

Regional Dynamics of Self-employment Development in the Republic of Sakha (Yakutia)

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Abstract: The article presents the main indicators identifying the seed stage of self-employment development in the Yakutia. The study used summary and reporting data on the growth rate of small and medium-sized businesses in municipalities. Chronological observation of the changes occurring within the framework of the development of this business indicates that the heterogeneity of indicators for different administrative-territorial units contributes to the emergence of the self-employed category of the population. In addition, the article discusses the concept of self-employment and its status, which in the system of legislative regulation may have different approaches to interpretation based on event facts. However, the status of the self-employed is very vulnerable and imperfect, since the voluntary form of applying for professional income for taxation will become more difficult to control and monitor, since only theoretically described and characterized approaches that can be used to determine.

1 INTRODUCTION

A new tax agent appears in the microeconomic environment of Russia, whose activities are legalized by a special tax regime “tax on professional income” or “special tax regime” for the self-employed. However, the experiment on the introduction of a new tax, which began on January 1, 2019, practically introduces additional opportunities for the development of medium and small businesses, and researchers of this trend study the prospects and practice of the new business format.

There is no doubt that the development of small and medium-sized businesses is accompanied by problems and prospects, the solution of priority tasks and strategies, as well as a comprehensive analysis and assessment of business efficiency. Obviously, the tax innovation should have a positive effect not only in solving microeconomic problems with the employment of the population, but also guarantee the prospect of retirement services for that category of citizens who receive their modest income by performing one-time jobs and providing personal services typical of self-employed citizens.

The practical interest of the new tax agent is limited by the fact that he is prohibited from hiring

personnel. In addition, a self-employed person cannot be engaged in a number of economic activities involving the involvement of other subjects of labor relations in labor activities.

2 MATERIALS AND METHODS

Since July 1, 2020, the expansion of the coverage of the tax on professional income has affected the territory of the subject of the Russian Federation - the Republic of Sakha (Yakutia). During the time of its influence on the regional space of the republic, the tax innovation interested many supporters, who preferred to take advantage of the experimental novelty

The grouping of data in Table 1 shows that since July 10, 2020, the Republic of Sakha (Yakutia) has seen a 7-fold increase in the number of self-employed citizens. At the beginning of September 2020, 2,573 tax agents were registered with the tax authority, who declared themselves as self-employed citizens. In absolute terms, in terms of the growth rate, it took place in the Gorny municipal district, reaching an indicator of 2900%, and in the city of Yakutsk, the growth of officially self-employed citizens in terms of quality was 1221 tax agents.

Table 1: Dynamics of the number of self-employed citizens in the Republic of Sakha (Yakutia) as of October 16, 2020

No.	The name of the municipal formation (municipal district)	Critical dates 2020				Growth rate, %
		10.07	04.09	02.10	16.10	
1	Abyysky	1	1	1	5	500
2	Aldan	15	51	68	84	560
3	Allaihoskiy	1	3	3	3	300
4	Amginsky	3	16	28	35	1167
5	Anabar national (Dolgan-Evenk)		1	2	7	
6	Bulunsky	4	7	9	11	275
7	Verkhnevilyuisky	5	18	32	41	820
8	Verkhnekolymsky		5	7	7	
9	Verkhoyansk	1	13	20	20	2000
10	Vilyuisky	5	21	29	41	820
11	Mountainous	1	15	26	29	2900
12	City of Yakutsk	195	759	1061	1221	626
13	Zhatay	4	14	17	22	550
14	Zhiganskiy national Evenk	3	12	14	15	500
15	Kobyaysky		15	22	25	1250
16	Lensky	17	53	79	92	541
17	Megino-Kangalassky	11	47	68	87	791
18	Mirminsky	21	126	180	210	791
19	Momsky	2	6	8	11	550
20	Namsky	8	27	33	41	513
21	Neryungri	26	108	146	179	654
22	Nizhnekolymsky	2	4	5	5	250
23	Nyurba	5	27	45	54	1080
24	Oymyakonsky	1	8	12	12	1200
25	Olekminsky	3	16	29	37	1233
26	Olenek Evenk national	1	2	4	4	400
27	Srednekolymsky		2	5	6	600
28	Suntarsky	5	30	42	51	1020
29	Tattinsky	5	21	31	33	660
30	Tomponsky	3	11	15	18	600
31	Ust-Aldansky	4	21	34	43	1075
32	Ust-Maisky	2	5	4	9	450
33	Ust-Yansky	2	6	8	8	400
34	Khangalassky	8	43	62	76	950
35	Churapchinsky	4	22	31	40	1000
36	Even-Bytantai National	1	2			
	Total	369	1538	2180	2573	697

Source: the data in the table are compiled from the reporting data of the administrations of municipalities (municipal districts) of the Republic of Sakha (Yakutia) as of 16.10.2020

Analysis of the situation in the development of medium and small business allows us to note some aspects. In particular, the problems faced by small and medium-sized businesses in the context of globalization and the transformation of market and economic relations force the owners of small and medium-sized businesses to make not entirely adequate decisions.

