

Evaluation of the effectiveness of state financial support of small and medium-sized businesses in the Magadan region

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Abstract. The article analyzes the methods for assessing the effectiveness of state programs to support small and medium-sized enterprises (SMEs), proposed by domestic researchers, highlight their advantages and disadvantages. The authors have selected assessment indicators that allow, in their opinion, to reliably assess the effect of financial support for entrepreneurship in the region. The technique has been tested on the example of small and medium-sized businesses in the Magadan region.

Keywords: small and medium business, government programs, financial support, efficiency

Small and medium-sized businesses, creating an impulse for economic development, in turn, need support from the state. This fact is generally recognized both in Russia and in foreign countries. The Russian government spends significant financial resources on helping small businesses, but the real return from numerous government programs is often too small compared to the resources expended. Many works are devoted to the search for a simple and accessible methodology for assessing the effectiveness of government programs to support small and medium-sized businesses.

So, in the article [Kuznetsov, 2017], a detailed analysis of programs for supporting small and medium-sized businesses operating at the federal and regional levels is carried out. Based on the monitoring of the criteria for the effectiveness of state support presented in the development programs, the authors came to the conclusion that in most regional programs, mainly qualitative criteria are used, which do not allow us to realistically assess the return on the resources spent. To assess the effectiveness of state support, the authors suggest using the following indicators: the number of enterprises that have benefited from support and operate in the region, an increase in

tax revenues due to support; the share of innovative enterprises in the total number of enterprises that received support. In our opinion, the limitations of this methodological approach are due to the fact that such a narrow range of indicators makes it possible to assess the effectiveness of government programs, but it does not take into account the socio-economic component of the effectiveness of government support and makes it possible to assess its impact on the regional economy.

In the article [Kremin, 2017], all works devoted to methodological approaches to assessing the effectiveness of state support are divided into 5 groups:

1. Based on the establishment of the effectiveness of program documents aimed at supporting and developing entrepreneurial activity.
2. Based on the assessment of the development of entrepreneurship.
3. Based on the determination of the contribution of entrepreneurial activity to the socio-economic development of the region.
4. The resulting assessment is an integral indicator.
5. Based on the study of reducing administrative barriers in the field of entrepreneurship.

The author classifies the works of the authors reviewed by him, highlighting in each group the following criteria for evaluating methodological approaches

- assessment of socio-economic efficiency;
- assessment of the effectiveness of the activities of small businesses;
- assessment of the impact of small business on the development of the territory;
- ease of interpretation of the research results obtained;
- the presence of the empirical base of research in the public domain.

The author notes the lack of a unified methodological approach to assessing the effectiveness of state support for SMEs in the works analyzed by him. The author proposes to break all the assessment indicators into two blocks, one of which reflects the state's expenditures on providing support, the second block - the effect obtained from this. In each block, particular criteria are highlighted, which are then reduced to an integral indicator for assessing the effectiveness of state support. Agreeing with A.E. Kremin in terms of the particular evaluation criteria proposed by him, we are forced to note the drawback of this approach, which, in our opinion, is inherent in all integral evaluation methods, namely: this technique, in general, allows us to evaluate only the dynamics of the studied efficiency indicator from the "increase - decrease" position. At the same time, it is difficult to draw unambiguous conclusions about the causes of certain dynamic changes on the basis of the calculated integral indicators.

The author of the following article proposes a methodology for assessing the effectiveness of state support for small innovative enterprises [Gamidullaev, 2012]. Among the evaluation

criteria proposed by him are such as the indicator of the effectiveness of state information support for small businesses engaged in innovative activities; an indicator of the availability of existing state support programs; an indicator of the effectiveness of personnel support; an indicator of the effectiveness of financial and credit support and others. In our opinion, the disadvantage of this method is that it is not universal in nature, and in addition, it is based on expert assessments, and therefore cannot be completely objective, since entrepreneurs act as experts, and the opinion of representatives of structures regulating the state support is not taken into account.

Evseeva O.A., Babkin A.V. [Evseeva, 2014] propose to use a correlation-regression model of the dependence of financial support on various indicators, such as the number of SMEs, SME turnover in the total turnover of all enterprises and tax revenues of the consolidated budget of a constituent entity of the Russian Federation received from SMEs. Having calculated the coefficients of the model and comparing the value of the resulting indicator with 1, they determine the effectiveness of state support for SMEs. The disadvantage of the described method is, in our opinion, too narrow a set of evaluation criteria.

