

Motivation Vector of Business Development in Contemporary Russia

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Abstract: Study of the factors that affect motivation of entrepreneurial activity in Russia proves that a motivation vector should be shifted to liquidation of institutional barriers in the processes of both business development and creation of favourable business environment rather than the process of increase in amount of entrepreneurial structure financing. The article evaluates entrepreneurial activity and entrepreneurial potential in the country and gives motivation pattern showing motivation expectations of entrepreneurs under innovation-oriented economy, analyzes a structure of Russian entrepreneurial motivation, as well as motivation influence of institutional conditions for the development of small and medium-sized businesses, existing in Russia and creates an entrepreneurial labour motivation model. The author pays a particular attention to the directions of external motivation of Russia's entrepreneurship.

Key words: Entrepreneurial activity • Entrepreneurial potential • Entrepreneurial motivation • Entrepreneurial labour motivation • Motivational expectations • Structural conditions of entrepreneurship development

INTRODUCTION

Russia's entrepreneurial activity has been in existence for 22 years (since 26 May 1988, the day of adoption of the Law on Cooperation); nevertheless, the entrepreneurship has become neither a basis for economic growth nor the main testing site for implementing innovations. Nowadays this is resulted in 20 percent of GDP produced by small and medium-sized businesses in Russia, compared with 50 percent of GDP in the countries of Western Europe and the USA. Undoubtedly, this is the problem which is recognized as a priority concern by the state. Due to the changes of the Law on Protection of Entrepreneurs, a developing innovative entrepreneurship will become a basis for the state's vital activity, contributing to a social stability in the society. All measures implemented by the state-i.e. public motivation to engage in entrepreneurial activity, training, consulting, financial and information support of potential entrepreneurs, creation of a complete development infrastructure at the level of municipalities-must sequentially complement and reinforce each other.

The problem of entrepreneurial motivation is becoming a subject of great interest for empirical studies in sociology, psychology and economics both

in Russia and abroad. For example, B.Asverus, the German scientist, analyzes psychological peculiarities and motivation sphere of contemporary entrepreneurs. D. Kelly, S. Singer, M. Harrington, N. Bosma, J.E. Amoros, P. Reynolds annually perform global monitoring of entrepreneurship. R.D. Hizrich, M.P. Peters study motivation of potential entrepreneurs as well as the problems of establishment and development of entrepreneurial structures.

In Russia, V.S. Maguna, T.V. Kornilova and G.K. Bulychkina study the motivation of entrepreneurial labour. A.Yu. Chepurenskiy and N.E.Tikhonova estimate the entrepreneurial potential of the Russian society, its entrepreneurial activity. V.V. Bueva, F.S. Saidullaeva, A.M. Shestoperova determine the index of small and medium-sized business development in Russia's regions.

The developing entrepreneurship indicates a rate of success of the market reforms and an efficiency level of competitive economy. Entrepreneurial development becomes possible only with definite performers, the appearance of whom is associated with a definite public situation provoking an entrepreneurial boom via ideological, political and socio-economic circumstances. The maturity of entrepreneurial labour market, which is shown through a level of entrepreneurial activity as well

as the presence of entrepreneurial potential, is the matter enabling to judge the entrepreneurial climate of a country or its region. Hence, the key aim of this article is to analyze motivational stimulation of entrepreneurship in Russia and develop the directions for improving motivation of potential entrepreneurs and increasing the entrepreneurial activity.

Theoretical Basics of Entrepreneurship Motivation:

Market participants are encouraged to engage in socially useful activity, one of the most important types of which is entrepreneurship, by the necessity to satisfy personal needs. Being recognized, these needs provoke interest in condition and ways for their satisfaction. Interests may affect people's behavior, become internal and external causes of their activity in case of a real possibility of their realization, i.e. motives and stimuli as stimulating moments ruling people's behavior based on concurrence of external and internal circumstances.

Motivated activity can be properly associated with free internally-motivated actions of a person, which are aimed at achieving his goals and realizing his interests [1]. A process, within a framework of which the conditions encouraging people to labour are formed under alliance between the individual realizing his goal and the organization, is called motivation of labour. This process comprises two elements: external stable influence on a person with relevant conditions and his internal psychological activity on creating motivation mechanism (targeting, sorting of goals, development of achievement programs). Hence, motivation can be intrinsic (attitude to work, moral obligations, etc.) and extrinsic (activities of other people, who create conditions and provide opportunities for activity). Extrinsic motivation is significant since it forms external environment for labour; however, being internally-motivated, people act calmer, faster, more scrupulously, expend less energy, deeply understand a task and master new skills. In other words, they become more self-confident even in aggressive external environment.

