

SOCIALROLEANDSPECIALITIESOFBUSINESSEDUCATION ASAFIELDOFSERVICESINRUSSIANBUSINESSDEVELOPMENT

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Key words: business education, business, preparation of specialists, signs business activity, business quality, market of the educational services, preparing the personnel.

Social role and specialties of business education as a field of services in Russian business development are considered in the article. The author shows the results of the general analysis of specialists' preparation for small-scale business.

The training of specialists for small business is organic part of business education, and it meets some special problems connected with contemporary social and economic situation in a country. So, what is the specific character of small business and where is the place for training of specialists for it? Entrepreneur is a person who takes some risk when he develops a new organization or when he implements in practice a new idea, product or service.

T. I. Zaslavskaya mark out some characters of entrepreneurship: aims to get profit, freedom of making their economic decisions, independence and self-responsibility.¹ B. Karloff considerably divides economy and business and says that commercial qualities include the capacity to analyze structural factors of companies' growth, to develop new better structures, the capacity to evaluate the structure of market needs correctly, to reveal those of needs, that can be satisfied, define organization's aims, to arrange people for achieving these aims². Notions "entrepreneurship" and "business" are often used as synonyms, however there's a difference between them, that was marked by F. Kotler. Business is any economic activity, that brings profit. Entrepreneurship is a special type of business, where the entrepreneur is the main player and driving force of selling goods and services³. Savchenko V.E. in his book "Modern entrepreneurship" describes features and qualities of the entrepreneur and his activities. He supposes, that the entrepreneur is a owner of means of production and equity (capital), and is an innovator⁴. The most important feature is his aiming on consumers. Entrepreneur is interested in grows of consumers' purchase power and so he is obliged to carry on social policy, it means to place production under the

consumer, satisfaction of mass needs of the population. So, entrepreneurship is a type of economic activity, the main points of which are the following: possession of capital, independence in decision-making, responsibility, abilities to risk, being initiative, having a wide spectrum of motivation and others. The aim of entrepreneurship is the commercial success – profit.

The central place in solving of social and economic problems in Russia belongs to small business. According to civil procedure law subjects of small business are artificial persons (both the commercial organizations, and individual businessmen), having the right to create small enterprises in various organization-legal forms⁵. Small business in comparison with big and middle is the most numerous. The great number of small owners, the representatives of small business, is one of the most qualitative feature of market relationship development. Nowadays in Russian Federation small business there are 850 thousand players, and they employ about 14 millions of workers. According to Ministry of economy, for stable development of Russian market not less than 3 million of small entrepreneurs have to function.

On the one hand, small entrepreneurship is protected by the "Law about state support for small business" passed in 1995, on the other hand, state doesn't consider small business as a main actor of economy and it leads to lots of negative consequences for small business as well as for the state. As a result, all kinds of entrepreneurship becomes unprofitable for small businessmen and they try to move towards trade or other types of business. The relations between small entrepreneurs and municipal administration are very difficult and full of contradictions, when small business on local level is de-

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pendent on officials, who can use his powers as goods. Problems in relations between small business and state and lack of its' grows stimulation makes small business deprived of its' rights and unprotected and becomes a threat for its existence. Moreover, according to some experts, more than a half of small enterprises appear because of negative reasons, such as loss of job or having no prospects of career promotion. Mixed ways of starting small business, bad conditions of working, weak professional and educational training, low level of understanding their corporate interests among the small entrepreneurs makes them politically amorphous, so they simply can't implement their interests with the help of law.

Also there are some specific features of small enterprises, such as quick adaptation to local conditions of business, big independence of its subjects, flexibility and efficiency in decision-making, comparatively low expenses, big individual opportunities to fulfill his ideas, rapidity of capital turnover. Character of the production, especially limitation of scales of applied means of production and technological processes, the small nomenclature of produced products, is most specific.

Resources and business communications of small enterprises also have some features: locality of the resource and selling markets, informal relations with suppliers and consumers. Specificity of small business is made by supersensitivity, flexibility, mobility, manoeuvrability and efficiency.⁶

Thanks to the marked properties small business adapts to varying economic conditions. Dynamism and flexibility of enterprise activity is the important factor that influences formation of the educational policy in sphere of small business.

Mass replenishment of enterprise structures has occurred in the course of formation of new organizational forms of managing at the first stage of an economic reform when in business have directed big quantity of farmers, handicraftsmen, the handicraftsmen who are engaged mainly in manufacture and realisation of the goods and services to the population, and also representatives of a science, art, the culture, they develop their business in sphere of intellectual services and brokerage . As a whole 80 % of businessmen were engaged earlier in

brainwork, office-workers make 34 % of them, technicians - 31 %, the scientific and technical intellectuals - 5 %.

Despite a high educational level among the representatives of small business, a great bulk have been studying, as well as had a practical training, in conditions of administratively-planned economy. Therefore quite often businessmen are not ready to work in market conditions, they do not have enough skills to work in crisis situations because their knowledge and abilities, generated in former conditions, became an essential brake in economic and organizational innovations.

In the process of designing the system of business education in each country specificity of national mentality and social and economic, welfare and sociopolitical position is considered. Depending on it priorities in training of experts-businessmen vary.

The major importance in legal regulation of educational activity in Russia has the Law of the Russian Federation "About education"⁷ which establishes the obligatory state educational standards including federal and regional components in the Russian Federation. Thus the law concerns activity both state, and private educational institutions.

The problem of a professional training for small business was declared time and again in decisions of the Government of the Russian Federation. In 1991 there was a Decision "About a professional training of young businessmen" by which the initiative of creation of the special Center for educating of beginner businessmen was supported. To execute the decision "the Center of revival of business" which has set up a network of the Russian schools of businessmen has been created.

