Institutional Arrangements for the Realization of Regional Entrepreneurial Potential

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Abstract. The relevance of this research for our country is based on the need for the building of entrepreneurial potential because many social-economic parameters depend on the development of entrepreneurship, particularly at the level of competitiveness, innovation, performance, pricing, inflation, and the employment and income of the population. The objective of this paper is to develop recommendations for growing entrepreneurial potential in Perm Krai, one of the largest regions of the Volga Federal District. The leading methods for the investigation include analysis of theoretic sources, analysis of statistical data from open sources, and comparison of this data. The achievement of effective results in building entrepreneurial potential of Perm Krai depends on applying collective joint efforts of federal, regional, and local authorities as well as public organizations and by creating infrastructure for the support of businesses. At the same time it is important to ensure consulting, assistance and training for businesses, as well as to inform the business community about business opportunities in other regions of Russia and to develop international connections. This paper can be of practical significance for the improvement of the institutional arrangements of realization of entrepreneurial potential realization in Perm Krai as well as in other regions of the country.

Keywords: institutional arrangements, support of entrepreneurship, entrepreneurial potential, regional economy.

Raktažodžiai: instituciniai susitarimai, verslumo rėmimas, verslumo potencialas, regioninė ekonomika.
Introduction

Entrepreneurship is defined as independent, initiative-based, systemic economic activity implemented at one’s own risk and is present at all economic levels, regardless of the scope of activities or ownership. Entrepreneurship can be implemented both in large businesses as well as through small and middle-sized business mainly, formed using private assets, and often with family or individual ownership. Its development can have an aggregate positive effect on the development of the economy, which is the reason for its support by the state. D.R. Gnyawali and D.S. Fogel highlighted the following aspects of the entrepreneurial environment: state policy and procedures, social and economic factors, entrepreneurial and business skills, financial and non-financial assistance (Gnyawali and Fogel, 1994). As a rule, market economies are based on the fact that the existence of entrepreneurship is an essential condition to market function. The general conditions for enterprise development are known as follows: stability of the state, economic and social policies, preferential tax regime, the presence of a developed entrepreneurship infrastructure, and a system of protection for intellectual property (Korotkov, 2018).

The experience of small business development in the countries of Central and Eastern Europe clearly demonstrates the ability of small enterprises to become an essential factor in economic and social development, provided that state economic policy is aimed at helping and assisting small business. One of the most important functions of the state in the economy is to maintain a competitive environment that contributes to improving the functioning of economic entities of different organizational and legal forms, which is directly related to the implementation of entrepreneurial activities.

Countries such as Hungary and Poland, where at the beginning of transformation processes there was already a relatively large private sector in existence, as well as some countries that had made significant progress during mass privatization, for example, the Czech Republic and Slovakia, have succeeded in small business development. As a result, according to Eurostat, an increase in the number of private small enterprises was achieved by 3-5 times in these countries by the mid-90s (Tolmachev, 2001).

The comparison of data on national entrepreneurship development with the indicators of other countries evidences that in Russia, small and middle-sized business, unfortunately, do not play a significant role in ensuring the economic growth (Akimetshin et al., 2017). State develops entrepreneurship through the institutional arrangement. An institutional arrangement implies the presence of an aggregate of institutes. The institutes assist in the areas of economic freedom, the support of personal choice, competitive freedom, and private security (Chornodid, 2017). In the regions of the Russian Federation, state policy in the sphere of entrepreneurship support is implemented in the framework of state-run programmes of entrepreneurial development, which are implemented at the federal, regional, and local levels (Knysh, 2015).
The theoretical significance of this paper is concluded in the study of the essential and material characteristics of the institutional arrangements for the realization of regional entrepreneurial potential. The practical significance of this paper is concluded in the suggestion of the directions for building entrepreneurial potential in Perm Krai, which may be presented to the authorities for their efficient application. However, in the literature, there are no relevant studies of the issues around building entrepreneurial potential in specific regions (particularly in the Perm Krai), which will be further considered in the paper.