One problem of the Russian medium and small business, which is highlighted by the young researcher, reflects the essence of the fact that "The main problem in the implementation of tax policy is the lack of division by tax legislation of business participants into real entrepreneurs (who deliberately chose this path, developing, who successfully and effectively operate, understand and accept all the risks associated with activities "at their own peril and

risk"), and those for whom small business is self-employment, an attempt to somehow survive in difficult economic conditions on their own and feed their families. This means that both must pay taxes on an equal footing, although the financial situation and opportunities for activities are different" (Tereshkina, 2014).

The second or classical problem is associated with the analysis, which "showed that the activities of small and medium-sized enterprises are accompanied by a low level of liquidity and a high level of entrepreneurial risk. This is primarily due to a decrease in sales volumes due to poor study of demand, lack of a sales network, advertising; mismanagement of working capital; ignorance of how much and how to produce and sell, so that the

proceeds not only cover the costs, but also bring profit" (Mashrapov, 2015).

The problem at the meta-economic level, which reinforces a special problem in the interaction of the traditional type of economic system in the modern digital economy, is reflected in the fact that "A significant layer of the mass agricultural economy is not considered as a subject of an investment project - small business, microbusiness - is deleted from state support for investments. Herewith, the existing methodology for assessing the efficiency of the state program does not provide for a serious analysis of the return on the spent state budget funds" (Chistyakova, 2018).

In the face of meta-economic stratification, a problem is quite serious, which corresponds to the experience of survival of small and medium-sized businesses in conditions of intense competition and the dominance of big business. Therefore, "It is very tragic, for representatives of small and medium-sized businesses in Yakutia, the problem with the "profit hunger", as it is commonly called in their circles, should be pointed out. If in previous periods the average monthly net income of an entrepreneur in this sector of the economy was 40-45 th RUR, today, businessmen call the amounts 2-3 times less, complaining that the market has become too oversaturated, and the main contingent of consumers finds other sources of making a purchase" (Lavrova, 2014).

It is highly likely that there is a lack of entrepreneurial literacy among medium and small businesses, which are characterized by typical errors and mistakes in professional activity. Therefore, it is advisable if "an agrarian business specializing in raising cattle with a dairy focus is quite rationally capable of making a scenario calculation pursuant to the accepted methodological formats of financial and economic activities, in which representatives of the urban population may become co-owners of a part of the herd. This method of attracting investment and consumer interest of a city dweller quite rationally contributes to solving issues of ensuring economic security, a guaranteed flow of products by regular buyers, getting rid of per capita costs for intermediary services, creating a stable sales market and receiving financial resources for the provision of additional services" (Lavrova, 2013). This vision of the situation leads to the fact that self-employed citizens in rural areas, who are able to feed and maintain cattle, may quite reasonably provide services of this kind for citizens who do not have such abilities and opportunities, that is, mainly for city dwellers.

3 RESULTS AND DISCUSSION

3.1 Self-employment of Citizens and Professional Income Tax

Numerous studies of market instability and social injustice respond to a high degree of dissatisfaction with the economic reality of the population, who are forced to solve their problems in non-standard ways. For the most part, it is the desire to acquire and consume new, seductive and requiring a large amount of money spending, the most practical and smart citizens receive incomes that need to be declared and make payments to the budget at the personal income tax rate.

However, there is an opinion that "There is a large group of self-employed citizens in Russia, defined by us, as we suggest, "informal entrepreneurs", which does not fall under any of the categories of small business provided for by the current legislation. There are many citizens in the country who, having their main occupation, find the opportunity to fulfill some orders that correspond to their interests, hobbies, the need for additional income, for instance, they may teach to draw, conduct tutoring, and therapeutic gymnastics. Such hobbies of a citizen may be associated with a commercial interest" (Chernysheva, 2010). Opinions of this nature are quite consistent with the following definition: "Self-employment is understood as an independent organization and conduct of entrepreneurial activity" (Pavlovskaya, 2015).

