

## Chapter 44

# Special Role of the Entrepreneurial Education for the Development of Innovation Potential of Regions Through Small and Medium Enterprises

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### **ABSTRACT**

*The specificity of the situation in global economy is that the speed of technological development is very high, so it is necessary to adapt quickly to changes. The share of small and medium-sized enterprises to gross domestic product is 20% in the Russian Federation and 60-70% in Western countries. This chapter presents the results of the assessment and monitoring of the status of small and medium-sized enterprises, which has been conducted by the business community. The chapter describes the mechanism of increasing the interest of the local government in the development of small and medium-sized enterprises. Also, it highlights the special importance of relations between enterprises and universities for training, in order to meet the challenges of innovation development in the regions. The opening of the Department of Innovative Entrepreneurship at the Bauman Moscow State Technical University is a logical and actual sphere of development. Finally, the chapter introduces the concept of the School of Technological Entrepreneurship.*

### **BACKGROUND**

Small business in Russia always goes through difficult times. Over the past 10 years a number of business entities has been grown up; at the same time, the rate of increase remains at the low level of 2-3% per year. Accepting certain legislative, but sometimes rash, decisions led to the fact that the professional community reacted sharply by a mass closing of microenterprises and individual entrepreneurs (IE).

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Among such unpopular decisions, it is necessary to highlight a double increase of IE, that caused closing of more than half a million IE in 2013 (ASI, 2017; NAFI, 2016).

The share of small and medium-sized businesses in the gross domestic product (GDP) is 20%. According to Russian statistics, more than a quarter of workplaces are in the sphere of small and medium-sized business: The share of the employees of small and medium-sized enterprises (SME) in the average number of employees of enterprises and organizations is 27.1%. Entrepreneurs' need for additional knowledge and skills in the face of increasing competition is creating a new request to the education sector, which manifests most acutely in the regions.

The solution to the problem of formation and development of SME in the regions, enhancing their role in creating relationships between public authorities, science, education, business, and industry, can be achieved by an integrated and systematic assessment of the status of SME by the business community. The existing ratings allow to measure the business mood in the segment of micro and SME regularly. Modification and additions in the rating structure allow to carry out administrative influences.

During the creation of the *Strategy for the development of the system for the training of workers and the formation of applied qualifications in the Russian Federation 2013-2020* (Ministry of Education and Science, 2013), the government and the business sector established the development of students' social and entrepreneurial competencies, ensuring their adaptation to changes in external conditions, as priorities for the development of SME in regions.

An important direction in ensuring the integration of graduates of professional educational organizations into the business environment is the creation of conditions for the development of graduates' "adaptive resources", in terms of ensuring their employment and self-employment. For this purpose, training contents and technologies are developed in professional educational organizations. This ensures: The acquisition of additional related qualifications; targeted education in entrepreneurial skills, including the way of supporting projects aimed at developing students' entrepreneurial skills; training in effective behavior in the labor market; formation of social competencies, including teamwork, based on the development of student associations and project forms of educational work.

## **THE RESEARCH STUDY**

*Opora Russia*, in cooperation with PJSC *Promsvyazbank*, regularly holds researches of entrepreneurial moods, whose results are reflected in the RSBI Index, which is updated every quarter. The index is based on the results of the survey of the top managers of SME and is an indicator of the economic situation. The value of the OPORA RSBI Index above 50 points is interpreted as an increase in business activity, while a value below 50 points represents a decrease in business activity (OPORA, 2017).

The RSBI Index includes the changing of the investment indicators, the availability of financing, human resources, and sales results, considering the cumulative level of business activity in the SME segment. A special role is assigned to the industrial RSBI subindex.

In April 2016, OPORA RUSSIA carried out an anticrisis monitoring of small and medium-sized businesses in Russia. 387 entities of SME of various economic activities were involved in the survey, 78% of which are legal entities and 22% are individual entrepreneurs (OPORA ROSII, 2017).

The crisis causes changes in the external environment of the companies related to the availability of funds, human resources, and real estate, to the behavior of customers and suppliers, administrative

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