

## THE IMPLEMENTATION OF THE COMPETITION DEVELOPMENT STANDARD

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### Abstract

The article contains data obtained as a result of research into the implementation methodology of The competition development standard in the subjects of the Russian Federation on the materials of Sverdlovsk region. The methods of introducing the Standard from the position of the general management methodology and from the position of evaluation of business entities are characterized.

The basis for the study was the normative documents of state authorities and local self-government of the Sverdlovsk region, which ensure the implementation of the Standard, as well as the results of surveys of business entities. The method of conducting the survey was an online survey conducted on the website of the regional Investments and Development Ministry. The base of respondents includes more than 2000 subjects of entrepreneurial activity.

The authors have revealed the methodological disproportions in the formation of the management tools for the implementation of the Standard, which consist in the prevalence of economic methods for the implementation of the competition development standard in the subjects of the Russian Federation on the territory of the Sverdlovsk Region.

The results of the study allow to formulate recommendations on increasing the effectiveness of measures taken by state authorities and local self-government bodies in the field of competition development.

**Keywords:** competitive environment, entrepreneurship, competition development standard, Russian Federation.

**JEL Codes:** J24, J31, M51.

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### Introduction

Theoretical aspects of the formation of a competitive environment are considered in the works of Chepurensko (2012), Kokovikhin (2018) and a number of other authors. Practical work on the formation of competitive environment is concentrated at the regional level of government,

due to localizations of most markets within a certain area. To unify and improve the controllability of this process the the Russian Federation government act of September 5, 2015-No. 1738-r approved the competition development standard in the subjects of the Russian Federation. Creating a favourable competitive environment is an integral part of sustainable socio-economic development of the territory and the key to attracting investment in the region's economy. The Government of the Sverdlovsk region pays special attention to systematic work in this direction. The Competition Development Standard in the Russian Federation (Standard) launched in the Sverdlovsk region in 2015 has become a solid foundation for improving the competitive environment.

The general methodology for managing social processes includes methods of administrative, economic and psychological nature. Administrative methods include a wide range of direct regulation methods that contain mandatory requirements for the subjects of the process in question Feiock, RC (2001). Most often in the literature there are such administrative methods for the development of entrepreneurship as the establishment of rules for the registration of entrepreneurs, licensing of certain types of activities, management of public sector enterprises, including unitary enterprises. Among the most common measures to improve the investment climate, it is necessary to mention the creation of a network of public institutions facilitating the start of business, measures reducing administrative barriers to business and ensuring the availability of resources and infrastructure Lundstrom, A., Stevenson, L. A (2007).

Economic methods take into account the diversity of resource interests of business entities. A fairly wide range of methods, including tax incentives, subsidies, concessional lending and methods of antitrust regulation Chepurensko (2012).

Psychological methods of activating entrepreneurial activity include many motives related to the level of self-realization of the individual. So in the work of Guins(1992), such psychological features of entrepreneurial activity are indicated as a desire to organize, develop enterprises, expand the field of activity.

The hypothesis of this article is to identify the gap between the set of activities contained in the Standard and the overall management methodology. Identification of nonconformities will allow to determine promising methods of influence on the processes of formation of competitive markets.

## **1 Methodology**

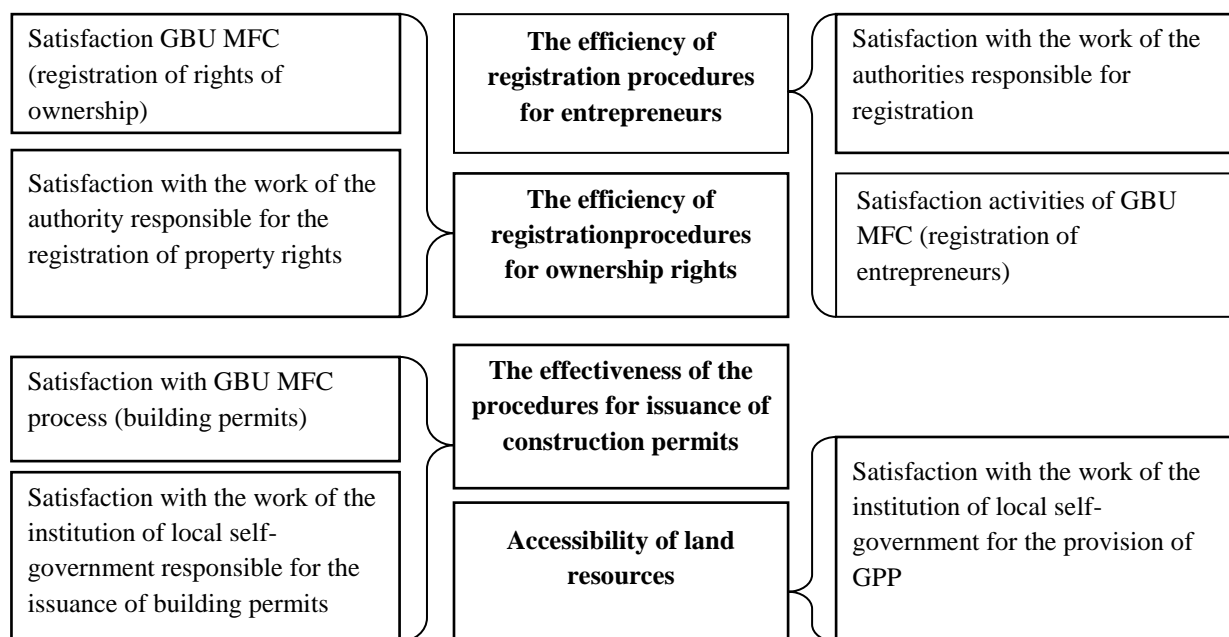
The research methodology assumes the implementation of two interrelated blocks of research.