Accordingly, the fiscal innovation, introduced from July 1, 2020, updates the tax status "Self-employed citizen" and interprets it in the academic environment as similar to those assigned to a specific category of person, which "conducts a freely regulated type of business. It is worth considering that this sector in the segment of working citizens is difficult to establish, since it includes both individuals and individual entrepreneurs. The alienation of the self-employed population is primarily associated with the development of a small form of business that does not require a staff of employees, and, consequently, a large number of costs, that is, it implies a simplified structure of business relations" (Ageeva, 2019). Although "the position of state authorities, management and control is such that self-employed citizens, for the purposes of accounting, tax and other obligatory contributions to the budget of the Russian Federation, include individuals: 1) personally providing services to other individuals for personal and household needs; 2) those engaged in the production and sale of goods on the basis of personal

labor; 3) not registered as individual entrepreneurs; 4) receiving income on their own; 5) not attracting hired workers and employees; 6) receiving a patent for the right to conduct a particular labor activity; 7) submitting a notice of tax registration” (Berdnikova, 2019).

The likelihood of self-employed status is fixed in the academic environment, “But at the moment in the domestic legislation there is no definition of the legal status of self-employed individuals, as well as the procedure for registration as such” (Krivin, 2020). However, there is a gap that is not legally supported, which is reflected in a complex and controversial aspect as fixing the minimum and maximum income limit calculated by self-employed for a certain period of time.

De jure, the self-employed is limited by a number of legal norms, based on which the authors confidently assume that the size of the maximum possible annual income of a self-employed cannot exceed 8 RUR mln. Since the law on the development of medium and small businesses establishes the criterion for a micro-enterprise that may employ up to 15 employees, when, pursuant to the decree of the Government of the Russian Federation of 2016, the maximum income limit for a micro-enterprise is regulated in the amount of 120 RUR mln. The ratio of these parameters allows us to justify the maximum income limit for the self-employed. In this context, mention should be made of the entry into force from January 1, 2021 of the amendment to Art. 224 of the Tax Code of the Russian Federation, the tax rate is 15%, which is levied, from some types of income exceeding 5 RUR mln per calendar year for personal income tax.

Based on economic and legal information obtained by a logical method of calculation, the

maximum income limit for self-employed may vary within 5-8 RUR mln. per calendar year, provided that the self-employed is over 5 RUR mln of annual income will be forced to perform tax deductions at a rate of 15%. Although the law on the tax on professional income defines the maximum amount of income considered when determining the tax base for the tax under study, which does not exceed 2.4 RUR mln in the current calendar year.

Thus, a tax innovation means a triad constraint that identifies the self-employed status for taxation along the following trajectories:

- compliance with the tax on professional activities within 2.4 units in RUR mln;
- in the same dimension within 2.4 and 5 units in RUR mln at a personal income tax rate of 13% in the general tax regime;
- also within the limits of 5 and 8 units in RUR mln in the general taxation regime at the personal income tax rate of 15%;
- and over 8 RUR mln, the self-employed taxpayer status must be converted into microenterprise status.

The following tendency arises, requiring additional clarification of the legal status of the self-employed. In addition to the restrictions on self-employed citizens included in the law and pursuant to paragraph 1 of Art. 3 dated 19.04.1991 # 1032-1 RF Law “On Employment in the Russian Federation” an unemployed person is a citizen who does not have a job or earnings, therefore it is categorically impossible to recognize him as self-employed. If an unemployed person gets a job, he loses his desired status, which makes it possible to orient the social responsibility of the state on the problems of unemployment, providing for the opportunity for the unemployed to receive assistance in social adaptation as a self-employed person.

Table 2: List of organizations that exchange information with the Federal Tax Service of Russia

Item No.	Legal name of the organization	Trade name of the organization	INN	Partner site
1	Alfa-Bank JSC	Alfa-Bank	7728168971	https://samozanyat.roketbank.ru
2	PJSC "Sberbank of Russia"	Sberbank	7707083893	https://prostobank.onlain
3	PJSC "AK Bars" BANK	AK Bars Bank	1653001805	https://www.akbars.ru
4	Bank "Cube" (JSC)	Prosto Bank	7414006722	https://samozanyat.roketbank.ru
5	Investment Bank "Vesta" LLC	Vesta Bank	6027006032	https://prostobank.onlain
6	JSC "Kiwi Bank"	KIBI Bank, Rocketbank	3123011520	https://samozanyat.roketbank.ru

Source: [2, p.136]

Accordingly, supporting the opinion of other researchers who have formulated an exhaustive answer to the natural question "How does a self-employed person work?" In particular, “The working conditions are simple and straightforward. A person downloads the My Tax application and registers in it

as a payer of professional income tax. To do this, one does not need to draw up any paperwork and go to the tax office, everything is done through the My Tax mobile application, or in the taxpayer’s personal account on the official website of the Federal Tax Service of Russia, or in a special bank application.

