

State Regulation of the Entrepreneurial Activity in the Markets of Socially Important Goods and Services in Modern Russia

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Abstract: The developed system in the markets of socially important goods and services at the present stage demand changes in the relations between the state and business. The business community of Russia improves the social strategy, develops and introduces mechanisms of interest coordination in dialogue “business society-state”, comes to a stage of forming the consolidated position of socially responsible business. Thus, development of the theory and methodology of regulating an entrepreneurial activity in the markets of socially important goods and services in modern Russia is the burning issue having essential economic value. Now in scientific literature there are different approaches and understanding of on what basis it is necessary to form the principles and methods of regulating the Socially Important Markets (SIM). It speaks not only about high relevance of a subject of a research but also about the practical importance of development of the main directions of regulation and development of SIM in modern conditions of the changing market environment.

Key words: State regulating an entrepreneurial activity, socially important market, Socially Important goods and services (SIM), development

INTRODUCTION

Dynamics of production of the public benefits which are made in the markets of socially important goods and/or services in the conditions of globalization of economy of modern Russia, gains special not only economic but also socio-political value. Strengthening of general integration, interdependence at all levels: world, regional and individual, shows new public requirements and as a result, there are problems and contradictions in which permission, the defining part is assigned to spheres of production, advance and distribution public benefits (Demakova and Egorova, 2012; Bordoyev, 2010).

In modern Russia these problems become aggravated, first of all, for two reasons. First, Russia as power of global scale has multidimensional interests and cannot objectively withdraw from the solution of interstate world public problems that reduces possibilities of use of the resources which are available for it by production expansion, improvement of quality of the public benefits and fair access for consumers to them. Secondly, transforming the economic relations in the Russian economy significantly changed not only mechanisms and the outputs and distributions of the public benefits but also filled with new contents basic economic categories.

According to the theory of public sector on which socially important markets actually reside, there are also offered to consumers the public benefits which are highly

monopolized. Government institutions are the main producers and off-takers of the public benefits (socially important goods and services). Forming “economy of knowledge” and humanization of economic development per se, lead to swift change of consumer preferences that demands increase in an innovative component in production of the socially important benefits. The state (for various reasons) has no sufficient innovative resources (including administrative) for the solution of this task but business has them that predetermines objective need of development of business and highly competitive enterprise environment in the socially important markets. Considering the strategic importance of socially important goods and services, it is necessary to understand accurately that presence of the state is a necessary condition of functioning of the markets of this kind, for creation in them institutional operating conditions of business structures and implementation of control, joint with civil institutes of quality and availability of the public benefits to the population of Russia.

CLASSIFICATION OF THE PUBLIC BENEFIT

The theory of public sector-rather new scientific direction based on microeconomic approach to the analysis of social and economic and political processes and postulates of the theory of the public choice in which center of attention, there is a person who is the major

Table 1: Participation of the state, business and noncommercial sector in production of the pure and mixed public benefits

| Type of the benefits/pure public benefit | The mixed public benefit |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Examples of the benefits Services of the state in law enforcement, including legal bases of economic activity, to maintenance of monetary system, etc | Services of health care and education, the higher education, services of sports clubs, beaches parks, highways, fresh water, clean air, bridges, tunnels, housing and public utilities, etc |
| Participation of the state Obligatory | Participation minimization the states in production and financing |
| Participation of private and noncommercial sector Perhaps but there are limiting factors (existence of necessary means and resistant motivation). There are numerous "free riders", there are difficulties in achievement of optimum and desirable scales of delivery of the benefits | The prospects of use of market mechanisms and enterprise initiative and also connection of mechanisms of voluntary collective actions at the local levels by participation of welfare and other non-state non-profit organizations are obvious |

(only significant) "a usefulness maximizer" basis of functioning of public sector is process of reproduction of the public and socially important benefits, however, despite a large number of researches, still there is no standard classification of these benefits as the majority of classifications are narrowly targeted, considering only a small range of the most typical of them.

On the basis of the carried-out analysis of the available classification approaches the classification of th Thus, the given classification of the public benefits shows a possibility of use of big variety of the most various signs.

The public benefits provide maintenance of the production sphere if their production is directed to creation of material benefits, i.e., development of the industry, agricultural industry, communication, transport, etc (Gerba, 2013).

In modern conditions there is an objective need of transfer of a number of functions on development of public sector from the state to enterprise structures and non-profit organizations. As shows the international experience, the state does not undertake the solution of all public requirements any more and transfers execution of their considerable part to the non-state organizations both to a business sector of economy and noncommercial associations. For example, by production of the mixed public benefits the role of the state is not obligatory and can be reduced to a reasonable minimum as these benefits can be made and be delivered on the basis of close cooperation and division of functions between the state, business and noncommercial sector in the presence of necessary means and incentives (Table 1).

