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# TRAINING OF MODERN ENTREPRENEURS AS AN IMPORTANT FACTOR IN THE INNOVATION DEVELOPMENT OF THE FAR EAST RUSSIAN ACTORS

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#### Abstract

The contemporary entrepreneurship of Russia is being formed in the course of move towards market relations for over thirty years in rapidly changing conditions of the national market emergence. The latest decade alone enables to specify two stages in the development of the Russian entrepreneurship while the receding twenty years saw three of them. For such sharp changes of the entrepreneurship environment this situation looks like a crisis, however a few researchers opine that under the foreign economic pressure of the Russian economy the entrepreneurship community may, upon strengthening its position, get an impulse for further development. This historical research show us how were the entrepreneurship training influence for theirs activity in the Far Eastern subjects of Russia.

#### Keywords

Innovative, Innovativeness of Entrepreneurship; Innovative Development Issues

# 1. Introduction and Theory/Concept

That situation may be compared with early 90's of the XX century when the Russian entrepreneurship lost governmental support, having no market experience, start-up capital, legal terrain, public support was seeking to survive. Nevertheless, even in that situation this social stratum has established by the early XXI century, and upon the adoption of the governmental strategy for socioeconomic development in the long term to determine the country's development model on innovative basis it is targeting the entrepreneurship community at

stability in development. The entrepreneurship community development problems and governmental steps to eliminate them are scientific feasibility of the studied phenomenon and its actuality.

Also, accounting for large territory of Russia, the entrepreneurship-related problems are especially hard to be solved in remote areas which is determined by the established specifics of business infrastructure, established interregional commercial links, high transport tariffs to ship to/from the central Russia. However, by 2000 the entrepreneurship community in the Far-Eastern regions has actually established while a typical feature of entrepreneurship activity was orientation at export to the Asia Pacific of natural resources and trading and mediation.

The strategic program of state development identified advanced commercial development of the eastern regions on innovative basis. Discussion of problems, factors of economic development on innovative basis has been paid much attention by a lot of researchers since the middle of the XX century at international conferences, round tables, global discussion sites, but so far no universal model has been created yet. The complexity of the problem, variation in terminology, call for a multidisciplinary approach to study this phenomenon.

The fact that Russia's modernization needs to be implemented only based on the innovative development to ensure country's achievement of a new economic level to strengthen its positions in the global market is doubtless. However, in 2011 in Primorsk Krai out of 403 small enterprises studied only 3.7% were engaged in innovative activities and finished innovations were used by 68 small enterprises in Primorsk Krai, 38 in Kbabarovsk Krai, 19 in Amur Oblast and 26 in Kamchatka Oblast (Primorstat, 2012).

The theoretical basis of this research is the works by the classics of the global economic, historical, sociological doctrines, the contemporary leading foreign and Russian scientists, specialists in theoretical and practical issues of entrepreneurship, formation of the market system and its basic business entities. Modern theory such as "Theory of social capital" (Brodel F., 1982), "Social History" (Hidegger M, Bergson D., 1993, Vallerstain I, 2004) and "New local history" and all of them gives multidisciplinary approach, which helps us to make qualitative investigation.

The author applies historical and comprehensive method, comparative and comprehensive approach. Also, logical methods were used, as well as economic analysis and synthesis, analogy and comparison, comparative dynamics. These methods add one of them and help us relevant results. The historical method helps us views in chronological development with these specifics. The logical method gives possibility to make conclusion research.

### 2. Research Issues

For 12 years the topic of Russian economic complex on innovative basis has been urgent. It relates to the fact that the above innovative program document is being implemented at rather slow rates. That's why the scientific community, entrepreneurs and authorities are discussing low rates of innovative development and the current experience of successful development of foreign countries as it is the innovative model which determines the progress.

Need for Russia to avoid the oil and gas dependency and to switch to the innovative model was determined by the policy of V.V. Putin elected the President of Russia on March 4, 2012 who noted that this course would require efforts of not only authorities and the state but all the public and first of all – its civil institutions. The main task in early XXI century is the development of the Eastern Russia (Pacific Russia and Eastern Siberia). Vladivostok as the Pacific Headquarters of the Russian government and a business harbor, the place for diplomatic contacts with the Asia Pacific, one of the informal capital cities of the RF in the XXI century (Trenin D., 2010).

The national economy is experiencing a hard period today – the economic sanctions imposed are worsening Russia's opportunities calling for changes in the national market, however the stabilization of the national economic development in 2012-2013 created some conditions for advance restructure of all market players.

The total survey of small and medium enterprises of the country in 2015 shows that in 2015 compared to 2012 the number of enterprises in Primorsk Krai grew from 65,050 to 68,355 (Primorstat, 2016). The number of sole traders dropped a little from 54,940 persons in B 2012 to 52,183 in 2015. The percentage of small and medium enterprises growth by 1.07.2016 made 100.4%. Meantime, 36% of enterprises registered trade, vehicle/appliances/personal goods repairs, 12% – transport and telecommunications, 9% – construction, 18% – real estate and services. Mainly enterprises are concentrated in urban districts (91%).

# 3. Methodology

The methodology of this study is based on modern theory: "Social History" (M. Heidegger, D. Bergson, 1993; I. Wallerstein, 2004), "Oral History" (P. Thompson, 1970), "Theory of Social Capital" (F. Braudel, 1982). Taking a multidisciplinary approach, which draws on the principles of objectivity, historicism and complexity, the study of the difficult category of entrepreneurship – in particular, the conditions of the current situation and problems in the development of the Russian Federal Subjects of the Far East – will yield interesting results for further research.