Intrinsic motivation is specified by the content and significance of labour. If it provokes a person's interest, enables to realize his natural abilities and instincts, this by itself is the strongest motive to activity, conscientious and productive labour (content motivation). Alongside with the content, an important intrinsic motive may be associated with significance of labour for development of a person's definite abilities, utility of this activity for groups of people and the society, correspondence of this activity to employer's beliefs and his ethic orientation (role motivation).

Entrepreneurial motivation in the process of starting a new business is reasoned by a desire to become an architect of own fortunes, show up, lead a new life, become independent, satisfy personal needs for leadership, be relevantly remunerated for own labour and receive stable dividends, have favorite prestigious work-all these prove a dominant role of intrinsic motivation. Stimulation and motivation of entrepreneurial labour are interrelated concepts since realization of intrinsic motives need stimulation dealt with creating a definite entrepreneurial environment and entrepreneurial climate, which enable to form entrepreneurial potential of the society.

Motivation of active entrepreneurs is reasoned by efficiency of entrepreneurial activity and relates to: the possibility and conditions of self-realization and self-respect; public recognition and acknowledgment; ensurance of the right to protection of property and the right to a decent life; implementation of innovations aimed at public service; positive image of entrepreneurs, social responsibility both to the society and to employees; social attachments; power, etc.

Analyzing the conceptual issue of entrepreneurial activity in the context of its motivational structure, it is possible to conclude that this activity deals with the strongest stimuli of economic motivation, from the point of view of which the personality of the entrepreneur can be considered in two hypostases: firstly, as the owner of his property and other resources and, secondly, as the manager of his employees. This shows a combination of intrinsic and extrinsic entrepreneurial motivation. Hence, stimulate from the society and the state is of marginal importance for the entrepreneur since being commercially active-which is the result of every production (business)-the entrepreneur can be self-stimulated.

The activity can be neither motiveless nor purposeless. The power of motive depends on the relevance of the need: the more pressing the need for benefits is and the stronger the ambition to get it becomes, the more actively the entrepreneur performs.

Within the framework of labour activity motivation, the expectancy theory distinguishes three important correlations, which are 'labour inputs-results', 'results-remuneration' and 'valency' (satisfaction from this remuneration). The analysis of the entrepreneur's activity points out that if the entrepreneur spends his entrepreneurial abilities, he expects definite returns. The expectancy of returns or remunerations deals with expectations of a definite remuneration or encouragement in response to achieved labour results - i.e. the most