Drozdova D.I., Zaleshina V.V. [Drozdova, 2016] propose to adhere to the traditional approach and use two indicators in assessing the effectiveness of state support: the share of small enterprises in the total number of enterprises and the number of support programs operating in the region. This method, like the previous one, is based on a too narrow range of indicators, and the conclusion about the effectiveness of support programs based only on the number of programs operating in the region does not allow us to assess the real return on the resources spent by the state.

Morkovina S.S. and others [Morkovina, 2015] suggest using key indicators in the assessment to identify SMEs requiring support, which include: an indicator of the strategic importance of an export-oriented enterprise; an indicator of the internationalization of an enterprise; indicator of social performance; indicator of budgetary performance; indicator of non-primary exports in total exports. Next, an integrated indicator of the need for support is calculated, on the basis of which four possible options for the need to support an SME entity are determined (support is necessary, desirable, possible, not needed). This methodology is aimed at export-oriented enterprises, therefore, the indicators used in it are tied to exports.

Thus, a review of works devoted to methodological approaches to assessing the effectiveness of government programs to support SMEs shows that all the methods considered have the right to exist, are developed for specific research tasks and, with varying degrees of accuracy, allow us to assess the return on public financial resources.

In our opinion, the methodology for assessing the effectiveness of state support should meet the following requirements:

- be simple, and at the same time contain a sufficient number of indicators to allow assessing the economic, social and budgetary effects of the assistance provided by the state;
- be universal in nature, be applicable to all enterprises covered by the support, regardless of their industry affiliation;
- information for the assessment should be publicly available;
- the indicators of the methodology should have a comparable form, therefore, these should be relative indicators, thus, there will be an opportunity for interregional comparisons. Identification of regions with the greatest efficiency of state support will allow to extend their experience to other regions and adjust regional assistance programs.

We agree with the authors [Grazhdankin, 2009, Kremin, 2017], who argue that the overall effect of state support for small and medium-sized businesses consists of economic, social and budgetary effects, of which the economic effect characterizes the impact of SME development on the regional economy, social effect characterizes the impact of SMEs on the standard of living and social development of the region, the budget effect shows the return on budget funds aimed at supporting small and medium-sized businesses in the form of funds returned to the budget in the form of tax revenues.

Taking into account all of the above, we propose to include the following indicators in the methodology for assessing the effectiveness of state support for small and medium-sized businesses:

- 1) Indicators characterizing the economic effect of state financial support:
 - the contribution of SMEs to the region's GRP,
 - the share of SMEs in the total number of enterprises;
 - the share of income of the Ministry of Railways in the total revenue of enterprises in the region;
- 2) Indicators characterizing the social effect of state financial support:
 - the share of people employed by SMEs in the total number of people employed in the region;
- 3) indicators characterizing the budgetary effect of state financial support:
 - dynamics of financial support funds
 - the share of taxes from SMEs in the regional and federal budgets;
 - the share of enterprises receiving support in the total number of SMEs.

Of course, the assessment of the effectiveness of financial support for SMEs will be more accurate if only enterprises that are recipients of support are involved in the calculations. However, our task is to assess the impact of state aid programs on the situation in the region as a whole.

Therefore, in the testing method we will use indicators that characterize the state of small and medium-sized businesses in the Magadan region in general.

On the territory of the Magadan region there is a state program "Economic development and innovative economy of the Magadan region", one of the subprograms of which is "Development of small and medium-sized businesses in the Magadan region." The activities of the subprogram are aimed, among other things, at the implementation of financial measures to support small and medium-sized businesses.

The organization authorized to bring state financial support to small and medium-sized businesses in the Magadan Region is the Magadan Regional Fund for the Promotion of Entrepreneurship. Table 1 shows the dynamics of financial support for SMEs in 2015-2019.

Table 1

Financing of SMEs through the Regional Fund for the Promotion of Entrepreneurship of the Magadan Region in 2015-2019.

Event	2015	2016	2017	2018	2019	In total
	Thousand rub. / enterprises					
Submission of subsidies to individual entrepreneurs and legal entities to create their own business	1397,4/3	1000,0/2	2435,0/5	500,0/1	-	5332,4 /11
Subsidizing part of the costs associated with the payment of interest on loans attracted from Russian credit institutions	3572,6/ 9	1182,6/8	229,5/1	-	-	4984,7/ 18
Subsidizing part of the costs associated with the payment by the SME of interest on leasing agreements	5017,2/ 32	2976,9/ 21	1495,9/ 14	308,0/8	2100,0/ 22	11898,0/97
Subsidizing part of the costs of SMEs associated with the purchase of equipment	5766,6/ 5	3797,7/ 12	2829,1/ 3	493,8/1	-	12887,2/ 21
Other activities	32505,2/ 50	11859,1/ 17	725,0/ 3	-	-	45089,3/ 70
In total	48259,5/ 99	20816,4/ 60	7715,2/ 26	1301,8/ 10	2100,0/ 22	80192,9/217

Source: compiled from [Register of SMEs - recipients of support in the Magadan region in 2015-2019, *www*].