Sberbank and other banks have this" (Samitov, 2020). This opinion is supported by the information given in Table 2

The informative value of Table 2 confirms the interest of some banking structures, which have included in their economic activities customer service under the status of self-employed. Moreover, the attractiveness of working with such clients is due to the fact that "A new tax regime was introduced for the self-employed with a rate of 4% when working with individuals and 6% with legal entities. The registration process is simple and does not require visiting tax authorities, everything may be done through a mobile application, checks are generated without cash registers" (Bakirova, 2020). Perhaps they saw the prospects for further development of events, which reveal the horizons of charging commissions for servicing banking and monetary transactions that are made by the self-employed.

There are some peculiarities related to the fact that "If the income is not constant, then the application of the NPD does not create an additional tax burden: in the absence of income during the tax period, mandatory, minimum or fixed payments do not arise. Herewith, the self-employed may receive free medical care, since they are members of the compulsory health insurance system" (Konkin, 2020). It is also likely that there are certain shortcomings of the private order, which prescribe mandatory rules, not to fulfill orders from the previous employer and provide him with services within 2 years after registration as self-employed, prudently adopted by the legislator in order to prevent the mass transfer of workers to the status of self-employed. Otherwise, the violation of this imperative will be recognized as an employment relationship.

In the publication aspect of scientific works, one may come across such conclusions, reflecting the following conclusions: "The reasons for the introduction of this tax are easy to determine if looked at the average unemployment rate in the country, which now stands at 5.4%. A clear discrepancy between the number of those laid off and this percentage of unemployed may be seen. This may only be explained by the fact that citizens start a business in the shadow economy, which is not reflected in official statistics. Therefore, the state needs to legalize self-employed citizens"(Kurnosova, 2020). It is on these explanations that the authors' approach is confirmed, which concludes the tax innovation in the triad limitation of the self-employed.

Of course, the self-employed status will be subject to certain rankings. For example, "In the rating of the

reasons for the attractiveness of self-employed status for Russians, the first place is taken by the opportunity to devote more time to the family, the second place is given by the respondents to the emergence of greater interest in their work, and the third is the financial benefits from the new employment format. The fourth and fifth places are shared by the opportunity to choose their own customers and draw up their own work schedule on their own" (Safonov, 2020). Thus, the likelihood of the group dynamics of an increase in the number of self-employed is alarming, the consequences of which may affect the personnel shortage, provoked by an artificial means. Therefore, it is strategically required to perform on-line monitoring in order to timely prevent problems with personnel in the business environment.

3.2 Self-employment in the Analysis of the Current State and Development of Medium and Small Businesses

The analysis of the current state and development of small and medium-sized businesses (SMEs) is based on statistical indicators based on the results of economic activity for 2017 and 2019. taking into account the indicators of self-employment. The characteristic by type of economic activity within the distribution of individual entrepreneurs reflects the growth of SMEs as of January 1 of the current year. It is required to highlight some sectors of the regional economy, in particular, information technology and mining, hotels and catering, which statistically confirm real growth. However, in the economic structure of individual entrepreneurship such as activities in the field of health and social services; agriculture, forestry, hunting, fishing and fish farming; financial and insurance activities, there is a decrease in the number of SMEs (tab. 3)

The informativeness of the tabular data may be interpreted in a comparative assessment of two critical indicators pursuant to the criterion of the maximum - "activity in the field of information and communication" and the minimum - "activity in the field of health and social services", the gap between which is insignificant in quantitative terms, but significant in qualitative terms. There is also a noticeable quantitative statics, which is not uniform in its influence on the qualitative dynamics.

The Regional Center for Employment of the Population states data on the number of unemployed citizens, in particular for November 2020, in quantitative terms, equal to 32,986 unemployed, which in qualitative terms was fixed at 133% as of

Table 3: Statistical data on the distribution of individual entrepreneurs by type of economic activity

No.	Type of activity	as of January 1 2018	as of January 1 2019	as of January 1 2020	in % to	
					the bottom line	1 January 2019
	Total	37669	36408	35653	100.0	97.9
1	of which by type of economic activity:					
2	agriculture, forestry, hunting, fishing and fish farming	4487	4003	3642	10.2	91.0
3	mineral extraction	41	33	35	0.10	106.1
4	processing	2855	2769	2669	7.5	96.4
5	provision of electricity, gas and steam; air conditioning	68	60	60	0.2	100.0
6	water supply; water disposal, organization of waste collection and disposal, liquidation of pollution	126	121	125	0.4	103.3
7	construction	3743	3685	3770	10.6	102.3
8	wholesale and retail trade; repair of motor vehicles and motorcycles	10 974	10 659	10 299	28.9	96.6
9	transportation and storage	6228	6046	5902	16.6	97.6
10	activities of hotels and enterprises of public catering	1124	1139	1199	3.4	105.3
11	activities in the field of information and communication	704	663	710	2.0	107.1
12	financial and insurance activities	178	168	157	0.4	93.5
13	real estate activities	713	768	794	2.2	103.4
14	professional, scientific and technical activities	2411	2348	2350	6.6	100.1
15	administrative activities and related additional services	838	798	788	2.2	98.7
16	government management and support of military security; social security	5	3	3	0.008	100.0
17	district	348	376	388	1.1	103.2
18	activities in the field of health and social services	342	315	272	0.8	86.3
19	activities in the field of culture, sports, organization of leisure and entertainment	425	427	439	1.2	102.8
20	provision of other types of services	2036	2005	2026	5.7	101.0