Thus, the most important tendency of development of public sector is the fact that the functions which were earlier considered as a prerogative of the state organizations are transferred to enterprise structures and non-profit organizations. At the same time an important point is improvement of forms of interaction of the state, enterprise and noncommercial structures in this sector of economy.

The special part in this interaction in our opinion is assigned to social partnership which in the widest value

it is possible to define as the constructive interaction of representatives of all three public institutes (state, commercial and noncommercial) at the solution of socially important problems realized within the pursued social policy and existing law (Turchaninova and Khrapov, 2010).

SOCIAL, INNOVATIVE AND INTELLECTUAL ORIENTATION OF MODERN GLOBAL ECONOMY

The processes of social orientation of economy continuing around the world form as in the theory and practice of market economy the certain reality forcing to alter the operating still conceptual approaches and to create new, modern theoretical designs of the market taking into account its social importance SIM. We consider that concepts of the socially important market and the market of the socially important benefits can be interchanged as they have similar essence (Table 2).

Social, innovative and intellectual orientation of modern global economy predetermines need of more in depth study in Russia of structure of the Socially Important Markets (SIM) of goods and services (Chaplin and Zhigunov, 2013). Such market can be considered as special system which functioning is directed to satisfaction of the most important needs of the individual and the society providing high-quality social and fair development. That is, features of this market which are always fixed institutionally are: generality of consumption of the goods and services made by his subjects; direct dependence of quality of life of the population on quality and availability of the services made on SIM; usefulness of the goods and services presented at these markets has social character; participation of society in the solution of a measure of social consumption and partially in production of socially important goods and services. The specified features always institutionally are formalized as are connected with problems of correlation of public concerns with opportunities of the state: the state bears social responsibility for providing with the social benefits that defines need of state regulating SIM (Yerokhin, 2012).

Table 2: Essence of the Socially Important Market (SIM)

| Characteristics of SIM | Main criteria of SIM | SIM definition |
|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Satisfies needs of the individual and society in general in the material and non-material (piritual) benefits | Ambivalent character of the benefit having the public and individual importance, usefulness | The open, institutional organized system providing high-quality and socially fair development of society due to production and realization of goods and services of social character to subjects of this market along with the state can and the enterprise and non-profit organizations making available and qualitative socially important goods have to be carried |
| Provides consumption of socially important goods and services with the most part of the population | The large-scale nature of the created positive outer effect high degree of an institutionalization | |
| Promotes social and economic development of the country, increase in social welfare, level and quality of life | Satisfaction of the final requirements of society connected with development of the person | |
| Realizes the functions with considerable support of the state | The social safety assuming mutual responsibility of the state, business and society for the sake of social justice | |
| As the purpose increase in efficiency from consumption of these benefits acts | High degree of desire of the population to obtain benefits and guarantees from SIM functioning | |
| Causes need of interaction with the markets of the interfaced goods of the social importance | Continuous increase in efficiency of goods and services SIM | |

In modern economy the vast majority of branches are connected with the social sphere, serve and satisfy social needs of people. In this regard, SIM can be carried a considerable share of the existing markets as practically each market has the socially-a significant segment-the submarket which can be considered as the independent market. The socially important markets, unlike other markets have “pair” character: for example, the Education Market (EM) is focused on the Labor Market (LM); the Pharmaceutical Market (PM) on the Market of Services of Health Care (MSHC), etc. The socially important markets in the development are interconnected and interact, adapting on the “pair” markets, mutually each other supplement.

Social, innovative and intellectually capacious orientation modern economy predetermined need of more in-depth study of the socially important markets that is presented. Being a segment of market economic system (submarket), the socially important market provides consumption of goods and services with the most part of the population, promotes increase in social welfare, quality and level of living; realizes the functions with assistance of the state for the purpose of increase in scale of positive effect from consumption of the benefits, causes need of interaction with the markets of the interfaced goods of the social importance. That is, features of this market are: generality of consumption of the goods and services made by his subjects; direct dependence of quality of life of the population on quality and availability of the services made on SIM; usefulness of the goods and services presented at these markets has social character. The specified features result from public concerns, at the same time, the state bears social responsibility for providing with the social benefits that defines need of state regulating SIM.

It is important to note that in modern, socially oriented market economy the vast majority of branches are connected with the social sphere, serve and satisfy

social needs of people. In this regard the considerable share of the existing markets as practically each market has the socially important segment the submarket which can be considered as the independent market can be carried to the socially important markets. Admitting the fact that the market economy in essence socially is also aimed at performance not only economic targets, thus, the socially important market can be defined as the open, difficult structured and immanently institutionalized system providing social and fair development of society due to production and realization of qualitative goods and services of social character to which subjects, along with the state, can and the enterprise and non-profit organizations making socially important goods have to be carried.

