

ENTREPRENEURIAL CAPITAL OF THE REGION: THE CONCEPT, MANIFESTATIONS AND SPATIAL LOCALISATION

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An important element of the explanation why an entrepreneur carries out high-risk transactions is the evaluation and analysis of her or his inner qualities. Thus, there is a need to identify the connection between entrepreneurial risk and capital. At the regional level, there is an ongoing academic discussion as to who the carrier of entrepreneurial capital is and how this capital can be measured and evaluated in view of its direct influence on the business environment and economic growth opportunities of a certain territory. This article presents the findings of a study into the complex structure of the concept of regional entrepreneurial capital and establishes how this concept is connected with such categories as entrepreneurial spirit, entrepreneurial substance, and entrepreneurial ability. Using an estimate of the number of economic entities (individual entrepreneurs and farmers; small, medium, and large enterprises) per 1,000 population, the study demonstrates cross-regional differences in entrepreneurial activity as a manifestation of entrepreneurial capital, including those in the Northwestern Federal District.

Keywords:

entrepreneur, risk, lifecycle, evolution of entrepreneurial properties, entrepreneurial spirit, entrepreneurial capital

Introduction

The theory of entrepreneurship has been developing for several centuries and many of its provisions are considered to be established. However, while the economy is growing, entrepreneurship itself is changing, revealing some new forms and properties. In response to such dynamics, the theory of the entrepreneurship is developing, though its fast expansion through new elements is not always reflected on sufficiently.

The concept of entrepreneurial capital today is one of the most rapidly growing research areas. At the same time, many of its provisions remain the subject of numerous academic debates. In particular, there is no unanimity regarding

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what constitutes entrepreneurial capital, what its structure is, and what factors influence it. Scientists and researchers are not certain on who constitutes the entrepreneurial capital, i.e. personally an entrepreneur or a set of entrepreneurs. In the latter case, it is more about the entrepreneurial capital of the region.

If the entrepreneurial capital is to be taken for the background of entrepreneurial activity, then its assessment becomes the most important task for the regional administration through developing a high level of entrepreneurial capital; significant economic growth can be achieved in the region. However, measuring entrepreneurial capital is a challenge since its essential characteristics are poorly defined in modern studies.

Recognizing the relevance of studying the entrepreneurial capital in the region, the author presents the results of a study of its nature and essential characteristics while establishing a connection and hierarchical subordination with individual concepts of the entrepreneurial economics theory. The novelty of the author's study lies in identifying the connection between entrepreneurial capital and such categories as "entrepreneurial spirit", "entrepreneurial substance", "entrepreneurial strength", "entrepreneurial ability", etc.

Based on the established semantic connection and categorical conditionality of entrepreneurial capital, the author's approach to its assessment and measurement has been developed within the framework of the regional management concept. The hypothesis of sufficiency of entrepreneurial capital quantitative assessment is tested with indicators of fixed assets and investments in fixed capital to identify its impact on the regional socio-economic development. The Kaliningrad region was chosen as the object of study, the border and special geopolitical position of which determines its proximity to European markets, thereby stimulating entrepreneurial activity in the region. This enables to both best describe the entrepreneurial capital of the region and evaluate its structure. The compactness and size of the economy quickly reflect the efforts taken and the impact of the increment of various forms of capital on the regional economic growth and development.

Based on the results of a comparative quantitative assessment and analysis of the entrepreneurial capital of the Kaliningrad region and other Russian regions, the author empirically proves and concludes that its quantitative measurement, given the complexity and interdependence with other categories of the entrepreneurial economy, requires specially developed qualitative metrics. Time has been defined as the key factor that affects the interdependence of entrepreneurial risk and capital.

The evidence base which could have been strengthened with the results of a series of organized expert interviews and sociological surveys still limits the study. However, this requires a typological sampling of regions, as well as certain focus groups. Despite the indicated restriction of the evidence base which relies on open-source statistical data, the research conclusions are of great importance for the further development of the theory of regional entrepreneurial economics.

Research methodology and data

Having analyzed the relevant sources, the author continues developing theoretical provisions of the entrepreneurial development in the Russian Federation. The article introduces and tests the indicators of measuring entrepreneurial activity in the regions. For this, the extensive statistical data of Rosstat has been processed, it is presented as a combination table, cartogram and diagram; entities of the Russian Federation (and separately of the North-West Federal District) have been compared by the level and structure of entrepreneurial activity.