Source: the data in the table are compiled from the reporting data of the administrations of municipalities (municipal districts) of the Republic of Sakha (Yakutia) as of 16.10.2020.

July 2020. The statistical picture is interesting in that the trend is upward, which is confirmed by a 4-fold increase in unemployed citizens expiring since the beginning of 2020 (Table 4).

The dynamics of the indicators presented in Table 4 reflects a favorable climate, since the number of officially registered citizens decreased by 20% in July-October 2020. The number of people employed in the economy of the republic in July-September 2020 increases by 2%. However, there is a discrepancy between the indicators of the number of unemployed citizens and the number recognized as

unemployed, recorded in the register of the employment service of citizens, due to the fact that 53% of unemployed citizens have the status of pensioners, disabled persons of group 3 and other social strata of the population.

The growth in the number of SMEs for the period from January 1, 2019 to September 1, 2020 is observed in 7 districts (uluses) of the republic, which belong to the Arctic group of districts (uluses) - Anabarsky, Verkhnekolymsky, Zhigansky, Nizhnekolymsky, Oleneksky, Ust-Yansky, Eveno - Bytantaysky (Table 5).

Table 4: Dynamics of the unemployed, employed and self-employed in July-October 2020

No.	Indicator	UOM	December 2019	June 2020	July 2020	August 2020	September 2020	October 2020	Growth rate, %
1	Number of unemployed citizens	th. persons	8.3	24.6	29.0	32.6	32.3	33.3	133
2	Number of citizens recognized as unemployed	th. persons	1.5	5.3	5.9	5.6	4.2	4.3	80
3	Employed	th. persons	465.8	456.7	451	456.1	464.1	0	102.0
4	Number of self-employed	th. persons	n/a	n/a	0.4	0.9	1.5	2.2	591

Source: the data in the table were compiled by the authors from the reporting data of the administrations of municipalities (municipal districts) of the Republic of Sakha (Yakutia) as of 16.10.2020.

The group dynamics of the number of SMEs in Yakutia, grouped in Table 5, reflects the indisputable leadership of the Olekminsky, Anabarsky and Eveno-Bytantaysky districts (uluses). The growth in the number of SMEs in the Olekminsky and Anabar districts (ulus) is explained by the growing demand for goods and services related to the maintenance and provision of extractive industries, as well as population growth due to the emergence of new jobs and a relative increase in the population's income, which form effective demand.

According to the summary data of the tax authority, the number of liquidated SMEs was certified in relation to the number of registered entities in March - August 2020 with an excess of 1.4 times in favor of the first, and the ratio of liquidated SMEs to those registered for the noted period pursuant to the LE criterion was 1,9, IE - 1.3 (Table 6).

The explanation for the negative ratio reflected in Table 6, in which a sharp increase in the number of liquidated SMEs is noticeable, is the situation associated with the implementation of restrictive measures due to the COVID-19 pandemic. Further, before the 2nd wave of the COVID-19 pandemic, there is a positive trend, which is characterized by a narrowing gap between the indicators of liquidated and registered SMEs. More detailed information on the dynamics of liquidated and registered SMEs is presented in Table 7.

A clear demonstration of the negative dynamics presented in Table 7 in the summary indicates that it is difficult for SMEs to compete in the market space of Yakutia, including the conditions for the impact of the pandemic on business results. Considering that the pandemic was announced only at the end of March, the totality of relations, liquidated and registered SMEs is catastrophic as of March 2020, compared to the following months through August

2020, that is, the reason for this difference cannot be directly attributed to the pandemic. Of course, the rate of reduction of the difference for the period of the declared pandemic, in the final value with an impressively negative indicator and in comparison with the difference in March 2020, which reaches ~35%.

A qualitative picture of the growth rate of SMEs by comparing equal periodizations makes it possible to assess the real changes taking place in the region's economy.

Table 8 provides exhaustive information about the natural course of events in the region's economy, associated with the fact that the existing economic model is entering the stage of decline. This is due to the fact that the growth rate for 9 months 2019 is 79%, and the difference between the September and December intervals is also decreasing, although in comparison with 9 months. 2020, the growth rate accelerates sharply.

