## Country Report - Russian Federation

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WIPO-PPO-KIPO EASTERN EUROPEAN REGIONAL FORUM ON USING INTELLECTUAL PROPERTY (IP) PANORAMA FOR BUILDING CAPACITY OF SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) FOR STRATEGIC INTELLECTUAL PROPERTY MANAGEMENT

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## The overview of developing SMEs in Russia.

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Lately the SMEs in Russia became one of most dynamically developing sectors of economic activity.

According to the latest data of Federal state statistics service<sup>1</sup> there are just over one million small enterprises registered in Russia and over 9 million persons are involved in them, that it's about 13 % of all employees in Russia.

It should be noted that an index, characterizing a share of small innovative enterprises in the structure of industries on the types of economic activity, makes less than 2% from the general number of small enterprises in Russia.

Realizing the necessity for further development of innovative activity of SMEs, the legislation, aimed at adjusting of relations in the SMEs sector and called to promote the role of SMEs in innovative and social and economic development of society, has activated recently. The main statute is a Federal Law No. 209-FZ of July 24, 2007 on Developing Small and Medium Scale Entrepreneurship in the Russian Federation. It has become the important step on the way of adjusting the activity of SMEs and providing legal, political, economic, social, informative, consultative, educational, organizational and other types of support by this legal act.

The basic goals of state policy in the area of development of SMEs in the Russian Federation are as follows: developing small and medium businesses for the purpose of creating a competitive environment in the economy of the Russian Federation; fostering conditions favorable for the development of small and medium businesses; ensuring the competitiveness of small and medium businesses; rendering assistance to small and medium businesses in the promotion of goods (works, services), the results of intellectual activities they produce in the market of the Russian Federation and the markets of foreign states; increasing the number of small and medium businesses; supplying jobs for the

<sup>&</sup>lt;sup>1</sup> http://www.gks.ru/bgd/regl/b08\_47/Main.htm

population and developing self-employment; increasing the share of the goods (works, services) produced by small and medium businesses in the gross domestic product; increasing the share of taxes paid by small and medium businesses in the tax revenues of the federal budget, the budgets of the subjects of the Russian Federation and local budgets.

The basic principles of state policy in the area of development of small and medium scale entrepreneurship in the Russian Federation are as follows: the delineation of the powers of supporting small and medium businesses among governmental bodies; the responsibility of governmental bodies for ensuring favorable conditions for the development of small and medium businesses; the participation of representatives of small businesses, and not-for-profit organizations expressing the interests of small and medium businesses in the formation and implementation of state policy in the area of development of small and medium scale entrepreneurship, expert examination of draft normative acts of the Russian Federation, draft legal acts of subjects of the Russian Federation, draft legal acts of local self-governing bodies regulating the development of small and medium scale entrepreneurship; the provision of equal access for small and medium businesses to support in accordance with the terms and conditions for the provision thereof established by governmental programmes for the development of small and medium scale entrepreneurship.

One of the main directions of development and stimulation of innovative activity is creation of innovative infrastructure.

It is determined that the infrastructure for supporting small and medium businesses is a system of commercial and not-for-profit organizations which are set up, and pursue their activities or are invited as suppliers (performers, contractors) for the purpose of placing orders for the delivery of goods, performance of works or provision or services for state or municipal needs at the implementation of governmental programmes for the development of small and medium businesses that are conducive to the formation of small and medium businesses and to the provision of assistance thereto.

The infrastructure for supporting small and medium businesses also includes entrepreneurship development centers and agencies, state and municipal funds for supporting entrepreneurship, lending assistance funds, joint-stock investment companies and closed-end investment trusts that attract investment for small and medium scale entrepreneurship, technoparks, science parks, innovation-technological centers, business incubators, craft chambers and centers, subcontractors support centers, marketing and business training centers, merchandise export support centers, financial leasing companies, consultative centers and other organizations.

The requirements applicable to the organizations constituting the infrastructure for supporting small and medium businesses shall be established in governmental programmes.

