

Study Features Concerning the Mechanisms of Entrepreneurial Supply Chain Development

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Abstract- The role of supply managers in driving corporate performance is changing, with an increased emphasis on supply market intelligence, collaboration, inter-organizational partnerships, and operational integration with supply partners. The article presents possible approaches to the study of entrepreneurial supply chain activity manifestation and the development of entrepreneurship in general. In the framework of entrepreneurship supply chain development trend study, there is the need to analyze the state of various systems of society activity: political, social, and economic. On the basis of specific historical examples and statistical data summarized by the authors, they present the examples of entrepreneurial supply chain activity development in a changing system.

Keywords: entrepreneurship supply chain, entrepreneurial supply chain activity, entrepreneurship supply chain development, Supplier relations.

1. Introduction

Interest in the study of entrepreneurship supply chain by the representatives of various humanities, culture and religion, statesmen and a wide range of other thinking people who are not directly related to this phenomenon has been evident since ancient times, almost from the beginning of civilization. Particularly vividly related issues are raised during the periods of economic crisis and stagnation, causing public concern and initiating an active search for answers, revealing the causes of such situations that contribute to the adoption of saving and effective government decisions. Depending on the situation and the specific goals of the researcher, various interpretations are given to “entrepreneurship supply chain” and various properties and functions are attributed, sometimes even the opposite. From the “savior of the fatherland”, the embodiment of mass public initiative and economic activity, to the global unprincipled “exploiter” of the working people, the useless “speculator” parasitizing on the imperfection of the social distribution of goods, etc.

History knows the examples of both unprecedented support for entrepreneurship supply chain as the “main socio-economic social foundation” (USA during XIX - early XX centuries), ending with devastating economic crises, and actually its complete suppression, and destruction “as alien socio-economic phenomena” (the USSR at the beginning of the XX-st century) with subsequent stagnation and destruction of the economy. One way or another, entrepreneurship supply chain invariably remains in the focus of attention of the scientific community and public authorities and is regarded as an effective tool of influencing economic, social and political processes.

Given the special social significance of this issue, it seems interesting and useful to conduct business research supplementing the existing extensive knowledge in the light of modern conditions. However, given the vastness and versatility of the object, the research area is limited by the following questions in this work: the possibility of influencing entrepreneurship supply chain, the effectiveness and managerial influence on it, the principles of regulation by state authorities or public institutions. As the subject of research, they study the factors relevant to this problem, and the conditions for entrepreneurship supply chain emergence and development in modern societies.

In all languages of the world, the term “entrepreneur” is a derivative of such concepts as undertake, start, organize, start, decide to fulfill, etc., the properties and qualities inherent in a man from the nature of his development, which determined the survival and development of mankind as a whole. It can be assumed that these properties were more pronounced in people during the “pre-collective”, “pre-social”, “pre-state” period of human development, who were forced to make a huge number of independent decisions on which their life depended. Gradually, with the advent of public and state institutions, the vital need for the manifestation of these qualities weakened objectively, and the psychological mechanism of their initiation changed.

From the beginning of economic goods production by a person, there is the problem of their distribution, the issues related to the use of resources, organization and management of economic processes, the rules for the distribution of goods between society members, the ratio of public and personal, the right to dispose, etc. The development of society, the emergence and formation of state management systems, create the need for scientific research of these issues and are formulated in the “problem of economic management.” The solution to this problem becomes not only an urgent, but also a permanent task because of public relations constant development and update.

Entrepreneurship supply chain, being a natural internal mechanism of socio-economic development of society, reacts most sensitively to the changes in external conditions, and therefore is of particular interest from the point of view of management possibility study.

2. Methodology

Evolution of supply management relies on the fact that managers have the core skills, knowledge, capabilities, management authority, and systems required to not only identify opportunities, but also to act on them. The disclosure of the mechanisms for the manifestation and development of entrepreneurial supply chain activity and

its impact on the harmonization of social relations seems most obvious through the prism of human perception of the world as a complex of social, economic and political institutions. Such institutions form social, economic, and political systems of social relations on a societal scale, respectively. Each of these systems is deeply and diversely studied by science, but as for this work, interest is caused by their attitude to the problems of the role, place and influence on entrepreneurship supply chain in the broad sense, including indirectly.

The complex of various social phenomena and processes is a social system in which the interaction of actors takes place. A significant impact on object state change is exerted by such variables as norms, mentality, values, etc. The structure of a social system is directly dependent on the external environment and changes the ratio of elements under its influence [1-8]. In the context of the accepted conditions, national, religious, gender, cultural and other relations, as well as psychological states and relationships of people should be referred to the social systems of relations. Social systems are formed under the influence of experience, traditions, the lifestyles of many generations, are cemented by the collective unconscious, fundamental and resistant to external influences, develop and change in accordance with real objectivity. The complex of these relationships affects feelings of satisfaction, justice, constancy, confidence, generates social expectations and demand.