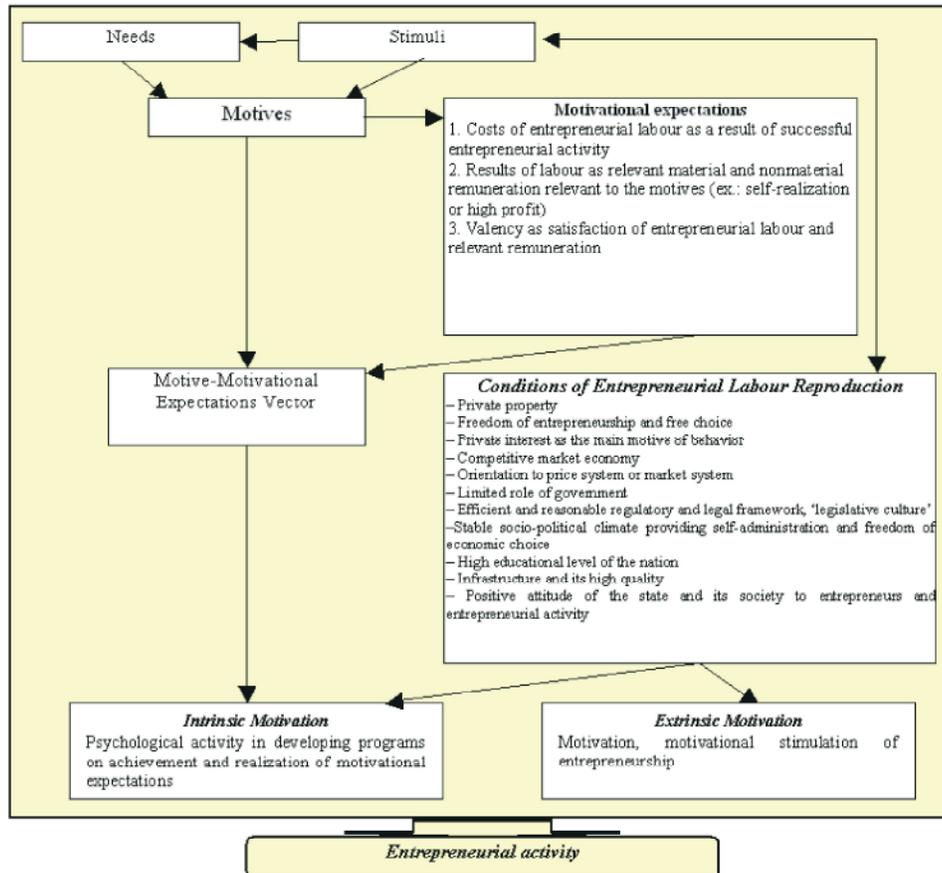


Fig. 1: Process of motivation of potential entrepreneurs

valuable thing for the entrepreneur (maximum profit or self-realization). The third factor is valency (value of encouragement or remuneration) being an expected extent of relative satisfaction or dissatisfaction, which occurs as a consequence of getting definite remuneration.

If a motive encourages acting, motivational expectations reason the aim, which is desirable for the potential entrepreneur and determine an efficient activity algorithm. Hence, a motive refers to the need and motivational expectations refer to the subject (object), on which activity is directed. The vector "motive-motivational expectations" serves for the entrepreneur as a compass defining structure and dynamics of all other components of entrepreneurial labour and follow-up activity. The vector "motive-motivational expectations" influences intrinsic motivation while stimuli determine conditions of entrepreneurial labour reproduction, which in turn affect extrinsic motivation, i.e. motivational influence, motivational stimulation of entrepreneurship. The extrinsic motivation via conditions and stimuli has an impact on motives, changing their hierarchy as well as

values and motivational expectations of potential entrepreneurs, thus displacing the vector "motive-motivational expectations" (Fig. 1).

As far as the need exists in a dialectical unity with motives, interests and incentives, to create a favorable entrepreneurial environment or entrepreneurial climate it is necessary to overcome the external and internal restrictions preventing the development of entrepreneurial activity and create strong and steady motives to entrepreneurial activity for economically active population. This requires creation of the stimuli provoking occurrence of subjective interest to entrepreneurship and increase in entrepreneurial activity.

If motivational influence turns to be insufficient or even negative in the presence of entrepreneurial potential in the country, it testifies to absence of the stimuli necessary for occurrence of entrepreneurial activity (for example, a private property, a freedom of choice, institutes of civil society); this possibly means existence of the forced entrepreneurship distinguished mainly by its speculative character and negatively affecting economic development.

Improvement of Entrepreneurial Activity

In Russia in the Context of Motivation: As far as entrepreneurial potential is considered as a set of all individuals being ready to entrepreneurial activity, it should be noted that in the Russian society there is a rather strong proto-entrepreneurial core, which sizes, however, considerably vary under a number of factors and conditions and significantly differ in interregional comparison [2]. Due to the POF data, approximately 8% of the population considers an opportunity of entrepreneurial start (potential entrepreneurs); within the last year, about 6% has taken concrete steps to starting their own business (proto-entrepreneurs and latent entrepreneurs).

Those people, who have actualized themselves in life and as a rule have experience of a business owner, prefer to be engaged in entrepreneurship. According to the received profile, the potential entrepreneurship is insufficiently developed in large cities (where the majority of people prefer to work in government institutions and large companies; this means entrepreneurial structures are perceived as unstable, showing the instability of the national economy) and has no innovative focus (Tab. 1).

If the specified data are compared with the statistically-based assessment of the population activity on creation of small businesses, it should be recognized that the stage of starting a business is reached only by approximately every eighth proto-entrepreneur. Meanwhile, if at least a quarter of proto-entrepreneurs executed their plans, the number of created entrepreneurial structures would significantly increase in the country.

According to the poll of 7.5 thousand representatives of the adult population due to the representative selection in 2011, this country lags behind not only all other BRICS countries, but also the majority of countries of Eastern Europe in the level of entrepreneurial activity. This situation is due not only to the lowest level of first-time entrepreneurship among 54 countries participating in the project (4.3% followed on this scale by Malaysia with 4.9% and Hungary with 6.3 %), but also to a high level of pessimism concerning a possibility of positive changes of conditions for entrepreneurship development in the region of their accommodation in the nearest future [3].

