

Small business and self-employed in Russia: problems and prospects

V. Y. Burov

*Department of Economic Theory and World Economy
Transbaikalian State University
Chita, Russia
burovschool@rambler.ru*

T.A. Koval

*Department of Personnel Management
Transbaikalian State University
Chita, Russia
tatanatam1979@mail.ru*

Abstract—The article deals with small business and reveals the essence of the concept of "self-employed". The reasons for people to resort to self-employment, as well as their shadow economic activity are considered. Lists the main activities that relate to self-employment. It is noted that small enterprises and self-employed carry out their activities in inadequate economic conditions, which is especially important in the transition to the digital economy

Keywords—small business, self-employment, shadow economic activity, digital economy.

I. INTRODUCTION

In the current conditions of aggressiveness of the external environment, which is predetermined by economic sanctions by the European Economic Union and the United States of America, the problem of ensuring sustainable development is especially urgent. Small business as a factor of growth of regional economies, which is directly connected with its competitiveness in the conditions of application of digital technologies..

And this is consistent with the position of domestic scientists. So, V. Matveyev believes: "Small enterprises contribute to the democratization of market relations, the formation of a competitive environment. Give the economy the properties of adaptability and flexibility"[1]. And this is consistent with the position of domestic scientists. So, V. Matveyev believes: "Small enterprises contribute to the democratization of market relations, the formation of a competitive environment. Give the economy the properties of adaptability and flexibility "[2].

To subjects of small business boldly it is possible to carry self-employed, which by the economic essence are individual entrepreneurs without employees.

Currently, the problem of self-employed citizens is one of the most discussed forms of employment in the Russian Federation. The measures taken by the Government to determine the legal status of self-employed persons and to withdraw them from the shadow sector of the economy are of a non-system nature and are aimed mainly at increasing the tax charges from this category of employed persons. At the same time, the experience of countries that successfully regulate self-employed for several decades shows that the development of self-employment does not bring a significant increase in direct tax revenues, but it helps to reduce unemployment, increased labour market flexibility and economic development[3].

II. METHODS OF RESEARCH

In the process of research, modern methods of scientific cognition of economic processes were used: a systematic approach when studying the problems of economic activity of small enterprises; a logical approach - when developing factors of impact indicators, indicators of development of competitiveness of small entrepreneurship in the region; an economic and statistical approach - when analyzing and assessing the level of development of small entrepreneurship in the region and the scale of its shadow economic activities; an approach of economic-mathematical modeling - when assessing the factor influence on the development of small entrepreneurship; an expert approach - when assessing the main negative factors that destabilize the formation and development of small entrepreneurship.

The reliability of the research results is provided by the use of modern methods of collecting and processing the initial information, as well as a large array of official statistics.

III. RESULTS AND DISCUSSION

The work of such foreign authors as J. Shumpeter, I. Kirshner, F. Hayek, R. Kouz, F. Knight, O. Williamson, E. Chamberlin, J. was an important influence on understanding of the nature of modern small business. Gallup, etc. Some of the more recent works include the article by S. Shane [4], who considers entrepreneurship a key mechanism for accelerating economic development and pays attention to his ability to simultaneously create jobs and increase the amount of income in Per capita. And emphasizes that many business representatives are inherently self-employed population, and income from entrepreneurial activity they consider as a substitute for wages. U. Baumil [5] draws attention to the role of institutions and associates this with informal relationships and notes that if business is driven by organic growth through innovation, it is more difficult than using different forms of "bribery" for unfriendly Acquisitions, recovery of political rents, etc. The entrepreneurial potential of the company acquires the appropriate configuration.

Works of domestic scientists Blinov a. O., Buchwald E. M., Lademy M. G., Orlov A. v., Chepurenko A., etc. are devoted to the state regulation of small business and its role in the Russian economy. In particular, A. Yu. Chepurenko [6] notes: "In particular, critically consider the idea that small business is a generator of jobs that should support any startups. It is not always, as it turns out, this idea is fair,

there are industries, by definition more suitable for development rather large entrepreneurial firms, and jobs created by start-up companies in many, as well as in many and disappear-in The high "mortality" of micro and small businesses".

The current problem of small business activity in conditions of ecological restrictions is considered by B. N. Porfiriev [7], A.A. Smagulov [8], which is especially important given the uniqueness of nature in Russia: National parks, reserves, especially protected Territory.

Sustainable development of the regions depends largely on the entrepreneurial climate – the more favorable it is, the higher the final economic result of the activity. External factors influencing the entrepreneurial climate are related to the elements of the institutional environment and among them is the lack of an effective innovation infrastructure [9].

The economy of the regions largely depends on the sustainable development of Small business, which is directly related to the negative factors influencing its development in the same time imperfect system of taxation and it becomes even more relevant in the conditions of Development of the digital economy. This is confirmed by S.A. Ivanov [10]: Imperfection of the taxation system; Instability and imperfection of the legal and regulatory framework; Administrative barriers; Lack of reliable social security and safety of entrepreneurs; Underdeveloped financial and credit support mechanisms and risk insurance for small enterprises; Restriction of access of small enterprises to production capacities, property; ineffective mechanisms; Instability of budgetary financing of federal and regional programs of support of small business, etc.

Analysis of the development of modern Russian entrepreneurship has revealed that one of the main trends is the shadow economic activity, which is characterized by systemic and penetration in all sectors of the economy and the sphere of society. At the same time, the pattern of shadow economic relations is justified by the very essence of entrepreneurial activity, which is risky and available for its main purpose-to generate profits and that in inadequate conditions, especially inherent Transformed economy, stimulates entrepreneurs to refocus their activities in the shadow sector of the economy [11].