The theoretical justification of the entrepreneurial capital of the region

The theory of the entrepreneur economics has been actively studying both the very concept of entrepreneurship, first introduced by R. Cantillon [1], and its relation to risk. Although it was initially assumed that entrepreneurs work under risk conditions, many researchers later began to argue that the desire for risk is the main feature of an entrepreneur [2—4]. Practical entrepreneurial activity shows that risk-prone individuals are not that many among entrepreneurs, while risk disposition is a property of some particular entrepreneurs [1; 5, p. 243]. At the same time, uncertainty is an objective condition for entrepreneurial activity.

So what does it take to be an entrepreneur? R. Cantillon considered that the population of the country, in addition to the “sovereign and other owners of the land,” is divided into two classes: entrepreneurs and employees. The class of entrepreneurs is comprised of people who, with or without their own capital and only via the application of labor, carry out entrepreneurial activity with the view of receiving wages. They all exist and operate in conditions of uncertainty [1, p. 27].

Within the context of modern terminology, his idea can be formulated as follows: the more entrepreneurs are in the region, the more actively the region is developing. It is this very position, which is shared today by all economists, that brings about the connection between entrepreneurial activity in the region, entrepreneurial capital, and entrepreneurial potential for entrepreneurship.

A special role is given to the entrepreneurial spirit, the nature and origins of which were examined first by M. Weber [6], and only later by W. Sombart [7, p. 67], who pointed out that this is a “set of spiritual qualities” necessary for the implementation of an entrepreneurial project, while the abilities of a conqueror, organizer, and merchant should be fundamental to successful entrepreneurship.

The concepts of entrepreneurial spirit and entrepreneurial capital are very closely connected, but identifying their relations is getting more difficult due to complexity and vagueness of the boundaries of such a fundamental economic category as capital [8]. There are ideas about capital as exclusively formed by objects involved in commodity-money circulation (see, for example, [9]), since

many things, services, and even relations are taken as goods. The opposite view [10, p. 6] sees capital as a single whole, including such elements as industrial capital (buildings and cars), human capital (knowledge, skills, experience and health), social capital (relations and institutions), financial capital (monetary wealth) and natural capital.

The concept of entrepreneurial capital has evolved from different research approaches to the category of “capital” in relation to certain of market economy.

T. Erickson [11] was among the first scientists to identify conceptual provisions on “entrepreneurial capital” formulated on the dichotomy “financial capital — non-financial capital”. It is the latter part that modern authors define as entrepreneurial capital. This is “the physical, organizational, technological, human, cultural, social and symbolic capital of business owners and their companies” [12, p. 150]. But until now, some scientists have doubted this: “In many cases, investors rightly deny the presence of entrepreneurial capital, because entrepreneurs lack the managerial skills necessary for the development of rapidly growing enterprises” [13, p. 9].

If we turn to modern Russian research, many people even consider that “entrepreneurial capital is an investment in enterprises, both new and existing [14, p. 354], and we can distinguish between the two types of investment — portfolio and direct ones. However, if we consider that entrepreneurial capital is the capital used by an entrepreneur, and then it remains unclear, why should the word “entrepreneurial” be added to the word “capital” in the definition of the capital? Indeed, in this case, its difference from any other capital becomes insignificant.

In our opinion, the key element to the definition of “entrepreneurial capital” is an indication that capital is used for generating profit. The founder of neoclassical economics A. Marshall was the first to indicate that the entrepreneur uses hired labor and (most often) borrowed capital in his activities [15]. His idea was supported by other economists, who concluded that the entrepreneur’s profit was the payment to him for being able to combine labor and capital together and set up production and sales. But hired labor and capital are used by other participants in the economic system, and not just by entrepreneurs, therefore, it is necessary to highlight the distinctive features inherent in entrepreneurial capital.

We will distinguish between two concepts: capital used by an entrepreneur, and entrepreneurial capital.

Capital used by an entrepreneur is a combination of financial, tangible and intangible assets that an entrepreneur attracts for production. It is no different from the capital used in any other business.

Entrepreneurial capital — this is such an element of the management system that is inherent only to the entrepreneur and no one else, using which the entrepreneur derives additional profit. Of course, entrepreneurial capital is closely related to the systemic properties of the entrepreneur and the entrepreneurial spirit.