In these conditions, it is obvious that development of the branches providing the population with socially important goods and services has to be considered as a priority nation-wide task and, a task multidimensional and diversified.

The solution of this task is possible only on the terms of systemacity and complexity in approaches to reforming of data of branches, on the basis of development socially, economically and technologically reasonable concept of development and regulating the social sphere and the socially important markets. Today in domestic practice there is a sufficient variety of methods and instruments of state regulating the markets of the socially important benefits. But, it is also necessary to understand that SIM is a product of regulation not only from the state but also from various social institutes which “design” these markets taking into account institutional, national and public restrictions (Chaplin and Gerasimova, 2014).

Thus, it is possible to claim that the modern socially oriented economy is social and economic space in which in system integrity two subjects the market and its socially important segment coexist in it cumulative

potential of both market and “non-market” ways of production has to be implemented that assumes interconditionality, complementarity and interpenetration of elements of social and economic system.

ENSURING COMPETITIVENESS OF ENTERPRISE STRUCTURES ON THE BASIS OF AN ECOLOGICAL FACTOR

This situation causes need and expediency of attraction of non-state (enterprise) sector to performance of problems which initially traditionally were solved only by the state, raises a role of the institutes of civil society aimed at production and control of satisfaction of various socially useful requirements of non-standard, local character that demands from the state of “pointed” regulating SIM and involvement in this process of consumers the population of the Russian Federation.

Thus, recognizing economic feasibility of application of the state methods of regulating SIM, it should be noted that the state at the same time has to create only institutional conditions for forward innovative development of the sphere of production and rendering socially important services to the population by enterprise structures. Along with it the state has to exercise, by means of consumers, social control of activity of the businessmen working in this direction to provide not only quality of socially important goods and services but also their availability to all segments of the population.

The world practice of state regulating the markets of socially important goods and services allows to distinguish two integrated models: social and democratic orientation with a high role of the state (the enterprises of socially important branches unite in the uniform branch state corporations) and neoliberal, characterized by smaller extent of the state intervention in social and economic processes (use of informal procedures). The analysis of international experience allows to speak about sufficient variety of forms and methods of state regulation: tariff policy, price regulation, development of the competitive environment (system of state orders), competitive system, uses of vouchers, standard support, etc.

Let us note that, despite variety of the forms and methods of state regulation used in the international practice it is possible to say about forming a new general tendency decentralization and delegation of functions in the sphere of production of socially important goods and rendering services to enterprise structures, non-profit and public organizations that allows not only to increase their quality and availability to the population but also to create highly competitive enterprise environment on SIM based on socially responsible approach of business to the activity.

Considering the social responsibility of business which already developed in developed countries and arising at us, it is possible to say that one of the most important directions of regulation in the explored sphere are ecological aspects of production of socially important goods. Ecological aspects of production of socially important goods (development of strategic actions of an ecological orientation within introduction of KSO, decrease in costs of production as a result of economy of resources and implementation of ecological programs, introduction of new technologies of processing of waste, decrease in payments for penalties, etc.) lead to creation of favorable image of the company, its public recognition, increase in loyalty of consumers that is form steady competitive advantage on the basis of implementation of ecological requirements which can bring the companies various additional bonuses and benefits in a look: receiving preferential terms of crediting (and other ways of attraction of the capital) and insurance; advantages with participation in competitions and tenders due to more favorable image of the stable company aimed at long-term cooperation; increases in market value of the stock of the company and as a result increase in cost of business in general; increase in the income of the company due to sale of “environmentally friendly production”, increases in labor productivity; possibilities of an entry into the new markets and cooperation with the consumers imposing strict requirements to manufacturers.

Interest of consumers ecological aspects of social responsibility of business in Russia really high as well as in the countries with longer history of ecological activity of the companies. Therefore, it is obvious that at improvement of system of state regulating an entrepreneurial activity on SIM, the ecological aspect has to be considered in a priority order.

Besides, ecological methods of regulating production of goods can and have to be used as the instrument of marketing (within implementation of the concept of “ethical” marketing) for creation of positive image of the company and its public recognition that is especially important for producers of socially important goods.

It should be noted that in Russia the problem of environmental friendliness is particularly acute especially as in our country there are no precepts of law defining the concept “environmentally friendly” a product and regulating the relations in the sphere of its production, certification and advance. Meanwhile, it is obvious that process of increase in environmental friendliness of socially important goods will allow to use most fully the potential put in the company to increase its competitiveness and the main thing, to improve quality of the rendered socially important services or released goods (Peskov, 2014).