**Literature review**

According to N.A. Vodopyanova, the main problems of entrepreneurship development in Russia are connected to the following: imperfections in the legislative framework; market monopolism; administrative barriers; tax load on the business enterprises; lack of protective mechanisms on the part of the state; lacked of or underdeveloped employers’ unions under the terms of co-financing and mutual benefit society, etc. (Vodopyanova, 2015). For example, I.V. Matveeva and E.B. Khomenko believe that to encourage development of entrepreneurship one should improve infrastructure, the main purpose of which is to create conditions favorable for the increase in competitiveness between enterprises (Matveeva and Khomenko, 2015).

A rather important point regarding the formation of entrepreneurial climate, as shown by the experience of various countries, is the development of an information-consulting and educational infrastructure, for example ‘incubators’, business schools, consulting markets, and the creation of the new business associations. A.S. Molchan highlights such elements of entrepreneurship support as the institutional nature of support, i.e. organizational, informational, legal, personnel, and financial provision; the synthesis of the efforts of the state, city authorities, public organizations and charities; the differentiation of taxation, taking into consideration the peculiarities of the scope of activities, social status of the entrepreneurs, the development of the region, etc. (Molchan, 2015).

Today, one of the most important issues faced by the state in the economic sphere is that of sustainable development. Achievement of sustainable development is also one of the most relevant problems faced by all regional economies of the world (Porfirio et al., 2018). The efficient implementation of regional economic interests regarding the development of territory is a result of the function of a reproduction process. At the same time, one can observe a correlation between the sufficiency of the material base and the degree of development of the formal institutions (Meyer et al., 2018).

The institutes’ assessment is indirect, based on subjective estimates obtained through the employment of a mathematical structure or based on quantitative criteria evidencing the results of the institutes’ influence (van Gelderen et al., 2018). The institute form the institutional arrangement, which is an independently organized structure based on the horizontal and vertical interaction of particular subjects and
agents of the economy. The institutional environment is the most important characteristic for entrepreneurship in a resource type economy. These are specifically the institutes that will ensure access for the entrepreneur to key resources (Audretsch and Link, 2018).

I.E. Doronina believes that the institutional arrangement for the development of entrepreneurial potential should be legally embodied and gain public support. By involving the maximum part possible of a regional population to various forms of entrepreneurship, it is possible to achieve social stability and decrease economic strain at the regional level (Doronina, 2015). Each region of the Russian Federation faces an important task in the development of strategy regarding the formation, development and efficient realization of entrepreneurial potential as part of strategic resources for the internal source of economic space development in the form of the driving force of the market (Gabdulkhakov and Sazanov, 2018).

According to Е. О. Vegner-Kozlova, entrepreneurship is a social-economic institutional system, working in harmony within the legally comprised public order. (Vegner-Kozlova, 2015).

The state suggests specific algorithms for the formation of an entrepreneurial climate by using particular examples of the entrepreneurial environment. The basic parameters are set through the processes of the corresponding legal field, the adoption of legislation for the formation of a market of capital, through land, labor, goods and services, as well as entrepreneurial activities, tax regime, IP protection (including the copyright, patents), interest rates, inflation targets, labor and social legislation, antitrust laws, sanitation, fire protection, and economic control. Each state forms an entrepreneurial climate as part of their social-economic relations. The main state regulatory provision governing the development of entrepreneurship is Federal Law N 209-FZ dated July 24, 2007, "Concerning the Development of Small and Middle-Sized Entrepreneurship in the Russian Federation". This law entered into force quite recently and had been preceded by another one. The difference of the current law is the separation of small business (divided into small business itself and microbusiness) and middle-sized business. The main criteria of their division are revenue (income), as well as the number of the employees and the volume of the capital (small and medium-sized).