V. Sombart [7] defined the entrepreneurial spirit as the totality of all the spiritual qualities of an individual. Therefore, you should highlight and consider those that relate to business — business qualities or entrepreneurial substance.

Entrepreneurial substance is that combination of inner qualities of an entrepreneur that distinguishes him from other individuals and pushes him under certain conditions to engage in entrepreneurial activity. Entrepreneurial substance consists of two elements — entrepreneurial forces and entrepreneurial abilities.

The phrase “entrepreneurial power” is rarely found in the academic literature. Thus, D. Grau uses it as some alternative to the “power of profit”: “If you use only the power of profit in business and nothing but it, you will receive profit and pay a lot more for it than if you used a combination of entrepreneurial power and power of profit” [16, p. 20]. M. Lu and H. Pan argue that “entrepreneurial power reflects the “power” of the resources of the economic system” [17, p. 63]. But the authors do not disclose the essence of the concept of “entrepreneurial power,” therefore we will especially focus on it.

We propose to consider entrepreneurial power as a measure of the entrepreneur’s influence on the economic system in which they operate. That is, entrepreneurial power is that part of the entrepreneur’s inner spiritual capacities that allow them to make people work, while financial capital owners are made to loan this capital to the entrepreneur.

In our opinion, the very entrepreneurial powers that make up the entrepreneurial substance include: 1) the instinct of a millionaire, 2) will power, 3) accuracy, 4) curiosity and 5) responsibility.

The instinct of a millionaire. The entrepreneur instinctively understands the opportunities that open for him after making any business decision related to making a profit. He does this intuitively, bypassing all stages of a thorough analysis while working out the best solution in a situation. Intuition is understood as comprehension of truth without comprehensive analysis. Instinct as a manifestation of inner commitment is formed through intuition. This allows the entrepreneur to quickly make decisions ahead of his competitors.

Will power. Regardless of the psychological type of the entrepreneur, any of them is distinguished by a strong character. Actually, without this special perseverance, adherence, and resistance to difficulties, an entrepreneur cannot grow as an individual. The willpower becomes the background for the freedom of the entrepreneur, the freedom to create and the courage to take risks being the primary ones. This willpower brings about the charisma of a leader. Out of any connection with the external implications, willpower and special conscious courage manifest themselves in concrete actions and are recognized by other people. Any entrepreneurial talent will perish, if it wasn’t for entrepreneur’s willpower and methodology to deal with internal and external threats.

Accuracy. Chinese wisdom, based on many hundreds of years of practice, states: “Speed is more important than strength, but accuracy is more important than speed.” Indeed, it can be argued that the speed with which the business is developing is not as important, as the accuracy of the strategy and the main goal. A characteristic feature of the leader is the simplicity and clarity of the plans, combinations and decisions to which he came. Therefore, accuracy is a special

technique of competitiveness, which reflects the connection of intelligence with willpower through a special concentration, which gives insight into details, without which an entrepreneurial step into the unknown is impossible.

Curiosity in the information age is an instrument for introducing knowledge into the economy. Entrepreneurship is not taught at school, and curiosity is the main quality that an owner should have. Curiosity is a pioneer tool. D. Trump, as a well-known major and successful entrepreneur, believes that “entrepreneurs have an intrapersonal type of intelligence that helps them to fall, get up and, having learned another lesson, move on with interest and gratitude for new experience” [18, p. 112].

Responsibility. Entrepreneurship is always associated with risk, and the adoption of risky decisions raises the question of responsibility for failure. Liability is considered to be a social concept, but for an entrepreneur it becomes a character trait that allows it to be a business owner. “Taking responsibility for everything, you infuse yourself with new energy... this serves as a catalyst for success” [18, p. 187]. Even the best management decisions cannot ensure success — only responsible professional team work gives the result.

These five components of entrepreneurial power let the entrepreneur carry out independent economic activity. Such entrepreneurial powers must be complemented by the ability to apply them. Many can use the five entrepreneurial powers to set up a business, but not all of them become successful entrepreneurs, many never grow further than self-employment or small business.