The political system can be considered as a public mechanism for the formation and functioning of power regarding the distribution of material values and resources [9]. State is the most important and main element of modern political systems. It is the state that exercises the bulk of the authority, despite the fact that currently there is no consensus in science regarding the nature of state social function due to the wide variety of political systems and, accordingly, the state system in the modern world. The issues related to the relationship between the state and society, their interdependence, subordination, and even the possibility of a stateless political mechanism are hotly debated in modern developed societies. However, it seems useful to accept the current state of affairs, stating the leading role of the state in the functioning of political systems and its unconditional influence on economic systems. Besides, all legal and judicial relations, the systems for ensuring rights and enforcement of obligations, settlement of disputes, hierarchies of power and subordination should be attached to political systems of relations here.

As one of the most common and well-known character traits and the features of entrepreneurial supply chain activity, found in the descriptions and definitions of most researchers, independence, freedom of decision-making is noted. This circumstance assumes not only the initial presence, but also the active creation of a market environment in the process of entrepreneurial supply chain economic relations development. As bees build their hive step by step, by the sum of individual small contributions, entrepreneurs use the opportunities provided to them by fate, and create the business environment necessary for development in the process of their activity, intentionally or unconsciously [10-12].

It seems interesting to consider some well-known historical processes in terms of the abovementioned relationships.

Let us consider briefly the historical examples of the following correlation: the dependence of state policy, changes in political, economic and social systems and entrepreneurial supply chain activity in various countries.

The beginning of the twentieth century in the United States is characterized by a significant increase in production associated with military orders of the countries participating in the First World War, as well as with the satisfaction of the needs during the post-war economic recovery in Europe. These circumstances contributed to the rapid growth of entrepreneurship supply chain and market relations in the country. But since the beginning of the 1920-ies the state policy of “frugality and non-interference” led to spontaneous market development and unprecedented overproduction, which leads to the crisis of 1929-1939, called the Great Depression. And then Roosevelt's “new course” fundamentally changes the role of the executive branch of the state, directing all efforts to the system of economy, entrepreneurship supply chain, and the banking sector regulation.

The end of the twentieth century is interesting by the history of the world economy, first of all, by the changes that took place in China, and were called the “economic miracle”. The economic growth rates are amazing in recent decades and reach 10% per year on average by GDP increase. The main reason for this phenomenal success is the liberalization of foreign trade and the creation of special economic zones for foreign entrepreneurs. The essence of Xiaoping's economic policy is the reduction of state pressure in many sectors and the broad development of private business. Thanks to this, the pressure is also being reduced within the framework of the political system; it also follows the “reform vector”. But achievement of an equilibrium state of society presupposes a proportional change in economic and political spheres.

And finally, there is an example of Russian history. By the beginning of the twentieth century, thanks to Witte's well-known reforms in the field of economics and the efforts of other reformers, significant favorable changes took place in the economy — they developed cooperative movement and entrepreneurship supply chain.

Reforms were also underway in the social sphere, - the Zemstvo system, the education system, etc. In general, the level of social development, and civic consciousness were growing, and the picture of public demand was changing. But the political system of autocratic power remained unshakable. There were no similar systems in Europe. A vivid imbalance of the three systems - economic, social, political, led to the revolution and the destruction of these systems. I.e. the archaic political system destroyed positive elements in the economy and social sphere.

3. Results

We use the entrepreneurial supply chain for Bagòss cheese in the village of Bagolino, Italy to illustrate the local solution that emerges as a result of participants acting in concert to address their own global challenges. It shows how the purposeful pursuit of individual economic objectives leads to social benefits, such as environmental

protection and conservation, community economic development and enhanced cultural education and preservation. The final characteristic of interest is the ability of the supply management function to be "taken seriously" within the firm. This is largely a function of their ability to build a solid business case around their approach, the ability to influence key decision makers, and the level of business acumen within the sourcing function. The first years of Soviet power were marked by fundamental changes in all spheres of society. The social structure and the level of social development changed, the political system was transformed from autocracy to the one-party system of the Soviet power, the economy received administrative-command methods of management in which there was no room for private business and the development of other forms of ownership, except for the state-wide. The post-war development of the USSR, the new social needs of society, which had increased by the 70-ies of the twentieth century ceased to correspond to the political and economic system.