However, in quantitative terms of the comparative analysis, the average number of SMEs in 2019 significantly exceeds the indicators of 2020, which means that the problem of reducing the number of SMEs in 2019 is natural. And the growth rate in terms of indicators for 2020 may be conditionally attributed to the effect of the introduction of a tax on professional activities.

The dynamics of the number and average number of SMEs in the regions of the Republic of Sakha (Yakutia) characterizes the quantitative and qualitative indicators of the development of SMEs in the regional economy. However, there is a trend that should be analyzed as newly created SMEs.

Table 5: Dynamics of the number of SMEs by districts of the Republic of Sakha (Yakutia)

No.	The name of the municipal formation (municipal district)	Number of SMEs, units				Growth rate, %
		as of 1.01.2019	as of 1.09.2019	as of 01.01.2020	as of 01.09.2020	
1	City of Yakutsk	18905	18687	19073	17834	94
2	Aldansky district	1540	1519	1535	1462	95
3	Zhatay	342	315	315	301	88
4	Vilyuysk ulus	674	613	624	612	91
5	Neryungrinsky district	3025	2925	2973	2802	94
6	Abyysky district	113	98	99	100	88
7	Allaikhovsky district	51	51	52	46	90
8	Bulunsky district	165	151	162	154	93
9	Anabarsky district	71	70	72	82	115
10	Amginsky district	559	523	524	492	88
11	Verkhnevilyuysky district	500	472	483	456	91
12	Verkhnekolymsky district	122	123	125	134	110
13	Verkhoyansky district	425	403	415	413	97
14	Mountainous area	406	386	386	373	92
15	Zhigansky district	129	121	123	136	105
16	Kobyaysky district	360	309	320	272	76
17	Lensky district	1242	1188	1200	1170	94
18	Megino-Kangalassky district	1050	1038	1028	1026	98
19	Mirinsky district	2233	2164	2195	2082	93
20	Momsky district	129	122	129	125	97
21	Namsky district	749	709	717	696	93
22	Nizhnekolymsky district	98	99	103	96	98
23	Nyurbinsky district	635	614	614	567	89
24	Oymyakonsky district	403	380	386	355	88
25	Olekminsky district	575	541	557	534	93
26	Oleneksky district	98	92	92	119	121
27	Srednekolymsky district	188	177	180	168	89
28	Suntarsky district	653	639	633	591	91
29	Tattinsky district	675	666	661	613	91
30	Tomponsky district	407	396	393	365	90
31	Ust-Aldansky district	601	616	611	544	91
32	Ust-Maysky district	233	218	216	226	97
33	Ust-Yansky district	272	279	291	276	101
34	Hangalassky district	977	936	934	877	90
35	Churapchinsky district	751	720	717	726	97
36	Eveno-Bytantaysky	77	74	79	86	112
	Total	39435	38432	39017	36911	93.6

Source: the data in the table were compiled by the authors from the reporting data of the administrations of municipalities (municipal districts) of the Republic of Sakha (Yakutia) as of 16.10.2020.

Table 6: Ratio of liquidated and registered SMEs, units

No.	Indicator	Total	LE	IE
1	Number of liquidated SMEs	3778	1150	2628
2	Number of registered SMEs	2699	599	2100
3	The ratio of liquidated to registered SMEs	1.4	1.9	1.3

Source: the data in the table were compiled by the authors from the reporting data of the administrations of municipalities (municipal districts) of the Republic of Sakha (Yakutia) as of 16.10.2020.

Table 7: Dynamics of liquidated and registered SMEs in March-August 2020, units

No.	All SMEs	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	Total
1	Liquidated	1072	460	364	576	763	543	3778
2	Registered	695	190	259	433	599	523	2699
3	Difference between registered and liquidated SMEs	-377	-270	-105	-143	-164	-20	-1079

Source: the data in the table were compiled by the authors from the reporting data of the administrations of municipalities (municipal districts) of the Republic of Sakha (Yakutia) as of 16.10.2020.