The first of them involves grouping the activities of the Standard, depending on the nature of the impact on the administrative, economic and psychological nature.

The second stage involves monitoring of entrepreneurs' satisfaction in the context of the indicated groups of methods.

All the above parameters are monitored by assessing the satisfaction of entrepreneurs within the system of monitoring the investment climate, the introduction of which is regulated by the competition development standard in the Russian Federation. One of the main blocks of monitoring is the assessment of the parameters of entrepreneurs' satisfaction with the work of state institution and local self-government institution in the implementation of registration and licensing procedures, the evaluation parameters are shown in figure 1.

**Fig. 1: Parameters of entrepreneurs' satisfaction with the methods of implementing the Competition Development Standard**



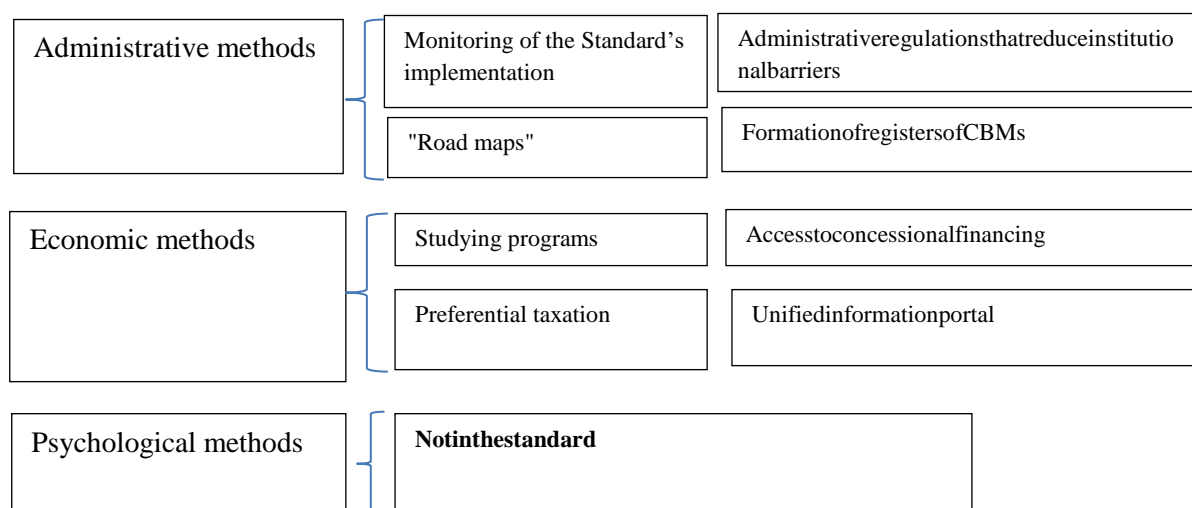
Data on satisfaction with the competitive environment in 2016 were obtained in the survey of more than 2000 respondents in 72 municipalities of the Sverdlovsk Region. It was done as part of research for the Investments and Development Ministry of the Sverdlovsk

Region»<sup>1</sup>. The developed methods of comparison of the estimations includes the three stage model of data processing that realizes the consequent comparison of the characteristics of the maturity of markets obtained while implementing the abovementioned approaches(Fig. 1).

