

SMEs - World, European Union, Russia, and Serbia

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Abstract

The article analyzes SMEs and their importance at the world level and particularly in the EU, Russia, and Serbia. In the introductory part, there are discussed the basic definitions and different ways of classifying SMEs, the importance of classifying SMEs and dividing SMEs according to the purpose of their emergence and existence. The world SME sector section discusses the position and importance of SMEs in different areas, depending on the development level of the country in which they are established and in which they operate. As a separate group, a group of micro-enterprises, startups, was singled out. Chapter 3 discusses the impact of SMEs on EU employment, and the dynamics of SME development in the EU. Chapter 4 discusses the level of development, number and structure of SMEs in Russia and their impact on employment. Particularly prominent are the growth of the micro-enterprise number and the decline in the number of small- and medium-sized companies. With Serbia, the largest growth in the number of enterprises was observed in the group of small enterprises, and the smaller growth was in micro- and medium-sized enterprises. The smallest growth was recorded in the group of large enterprises as shown in chapter 5. The same chapter analyzed the number of business entities by size and the average number of employees per company in different branches of industry. At the end of the paper, in the chapter Conclusions, the main results of the research are presented and the ways of economic development of a country are pointed out. The work can be useful to those who are involved in the SME business or analyze it.

Keywords: SME, classification, development, employment

1 INTRODUCTION

1.1 SME definitions, classification, and significance

The notion of micro, small- and medium-sized enterprises (SMEs) includes all business entities that [1]:

- a. Have no public responsibility, and who
- b. Publish financial statements for external users.

Under SMEs, this work will consider business companies according to [2] and the definition of the European Commission [3]. Also, micro-businesses are included in this group of companies.

The classification of businesses in groups is necessary from:

- theoretical and empirical reasons for easier study and research, and
- pragmatic reasons - for ensuring the support to SMEs, because depending on the type of SMEs, the way of support should be adjusted. While some need support for the development of new ideas, the other need support to achieve acceptable conditions for work.

One of the first classifications of businesses has done by the Bolton Committee with its report in which in a group of small businesses were classified business companies with less than 5 vehicles in transport; 50 construction workers; 200 workers in the industry; and £50,000 revenues per year in trade. [4]

However, it can be said that besides all the efforts made, there is no single definition for a small business today. The reasons lie, primarily, in the variety of jobs that these business companies deal with, and then in a different tradition, approaches, a degree in the wealth of the country or group of countries, etc.

In the EU, the definition of SMEs was changed in time, and for comparison, the following table shows the classification of businesses from the years 1996 and 2005 (still valid).

Table 1 Definition of SMEs in the EU

| Category of SMEs | Number of employees | Annual gross income | | Or | Value of total assets | |
|------------------|---------------------|---------------------|----------------|----|-----------------------|-----------------|
| | | 1996 | 2005 | | 1996 | 2005 |
| Micro | < 10 | ** | ≤ 2 million € | or | ** | ≤ 2 million € |
| Small | < 50 | ≤ 7 million € | ≤ 10 million € | or | 5 million € | ≤ 10 million. € |
| Medium | < 250 | ≤ 40 million € | ≤ 50 million € | or | 27 million € | ≤ 43 million. € |

Source: Author based on [5] and [3]

Although this definition is valid for all EU members, German Federal Ministry of Economic Affairs and Energy in the category of SMEs count enterprises with less than 500 employees and annual income less than EUR 50 million [6]. In the same manner, the SMEs are considered by Germany's state-owned Development Bank (KfW), but for analytical purposes, it uses stricter restrictions. For small trade, the limit is an annual turnover of EUR 12.5 million, for construction, up to 200 employees, and for services, an annual turnover of EUR 25 million. If companies from these areas go to at least one of the boundaries they will be classified in a group of large business entities [7]

The applicable Law on Accounting in Serbia classifies legal entities in a similar way to the EU, but with differences regarding the value of annual business income and the average value of business assets. A company needs to meet at least two of the three conditions listed in Table 2.

Table 2 Definition of SMEs in Serbia and Russia

| Category of SMEs | Serbia | | | | Russia | |
|------------------|-----------------------------|--------------------------------------|----|--|-----------------------------|--------------------------------------|
| | Average number of employees | Annual business income [Million RSD] | or | The average value of the Business property [Million RSD] | Average number of employees | Annual business income [Million RUB] |
| Micro | ≤ 10 | ≤ 82.931 | or | ≤ 41.465 | 1-15 | 60 |
| Small | ≤ 50 | ≤ 1,042.560 | or | ≤ 521.280 | 15-100 | 400 |
| Medium | < 250 | ≤ 4,146.545 | or | ≤ 2,073.272 | 101-250 | 1,000 |

Source: Author based on [2], [8] & [9]

In the United States, all business companies with less than 500 employees and annual income up to \$40 million are considered small. Often, companies with less than 20 employees are considered micro-business. In some analyses as a border, 100 employees are taken, but one can say that there is no clear way to identify them.