As follows from the table 1, there is an annual decrease in the allocated funds, the number of recipients of support, as well as the number of activities for which funds are allocated. Thus, the amount of financial resources decreased by 2019 by 22 times, the number of recipients of financial support - by 4.5 times, in 2019 only one event was financed "Subsidizing a part of the costs associated with the payment of interest on leasing agreements by an SME entity" against 14 activities foreseen in the Program. The share of financial support in the total volume of state support for SMEs is also decreasing. So, if in 2015 financial support accounted for 83% of the total funding of the state program, in 2016 - 70.2%, in 2017 - 35.6%, in 2018 - 5.6%, in 2019 . - 2.2%. Such dynamics testifies to a shift in emphasis in the allocation of budgetary funds from financial support in favor of other areas of state support - consulting, property, educational.

Further, the indicators were calculated to assess the economic, social and budgetary effectiveness of state financial support for SMEs. The results are shown in Table 2.

Table 2.

Indicator	2015	2016	2017	2018	2019	Change (+/-) 2019 to 2015
Economic efficiency indicators						
Share of SMEs in Gross Regional Product, %	39,1	35,9	21,9	34,8	35,9	-3,2
Share of SMEs in the total number of enterprises *, %	48,4	57,6	50,5	54,6	54,2	+5,8
Share of gross income of SMEs in corporate income, %	51,6	44,2	45,6	39,9	31,3	-14,3
Social performance indicators						
Share of the employed in SMEs in the total number of employed, %	17,2	17,8	17,6	16,3	14,6	-2,6
Indicators of budgetary efficiency						
Dynamics of financial support, million rubles	48,3	20,8	7,7	1,3	2,1	-46,2
Share of tax revenues to the budget from SMEs, %	4,63	3,77	4,11	4,11	3,98	-0,65

Share of recipients of support, %	3,9	2,1	1,1	0,4	1,0	-2,9
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Source: calculated from [Magadan region in figures, *www*; Register of SMEs - recipients of support in the Magadan region in 2015-2019, *www*]

* - excluding individual entrepreneurs

Analysis of the data in the table shows that over the past 5 years, all indicators of the effectiveness of state support for SMEs in the Magadan region have decreased: a decrease in funds allocated for financial support for SMEs was accompanied by a decrease in the efficiency of this sector in the regional economy, the share of taxes paid, and the share of jobs created. Thus, the proposed methodology makes it possible to assess the effectiveness of government programs to support small and medium-sized businesses fairly objectively, taking into account the economic, social and budgetary effects on the region's economy.

The analysis of the dynamics and structure of state financial support allows us to draw the following conclusions:

1. In the state programs of support for SMEs implemented in the Magadan region in 2015 - 2019, the directions of support shifted from mainly financial to non-financial forms - educational, consulting, information. By 2019, the number of recipients of financial support was reduced to 1% of the total number of small and medium-sized enterprises in the Magadan region, so that its impact was somewhat noticeable. At the same time, the reorientation of aid programs towards other forms of support brings less cumulative effect than financial support, as evidenced by the calculated indicators for 2015-2016, when the level of this form of support was 70-80% of total funding.

2. In the forms of financial support themselves, priority is given to such areas as "Subsidizing part of the costs associated with the payment of interest on leasing agreements by an SME" (this area accounts for 44.7% of recipients of support in the Magadan region). In our opinion, the choice of this particular form of support is due to the fact that non-compliance by recipients with the conditions for the provision of subsidies is easily controlled and makes it possible to require the violator to return the amount of money to the budget in full.

In 2019, Russia adopted a national project "Small and Medium Enterprises and Support for Individual Entrepreneurial Initiatives", in which the emphasis of state support was shifted towards financial assistance. Moreover, the size of the allocated funds has grown tenfold. So, for example, in the Magadan region in 2020 in the direction of "Expanding the access of SMEs to financial support, including concessional financing" within the framework of the national project, 314.45 million rubles were allocated from the state budget. (in 2018, for comparison, funding for the program as a whole amounted to 23.5 million rubles). In addition, the focus is now on repayable forms of financial support, such as microloans, bank guarantees, loan guarantees.

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