## 2 The result of research

The grouping of measures for the implementation of the competition development standard is presented in Figure 2.

**Fig. 2: Grouping of Standard activities.**

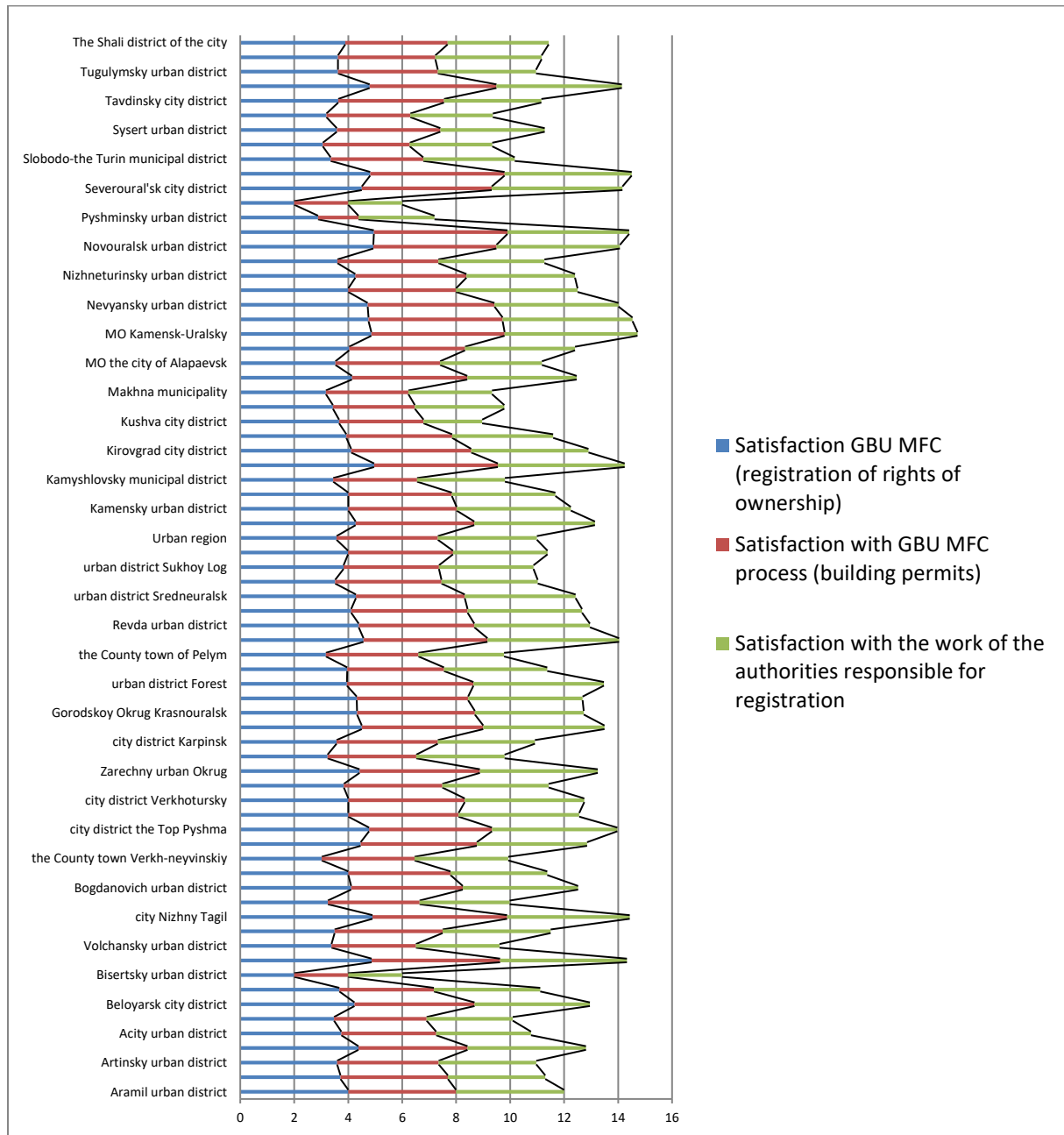


As can be seen in the figure, the methodological gap exists when implementing psychological methods to intensify competition. A possible solution to this problem should lie in the sphere of popularization of entrepreneurial activity among the population.

Estimates by entrepreneurs of the implementation of administrative and economic methods are presented in Figure 3.

<sup>1</sup>The scientific research work was "Monitoring the presence (absence) of administrative barriers and assessing the state of the competitive environment by subjects of entrepreneurial activity and monitoring customer satisfaction with the quality of goods, works and services on commodity markets in the Sverdlovsk region and the state of price competition in the Sverdlovsk region "(State contract No. 04-2017-14).