D.A. Vladimirskaya and E.M. Zvyagina highlight the following ways that the state can support potential entrepreneurial development -- these forms have been applied not only in Russia, but also abroad: financial support (easy-term loans, subsidizing, grants, etc.); property support (preferential leasing terms, acquisition of the state property on easy terms, etc.); information support (creation of official websites to support information about the economic entity, organization of exhibitions, fairs, etc.); consulting support (rendering consulting services to entrepreneurs, organization of training courses, opening of the paperwork assistance centers, etc.) (Vladimirskaya and Zvyagina, 2017).
Materials and methods

The basic method applied to the analysis of the regional entrepreneurial potential is statistical analysis. To analyze the indicators characterizing the development of regional entrepreneurial potential, the authors chose the following indicators:

- By the largest entities of Volga Federal District: population dynamics, dynamics of the average monthly nominal wage, dynamics of the industrial production index, dynamics of the agricultural output and dynamics of the capital investment.
- By the Perm Krai: dynamics of the number of economic entities, dynamics of small enterprises, dynamics of average staff number of small and micro-enterprises, dynamics of small enterprise turnover, and indicators of business financial support.

As the empirical base for research, the authors chose data on entrepreneurship development in Perm Krai and the largest entities of Volga Federal District. It is important to provide some characteristics of Perm Krai, by comparing its indicators of entrepreneurial potential development with those of the district in general and of the other regions in particular. The Perm Krai is an entity in the Russian Federation and is part of the Volga Federal District. The economic base of the region is a highly developed industrial complex. The key economic branches are the oil industry, the chemical industry, the petrochemical industry, the ferrous and non-ferrous industry, engineering, and forestry.

The problem was studied in three stages:
1) Stage one: The authors conducted the theoretical analysis of the existing methodological approaches to analysis of regional entrepreneurial potential, and chose the statistical indicators for the analysis;
2) Stage two: They studied the chosen indicators and compared them at runtime (2015-2017).
3) Stage three: They made summaries regarding the entrepreneurial potential of Perm Krai and suggested recommendations regarding the improvement of the entrepreneurship support management in the region, with the purpose of its development.

Results

To understand potential entrepreneurial development of the district, one should consider the basic indicators characterizing the realization of entrepreneurial potential in Perm Krai and the largest regions of the Volga Federal District.

In Perm Krai (the same as in Bashkortostan, Nizhny Novgorod Oblast, Samara, and Saratov oblasts) the population decreased annually and as of January 1, 2018 was estimated at 2623 thousand people. Population growth is observed only in Tatarstan. From the largest considered regions in the Volga Federal District, Perm Krai outpaces
only the Saratov Oblast in population. The main contribution to the decrease in population is migration. According to 2017 census results, the number of people leaving Perm Krai surpassed the number of people moving into the region to live (Office of the Federal Service). In the Volga Federal District, one may observe annual growth of the monthly wage. In 2016, the highest growth was recorded in Bashkortostan, the lowest in Tatarstan; in 2017, the highest growth was recorded in Nizhny Novgorod Oblast, the lowest, again in Tatarstan. In Perm Krai, average growth was recorded (Office of the Federal Service).

The industrial production index over the period of 2015-2017 in the Volga Federal District is presented in Figure 1. As seen in Figure 1, in 2015-2016, in Perm Krai there was a low index of industrial production; in 2017 we see one of the highest among the considered entities of the Volga Federal District. The decrease in the industrial production index in 2016 was seen in Perm Krai, and Samara and Saratov oblasts. In 2017, a decrease was recorded in Bashkortostan, Tatarstan, and Saratov Oblast. Annual growth of the index is only observed in the Nizhny Novgorod Oblast. The industrial production index for the period of January to December 2017 was equal to 104.4%. In general, throughout Russia this indicator is 101.0%. In 2017, there was an increase in production of associated petroleum gas (by 5.4%), and production of oil and natural gas decreased by 1% and 5% respectively.

