the “near-threshold” zone become visible when comparing the first and third samples — SMEs up to 2 billion roubles and “non-SMEs” over 2 billion roubles, presented in *Table 2*. In the latter, revenue declines sharply, by an average of 9% per year. This result confirms the assumption that SMEs approaching the threshold of RUR 2 billion are split into smaller companies or absorbed by much larger ones. The direct transition of SMEs into “non-SMEs” is relatively rare.

Table 3 shows data on the first sample, disaggregated and itemised by industry sector affiliation.

The data on the rates in *Table 3* are very different. The number of companies from different industries in the sample also differs significantly. The smaller the number of companies, the less representative the industry data are. Nevertheless, in some rows there are several hundreds of companies, and the variation of growth rates for them ranges from large negative to large positive values.

To clarify and confirm such estimates for the “agriculture” sector, we constructed samples from SPARK for 10 thousand largest SMEs in this sector for 2015 and 2021 with revenues up to 2 billion roubles. The calculations showed that the revenue over 6 years increased from RUB 0.95 billion in 2015 to RUB 1.898 billion in 2021. The average annual increase was more than 12%. At the same time, the average duration of their existence in 2021 decreased from approximately 21 years to 18 years, indicating the sustainability of the set of companies under consideration.

Similar calculations can be made for other industries.

There is a considerable variation in growth rates not only by industry, but also by other characteristics available for analysis that are not presented in the article, such as SMEs’ affiliation with large companies. Here we only note the existence of such a dispersion and its significance.

It is difficult to obtain direct estimates of the affiliation of SME companies with large businesses, as most of them have founders who are individuals. Only about 20 per cent of SME companies in the SPARK sample have founders who are legal entities. The practice when managers of large companies set up small companies in their own name with similar activities is very common. Assessing the extent of such indirect dependence of SMEs on large businesses requires more thorough research. Nevertheless, known cases confirm that this practice is very likely to be widespread.

More informed conclusions can be drawn from a thorough study of the composition of SMEs by industry, size, and other characteristics. *Table 3* illustrates that the problem is worth investigating — the dispersion of growth rates across industries is high, including for lines with a significant number of firms. Consequently, there are groups of SMEs (including manufacturing) where revenue is growing at a very high rate.

Thus, the “borderline” layer of companies (from about 0.5 or 1 to the threshold of 2 billion roubles of revenue per year) is filled with a kind of “life” not like what happens in smaller SMEs — companies are growing quite noticeably and their number is increasing.

Speaking about the borderline layer of companies, inflation should be taken into account. Over the analysed period, it amounted to 49% (average annual growth topics — 5.86%). As a result, it became easier for companies to reach the threshold level simply because of the growth of prices for products. The borderline layer is objectively narrowing, and the intensity of processes in it is increasing: companies have to make faster decisions on business fragmentation, separation of separate business processes into independent firms, as well as on mergers and acquisitions with larger organisations.

Maintaining the two billion threshold for a long time leads to SMEs becoming shallow. It should probably be raised regularly. For example, since 2015,¹⁰ when it was set at its current level

and size, it should have been raised to 2.5–3 billion roubles per year by now. Failure to raise it would mean a deliberate policy of narrowing SME opportunities.

To summarise, within the framework of the theory of economic dominance in a multilevel economy, it appears that SMEs give part of their revenues to big businesses that are thereby gaining institutional rent due to their institutional advantages over SMEs. That is, SMEs are embedded in the value chains of big Russian or foreign businesses (including offshore business) that are absorbing the dynamic growth of SMEs.

An analysis of the state and dynamics of the SME sector in the zone of the “pre-threshold” level of RUB 2 billion (above which a company should no longer be classified as an SME) has shown high mobility of this segment, caused, among other things, by the fragmentation of companies into smaller ones.

In the “pre-threshold” zone, SME companies’ revenue growth for the period 2015–2021 was about 8% per year. In the zone from 2 to about RUB 10 billion of revenue per year, the growth rate is negative — approximately — 9% per year. Subsidiaries or companies being absorbed by large businesses are likely to have larger companies as parent companies — those with revenues over 10 billion roubles per year. Since the Russian economy is growing mainly in the segment of big business, it can be assumed that it is in its favour that the income from SME development is redistributed, and thus it receives institutional rent. A gap of 5–10 times or more between parent and subsidiary companies is natural for business.