Entrepreneurial abilities should be understood as a set of personal qualities, abilities and talents of a person that allow him to successfully utilize their entrepreneurial powers. Entrepreneurial abilities are determined by the age and sex of the entrepreneur, the education level, experience of independent activity, etc. Since talent is a person’s outstanding ability that manifests itself with the acquisition of experience, forming a certain skill, entrepreneurial talent is an outstanding entrepreneurial ability.

The combination of entrepreneurial powers and entrepreneurial abilities is the entrepreneurial substance of the individual. Individuals with “entrepreneurial powers” but not having fulfilled their “entrepreneurial abilities” become “strong business executives” and organizers of large business projects. Therefore, in order for the entrepreneurial substance to be fully disclosed and the person to have an entrepreneurial spirit, it is necessary that society has the opportunity for the entrepreneur to participate in economic activity and the conditions that are created to conduct this entrepreneurial activity. In other words, entrepreneurial potential must be fostered in society, which will allow entrepreneurial abilities to unfold.

If an entrepreneurial substance is a set of properties intrinsic to an entrepreneur, then an entrepreneurial potential is the result of the influence of the external environment, under the influence of which an entrepreneurial substance creates an opportunity (or impossibility) for entrepreneurial activity.

Entrepreneurial potential is determined by the openness of the economy to setting up a new business, the infrastructure of this business, the attitude of society towards business and entrepreneurship, etc.

Social entrepreneurial potential is shaped by people with an entrepreneurial spirit, and the presence of entrepreneurial potential in the society. In other words, entrepreneurial capital is this or that degree of practical application of entrepreneurial substance in the practice of economic life, determined by its degree in a society. If a society has all the conditions for conducting potential entrepreneurial activity, then entrepreneurial capital in it will be at maximum. If entrepreneurial activity is suppressed in society, then entrepreneurial capital will be extremely small and manifest itself exclusively in the shadow business.

The entrepreneurial potential, that is, the ability of an entrepreneur to participate in economic activity, is determined by the presence or absence of the necessary resources at his disposal, that is, their availability. For over a hundred years, the economic science has considered that an entrepreneur manages only two types of resources: the money capital that is attracted for business, and the labor that the entrepreneur hires in the market. This is the basic model, which is a mere simplification, acceptable in idealized constructions of economic theory and unacceptable in theoretical and applied sciences, which, of course, include the economics of entrepreneurship.

The author's personal experience and numerous in-depth interviews conducted with hundreds of successful entrepreneurs have shown that the main resources used by the entrepreneur include labor, capital, information, technology and time. These five resources only will allow the entrepreneur to reveal his potential. Their lack or abundance in society supports different levels of entrepreneurial potential.

Since economists have written much on labour and capital that an entrepreneur uses in his activities, we will dwell on the resources that we have singled out, i.e. information, time and technology. A hundred years ago, the importance of these resources in entrepreneurial activity, and in the business environment as a whole, was not as great as today, so they did not receive enough attention.

Economists wrote about the importance of information for economic decisions. But at the same time, researchers mainly focused on the need to search for information and compared the costs of information search with the outcomes of decisions in the conditions of uncertainty. The importance of information as a resource was mentioned in 1961 by J. J. Stigler [19, p. 221], when he determined the value of information as a resource while searching for the necessary data. But today, in the context of the digitalization of the economy, an entrepreneur is faced with a different situation, some information redundancy.

We live in an era of growing influence of the digital economy. When making an attempt to perceive the information, the person's attention gets scattered, and a certain paradox arises — the more information surrounds the person, the more uncertainty grows. The essence of the paradox is that, by definition, information is a tool for eliminating uncertainty. An overabundance of information opens up such a large number of decision options for the decision maker that he is not able to process the data sets and again faces a situation of uncertainty. If an entrepreneur has information about some event, he can easily absorb it and give it

a sensible assessment. When this information embraces two simultaneously occurring events, the entrepreneur can absorb it and make the right decision. But in conditions of the information overabundance, the entrepreneur is not only unable to make the best decision, but often is not able to do it at all. Therefore, information is the most important resource that an entrepreneur should dispose of at his discretion. Only the availability of modern information technologies will help the entrepreneur to efficiently use it as a resource.