Table 8: Dynamics of the average number of SMEs by regions of the Republic of Sakha (Yakutia)

No.	The name of the municipal formation (municipal district)	Average number of SMEs, people				Growth rate in 9 months 2019, %	Growth rate in 9 months of 2020, %	Growth rate for 2020/2019, %
		as of 1.01.2019	as of 1.09.2019	as of 01.01.2020	as of 01.09.2020			
1	City of Yakutsk	32768	31305	22926	23171	70	101	71
2	Aldansky district	3557	2885	2766	2942	78	106	83
3	Zhatay	209	170	170	181	81	106	87
4	Vilyuysk ulus	1075	998	998	942	93	94	88
5	Neryungrinsky district	6338	5753	5639	5529	89	98	87
6	Abyysky district	65	54	55	48	83	90	78
7	Allaikhovsky district	61	92	92	85	151	92	139
8	Bulunsky district	162	242	248	543	153	219	335
9	Anabarsky district	42	41	42	65	100	155	155
10	Amginsky district	711	646	646	619	91	96	87
11	Verkhnevilyuysky district	435	288	293	259	67	88	60
12	Verkhnekolymy district	165	174	176	177	107	101	107
13	Verkhoyansky district	299	272	273	266	91	97	89
14	Mountainous area	247	293	300	315	121	105	128
15	Zhigansky district	186	152	152	160	82	105	86
16	Kobyaysky district	319	227	246	235	77	96	74
17	Lensky district	1938	1856	1874	1821	96	97	95
18	Megino-Kangalassky district	1011	1024	1019	1051	101	103	104
19	Mirninsky district	3154	3014	2915	3004	92	103	95
20	Momsky district	128	140	140	146	109	104	114
21	Namsky district	624	537	533	484	84	92	77
22	Nizhnekolymy district	261	228	229	178	88	78	68
23	Nyurbinsky district	909	888	865	752	95	87	83
24	Oymyakonsky district	841	748	755	930	90	123	111
25	Olekminsky district	932	820	817	768	88	94	82
26	Olenyoksky district	78	91	91	111	118	121	144
27	Srednekolymy district	103	86	86	101	83	117	98
28	Suntarsky district	1095	1005	1000	886	91	89	81
29	Tattinsky district	856	788	550	654	64	119	76
30	Tomponsky district	538	547	540	548	100	101	102
31	Ust-Aldansky district	357	321	319	299	89	94	84
32	Ust-Maysky district	506	488	666	500	132	75	99
33	Ust-Yansky district	431	395	409	318	95	78	74
34	Hangalassky district	1121	853	852	884	78	103	80
35	Churapchinsky district	871	787	789	737	91	93	85
36	Eveno-Bytantaysky	110	108	108	81	98	75	74
	Total	62493	58317	49578	49793	79	100.43	80

Source: the data in the table were compiled by the authors from the reporting data of the administrations of municipalities (municipal districts) of the Republic of Sakha (Yakutia) as of 16.10.2020.

Table 9: Dynamics of newly created SMEs by districts of the Republic of Sakha (Yakutia)

No.	The name of the municipal formation (municipal district)	Newly created SMEs, pcs.				Growth rate in 9 months 2019, %	Growth rate in 9 months of 2020, %	Growth rate for 2020/2019, %
		as of 1.01.2019	as of 1.09.2019	as of 01.01.2020	as of 01.09.2020			
1	City of Yakutsk	3404	2837	3770	1436	111	38	42
2	Aldansky district	267	213	295	116	110	39	43
3	Zhatay	82	58	66	30	80	45	37
4	Vilyuysk ulus	120	79	13	56	11	431	47
5	Neryungrinsky district	525	346	473	194	90	41	37
6	Abyysky district	18	11	14	12	78	74	59
7	Allaykhovskiy district	10	13	16	8	160	50	80
8	Bulunsky district	34	16	26	12	76	46	35
9	Anabarsky district	17	13	18	13	106	72	76
10	Amginsky district	102	66	89	45	87	51	44
11	Verkhnevilyuysky district	94	68	96	51	102	53	54
12	Verkhnekolymsky district	25	21	26	10	104	38	40
13	Verkhoyansky district	99	66	91	45	92	49	45
14	Mountainous area	64	49	64	40	100	63	63
15	Zhigansky district	24	14	24	18	100	75	75
16	Kobyaysky district	84	29	55	17	65	31	20
17	Lensky district	187	147	186	115	99	62	63
18	Megino-Kangalassky district	218	172	209	135	96	65	62
19	Mirninsky district	478	326	435	169	91	39	35
20	Momsky district	19	23	32	13	168	41	68
21	Namsky district	155	108	145	85	94	59	55
22	Nizhnekolymsky district	13	15	24	10	185	42	77
23	Nyurbinsky district	97	87	119	58	123	49	60
24	Oymyakonsky district	84	54	68	42	81	62	50
25	Olekminsky district	79	70	104	65	132	63	82
26	Oleneksky district	18	11	12	12	67	100	67
27	Srednekolymsky district	40	36	46	22	115	48	55
28	Suntarsky district	102	94	106	54	104	51	53
29	Tattinsky district	107	88	109	57	102	52	53
30	Tomponsky district	70	66	75	29	107	39	41
31	Ust-Aldansky district	103	90	120	50	117	42	49
32	Ust-Maysky district	41	37	40	24	98	60	59
33	Ust-Yansky district	38	36	48	18	126	38	47
34	Hangalassky district	186	149	188	104	101	55	56
35	Churapchinsky district	111	94	126	87	114	69	78
36	Eveno-Bytantaysky	10	9	13	7	130	54	70
	Total	7127	5609	7341	3259	103	44.39	46

Source: the data in the table were compiled by the authors from the reporting data of the administrations of municipalities (municipal districts) of the Republic of Sakha (Yakutia) as of 16.10.2020.