Due to the data of Global Business Monitor, for more than 70% of the Russian first-time entrepreneurs, entrepreneurial activity is caused by the search of advantages, which are provided by business involvement. It is remarkable that voluntary motivation is more typical for nascent businessmen (78 %) than for owners of a new business (64 %). For the majority of the Russian

Table 1: Profile of Potential Entrepreneur

Characteristics	
Average age	36-37
Sex	Male
Level of Education	Higher
Place of Residence	City of 500 thousand people
Occupation	Retail and wholesales; building; personal, security, technical services; production of agricultural products; information, consulting and legal services.

The source: Chepurenko, 2011.

entrepreneurs, starting their own business is a voluntary step; however, they are motivated generally in their desire to support a level of their income rather than increase it or gain independence [3].

The expert assessment of motivational influence of existing conditions for development of business activity demonstrates that only four structural factors-market dynamics, condition of physical infrastructure, professional education and development of commercial infrastructure-don't have an essential negative impact on entrepreneurial climate in the country. This study involves 36 experts, who assessed structural conditions of entrepreneurship on a 5-rating scale and determined positive and negative factors affecting the development of Russia's entrepreneurship. Other assessments are in a zone lower than 2.5 on a 5-rating scale, proving that the present situation of these factors slows down the opening of new companies and development of existing businesses [3].

Traditionally, experts consider realization of state policy (average rate-2.39) as a factor negatively influencing business development in the country. And critical factors are associated with duration of receiving the majority of necessary permissions and licenses (1.44) and also consistency of state policy with small and growing firms (1.94). Absence of obvious orientation to business in national culture (2.34) also has a negative motivational impact on entrepreneurship development in Russia. Experts critically assess public opinion about personal success achieved by own efforts (2.22) and personal (rather than collective) self-responsibility supported by national culture (2.23).

One more reason for the low entrepreneurial identity of the Russian citizens deals with the existing system of primary and secondary education (2.14), which neither allows students to get knowledge and skills necessary for starting their own business (1.73) nor adequately encourages students' creativity, self-sufficiency and personal initiative (2.35). Created in previous management and economic situation traditions, knowledge and skills of

most managers and specialists became a real obstacle for economic and organizational innovations. Moreover, the main reasons for such negative tendencies are associated with lack of special educational programs for entrepreneurs, imperfect techniques of their preparation, lack of educational establishment choices in the presence of numerous alternative educational structures providing no assurance of training quality, insufficiency of material resources of educational establishments and qualified teachers.

Many experts call into question the efficiency of state programs on small business support (2.16). Furthermore, experts have called into question the competence of officials from public institutions, engaged in support of small and growing companies (1.81); they have also noticed selectivity of support programs. On this background, the activity of technology parks and business incubators is recognized rather effective (2.88).

If the dynamics of the markets of consumer goods and services is assessed positively, the entrance barriers become an essential obstacle in companies' development of new markets (1.97). New and growing firms are experiencing a special counteraction from those companies having a stable position in the market (1.86). High costs of expansion into new markets along with inefficient application of the antitrust laws lead to a low survival of small and growing companies.

In the last two years, active discussion of innovation development has provoked close attention in experts to the problems on introduction and transfer of scientific and technical development to small and growing companies. In experts' opinions, the existing system of state subsidies does not allow new and growing firms to get new technologies (1.68); furthermore, every firm isn't able to afford them (1,74).

Essential obstacles for business development in Russia are a high level of bureaucracy and excessive tax burden to new and growing companies. This factor received the most critical estimates-1.83 points on average.

Some expert interviews are devoted to protection of intellectual property rights. Experts are unanimous that the legislation in this field is incomprehensive and the enforcement of these laws is ineffective. It is difficult for new and growing firms to count on strict observance of copyrights.

The majority of experts noted that adoption of strategic 'from-the-top-downward' decisions dominates

over 'from the bottom upwards' decision-making in large, small and medium-sized businesses (4.26 and 3.86 respectively). Obviously, Russian companies don't encourage entrepreneurial activity of their employees. In this context, it is rather strange to observe a high rating point of the factor, which describes the support given by employers to their employees offering new ideas (3.37).