**Fig. 3: Estimates by entrepreneurs of methods for implementing the Competition Development Standard**



In General, high scores of satisfaction by the work of state and municipal authorities in the implementation of registration and licensing procedures was expressed by the respondents, 32 municipalities, the highest scores were: city district the Verhnjaja Pyshma, Nizhniy Tagil, Serov city district, etc.

Indicators of satisfaction by the work of GBU MFTS in implementing registration and licensing procedures observed in 31 municipalities, the highest scores were obtained Kachkanarsky urban district, Polevskoy urban district, city of Kamensk-Uralsky.

Summarizing the existing experience, it is possible to identify a number of effective procedures to improve the efficiency of the parameters of entrepreneurs' satisfaction by the work of state bodies and local governments in the implementation of registration and licensing procedures. In order to improve the efficiency of registration of SMEs, the following measures are required::

- expanding the list of services provided to business entities through the IFC, taking into account the experience of testing the provision of services for connection to grid energy;
- using of the media to disseminate information on the modalities of application and rules for the preparation of documents;
- informing potential recipients of services on the provision of state and municipal services on the principle of "one window" in the MFC through interdepartmental interaction with business associations (on the addresses of points of location of MFC offices with a graphic image on the maps of municipalities with a message about the services, including the possibility of using an electronic signature, tracking);
- organizing the passage of procedures and harmonization of technical conditions simultaneously (in parallel) with all utilities providers: representatives of the utility companies should come together at one meeting to consider the application. Thereby simplifies the control over observance of the deadlines by state institutions and network organizations;
- coordinating the actions of state structures and network organizations (electricity, water, heat, sewage, etc.) at the stage of preparation of documents for obtaining a construction permit in order to accelerate the process of issuing technical specifications, coordination of projects and work: the role of the coordinator can be representatives of development institutions of the Russian Federation;
- using of information technology to speed up administrative procedures: the ability to submit an application through the Internet portal allows you to automate and reduce the time of processing applications, minimizing the risk of loss of documents;
- placing in an accessible form of information on procedure of registration of real estate on the Internet portal, to place in places of reception of applicants in offices of MFC information materials on possibility of receipt of the state services of Rosreestr in electronic form;
- providing information materials periodically in the organization of the infrastructure of entrepreneur support, public organizations of entrepreneurs, professional associations, authorities and local self-government with data about the addresses of the location of the MFC offices, the opening of new offices, the possibility of electronic recording and tracking

the online workload of offices, the emergence of new opportunities for the provision of services through the MFC/no need to receive services through the MFC.

## **Conclusion.**

Thus, it is necessary to use a wider range of business development activities, in particular, the use of methods to increase entrepreneurial activity aimed at creating an attractive image of the entrepreneur in the public consciousness.

It is necessary to popularize entrepreneurial activity by demonstrating "success stories", attracting entrepreneurs to public, educational activities, introducing courses aimed at developing entrepreneurial skills in the upper grades, implementing special information seminars for certain categories of citizens, and developing and the implementation of measures of moral incentives and public recognition of entrepreneurial activities.

The maximum possible effect of the implemented activities will be facilitated by the participation of the state authorities' heads of the Sverdlovsk region and local self-government bodies.

Special attention needs to be given to the formation of a positive attitude towards entrepreneurship on the part of young people, which is distinguished by creativity, activity, readiness for change. At the same time, young people generally do not have sufficient skills, competencies and financial base for doing business.

It is advisable to start the formation of the necessary knowledge and competences from general educational institutions by: introducing electives on the basics of entrepreneurial activity, holding meetings with successful entrepreneurs, organizing excursion trips to operating enterprises, conducting profile business camps, organizing and holding thematic contests / olympiads among high school students.

More substantive and in-depth work should be built with the student community through the organization of special educational programs that include the consideration of specific business cases and elements of "mentoring."

In order to involve unemployed citizens in business activities, an information and consulting system should be established on existing tools and infrastructure for supporting SMEs, ways of obtaining support, and promising areas of activity.

An increase in the number of entrepreneurs will be facilitated by activities aimed at reducing barriers related to starting a business. In this regard, the use of financial forms of support for

start-up entrepreneurs, the development and introduction of new formats of the infrastructure for supporting start-up entrepreneurs with the provision of a range of ancillary services are seen as relevant: co-working centers, short-term lease of premises for group and / or individual work of start-up entrepreneurs on a preferential basis, incubators.

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