The following is deemed support to the organizations constituting the infrastructure for supporting small and medium businesses: the activities of governmental bodies of the Russian Federation in the implementation of governmental programmes for the development of small and medium businesses, and aimed at the formation of, and supporting the activities of, the organizations constituting the infrastructure for supporting small and medium businesses.

It should be noted that the provision of support to small and medium businesses in the area of innovative activity and manufacturing may be carried out particularly in the form of assistance for patenting the results of intellectual activity.

The analysis of current legislation allows to make a conclusion that the environment for extension of SMEs activity in Russia is being established. However to estimate their efficiency and effectiveness is not possible nowadays, taking into account, that the most documents were accepted recently. In addition, the experience of the developed countries on passing to the innovative pattern of economic growth shows that this way is long and difficult enough, as it goes through all aspects of social and economic development of society and is intended to make changes of economic and social policy of the state.

Along with that, nowadays there is a wide system of organizations playing in Russia in the area of development of innovative activity. It is important to note, that the subjects of innovative infrastructure can solve the problem partly. Successful development of innovative activity can not be in dependence exceptionally on the presence or amount of the proper subjects of infrastructure.

In whole, the infrastructure of support of SME in Russia consists of the followings basic elements: Chamber of Commerce and Industry of the Russian Federation<sup>2</sup> with its regional representative offices, the Russian Union of Industrialists and Entrepreneurs<sup>3</sup>, business-incubators, business-centers, business-schools, Union ITC in Russia<sup>4</sup>, All-Russia non-governmental organization of small and medium scale entrepreneurship «Opora Rossii»<sup>5</sup>, Russian association of small and medium scale entrepreneurship development<sup>6</sup>, Russian association of franchising<sup>7</sup>, Russian Agency of small and medium scale entrepreneurship support<sup>8</sup>, regional research and informational centers, regional funds and centers of small and medium scale entrepreneurship support, Russian informative resources for small business, Russian Fundamental Research Fund<sup>9</sup>, Russian Technological Development Fund<sup>10</sup>, Fund for the Promotion of the Development of Small Forms of Enterprises in the Scientific and Technical Sphere<sup>11</sup>.

The system of scientific and technical information provided is effective enough and it is available at a large volume almost on all directions of science and technology, including access to patent information. However the data related to information of markets, which can substantially affect the tasks of innovative development is not easy to obtain.

It is very important to ensure a public access to information environment through Internet, providing the entrepreneurs with various information about business collaboration in Russia. Such resource was created on the base of the Russian business portal «Alliance Media<sup>12</sup>» and it is in large demand, both from Russian and foreign entrepreneurs. Russian business portal is created for informative support for the Russian entrepreneurs, development of business partnership, advancement of products and services and forming of mechanisms of electronic conduct of business.

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<sup>&</sup>lt;sup>2</sup> http://www.tpprf.ru/

<sup>&</sup>lt;sup>3</sup> http://www.rspp.ru/

<sup>4</sup> http://rus.unitc.ru/

<sup>&</sup>lt;sup>5</sup> http://www.opora.ru/

<sup>6</sup> http://www.rasme.ru/

<sup>&</sup>lt;sup>7</sup> http://www.rarf.ru/

<sup>8</sup> http://www.siora.ru/

http://www.rfbr.ru/

<sup>10</sup> http://www.rftr.ru/

<sup>11</sup> http://www.fasie.ru/

<sup>12</sup> http://www.allmedia.ru/sitemap/

The web site Innovation and Entrepreneurship<sup>13</sup> which is created for informative support of entrepreneurs busy in the field of innovative business appears to be very interesting. Except the information support this resource allows to complete distance learning courses on such programs, as «Management in SMEs», «Intellectual property».

Equally important is the Russian partnership in a Gate to Russian Business Innovation Networks (Gate2RuBIN) project that is aimed at creating opportunities for establishing partnerships between European and Russian companies and research organizations. Through Gate2RuBIN, Russian organizations of business innovation infrastructure will participate in the Enterprise European Network.

<sup>13</sup> http://www.innovbusiness.ru/