Thus, the most negative structural conditions of entrepreneurship development are the following:

- Inconsistent, uncertain state policy and weak legislation basis, which ignores various aspects of small business development. A new tax code, which came into force in 2011, not only raised the tax burden, but also confused the interpretation of some articles;
- General socio-political climate is uncongenial to entrepreneurial development in the country. It mainly deals with inefficient state administration, corruption at all levels of power and lack of the system for protection of intellectual property rights;
- National features of the Russian culture: Russia's entrepreneurship is not an approved and reputable way to achieve a social status in the Russian society;
- Financial support;
- Weak legislative basis for venturing investments as well as limited access to state subsidy systems.

Comparing the opinions of experts, population, first-time and potential entrepreneurs, it is possible to see their concurrence. Undoubtedly, some quantitative discrepancy is observed in relativity of their importance; but all the recipients generally agree that the main barriers are associated with inconsistent and uncertain state policy and bound financial resources for starting a new business.

In comparison with international situations, Russian business climate for small and medium-sized entrepreneurship is unappealing. Due to the majority of indexes, Russia belongs to the second negative rating category; moreover, it is an obvious outsider due to a set of indexes. Russia lags behind the group in public access to financing, availability of qualified personnel and implementation of new technologies. Russia is rated a bit higher, but still is in the second half of the rating, due to the problems with purchasing capacity and those with infrastructure.

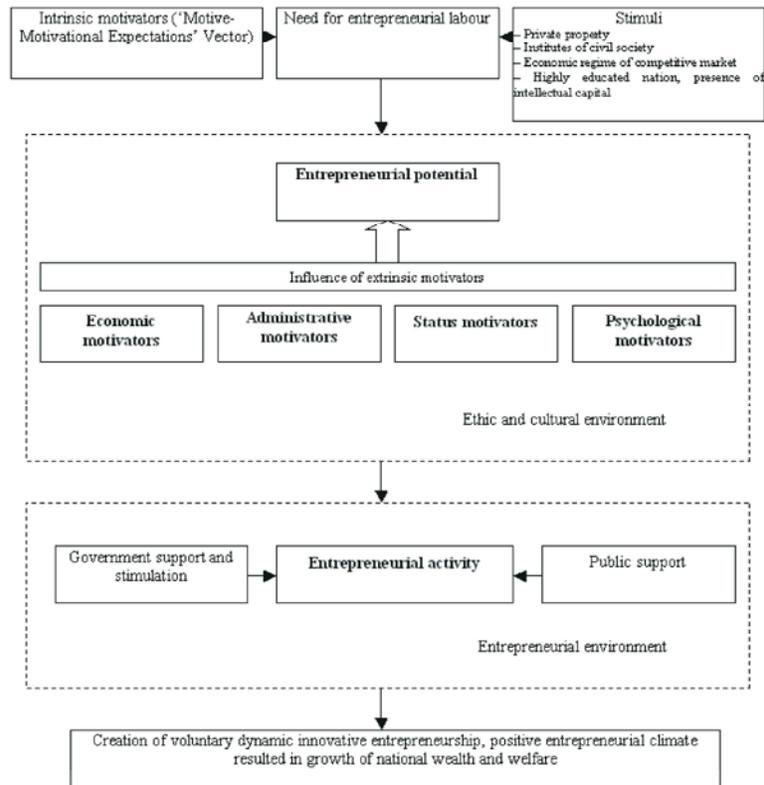


Fig. 2: Model of entrepreneurial labour motivation under Russia's transition to an innovative way of development.

Currently, three most important prerequisites for successful entrepreneurial startup include a start-up capital, personal relations with authorities, regulatory bodies as well as entrepreneurial natural ability. The situation is complicated by public attitude to both entrepreneurs and entrepreneurial activity. The public considers entrepreneurs as people interested only in their own material welfare. It is an interesting fact that many people associate the aims of their own entrepreneurial activity with realization of their creativity, but still fail to admit that these aims are the same for other entrepreneurs. A reason for this attitude deals with a failure to create a positive image of the entrepreneur. They rarely appear in the mass media. Various business associations could probably influence people's minds; unfortunately, they have to cope with other problems dealt with administrative and other barriers [4].

A real dissociation between the population and entrepreneurs can be currently recognized. And this dissociation is bilateral and mutual-neither people nor entrepreneurs show their wish to a closer contact, although it is vital for successful development of entrepreneurship.