In the framework of digital economy, when production technologies are impossible without the use of IT, it is getting obvious that time is turning into the most important resource of entrepreneurial activity besides information. To be the first to make an important decision and take the advantage of it in an effort to maximize the profits creates the instance when entrepreneurial substance relates to this resource. It is the very case when the entrepreneur really manages time, and the entrepreneur's risk appetite is manifested. Making a decision under risk is an important step that only someone who has mastered the talent for using time as a resource can dare. To manage time, an entrepreneur should be freed from the situation to spend it on solving routine tasks.

Of course, delegating authority to your subordinates is good tool of time management, but in reality there are many tasks that can't be solved by anyone but for the entrepreneur, since they are vital for his business. Numerous business regulations issued by government force the entrepreneur to spend his time following such regulations and personally completing the tasks. As a result, it reduces the time spent on developing your own business. If we compare the time that a Russian entrepreneur spends on managing his business with such in Western countries, the difference does not favor a domestic entrepreneur. The survey and personal meetings with both domestic and Western European partners proved that a Russian entrepreneur spends at least a third less time on doing business than a foreign colleague. This expert assessment can be amended, since the author did not carry out thorough measurements.

The rapid diversification of the world economy, which began in the 70s of the twentieth century, contributed to a significant increase in possible production technologies. The modern world provides each business executive with the opportunity to use a great variety of technologies. A great number of technologies determine the need to choose one of them by each entrepreneur. Technology today is also a resource that an entrepreneur uses.

Each technology has its own advantages and disadvantages and the information about them is extremely voluminous. In order to make the right decision, the entrepreneur uses the instinct of a millionaire. This instinct allows him almost instantly, bypassing the numerous stages of reasoning, comparison and preliminary selection, to "feel" the importance of the technology that he takes as a background. But a mistake in choosing and using a resource can be fatal.

Thus, the degree of entrepreneur accessibility to these five resources determines the entrepreneurial potential of the region.

Moreover, entrepreneurial capital brings together two interrelated components: 1) a set of properties inherent only to an entrepreneur (entrepreneurial substance), and 2) a set of conditions and factors that allow a potential entrepreneur to decide on independent entrepreneurial activity (entrepreneurial potential).

The above-mentioned statements on the interconnection of many theoretical economic concepts make it possible to understand how entrepreneurial capital should be managed at the regional level. These provisions are divided into two main areas: a) developing an entrepreneurial spirit in society as a whole and for each person individually; b) creating conditions for the realization of that part of the entrepreneurial substance of the individual, which was called “entrepreneurial abilities”, through the growth of the entrepreneurial potential of the region.

The entrepreneurial spirit of the region can be best revealed in the case when the company does not just support entrepreneurial activity, and its occupation becomes as honorable as activities in the field of science or art, the fulfillment of duties to protect the life and safety of citizens, etc. For the implementation of spiritual society and regional authorities should increase the entrepreneurial potential of the qualities of individuals in the region. This potential is determined by the availability of the five main discussed types of resources for any entrepreneur.

Regional differences in the level | of development and use of entrepreneurial capital

Entrepreneurial capital is increased through the activities of individual entrepreneurs, farmer households and due to the emergence and development of enterprises created by entrepreneurs: microenterprises, small, medium and large enterprises. In different regions of the Russian Federation, their ratio is not the same and depends both on the regional society and on the socio-economic characteristics of the region. A common trend in recent years is a more intensive development of individual entrepreneurship, however, the bulk of the goods and services are created by large enterprises, according to the ongoing research (see, for example, [20]). The strategy for the development of SMEs in the Russian Federation up to 2030 poses the following tasks: “Increasing the share of the employed population in the SMEs sector out of the total population up to 35 percent. A strategic guideline is to double the share of small and medium enterprises in GDP (from 20 to 40 %), which will correspond to the level of developed countries”¹.

¹ The development strategy of small and medium-sized enterprises in the Russian Federation for the period until 2030. Approved by order of the Government of the Russian Federation of June 2, 2016 No. 1083-r. URL: <http://pravo.gov.ru/proxy/ips/?docbody=&nd=102400738> (access date: 15.09.2019).

Figure 1 and Table 1 show the territorial differences in entrepreneurial activity (which the author estimates using indicators of the number of citizens involved in the management of both legal entities and individuals, per 1000 population) by regions of the Russian Federation.