In 1994 the Governmental order of the Russian Federation "About a network of regional agencies of support for a small business" led by the Russian agency of small and medium-size business was accepted.

The great value for development of business education had the Governmental order of the Russian Federation "About the organization of training of the unoccupied population to bases of enterprise activity" from March, 7th, 1995, according to which training to bases of enterprise activity of the unoccupied citizens who registered as the unemployed and have passed professional selection, is carried out.

According the Federal program of the of the state support to small business realization in Russia was made an attempt of creation of a network of the educational and consulting institutions, engaged to training to bases of business on the basis of common standards of a business education. However problems with financing have not allowed to solve this problem in practice. As a result now there are no state standards of business education.

Today the participants on the market of educational services in sphere of small business by are 548 state univercities, 208 private high schools, 2607 various educational institutions of secondary vocational training, 700 educational institutions of professional skill raising.

On the market of educational services operate now a lot of different organizations and institutions. Let's try to classify them. The system of state institutions incorporates the following: academies and institutes of professional skills raising - 150 units, intersectoral regional training centers of professional skills raising - 82 units, special departments - 231 units, departments of professional skills raising - 173 units, courses of - professional skills raising 170 units, schools, managers centers, etc. - 314 units.

Speaking about private institutions, carrying out business education, we can notice that on March, 30th, 2006 in the Russian Federation was about 370 business schools and the business education centers. In Moscow and St.-Petersburg it has been registered 1200 economic players who are carrying out educational functions on a commercial basis. Does it mean that economic players who render educational services can be possibly named the business schools giving business education? To answer this question we will consider classification of business schools given by V.P.Galenko in the work "Organization of business regulation in the system of additional education". The first group includes schools which are carrying out medium-term preparation, duration of training vary between 800-1200 hours. The second group is formed by schools which are carrying out short-term preparation from 40 to 160 hours. Such schools grant certificates on professional skill raising. The third group represents "omnivorous schools" who carry out short-term seminars⁸.

In our opinion, business formation should cover all circle of economic-administrative prob-

lems and should be guided not only by managers, but also on experts in the field of economy, management, etc. As for the organization form, the institutions rendering business education services, can be both state, and private. Classification according training terms is connected with level of given documents. So, long-term training allows to receive the diploma, for example, of the second higher education; short-term training - the diploma or the certificate on vocational training; short-term forms - the certificate.

So, the educational institutions rendering business education services for small business can be classified according to following signs:

- ◆ the organizational form - state, not state, mixed;

- ◆ type of services - carrying out retraining, professional retraining, professional skills raising, training;

- ◆ financing type - self-financed, financed from the budget;

- ◆ type of educational institutions - academies, faculties of high schools, training centers, courses qualification raising, business schools, business incubators, other structures;

- ◆ training terms - long-term, middle-term, short-term;

- ◆ modes of study - full-time and by correspondence;

- ◆ documents - giving out diplomas about the second higher education, diplomas about professional retraining, certificates of professional skills raising, other documents.

The general analysis of aspects of experts for small business training proves that the organizational structure of business education system includes both state, and private educational institutions. The state higher education has multilevel model (bachelor, expert, master), not state corresponds to the level of bachelor. Organizational forms of educational business are: retraining courses, institute of professional skills raising, a government program, the educational centre of a placement service, the centre on retraining of personnel, postgraduate study, doctoral studies etc.

The main organizational problem of business education, according to V.A. Makrak, is "the absence of cooperation between the systems of entrepreneur training in structure of the placement service and other state and pub-

lic institutes working for interests of small business and rendering them some kind of support”⁹.

Characterizing the general dynamics of business education development, it is necessary to notice that it corresponds to the basic stages of development of business in Russia. The first stage (1987-1991) is connected with the first wave of business development in Russia, with the appearance of a great number of co-operative societies. During this period a considerable quantity of business schools, the management and marketing centers were opened. Distinctive feature of their activity on that stage were: orientation to give the listeners real knowledge or an information transfer. Representatives of the first wave of Russian businessmen actively took part in such training programs. This period is characterized as the period of the big possibilities for enterprising people. After a while interest of businessmen to business education has started to decrease.

The second stage of business education development (1992-1993) coincides with the period of disintegration of the USSR and the beginning of reforms with process of privatization and is characterized by a diversification of activity of business schools which have also started to render consulting services. The success of business schools at this stage was in strongly defined by available experience, durability of communications of a management of schools with the business environment. The third stage of development of business formation

(since 1994 up to present) is characterized by raise of interest to a small business. This period is characterized by complication of a micro-structure of Russian business. Requirements of businessmen to quality of business education grow. There is a requirement for such programs, as “Crisis management”, “Business in unstable conditions”.

The main problem of the modern entrepreneur is ability to sell his goods, product, service. It dictates new demands to the contents of business educational programs.

¹ *Zaslavskaya T. I.* Business – layer of Russian society: essence, structure, status // Sochis. 1995. ч 3, p. 3-5.

² *Karloff B.* Business strategy. M, 1991, p. 239.

³ *Kotler F.* Basis of marketing. M. 1990, p. 736.

⁴ *Savchenko V.E.* Modern entrepreneurship: economic and industrial principles, problems of forming and regulating.

⁵ Russian statistic annual 2002: M., 2005, p. 318

⁶ *Kurnosov A.V.* Small business: social and economic mechanisms of developing in Russian conditions. M., 1993, - p.19

⁷ Law of the Russian Federation “About education” from 10 July 1992 #3266-1 (edited on 7 August 2000 #122-Federal Law.

⁸ *Galenko V.P.* Organization of business regulation in the system of additional education. St.-Petersburg, 1996.

⁹ *Makrak V.A.* The conceptual basis of forming the personnel for small business training system“. M., 1998.