Weak competitiveness of small enterprises in inadequate economic conditions forces them to reorient their economic activities in the shadow sector of economies, which is characterized by the use of shadow practices and can lead to Economic crimes in this area. As noted earlier: "The prevention of economic crime should be based on the timely identification and neutralization of its causes and conditions and be considered as one of the most important areas of preventive work as State (law enforcement and controlling) bodies and non-state security structures" [12].

Considering this sector of the economy, first of all, it is necessary to determine who belongs to this category. There is no unity of approaches to this term "self-employed". Considering self-employed from an economic point of view, here belong those people who perform certain functions on a reimbursable basis, and thus are not in an employment relationship. In fact self-employed are a frontier category, which combines both the signs of employees worker and

entrepreneur. However, it is not possible to classify self-employed persons in both groups, as these people do not act as one of the parties to the labour relationship. In other words, the self-employed are entrepreneurs who do not have employees and belong to the super-small business.

The Ministry of Justice considers "self-employed" individuals who are not registered as an individual entrepreneur who do not have employees, but who carry out at their own risk and personal participation activities related to Provision of services, performance of work for other individuals.

After the entry into force of the bill on the legalization of self-employment in the Russian Federation according to Rosstat by the autumn of 2018, 1840 people were registered who voluntarily submitted information about their professional activities to district tax Bodies. The total number of self-employed entrepreneurs in Russia exceeds this number many times and makes 22 mln. Workable citizens.

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Today, a wide range of people of different age, work experience, skills and level of education belong to the category of self-proclaimed. Also, the expansion of this sector is affected by dissatisfaction with demand in the workplace.

Our research by anonymous survey revealed the following reasons that induced people to use self-employment: instability in the enterprise, instability in the industry, low pay for hired labor, the opportunity to earn more Cash.

Scientists and practitioners distinguish two categories of self-employed:

The first is people who actually create a small enterprise, renting premises and equipment for work and providing services privately without official papers, cheques, etc. that is, they lead the shadow economic activity.

The second-persons who perform work exclusively privately to meet personal needs in Money: tutors, repair masters, nannies, nurses, electricians and other citizens working on themselves without any registration.

The tax code of the Russian Federation relates to self-employment the following areas of activity:

- care and supervision of children (babysitting work), elderly and disabled people who require assistance from the outside;
- tutoring, including lessons through the internet;
- assistance in cleaning and domestic household services (domestic workers);
- construction work performed in a frequent manner;
- hairdressing and cosmetic services, makeup;
- home-manicure and pedicure;
- repair of household and electronic equipment, computers, telephones;

- organization of holidays, corporate events, weddings and other celebrations;
- guide and guide Services [14].

It should be noted that the high level of self-employed breeds the following problems: High level of shadow economic activity, availability of informal employment, tax evasion, social insecurity of self-employed citizens.

The main problem for the self-employed for the current period is the introduction of a new bill, which says to make this category of population-taxpayers. The new tax regime for self-employed persons was introduced on January 1, 2019. According to this Act, citizens will be obliged to deduct 4% of the tax if they work with physical persons. People working on this special regime with legal entities as well as IP on simplification will pay 6% from received incomes [15].

The differences in tax conditions for self-employed citizens and individual entrepreneurs (IPBBUL) are presented in table 1.

TABLE I. DIFFERENCES IN TAX CONDITIONS FOR SELF-EMPLOYED CITIZENS AND INDIVIDUAL ENTREPRENEURS WITHOUT LEGAL ENTITY FORMATION

Criteria	Self-employed	The IPBBUL
Registration	Maximally Simplified	Need a package of documents
Tax reporting	Does not surrender as a document	Rent from 1 time per year
Tax regime	No (tax at work with physical persons 4%, at work with legal entities 6%)	OSN, HSS, etc.
Employees	You can't hire	Allowed to hire
Limitations	2 400 000 rubles per year	No

Time will show how this law works and whether it is profitable to become self-employed. It is certainly necessary to introduce tax culture into the consciousness of citizens. However, the interaction of citizens and State structures should be, first of all, mutually beneficial, honest and transparent.

In conclusion, I would like to note that the transfer of self-employed in formal quality is important primarily as a measure of stimulating small business, but not as a source of replenishment treasury. In a difficult economic situation, the social effect of creating comfortable conditions for self-employed people should be recognized as the most important consequence of reforms, and the state's efforts should be directed towards its achievement.

IV. CONCLUSIONS

On the basis of the identified problems in the small business sector and the self-employed in the development of the digital economy, we can conclude that not all representatives of these sectors of economies have the opportunity to successfully develop their business, which is associated with Instability of the economy and politics,

unequal competition, the problem of access to resources and high taxes, incompetence of the entrepreneur not only in matters of business, but also in the knowledge of the economy as a whole.

This makes it necessary, first of all, to make them typological. There is also a need for a new approach to the consideration of the functions of small businesses and self-employed. It can be concluded that in the conditions of imperfect institutional environment, on the one hand they can be the driver of the development of the innovative (digital economy), on the other hand-affects this process destructively, which is associated with its shadow Economic activity.

There is a need to change approaches to state regulation and support of the small business system, which should include self-employed, as the existing regulatory system does not meet modern trends and realities and even more Carefully consider the importance of public and public opposition to the shadow economic activity, due to the concentration of huge resources in the shadow sector of the economy.

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