Figure 1 indicates in which parts of the country organizing the activities of large enterprises is more or less vigorous. First of all, Moscow, St. Petersburg and neighboring subjects of the Russian Federation, oil and gas producing autonomous districts and the Novosibirsk region in Western Siberia, and a number of regions of the Far East are characterized by high indicators. The fewest number of large enterprises per 1000 inhabitants are located in the subjects of the Russian Federation adjacent to the southern border of the country, in Eastern Siberia and some republics of the Volga and Urals.

Table 1 distinguishes between the groups of regions according to the activity of individual entrepreneurs, on the one hand, and SMEs emergence on the other. In both cases, the most economically developed entities of the Russian Federation classified as type 1A are distinguished. These are Moscow and St. Petersburg, the Novosibirsk region, one of the most advanced Siberian regions, as well as the Kaliningrad region, where the economic and geographical position, resettlement patterns and the regime of the Special Economic Zone contribute to the development of small business. Regions of 2A and 3A types are characterized by a high level of individual entrepreneurial activity (the differences between these types are that the number of small enterprises per 1000 population is higher in 2A).

The indicators for 2B regions are close to the national average. Type 3B differs from 2B in the smaller number of SMEs per 1000 inhabitants. Type 3C includes regions in which the number of individual entrepreneurs and the number of small enterprises per 1000 people are the lowest in the country. These are some republics of the North Caucasus, Mordovia in the Volga region, as well as the Kemerovo and Amur regions in the east of the country.

Figure 2 shows a more detailed comparison of inter-regional differences in entrepreneurial activity, which reflects the number of business entities of various types per 1000 population in the regions of the North-West Federal District. This area is characterized by a generally higher level of business development compared to the average for the Russian Federation. All regions of the district (especially western ones) per 1000 inhabitants have a relatively high number of large enterprises. The indicator of individual entrepreneurship in most regions is close to the national average. And only the numbers of small enterprises per 1000 people is higher than the average in four regions and lower in six. St. Petersburg and the Kaliningrad Region which are among the leaders in both indicators, belong to the coastal “international development corridors” [22] (and the first one, according to the classification of J. Friedman [23], to “core regions”, to subjects — leaders of the socio-economic development of the country).