The question of whether the entire SME sector or only its “pre-threshold” zone is growing rapidly needs to be verified. Even within the latter, there are significant differences between companies in different sectors or with different institutional status, including dependence on large companies or the presence of foreign businesses among their owners. It is also necessary to investigate the dynamics of SMEs in the vicinity of thresholds that limit the receipt

¹⁰ URL: <https://www.garant.ru/products/ipo/prime/doc/71034484/>

Table 3

Analysis of the structure of the first sample (SMEs up to RUB 2 billion) by the size of company revenues detailed by industry in 2015 and 2021

Name of industry	Revenue 2015 (trillion RUB)	Revenue 2021 (trillion RUB)	Average annual growth rate (in %)	Number of companies, 2015 (units)	Number of companies, 2021 (units)	Smallest of 10,000 in terms of revenue (RUB million)		Average company size by revenue (RUB billion)	
						2015	2021	2015	2021
Agriculture, forestry, hunting, fishing, and fish farming	0.177	0.263	6.82	231	203	489.6	952.3	0.768	1.295
Mining and quarrying	0.072	0.097	5.09	92	72	487.5	951.9	0.782	1.348
Manufacturing industries	1.245	2.011	8.32	1520	1503	485.5	952.3	0.819	1.338
Supply of electricity, gas, and steam; air conditioning	0.087	0.079	-1.59	106	60	490.0	954.3	0.822	1.318
Water supply, wastewater disposal, organisation of waste collection and disposal, pollution elimination activities	0.049	0.187	25.01	63	140	490.7	952.8	0.792	1.342
Construction	1.047	1.292	3.57	1226	982	486.1	952.0	0.854	1.316
Wholesale and retail trade; repair of motor vehicles and motorbikes	4.375	7.670	9.81	5255	5717	485.3	951.7	0.833	1.341
Transport and storage	0.257	0.610	15.50	305	467	485.4	952.1	0.844	1.307
Hotel and catering activities	0.058	0.082	5.94	71	59	488.0	958.4	0.825	1.402
Information and communication activities	0.124	0.200	8.29	165	162	485.3	952.3	0.753	1.235
Financial and insurance activities	0.127	0.094	-4.89	138	69	487.0	968.6	0.925	1.364
Activity on operations with real estate and immovable property	0.302	0.242	-3.17	381	192	485.4	954.8	0.794	1.261

Table 3 (continued)

Name of industry	Revenue 2015 (trillion RUB)	Revenue 2021 (trillion RUB)	Average annual growth rate (in %)	Number of companies, 2015 (units)	Number of companies, 2021 (units)	Smallest of 10,000 in terms of revenue (RUB million)		Average company size by revenue (RUB billion)	
						2015	2021	2015	2021
Professional, scientific, and technical activities	0.275	0.359	4.54	326	276	485.7	953.6	0.845	1.303
Administrative activities and related ancillary services	0.061	0.082	5.05	74	60	486.5	974.6	0.812	1.375
Education	0.002	0.001	-10.91	2	1	521.6	1412.3	1.048	1.412
Activities in the field of health care and social services	0.011	0.031	18.85	15	24	486.6	951.6	0.702	1.293
Activities in the field of culture, sports, leisure, and entertainment activities	0.010	0.008	-3.65	15	6	516.8	1016.3	0.695	1.279
Provision of other services	0.015	0.009	-8.16	16	7	528.4	1039.0	0.938	1.255
Total	8.3	13.3	8.0	10000	10000	485	916	0.830	1.333

Source: compiled by the authors.

of relevant state support to small businesses, micro-enterprises; or to distinguish between individual entrepreneurs (sole proprietors) and the self-employed.

The perception of the SME sector as a vulnerable segment requiring state care, without which its companies will not be able to compete in the economy, is erroneous — it is very dynamic and distinctive and acts as a “nutrient broth” for big business. It should be clearly understood that aid to small and medium-sized businesses is often redistributed in favour of large businesses through price mechanisms or subsidiary and parent company relations. Perhaps this is what government policy is all about, but then it should be assessed from this perspective.

To the extent that the state develops small business specifically, it is necessary to identify

barriers and focus state support on helping to overcome them, to support not the companies themselves, but financial, marketing, consulting infrastructures, as well as legal and information services.

The obtained data on dynamic changes in the SME sector should be used in the development of forecast scenarios, taking into account the adaptation processes and institutional restructuring currently taking place in the Russian economy. In the context of increased risks and costs associated with the transformation of the activities of the largest domestic businesses in foreign markets, the development of large and medium-sized businesses in domestic markets is becoming one of the main drivers of economic growth. For SMEs, this means increasing competition for dominance over them

by large businesses, which will be interested in “pulling” SME companies under their control by creating favourable working conditions for them, such as better ecosystems. Thus, SMEs will be expanding.

At the same time, government policy should more actively encourage SMEs to establish close ties with large companies, create and expand networks to concentrate investments in common goals for them.

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ABOUT THE AUTHORS



Andrey A. Blokhin — Dr. Sci. (Econ.), Chief Researcher at the Institute of Economic Forecasting of the Russian Academy of Sciences, Professor at the Financial university, Moscow, Russia

<https://orcid.org/0000-0003-2132-4664>

Corresponding author:
andrleks@rambler.ru



Konstantin V. Glukhov — applicant at the Institute of Economic Forecasting RAS, Moscow, Russia

<https://orcid.org/0000-0002-3305-1643>

konstantinglukhov@gmail.com

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