Figure 1. Dynamics of the Industrial Production Index over the Period of 2015-2017 in the Volga Federal District, %

Source: Composed by the author based on materials from the Statistical Service of Perm Krai

The index of production of processing activities amounted to 106.1%. The highest index was recorded in the graphics printing and copying of information media and the production of medicines and materials applied in medicine (174.1% and 143.7% respectively). The analysis of the production of specific kinds of food products is evidenced by,
for example, the increase in the output of sausage products (by 18.0%), fish preserves (by 14.3%), and confectionary (by 12.7%). There is an increase in the production of meat and poultry, offal, meat and poultry prepacks, cheeses, cheese products, and quark. There is also an increase in the output of workwear, timber, paper and cardboard, fertilizers, steel, the finished steel of ferrous metals, and rotary type pumps.

Dynamics of agricultural output in the Volga Federal District over the period of 2015-2017 is presented in Figure 2.

As seen in Figure 2, in the Volga Federal District one may observe the annual growth of agricultural output in Bashkortostan, Tatarstan, Nizhny Novgorod Oblast, and Saratov Oblast. In Perm Krai, the annual decrease in annual agricultural output is recorded. In the Samara Oblast, a decrease was observed only in 2017. In 2016, the highest growth was recorded in the Samara and Saratov oblasts, the lowest one – in the Nizhny Novgorod Oblast.

In the Volga Federal District one can also observe annual growth in retail turnover. In 2016, the highest growth is recorded in the Nizhny Novgorod Oblast, the lowest one – in Perm Krai; while in 2017, the highest growth is recorded in Nizhny Novgorod Oblast, while the lowest one – in Samara Oblast. In te Perm Krai, one may observe an average growth of this indicator in 2017.

![Figure 2. Dynamics of Agricultural Output in the Volga Federal District over the period of 2015-2017, million RUB](source)

Over the period of 2015-2017, the number of the economic entities and organizations decreased, while the number of self-employed entrepreneurs increased. When considered by scope of economic activity, as of 2018, across these organizations, the greatest role is played by the wholesale and retail trade (30 %) and construction (12 %). During 2017, in Perm Krai one might observe a trend towards the reduction in the
number of economic entities, at a rate similar to that as seen throughout the Russian Federation in general.

The greatest decline in the number of the organizations in Perm Krai as of January 1, 2018, compared to the data presented as of January 1, 2017, is recorded in the areas of wholesale and retail trade (by 3,175 figures), financial activities (by 202 figures), and education (by 54 figures). At the same time, in 2017 in relation to 2016, the number of legal entities decreased significantly; those which terminated their activities as a result of reorganization numbered at 59.3 %, by liquidation at 5.3 %, and by bankruptcy at 25.4 %.

The number of small enterprises in Perm Krai over the period of 2016 increased, while in 2017, it decreased. The same trend can be observed amongst micro-enterprises. The dynamics of the average number of employees at small and micro-enterprises in Perm Krai over the period of 2015-2017 is presented in Figure 3.

As seen in Figure 3, among small enterprises in 2017, one may observe the growth of the average number of employees, while among the micro-enterprises the indicator decreases. The growth rate of small enterprise turnover in Perm Krai in 2016 in relation to 2015 amounted to 68.1%, while in 2017 – 120.9%, which is a positive trend with the decrease in small and micro-enterprises as a background. The statistics regarding financial support for business is presented in Table 1.
Table 1. Analysis of Financial Support for Business in Perm Krai over the Period of 2015-2017