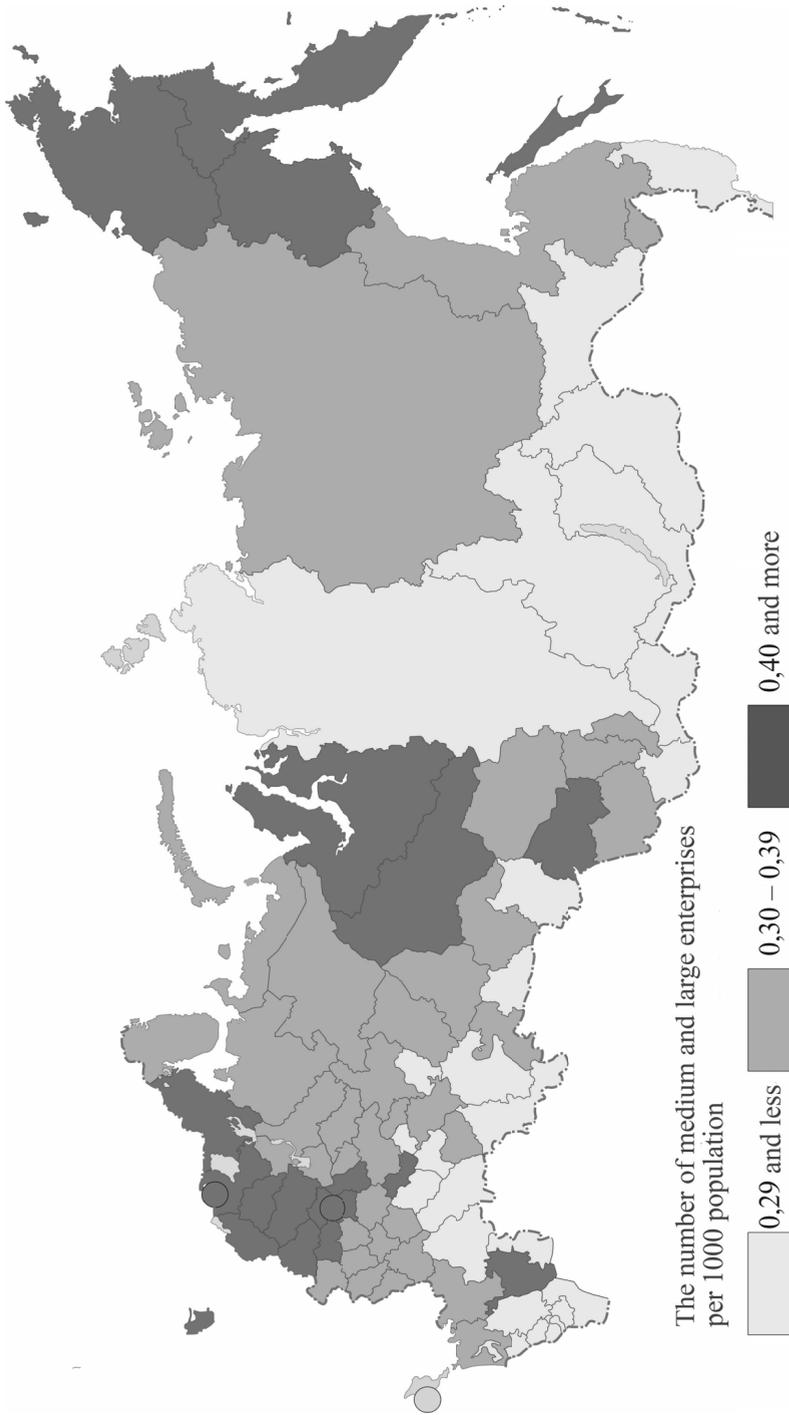


Fig. 1. The number of medium and large enterprises per 1000

population Based on Federal State Statistics Service data. URL: <https://www.gks.ru/> (access date: 09.15.2019).

Table 1

Prevalence of SMEs

Type of the region	Per 1000 population		Regions
	Individual entrepreneurs and farmers	SME	
1A	25,0 and more	25,0 and more	Moscow, Saint Petersburg; the Kaliningrad Novosibirsk region
2A	30,0 and more	15,0—24,9	Sevastopol, the Kamchatka Krai; the Belgorod, Moscow, Magadan, and Sakhalin regions
3A	30,0 and more	14,9 and fewer	Republic of Adygea, Kalmykia, Crimea, Altai, Sakha (Yakutia); Yamalo-Nenets, Khanty-Mansi Autonomous Okrugs; Krasnodar, Stavropol Territory; Kaluga, Rostov region
2B	14,0—29,9	15,0—24,9	Republic of Karelia, Tatarstan, Udmurtia; Perm, Krasnoyarsk, Primorsky, Khabarovsk Territories; Vologda, Murmansk, Pskov, Ivanovo, Kostroma, Ryazan, Smolensk, Tver, Yaroslavl, Nizhny Novgorod, Kirov, Samara, Ulyanovsk, Sverdlovsk, Tyumen, Chelyabinsk, Irkutsk, Omsk, Tomsk regions
3B	20,0—29,9	14,9 and fewer	Komi Republic, Kabardino-Balkaria, Karachay-Cherkess, Bashkortostan, Chuvash, Buryatia, Tuva, Khakassia; Altai, Transbaikal Territories; Arkhangelsk (with the Nenets Autonomous Okrug), Leningrad, Novgorod, Bryansk, Vladimir, Voronezh, Kursk, Lipetsk, Oryol, Tambov, Tula, Astrakhan, Volgograd, Penza, Saratov, Orenburg, Kurgan regions; Jewish Autonomous Region; Chukotka Autonomous Okrug
3C	19,9 and fewer	14,9 and fewer	Republic of Mari El, Mordovia, Dagestan, Ingushetia, North Ossetia — Alania, Chechen; Kemerovo, Amur region

Based on data: Federal State Statistics Service. URL: <https://www.gks.ru/> (access date: 09.15.2019).