Prolonged stagnation and the economic crisis entailed fundamental changes, called "Perestroika" by modern history.

Thus, in the early 90-ies of the twentieth century, the crisis of systems entailed the destruction of the political and economic spheres of the Soviet state and contributed to the actual collapse of the USSR into independent sovereign states.

The latest period in the history of economic relations and entrepreneurship supply chain development can be described in more detail and realistically, according to the data of the Federal Statistics Service. The chronological period since 1995 (the period of relative sustainable economic development after the experienced "economic and political shock") till 2008 (the beginning of the global economic crisis) is of particular interest in this regard. It can be noted that during this period of the recent history of Russia, statistical data indicate the increase of economically active population from 70 million 740 thousand people up to 75 million 892 thousand people, the decrease in unemployment from 9.5% to 7% and the share of private employee increase - from 34.3% to 57.1% [13].

Besides, during this period, real per capita cash incomes of the population were growing steadily (per month): from 515.9 (denominated) rubles in 1995 to 14,943 rubles in 2008 and the unevenness of their distribution increased: the fund ratio increased from 8 to 16.7, and the Gini coefficient increased from 0.387 to 0.422 (table 1) [13].

The structure and trend of consumer demand is changing: retail trade and paid service increase made 12% and 7% per year on average; they increased the share of expenses on non-food products (from 31.8% to 40.9%), the services of cultural institutions (from 0.2% to 2.9%), education (from 1.2% to 2%), communication (from 1% to 3.1%) and other services [2; 11].

Table 1. Distribution of the total cash income among RF population (1992-2009)

	1992	1995	2000	2004	2005	2006	2007	2008	2009
Cash income - total, percent	100	100	100	100	100	100	100	100	100
including 20 percent population groups:									
the first (with the lowest income)	6,0	6,1	5,9	5,4	5,4	5,3	5,1	5,1	5,1
the second	11,6	10,8	10,4	10,1	10,1	9,9	9,7	9,8	9,8
the third	17,6	15,2	15,1	15,1	15,1	14,9	14,8	14,8	14,8
the fourth	26,5	21,6	21,9	22,7	22,7	22,6	22,5	22,5	22,5
the fifth (with the highest income)	38,3	46,3	46,7	46,7	46,7	47,3	47,9	47,8	47,8
Gini coefficient (income concentration index)	0,289	0,387	0,395	0,409	0,409	0,416	0,423	0,422	0,422

Source: compiled by the authors according to RF Federal State Statistics Service (Rosstat)

From the materials presented it follows that hitherto unprecedented household items appear within the framework of average households: computers, video recorders, various units of high-tech household appliances, personal cars (new and used). During this period, citizens widely realize not only material needs, but also spiritual and educational ones. Interest and opportunities are growing for educational services of higher and secondary

vocational education - the number of students per 10,000 people is growing from 188 to 529 at higher education institutions and from 130 to 170 at secondary vocational education institutions [7]. All the indicated characteristics are closely related to the essential features of the post-industrial, information society, where the priority is the replacement of household manual labor with machines and the desire to receive information and education.

Table 2. Availability of durable goods in households (based on the materials from the sample survey of household budgets; at the end of the year; per 100 households; pieces)

	1995	2000	2003	2004	2005	2006	2007	2008
TV sets	134	124	133	135	138	144	149	149
VCRs, camcorders	15	48	57	62	66	67	62	60
Musical centers	2	12	24	28	34	36	38	38
Personal computers	...	6	13	20	26	33	42	47

Fridges, freezers	116	113	114	114	117	118	119	121
Washing machines	100	98	93	94	97	99	100	100
Vacuum cleaners	77	82	78	80	84	87	88	89
Sewing, knitting machines	74	73	60	58	60	58	57	54
Cars	18	27	31	33	33	35	40	44

Source: compiled by the authors according to RF Federal State Statistics Service (Rosstat)

The economic system strives for an equilibrium state, characterized by a gradual increase in market shares and administrative-command pressure decrease on the economy, as evidenced by the increase of enterprises and organizations in the Russian economy from 2249.5 thousand in 1996 to 4674.9 thousand in 2008 and the shares of private enterprises — from 63.4% to 82.5%, respectively (table 3) [9]. At the same time, there is the

increased development not only of state and private property, but also of municipal property of public and religious organizations, joint types of property, including foreign participation in private Russian business. All this is directly related to the changes in political and social sphere of society, which changed the vector of general historical development in the 90-ies of the twentieth century.