Table 3: Distinctive characteristics of functioning grocery segment in the socially important market

| Grocery (B2C) market | Socially important market |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Large number of economic subjects | The number of subjects is limited, owing to considerable monopolization by the state; there are restrictions of an entrance for the market connected, first of all with quality of goods and services |
| High knowledge; active advertising | Low advertising activity; low knowledge |
| Possibility of comparison of the price of a product and its quality | Impossibility or difficulty of comparison of the price and quality |
| Existence of the organizations of the various forms of ownership seeking for maximizing profit | Existence of a large number of the state or non-state organizations having legislatively certain restrictions on profit |
| The realization of products is enabled as a rule, | At realization of products and services presence of the state in the form of the controlling or directly distributing body is possible |

Providing ecological requirements to production of socially important goods and services rather young for the Russian economy but the perspective direction of development. The principles which are been the basis for economically effective instruments of decrease in ecological influence are equitable to interests of rather wide range of interested persons (including, to interests of society, businessmen, to interests of food security of the state and the concept of sustainable development in general).

Today development of business has to happen in socially important branches only on the principles of social responsibility, “responsibility of the enterprises for the influence on society” providing respect for balance of interests of producers, consumers, societies, power structures in economic, social, ecological areas. Social responsibility has to become a constant component of business strategy of the company and be perceived by it as really bringing economic effect for the company and making positive impact on community and its development (for example, through creation of additional jobs in regions with high unemployment, ensuring access of the population with the low income to goods and quality services which are capable to influence change of their economic situation).

Based on foreign experience of introduction of KSO, it should be noted that activity of the Russian companies in the sphere of production of socially important goods has to be focused on system and strategic (i.e., not having single character) socio-commercial result and efficiency of activity has to be defined, first of all, not by commercial but socio-commercial result which is expressed in increase in availability and quality of socially important goods and services for a general population; public recognition of the company and as a result, increase in its reputation component and competitiveness in strategic prospect.

In study the researcher algorithm of development of grocery strategy of the company in the markets of socially important goods and services which allows to monitor dynamically the structural changes happening in the market of socially important goods and services is offered and to react quickly to consumer and market expectations on the basis of updating and tactical management of a product portfolio. Proceeding from SIM functioning

purposes, the strategy of social and ethical marketing, not only providing the most accurate feedback “the producer the consumer” but also providing, within conducting commercial activity, the program of sponsorship, free of charge, reduction of prices, charity, honesty, an ethical orientation that is functioning on the principles of corporate social responsibility has to become a priority type of marketing strategy for the companies subjects of these markets. It is necessary to understand that use of various marketing tools in the markets of socially important goods has to be carried out taking into account specifics of SIM (Table 3), specifics of process of advance in the considered area, first of all, taking into account that the brand in the socially important market performs function of the capital, not traditional for a brand and is the characteristic of the public benefit (the characteristic of the vital quality of goods) as defines specifics of its advance to the consumer.

Advance of a trademark on SIM in many respects depends on territorial factors, for example as far as the brand is recognized in the local market of the region. To reach high degree of authenticity (recognition and recognition) by means of the brand in constantly changing market conditions, strategic programs of advance of a trademark have to be updated and supplemented constantly with new approaches, for example, reputation, created within a tendency of forming socially responsible business. Advance of a trademark on SIM, can and has to rely on development of a reputation component of resource capacity of the company (a brand, image, business reputation, public recognition, authenticity of goods, trust of business community).

It was established that the concept of functioning of subjects of SIM has to be based on establishment of needs, requirements and interests of the target markets and satisfaction of consumers with the most effective, ways at preservation and strengthening of wellbeing of the consumer and society in general.

CONCLUSION

Thus, the conducted research allows to offer essentially new concept of forming system of state regulating an entrepreneurial activity in general and on

socially the significant markets, in particular, based on allocation of socially important segments in any market (submarkets) which functioning assumes existence not only the state but also public control over their activity. The direct consumer of production socially important goods and services is included in this system not only as a demand formation source but also as the participant of process of production exercising control of quality of the made public benefits and services, their distribution and availability to all segments of the population. The state, transferring the functions of the producer of the public benefits and services to enterprise community, reserves instead of total control, function of “pointed” regulation only of socially important segments of any market, dividing the controlling functions with institutes of civil society, controlling process of production through institutes of state-private and social partnership. The refusal of total state regulation allows the state to involve public resources of economic development of national economy and to minimize costs of own contents, having increased at the same time quality of public administration.

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