In accordance with Table 9, the dynamics are high, since in these regions of the republic in 2019 there is a rapid increase in the number of newly created SMEs in the context of between 114% and 185%, which served as a good start for maintaining "inertia" for 2020. This positive phenomenon may be justified by the existing three factors affecting the reduction in the number of newly created SMEs on the example of the Olekminsky district (ulus), which are due to:

1) preparation starting from 2016 for the national holiday Ysyakh Olonkho 2020, the event on which was postponed by the order of the Head of the Republic to 2023;

2) in 2019, a Business Incubator was created pursuant to the state program of the Republic of Sakha (Yakutia);

3) implementation of a megaproject on the territory of the Olekminsky district: construction of the VSTO oil pipeline.

It is also worth highlighting 3 municipalities with low indicators, which recorded a rapid decline in the number of newly created SMEs. In Mirny, Bulunsky and Kobyaysky districts (ulus), the share of newly created SMEs at the level of 2019 and 2020 does not reach 35%.

Accordingly, the natural economic processes in the region do not allow assessing the degree of influence of the tax on professional activities using the standard analytical approach of the study. Changes in the growth rate of the number of SMEs in the republic in comparison with two-year parameters, which turn out to be incompatible with the introduction of a tax on professional activities, but are more characteristic of the state of development with global trends that negatively affect the activities of SMEs.

4 CONCLUSIONS

The relevance and expediency of establishment of a tax on professional income does not raise doubts. Civil duties and social responsibility should be in the first place for each citizen of Russia. That is why the initiative to apply the tax on professional income on the territory of the Republic of Sakha (Yakutia) from July 1, 2020 should be justified by the fact that a significant part of socially vulnerable and unprotected categories of the population may legally engage in professional activities. Herewith, such activity which is not burdened by excessive document flow and additional expenses. In addition, such form of employment promotes the free choice of the citizen on time and due dates of the professional obligations.

The prospect of the development of self-employment in the conditions remote from the center of the territory may allow to enhance the technology of rendering services to the population and legal entities in order to be able to accumulate retirement services. However, there is uncertainty due to the changes expected in the field of state pension policy, due to which the self-employed category of the population may deliberately hide income from taxation. Obviously, in this situation, the tax innovation should provide for a special regime of control over the income of the self-employed. After all, only those contracts that will be concluded by the self-employed with legal entities will fall under control, and those contracts that oblige the self-employed to perform professional work for individuals will be impossible to control.

By the fact of the current legislation, self-employment within the limits of their activities is

already surrounded by tax restrictions. The Law on Tax on Professional Income determines the maximum amount in the amount not exceeding 2.4 RUR mln income in the current calendar year. However, a self-employed citizen will not be able to refuse the opportunity to earn an amount in excess of the amount of income specified in the law. The legislator in this situation does not model the social and legal behavior of a self-employed citizen. Although, if the maximum amount of income was exceeded, it should have been mentioned in the Law on the standard tax rate of 13% of personal income tax, if the amount of income is in the range of 2.4-5.0 RUR mln and on the tax rate of 15% of personal income tax, if the amount of income is 5.0-8.0 RUR mln, while maintaining the status of a self-employed citizen.

However, the excess of income from 8.0 RUR mln, then in this situation it is the duty of a self-employed citizen to formalize individual entrepreneurship or to choose another organizational and legal form.

Thus, it is possible to achieve specific social and legal behavior of self-employed citizens, whose organizational and legal status will be detailed and defined so that the self-employed citizen does not even think that he should solve problems that do not fit into the legislative framework.

The likelihood of a group dynamics of an increase in self-employed citizens is alarming, the number of which may provoke a personnel shortage for the business environment. According to statistical data on the distribution of individual entrepreneurs by type of economic activity in the republic, there is already activity in such areas as health care and the provision of social services, but they have catastrophically low indicators (86.3%), agriculture, forestry, hunting, fishing and fish farming (91%), and activity in the field of information and communication leads (107.1%) among individual entrepreneurship in the republic.

Therefore, there is a need for legislative enhancement of the norms governing the behavior of the self-employed pursuant to the levels of income derived from professional activity, taking into account socio-economic differences and the degree of development of territories.

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