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<tbody>
<tr>
<td>Volume of the microloans and loans provided to the small and middle-sized businesses, million RUB</td>
<td>138</td>
<td>456</td>
<td>500</td>
<td>329.4</td>
<td>109.7</td>
</tr>
<tr>
<td>Amount of the microloans and loans provided to the small and middle-sized businesses</td>
<td>223</td>
<td>483</td>
<td>437</td>
<td>216.6</td>
<td>90.5</td>
</tr>
<tr>
<td>Number of the jobs created by the small and middle-sized businesses supported by the state in the form of the microloans</td>
<td>388</td>
<td>791</td>
<td>666</td>
<td>203.9</td>
<td>84.2</td>
</tr>
<tr>
<td>Number of the jobs preserved by the small and middle-sized businesses supported by the state in the form of the microloans</td>
<td>1747</td>
<td>4224</td>
<td>3801</td>
<td>241.8</td>
<td>90.0</td>
</tr>
</tbody>
</table>

Source: composed by the author based on the materials of the JSC ‘Microfinancial Company of the Perm Krai’ (Site of JSC "Microfinancial…").

The volume of the microloans and loans provided to small and middle-sized businesses in Perm Krai increased annually and amounted to 499822 thousand RUB in 2017. However, the amount of microloans and loans provided to the small and middle-sized businesses in 2017 decreased. A decrease was also recorded in 2017 in the number of jobs created by small and middle-sized businesses supported by the state in the form of the microloans, and by the number of jobs preserved by the small and middle-sized businesses supported by the state in the form of microloans.


Let us consider the measures of state support for entrepreneurs in Perm Krai.

1. Youth Entrepreneurship. In accordance with the Programme "You are the Entrepreneur", the popularization of entrepreneurship has been implemented, as well as the involvement of youth in business.
2. Subsidies. The following kinds of subsidies are provided: upon conclusion of the contract for the equipment leasing; by credit rates; and by the transfer of rights to the franchise (franchise fee).

3. Warranties. As a solution to this problem due to the means of the federal and regional budgets, the regional warranty foundations have been created to provide warranties for credits. In Perm Krai, such a structure is JSC "Perm Warranty Foundation". JSC ‘Perm Warranty Foundation’ suggests the entrepreneurs choose from three kinds of warranties: standard, development, and state order.

4. Leasing. LLC "PermRegionLeasing" implements projects on rendering leasing services in Perm Krai.

5. Training. Entrepreneurship support centers presented materials in 38 municipalities of Perm Krai and organize seminars, roundtables, conferences and other events specifically for entrepreneurs.

6. Competitions. On June 1, 2018, in the territory of Perm Krai, the regional competition "The Entrepreneur of the Year – 2018" begab. The competition is held annually and hosts over 100 of the brightest, the most innovative and successful representatives of the entrepreneur community from more than 30 municipalities in Perm Krai. They also hold the competition "The Young Entrepreneur of Russia" (regional stage).

7. Projects and Programmes. The tasks of the project "Development of Social Entrepreneurship in Perm Krai" are as follows: support projects with significant social effect and to increase the quality of social services in the region through the attraction of social entrepreneurs to render the municipal services, etc. In the territory of Perm Krai they implement programmes for the Foundation for Assistance to Small Innovative Enterprises in Science and Technology (Moscow) including such as: ‘Brainbox’, ‘Start’, ‘Commercialization’, ‘Development’, ‘Cooperation’, and ‘Internationalization’. The participation in these programmes allows for the implementation of a project from the R&D stage to the creation and development of sustainable businesses attractive to national and foreign investors. The Foundation is officially represented in Perm Krai by the Association of Scientific and Innovative Enterprises of Perm Krai.

8. Financial Support by JSC ‘MSP Bank’. Thanks to JSC ‘MSP Bank’, the state programme of financial support for small and middle-sized entrepreneurship has been implemented. The bank is a mediator of the state resources for business.

The infrastructure for the support for entrepreneurs in Perm Krai includes:

1. The Entrepreneurship Council at the Governor of Perm Krai. The scope of the Council’s activities is as follows: to support small and middle-sized entrepreneurship; to improve the key indicators of the investment climate; to perform as a means of control and supervision; to promote the products of regional manufacturers.