Table 3. Distribution of enterprises and organizations by ownership forms (as of January 1)

	1996	2001	2005	2006	2007	2008	2009	2010
	Amount of enterprises and organizations, thous.							
Total	2249,5	3346,5	4417,1	4767,3	4506,6	4674,9	4771,9	4907,8
also by the forms of ownership:								
state	322,2	150,8	159,2	160,4	149,3	141,7	135,0	129,9
municipal	197,8	216,6	248,2	252,1	264,3	262,7	257,6	253,0
private	1425,5	2509,6	3499,2	3837,6	3638,8	3855,4	3975,5	4128,1
property of public and religious organizations	95,0	223,0	252,8	252,5	239,2	212,3	197,4	187,8
other forms of ownership	209,0	246,5	257,7	264,7	215,0	202,9	206,4	209,0
	Percentage of total							
Total	100	100	100	100	100	100	100	100
also by the forms of ownership:								
state	14,3	4,3	3,6	3,4	3,3	3,0	2,8	2,6
municipal	8,8	6,4	5,6	5,3	5,9	5,6	5,4	5,2
private	63,4	75,8	79,2	80,5	80,7	82,5	83,3	84,1
property of public and religious organizations	4,2	6,6	5,7	5,3	5,3	4,6	4,1	3,8
other forms of ownership, including mixed Russian, foreign, joint Russian and foreign	9,3	6,8	5,8	5,6	4,8	4,3	4,4	4,3

Source: compiled by the authors according to RF Federal State Statistics Service (Rosstat)

Thus, on the basis of the abovementioned data, it can be argued that the society under liberalism and the development of the political system along the path of democratization is characterized by various forms of economic interaction, which generally determine the essential features of the economic system at this stage. And the economic system is directly connected and corresponds to the level and characteristics of the political and social systems.

Based on the identified relationships, taking into account the history of the economies of the world and using interpolation methods, it would be useful to suggest the trends in entrepreneurial supply chain activity development during the subsequent years.

According to the theory by D. Bell, the modern progressive stage of human society development is called “postindustrial” or “informational” [1]. The information society has striking distinctive features not only in economic, but also in political and social aspect.

The features that have the greatest impact on entrepreneurship supply chain include economic globalization increase, an unprecedented acceleration of economic processes, radical qualitative changes in production factors and the emergence of new ones, a significant increase of the state and the individual role and their opposition within the economy, etc.

The generalization of information on the mechanism and methods of entrepreneurial supply chain activity manifestation in the process of changing political, economic and social systems allows us to draw the following conclusions.

1. Despite the general features, administrative regulation of entrepreneurial supply chain activity in different countries takes into account the particularities and priorities of their own state policy. Historical examples demonstrate that US law has a more “individualistic” character, in contrast to European or Russian. European and Russian legislation regulates and

“burdens” entrepreneurship supply chain to a greater extent, because It provides for the registration of any form of doing business and allows for “double taxation” of profit in case of dividend distribution (corporate income tax and personal income tax).

2. When they analyze the dependence of entrepreneurial supply chain activity active manifestation in various countries on the level of political, social and economic system development, it should be noted that an important sign of entrepreneurial supply chain motivation is the level of its collectivity. Without distinguishing between organizations by the number of "real owners" owning them, the system "does not see" and legally "equalizes" firms and enterprises that differ significantly in the number of participants consolidating, respectively, different amounts of material, intellectual and other resources. During the study process, it is important to highlight an individual form of doing business without a legal entity establishment. It is allowed to conduct entrepreneurial supply chain activity of both one individual and a group of individuals in the form of a legal entity, with almost unlimited number of participants and without organizational and legal differentiation, and accordingly without a motivational or supporting mechanism.

3. The disclosure of the mechanisms for entrepreneurial supply chain activity manifestation and development and its influence on public relation harmonization seems most obvious through the prism of human perception of the world as a complex of social, economic and political institutions. Such institutions form social, economic, and political systems of social relations on a societal scale, respectively.

4. Conclusion

We identified three types of entrepreneurial supply chains based on the depth and characteristics of the assets involved: place; place/product; and place/product/process entrepreneurial supply chains. Participants' commitment level and their responsibilities to the governance system increases as one moves from a place entrepreneurial supply chain to a place/product/process entrepreneurial supply chain. At the end of this review, it should be noted that the existing approaches are focused on entrepreneurship supply chain external manifestations and results. Entrepreneurship supply chain is seen in them as a certain, more or less homogeneous phenomenon, community, social subsystem - the “black box”, the impact on which is possible either through general non-selective procedures, or through sectoral support and freezing of its most socially important part. Such understanding of entrepreneurship supply chain is reasonable, but leads to low efficiency of control actions aimed at its development and support, as it ignores the purely individualistic essence of this community.

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