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Stages of Social Services Markets Development in the Context of the Distribution Process of Basic Manufacturing Industries

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Stages of Social Services Markets Development in the Context of the Distribution Process of Basic Manufacturing Industries

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Abstract. The purpose of the presented article is to reveal the parameters of the regulatory regulation influence of the distribution process of the basic production sectors of the Sverdlovsk Region on the indicators of the social services markets development. The conclusion about the inadequacy of normative levers for the formation of social services markets is due to empirical studies conducted in the framework of research work for the Sverdlovsk region government on the title "Monitoring the presence (absence) of administrative barriers and assessing the state of the competitive environment by business entities". The authors put forward a hypothesis about the influence of the parameters of the distribution process in the main manufacturing industries on the dynamics of the social services market. The conducted research made it possible to reveal the average degree of dependence of indicators of the formation of social services markets and the delayed nature of the reaction to the change in the distribution process.

1. Introduction

In accordance with the concluded contract with the Ministry of Investments and Development of the Sverdlovsk Region in February 2017, the Ural State University of Economics (USUE) performed a work on independent monitoring of the presence (absence) of administrative barriers and assessment of the competitive environment, as well as the satisfaction of business entities and consumers with the quality of goods, works and services, the state of price competition and official information on the state of the competitive environment in the commodity markets, from Sverdlovsk and services.

The study is a continuation of a series of research projects implemented by USUE in the framework of strategic interaction with regional executive bodies of state power in the Sverdlovsk region.

The survey was conducted on the basis of interviews with representatives of the business community, as well as official statistics. The aim of the study was to identify the administrative barriers faced by entrepreneurs in the process of entrepreneurial and investment activities, as well as barriers to competition. A total of 1,700 entrepreneurs were surveyed in 73 municipalities in the Sverdlovsk Region.

One of the most important areas of research was the analysis of the formation and dynamics of competition in the social services markets, as one of the foundations for the stable development of the region. Actual is the problem of substantiating the reasons for activating entrepreneurial activity in socially important markets. Currently, in the modern state government, the state is supported by the concept of business development, based on the tools identified in the Regional Standard for the Development of Competition in the Subjects of the Russian Federation [6, 7]. However, the authors of the article are more justified in the hypothesis of the formation and development of social services mar-



kets under the influence of fundamental factors, one of which is the development of the basic industries of the region. To confirm this hypothesis, the authors compare the dynamics of industrial production in the Sverdlovsk region and the market concentration indicator in 2012-2016.

2. Theoretical basis of the study

The theoretical basis for the implementation of this article was the works characterizing various aspects of the development of entrepreneurship [1, 2, 13, 14, 15]. To assess the intensity of competition in the social services market, a statistical indicator is used [10, 11]. The main index allowing to judge the number of market participants, and the level of their competitive dominance is the Herfindel-Hirschman index [9, 16]. This indicator represents the sum of squares of market shares of competitors, a decrease in the value of the indicator implies a decrease in concentration, which may indicate a complication of the market structure and a decrease in the positional influence of individual companies, which is the final goal of creating a competitive environment that is favorable to consumers [8]. In addition to the Herfindel-Hirschman index, concentration indices, the entropy coefficient, and others can be used to evaluate the characteristics of a competitive environment statistically [3, 17]. In the basis of the calculation of these indicators, such quantitatively determined characteristics as output, employment, funds, value added, investments, etc. are used. As a rule, limitations of this approach are associated with the limited information base of analysis, however, in modern conditions, the use of market analysis systems, such as SPARK-Interfax, allows removing statistical limitations. SPARK can quickly verify any company registered in Russia, Ukraine, Belarus, Kyrgyzstan and Kazakhstan, and can immediately draw conclusions from the available information. Users can assess the scale of the business and the company's creditworthiness, its affiliations and risks. The system tracks all of the changes in the life of a company and allows the user to conduct an in-depth analysis using its unique analytical tools.

The use of the statistical approach allows in the dynamics to monitor the degree of uniformity or uneven distribution of intra-industry market shares and the corresponding product and financial flows.

3. Results of the study

In the course of the empirical studies conducted in the framework of research work for the Sverdlovsk region government on the title "Monitoring the presence (absence) of administrative barriers and assessing the state of the competitive environment by business entities", barriers to competition in the market of social services were identified and assessed, presented in Table 1.

Table 1. List of barriers to competition in the market of social services in the Sverdlovsk region in 2016.

№	Barriers	Percent of men- tions	Economic barriers	Administrative barriers
1	Problems of regulatory regulation, lack of necessary standards of social services	48		+
2	Unprepared population, lack of trust in business	43	+	
3	Problems with investments	41	+	
4	Corruption of the market	36		+

As can be seen from the Table 1, the main barriers noted by entrepreneurs as obstacles to the development of competition include issues, the change of which is possible at the federal level. In particular, by functioning in the structure of the Sverdlovsk Regional Fund for Entrepreneurship Support of the Investment Agency.

As well as the creation of a Council for the support of investment projects, the implementation of which is planned with the attraction of borrowed funds under the project financing program or other programs of credit institutions [12].

At the same time, when examining the dynamics of the Herfindahl-Hirschman index in Figure 1, it can be seen that the structure of this market is quite dynamic, which allows us to conclude that competition influences other factors. Despite the fact that the state institutions of support actively address the lack of investment, the positive dynamics of the change in the competition evaluation index is not being traced.

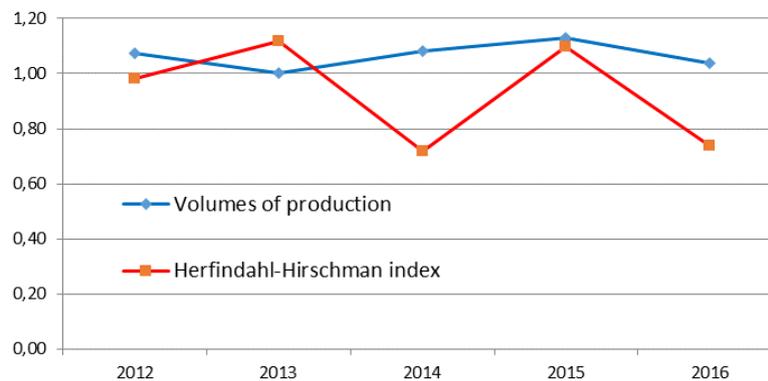


Figure 1. Comparison of the growth rates of manufacturing industries and the Herfindahl-Hirschman index of social services in the Sverdlovsk region 2012-2016.

4. Conclusions

The dynamics of the production volumes of the basic sectors of the Sverdlovsk region and the dynamics of the Herfindahl Hirschman index, shown in Fig. 1, show that there is an average degree of dependence between these indicators and a lagging dynamics of the intensity of competition is observed in comparison with the change in the volume of industrial production. This fact is explained by the formation of additional solvent demand both in the public and private sectors of the social services market due to the growth of tax revenues to the budgets and the growth of wages and salaries, respectively. From this, we can conclude that the fundamental factor of the formation of demand for the development of this market is highly influenced.

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