2. The Perm Foundation of Entrepreneurship Development implements state support for small and middle-sized business, social entrepreneurship, and runs the project ‘The Perm Franchise’. It also performs the work of the Center of Entrepreneurship Support and develops innovation-based entrepreneurship.
3. The JSC ‘Microfinancial Company for the Entrepreneurial Financing of Perm
Krai’ provides access to loans to representatives of micro- and small business.

4. The ‘Regional Engineering Center’ Foundation renders services to regional
enterprises, implements prospective projects, and introduces modern technological
solutions at the enterprises.

5. PermRegionLeasing implements projects on rendering leasing projects in
Perm Krai.

Thus, in Perm Krai, there are many various institutions supporting regional en-
trepreneurship development.

Discussion

Having analyzed the institutional arrangements of the entrepreneurial potential
realization in the Perm Krai, one may make the following conclusions:

1. The population in Perm Krai decreases annually, i.e. there is a decrease in the
number of potential entrepreneurs.

2. In 2015-2016 in Perm Krai there were low industrial production indexes,
which characterizes the level of the regional entrepreneurship support over
this period of time in a negative way.

3. In Perm Krai, one observes an annual decrease in the agricultural output.

4. The growth of retail turnover in 2016 in Perm Krai was the lowest amongst
the large regions in the Volga Federal District.

5. Over the period of 2015-2017, the number of economic entities and organi-
izations decreased.

6. The number of small enterprises in Perm Krai decreased in 2017.

7. In 2017, there was a decrease in the average staff number at microenterpri-
ses in Perm Krai.

8. The number of microloans and loans provided to small and middle-sized
businesses in 2017 decreased.

9. In 2017, there was a decrease in the number of jobs created by small and
middle-sized business supported by the state in the form of microloans.

Among the positive trends, one may highlight as following: a high industrial pro-
duction index 2017 – higher than average across Russia; an annual increase in retail
turnover, capital investments, wages, and the number of self-employed entrepreneurs;
an increase in the volume of microloans and loans provided to small and middle-sized
businesses in Perm Krai; the growth in 2017 of the number of small enterprises and
small enterprise turnover in Perm Krai.

The positive trends may be explained by the adopted measures of state support
for entrepreneurs in Perm Krai, which include the following: development of youth
entrepreneurship through the introduction of special programmes and projects; subsi-
dizing of a part of the expenditures related to entrepreneurship, provision of warran-
ties, microloans, implementation of measures and events aimed at increasing entrepreneurship activity, formation of a positive image of the entrepreneur, information and consulting support, financial support of businesses, and credit and warranty support.

To increase entrepreneurial potential in Perm Krai the following institutions implemented various activities: the Council of Entrepreneurship at the Governor, regional Foundation of Entrepreneurship Development, regional Warranty Foundation, JSC ‘Microfinancial Company of the Perm Krai’, Regional Engineering Center, and PermRegionLeasing.

S.Z. Ramazanova believes that the development of business is hindered by obstacles erected on the part of large companies; lack of tax concessions and preferences for rapidly growing companies; the problem of low contract capacity of the companies; and a lack of transparency in the implementation of entrepreneurial activities implementation (Ramazanova, 2016). From the perspective of S.A. Aydayeva, O.G. Urudzheva, business development is hindered by a lack in qualitative indicators of business assessment; there are few enterprises dealing with science or supporting science; administrative barriers and corruption; and a lack of competent personnel (Aydayeva and Urudzheva, 2016).

As for the development of entrepreneurship in the region there are several perspectives put forth by different authors. E.V. Moiseeva and M.G. Semykina believe that one needs to form and improve the regional legislative framework, ensuring the development of entrepreneurship; to train businessmen capable of implementing the innovation-based high-risk activities in all economic sectors; to develop systems to align the interconnected complex regional programmes of business support; to stimulate and attract investment into the business sphere; to protect the economic interests of all small business participants, etc. (Moiseeva and Semykina, 2016).