Taken together, "Oral History", "New Social History" and "New Local History" allow the researcher to collect material that can be used to obtain empirical data to support analytical conclusions. Very few historical studies of the development of entrepreneurialism have been conducted for the Far Eastern regions of Russia during the 1990s to the early twenty-first century. Among those researchers who considered issues of the formation and development of entrepreneurship in the regions of the Russian Far East were L.A. Moiseeva (2004,2006), A.S. Vashchuk (2006). The majority of researchers of entrepreneurship are in economics and cultural studies, who consider certain aspects of entrepreneurial activity L.A. Moiseeva (2004, 2006), A.S. Vaschuk (2006), L.I. Gallyamova (2011). Since great attention is being paid to the establishment of entrepreneurship as a "driving force" of socio-economic development of the Far East of Russia in the integration process with the Asia-Pacific countries, the present study is sufficiently viable and relevant.

### 4. Analysis

The Russian Far East and in particular its southern regions: Amur Oblast, Primorsk Krai, Khabarovsk Krai have great innovative and production potential and regional commercial activities may be stimulated if favorable conditions are created for commercial operation in the said regions. Currently, in the above regions some potential economic growth points to get the country involved in the international labor division in the Asia Pacific and for growth of national economy's performance as provided for by Strategy for socioeconomic development of the Russian Far East and Trans-Baikal till 2025 (2012, Russian Paper).

The steps taken by the government to stimulate and support small and medium entrepreneurship on innovative basis are implemented via establishment of business incubators, Funds of investment support, federal universities as new models of educational institutions, engaged – simultaneously with educational activities – in innovations and stimulation of small and medium business via granting tax preferences, soft lending by the Russian Far-Eastern region's administrations. Finally, the implementation of Vladivostok free port project will tenable to jointly act innovatively. The first Eastern Economic Forum (EEF) held in Vladivostok in 2015 as a regional development tool gave an opportunity to bring a lot of investors and advise them of the geopolitics in the Russian Far East.

It was at the first EEF where the public was informed of the decision made by the Russian President and the government to develop the Russian Far East. Today, taxes have been cut and development institutions began to operate and the environment the investors are getting used to have been created. It should be noted that all Asia-Pacific countries are developing and all fast-growing economies are operating in actually the

same matrix. In Russia, such conditions have been created for the first time. In September 2016, at the second EEF the next stage of investment participation will be considered by national and foreign parties interested in keeping mutually beneficial cooperation in implementation of projects requiring innovative solutions.

Certain results of innovative activities are expected during summarizing by Far-Eastern federal university and Skolkovo science center of the international contest of innovative technologies in September 2016.

Some activities are undertaken in Primorsk Krai to get the youth involved in innovative activities. So, since 2007, Primorsk Krai 's program PYSIC (Participant of young science and innovations contest) has been realized by Fund for support of innovations aimed to get the young involved in innovative entrepreneurship.

Fund for support of innovations is the new name of well-known Fund for support of small forms of enterprises in science and technologies re-branded a few months ago. The Fund is implementing a few programs seeking to develop innovative entrepreneurship. PYSIC is one of them, still of the largest scale. Each program is seeking to support innovations. The Fund is responsible for the stage of preparing innovative projects for implementation, for training the young people to implement such projects in the regional economy. Each year, the Fund decides 1,300 – 1,500 winners of PYSIC. The priority directions of the program are: IT, future medicine, new materials, automation and instrument engineering, biotechnologies. "Annually, 22-24 young Primorsk Krai innovators in the average are winning the program. In 2015, there were 26 winners", – director of Department of economy and entrepreneurship development of Primorsk Krai administration said. These results became possible, because there was realized government program of the strategy development.

In Khabarovsk Krai, upon the results of the contest and expert assessment some 30 winners of PYSIC-2015 were decided as told by experts, Khabarovsk Krai participants submitted their scientific works in unique areas, not much focused on by other regions. In the said region, a ramified infrastructure to support and develop innovative entrepreneurship has been created: universities and R&D institutes of Khabarovsk Krai, "Committee for investments and innovative development" of the government of Khabarovsk Krai, autonomous non-profit organization "Far-Eastern agency for support of investments", work is done to implement Khabarovsk Krai's act of October 30, 2013 №317 "On state support of innovative activities in Khabarovsk Krai are determined by the regional government's policy in innovations, availability of key elements of innovative infrastructure: business

incubators, technology parks, consulting entities, and, most significantly, high level of commissioning of intellectual activities results in production/manufacturing.

# **5.** Conclusion

Successful entrepreneurship consists in a set of specific factors, as mentioned in the publication by the author of GRDS Publishing (Aihadi Abu baker Alhadi Almbrok, 2015), namely: culture, the development of a communication network and relationships within a social environment that is supportive of entrepreneurship. Since, entrepreneurship is a special quality pertaining to individuals, it is impossible to disagree with the model presented in the abovementioned article. However, training in entrepreneurship is a necessary precondition for their success. Traditional training, which is focused on building knowledge and skills in the subject area, is increasingly lagging behind current requirements. The basis of education should focus less in academic approaches and more on ways of thinking and acting. Contemporary innovative pedagogical technologies include developing teaching techniques that: give students active methods for obtaining new knowledge; provide an opportunity to achieve a higher level of personal social activity; create a training environment in which it is impossible not to learn; stimulate creativity; and help to bring the study to the practice of everyday life, forming not only knowledge and skills in the subject, but also a proactive attitude (Guzeyev V.V., 2000).

At the present stage of our social development, there is an unprecedented increase in demand for unconventional thinking by creative personalities. The need for the creative activity and professional development of thinking, the ability to design, evaluate and rationalize is growing rapidly.

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