The development of entrepreneurship is concerned as the most important indicators of successful market reforms and efficient competitive economy. Hence, in order to build the innovative state and widely develop entrepreneurship, it is necessary to implement a motivation model of entrepreneurial potential that is aimed not only at creating entrepreneurial potential on the basis of stimuli and needs for entrepreneurial labour, but also at reproducing the potential under extrinsic motivators (economic, administrative, social and psychological). This reproduction deals with growth of national wealth and welfare and that of entrepreneurial activity resulted in improvement of entrepreneurial climate. This model sees a special role of ethic and cultural public and entrepreneurial environment, which supports high standards in behavior of business entities at domestic and foreign markets and creates a positive attitude to business environment (Fig.2). The motivation vector should be shifted to voluntary entrepreneurship; this goal requires liquidation of existing institutional barriers on the way to developing the entrepreneurial activity.

The development of extrinsic motivators stimulating the society's entrepreneurial potential to demonstration

of entrepreneurial activity must be performed in several directions: administrative, economic, social and personal and psychological.

Administrative motivation is government stimulation of entrepreneurial activity, which is associated with introducing relevant sanctions for non-compliance with norms. The administrative motives include:

- Improvement of regulatory and legal framework by concretizing the provisions of federal, regional and local laws on small and medium-sized business development and abolishing declarativity if all the guarantees, procedures, rights and responsibilities are properly legislated;
- Implementation of legislative reforms, which are aimed at simplifying a procedure of registration and that of business liquidation and stating the number of agreements for starting up and conducting a business rationally;
- Development of loyal tax legislation - taxation of imputed income should replace taxes on income, the VAT and payroll taxes with its further implementation in small businesses; additional income tax benefits should be applied; the value added tax, which fails to contribute to implementation of new technologies, innovative approaches to production and performance of business processes, should be reduced or replaced, for example, with either a tax on sales or a variable rate of the income tax; administrative procedure of implementing a single tax on imputed income should be replaced for some companies with notification procedure with further changes of some articles from the Tax Code of the RF; a period of R&D cost absorption, which has no positive effect, should be extended for three years; flexible system of simplified tax rates should be implemented;
- Implementation of moratorium on any changes of tax legislation worsening positions of nascent companies-taxpayers for a three-year period. Moratorium can be implemented on changes in account formats of businesses; this can demonstrate positive changes in fiscal policies of the state to greater openness and predictability;
- Economic crime, which isn't resulted in large-scale damages to the state, should be punished with serious financial sanctions rather than deprivation of freedom;

- Flexible system of crediting first-time entrepreneurs. The entrepreneurial activity is an alternative to the employment of the unemployed. However, in order to start a business, a person needs a start-up capital, which is hardly at the disposal of those who have lost jobs. Hence, it is necessary to provide state guarantees for obtaining credit since it is the state, which can extend long-term credits at concessionary interest rates. Business must be necessarily based on self-organizing microfinancial groups and associations of venture capitalists; moreover, it should be the state, which can give loan guarantees. A period of credit payment should be changed due to the industrial branch orientation of the company. For example, within the first two years business should be provided with an opportunity not to repay a credit within the first two years, repay only interests amounted to 3-4% in the third year with further repayment of the remaining sum;
- Use of installment mechanisms for privatization of state and municipal property;
- Well-ordered system of control over activities of entrepreneurial structures, monitoring of small and medium-sized start-ups.

Economic motivation is an external stimulation to entrepreneurial activity via levers of competitive marketing mechanisms including profits, dividends, etc. The entrepreneurial activity has the following motivators:

- Qualitative monitoring of industrial portfolios of small and medium-sized businesses, analysis of regions to determine competitive niches and opportunities;
- Liquidation of unfair competition in the entrepreneurial market, direct access to long-term financing;
- Creation of entrepreneurial infrastructure, business incubators, technological parks. Increase in available physical resources. Simplification of land purchase procedures;
- Long-term programs on small and medium-sized business support, which are aimed at: improving the innovative economy, production and technology innovations; contributing to the foreign economic activity; creating new working places; improving life quality; paying subsidies, which compensate expenditures of small businesses [5]; reducing rates on non-residential rental;

- Creation of the system, which divides the state (municipal) order into small allowances, involvement of small businesses as subcontractors;
- Maintenance of a technology level of existing small and medium-sized businesses in the industrial sector.
- Protection of intellectual property;
- Additional pension accruals: salaries expenses must include deposits into both the employer's individual accounts and joint retirement accounts of the enterprise. A condition, due to which previous deposits are subject to tax under changes in substantive provisions of pension agreements, must be abolished;
- Free circulation of cash money in mutual payments of small business enterprises;
- Availability of development grants. Grants will allow financing the development of entrepreneurial activity in those branches and spheres being in urgent need. One more advantage of grants may become a probability of selection of those having a real entrepreneurial potential.