According to the authors, in order to reveal the entrepreneurial potential in Perm Krai, one needs to implement the following:

• Improvement of applicable legislation documents regulating entrepreneurial activities in order to eliminate contradictions between internal legislation and the cancellation of provisions hindering the development of entrepreneurship;
• Further implementation of the state regulatory policy in the sphere of the economy.
• Activation of financing and credit as well as investment support for entrepreneurship.
• Assistance in the creation of additional infrastructure for entrepreneurship development at the periphery.
• Improvement to the taxation system.
• Formation of proper legal environment for the development of innovation-based and R&D activities, as well as an increase in the motivation for entrepreneurs to participate in highly productive and high qualitative activities through the improvement of the system of economic incentives.

Ostanina et al., 2016
Thus, the measures of state support for entrepreneurship in Perm Krai are being constantly improved; both the financial and nonfinancial support instruments are being applied. Despite this fact, by many indicators one may observe the worsening of the situation of entrepreneurship development in the region over the past year. The development and efficient functioning of the entrepreneurial activities in Perm Krai is a rather long process, which should be implemented considering the economic and legal situation in the country, and the existing problems hindering the activities of enterprises. By analyzing the national legislative framework related to entrepreneurship, one may say that the influence of the state on it is quite significant on the one hand, while on the other – not efficient enough. Considering this fact, the modern situation requires the development and introduction of efficient mechanisms of state regulation, which would stimulate entrepreneurial activities.

Conclusion

Summing up the obtained results, we may make the following specific conclusions:

1. At the national level, entrepreneurship is a factor of macroeconomic growth because the offer and needs are present, and the economic and R&D progress is ensured particularly through market arrangements. The entrepreneurial potential can be defined as the total number of all individuals self-employed or ready for self-employment. The formation of entrepreneurial potential, in most cases, occurs due to the development of the middle-sized and small business, as well as various forms of self-employment.

2. In this modern stage of economic development a strong role is played by institutional arrangements on regional entrepreneurial potential. In Perm Krai, the development of entrepreneurship is supported by such institutions as the Entrepreneurship Council at the Governor, the Perm Foundation of Entrepreneurship Development, the Warranty Foundation, the Microfinancial Company of Perm Krai, the Regional Engineering Center, and PermRegionLeasing. The region pays much attention to the development of youth entrepreneurship, subsidizes a part of the entrepreneurship entities’ expenditures, performs events and measures aimed at the increase in entrepreneurial activities, and helps form a positive image of businessman.

3. The main problems in the development of entrepreneurship in Perm Krai were as follows: in 2016-2017, there was a decrease in the population and in agricultural production, as well as in the number of economic entities and organizations; in 2017, there was a decrease in the number of small enterprises, in the average staff number at micro-enterprises, in the amount microloans and loans provided, in the number of jobs created by small and middle-sized businesses supported by the state in the form of microloans,
and in the number of jobs preserved by small and middle-sized businesses supported by the state in the form of microloans.

4. Considering the revealed problems in the realization of entrepreneurial potential of Perm Krai, we elaborate on the recommendations for entrepreneurship development. The authors’ position regarding the significance of entrepreneurship and the ways of the building of the entrepreneurial potential of Perm Krai is described below. Entrepreneurship is one of the most important factors of social-economic progress and therefore society is interested in the creation of the necessary prerequisites for its development. So, the important issues are the issues of improvement of the legal and executive framework aimed at the creation of more favorable conditions for the functioning of businesses that are socially-oriented and ready to work in the competitive environment.

5. The most promising direction for further research on this subject is the study of the experience of the more advanced Russian regions and developed countries, which will allow us to conclude what arrangements might be applied in Perm Krai for the development of entrepreneurial potential.

References


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**Instituciniai susitarimai dėl verslumo potencialo didinimo regionuose**

Anotacija


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