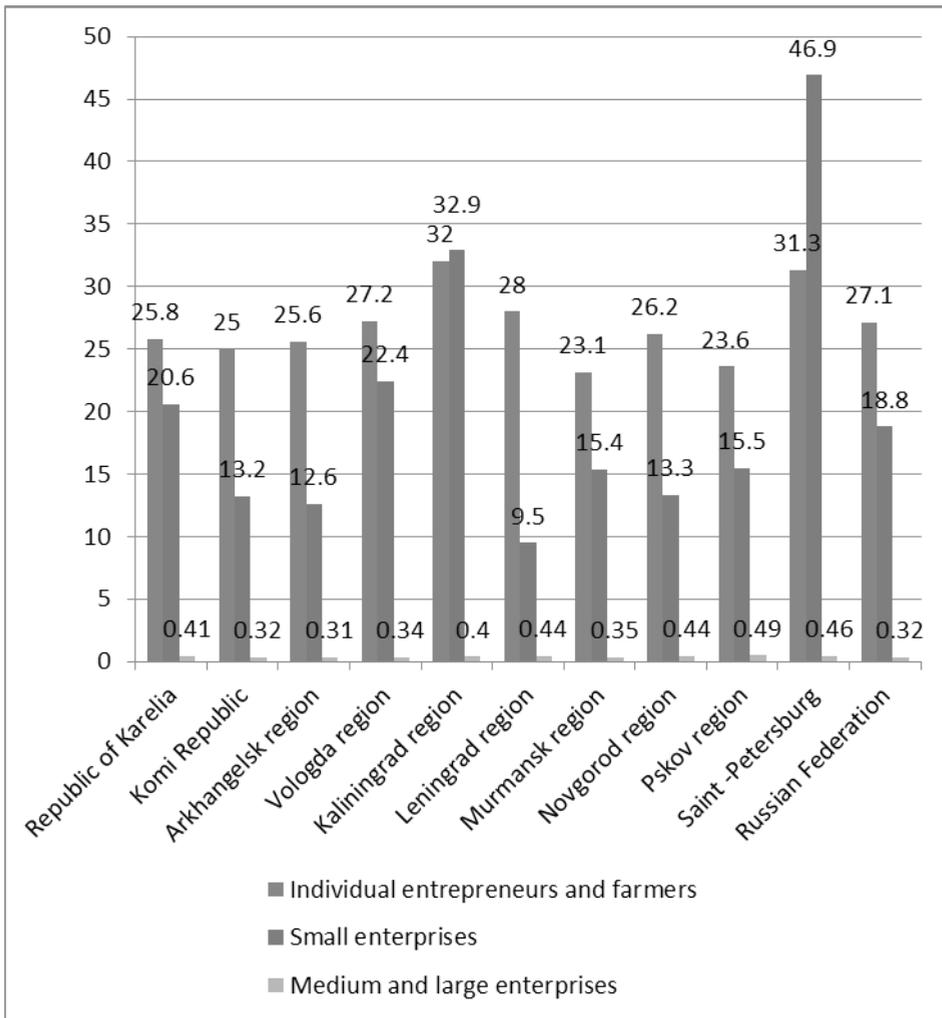


Fig. 2. The number of business entities of various types per 1000 population in the constituent entities of the Russian Federation, North-West Federal District

Based on Federal State Statistics Service data. URL: <https://www.gks.ru/> (access date: 09.15.2019).

Conclusion

The study found out that the entrepreneurial capital of the region is one of the elements of the management system, which is connected and determined by the entrepreneurial spirit.

In a broad sense, the entrepreneurial spirit is understood as business qualities, and the entrepreneurial substance is its main component. The entrepreneurial spirit is an inherent quality of the entrepreneur and a set of properties, formed by such components as entrepreneurial strength and entrepreneurial ability.

Possessing entrepreneurial forces in order to realize the existing entrepreneurial abilities, society must create the conditions for growing entrepreneurial potential. It is supported by the availability and accessibility of resources such as capital, labor, information, technology and time.

Thus, the entrepreneurial capital of the region expresses different degrees of entrepreneurial substance in the everyday economic life, due to the varying degree of entrepreneurial potential in society.

In addition to the categories of entrepreneurial capital highlighted in this article in the section “Theoretical justification of entrepreneurial capital of the region”, as well as previously reviewed by the author [24], it is proposed to use indicators of entrepreneurial activity such as the number of business entities (individuals and legal entities) based on 1000 people. These indicators, reflecting the situation in the entities of the Russian Federation, are presented in the article in the figures and in the table. Very significant inter-regional differences in relative indicators, reflecting the activity of individual entrepreneurs, farmer households, small, medium and large enterprises, were revealed and clearly reflected. It is advisable to take them into account in the development of federal regional policy documents and in strategies for the socio-economic development of regions.

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