Status motivation is aimed at changing the entrepreneur's status through public recognition of his achievements, professional and moral prestige and generally at creating a positive image of entrepreneurial activity. Status motivators are as follows:

- Legalization and integration of migrant business into the Russian society;
- Development of educational programs, which are based on the state educational standards aimed at skill formation in the sphere of entrepreneurship and creation of a network of education institutions implementing educational programs for entities engaged in entrepreneurial activity;
- Countrywide creation of entrepreneurship information systems; social promotion of small and medium-sized businesses via mass media, cinemas, theatres, various publications; creation of its positive image;
- Implementation of relevant entrepreneurial ethic norms, entrepreneurial culture (codes of entrepreneurial morality);
- Development of sincere charity work enabling significant changes in public attitude to contemporary entrepreneurs;
- Development of partnership between the society and the state, which is aimed at replacing state and municipal structures by qualified and absolutely new business in socially important structures.

Psychological motivation is concerned with stimulation of entrepreneurial activity via psychological aid in overcoming personal restriction and barriers, which prevent from entrepreneurial activity under the presence of need or desire to become an entrepreneur. Psychological motivators are as follows:

- A system of insurance schemes for start-up enterprises in case of business failure in order to reduce property loss risks in the situation of unsuccessful startup.
- Psychological aid and support for first-time entrepreneurs that is aimed at relief from negative attitudes and patterns provoking a fear of personal responsibility and that of independent decision-making [6].

Cultures that are aimed at hard work and creativity rather than use of political relations are preferably associated with entrepreneurship development. Governments that are watching over the situation when political interests don't dominate over economic incentives also contribute to creating conditions, in which entrepreneurship can grow and prosper [3]. Rather than being a heroic act of few individuals, entrepreneurship is concerned with a normal activity of lots of individuals, who can freely follow their interests in the friendly institutional and cultural contexts.

CONCLUSION

The economy of the contemporary Russia is rather similar in its model to France's absolutism at the end of XVIII century: success is associated with access to administrative resources rather than a high creativity. Often a person is designated for the post of entrepreneur rather than starts a business on his own initiative. About 20 years ago, William Baumol, the American economist, classified three types of entrepreneurs: productive (innovative), unproductive (associated with redistribution of rent incomes) and destructive (raiders and everything connected to shadow and criminal economies). Unfortunately, the last two types are dominating in Russia due to the given data.

In such conditions, many standard forms of business support either do not work or work improperly. This refers to privatization and public purchases (state procurement). Being abstractly correct, these measures either become inefficient in the specific Russian conditions or worsen the situation, redistributing the

assets for the benefits of affiliated 'political' entrepreneurs with the dominating class of bureaucracy [4].

Despite this fact, Russia has rather high entrepreneurial potential and sees the examples of really creative productive entrepreneurship. The number of voluntary entrepreneurs is rather high in small and micro-businesses; this gives a hope that a new culture of business life currently formed by them will some day narrow the areals of unproductive and destructive entrepreneurship. Within the project on creating a positive motivation to entrepreneurial activity, it is necessary not only to fight the corruption, but also to build a civil society and ensure transparency of institutional performance.

For the Russian entrepreneurship, the most significant factors stimulating entrepreneurial activity are associated with the improvement of socio-political climate, the development of entrepreneurial culture, the improvement of government programs, the improvement of their efficiency and market openness.

In order to create an innovate state and ensure countrywide development of entrepreneurship, it is necessary to implement motivation model of entrepreneurial activity aimed not only at forming the entrepreneurial potential based on stimulation and the need for entrepreneurial labour, but also at its reproduction under extrinsic motivators (economic, administrative, social and psychological) that occur in growth of entrepreneurial activity provoking the improvement of entrepreneurial climate and in development of national wealth and welfare. This model emphasizes a significant role of ethic and cultural social and entrepreneurial environment, which supports high standards of behavior of business entities at both domestic and foreign markets and forms a positive perception of business environment.

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