If it is to judge by the number of SMEs in all countries, their significance is huge, but when looking at the effects that these companies are making, it can be seen that a great number of SMEs have no employees at all and that their contribution to the country's economy is considerably smaller than expected. For example, in the UK in 2002, 69% of the businesses had no employees. They contributed to employment with 12.8% and to annual gross revenue with 7.2% [10]. The situation was even more unfavorable in 2017. 4.3 million SMEs (i.e. 76%) except the owner had no other employees. [11] Based on the same research, one can see that the annual business income by one employee is for 46.99% larger in large companies than in SMEs together. It is also possible to see that annual business income per employee grows with the size of the company and that for 22.4% higher in the medium companies (with 50-249 employees) compared to small business companies (with 1-49 employees). The results show that annual business income per employee in companies "without employees" is slightly less than half (49%), or third (33.34%) of the average achieved in the SMEs (0-249 employees) and large business companies, respectively.

1.2 The small- and medium companies Schumpeter and the other SMEs

According to Joseph Schumpeter, the company is innovative when it creates new combinations of production factors. This can be the introduction of new goods or existing goods of better quality,

introducing a new way of producing, opening new markets, using new sources or new materials, or reorganizing the company. The company of Schumpeter's companies is launching changes and thus helping to develop production power. They change the competition in the markets and force other companies to adapt or lose the market. This group of companies counts only a small number of total companies. Other companies, as a rule, follow Schumpeter's and thus, also contribute to economic development. At the same time, Schumpeter also had an idea of "creative destruction", i.e. that creative firms have led to the destruction of existing structures, including companies that cannot be adapted. The Schumpeter company can be large or small; existing or startup. [12]

An SME is not by default a company of Schumpeter's type. This applies especially to the SMEs in developing countries, which are mainly driven by poverty.

There is a big difference between starting the work of an SME in terms of its ability to be the bearer of new technologies, skills, and abilities. Self-Employment, especially in the informal sector, is often a sign of a retardment, not a dynamic.

Based on the exhibited, the SMEs may be classified according to the reasons for their occurrence into three groups:

- Schumpeter's SMEs – that innovate and create something new.
- "Normal" SMEs – that can be adapted to the challenges created by the Schumpeter's firm. They mainly respond to competitive pressures but do not alter or innovate their business in their way.
- SMEs created by poverty – They are a result of a lack of economic development combined with a lack of employment opportunities and unsatisfactory social conditions.

Of Schumpeter's SMEs is expected innovativeness, "normal" SMEs can produce a few innovations in their attempts to cope with the competition of the Schumpeter's companies, and from the SMEs created because of poverty it is not to expect innovation in high technological level, because they are based on cheap work and exploitation of employees. Such business companies arise and operate mainly at the time of economic crises and usually disappear with the improvement of economic conditions.

In Metzger's survey [13], there was noticed that in 2016 in Germany, 46% of the startups were founded for the realization of a new business idea. 25% of new start-ups were established because the founders had no other way to provide the means for life, and 29% were established for other reasons. For Germany, it is logical that the startups are most commonly found for the realization of a new idea. In less developed countries and developing countries, it is logical to be a significantly higher number of startups established as "normal" or "by poverty".

Nowadays it is assumed that the SMEs are market-oriented and that without such orientation, they cannot exist for long. The term "market orientation" can be seen with two points of view, as [14]:

1. Cultural phenomenon [15], where the market orientation is the basis of the marketing and strategic planning, which directs the company to the creation and delivery of superior values for its customers. there can be extracted three different elements: customer orientation, competition orientation, and inter-functional coordination.
2. The manner of behavior, where the market orientation is defined as the generation of market intelligence at the level of the organization, which involves the processes of the strict application of marketing concepts in practice. [16]

Many empirical pieces of evidence indicate a direct or indirect but positive impact of market orientation on the business of small- and medium-sized businesses.

2 SME SECTOR IN THE WORLD

The World Trade Organization in 2016 have published a general report on the SMEs, and the biggest discovery was the knowledge of how little the SMEs are known and how unexplored they are. Although it is estimated that the SMEs cover 95% of all businesses, "they remain understudied, underappreciated and underserved, little understood even by the larger companies that count them as customers and suppliers. What's more, they have been consistently ignored by negotiators writing international trade rules." [17] As a result, cross-border trade is much more complicated and costly for SMEs than for major business companies. The pieces of evidence suggest that the progress of technology and cross-border trading are in a strong correlation and that business companies that use modern technologies have a higher chance of cross-border trade. An eBay survey conducted in 22 countries shows that 97-100% of the *technologically equipped* SMEs export, unlike traditional SMEs, with only 2-28% of exporters. This shows that when it comes to trade, digitalization gives good support for exports, and the main obstacles to exports become access to distribution networks, information on legal regulations and standards of

cross-border traffic, customs procedure, Finance, and payment, as well as the economical delivery. The trend is that the private and public sectors try jointly to resolve the aforementioned problems and to improve the environment for the business of SMEs. One of the ways is to create and use the platform of electronic commerce to facilitate and make cheaper contact with consumers to spread information about their products and to achieve trust with potential clients. Some platforms, like ShipaFreight [18], enables SMEs to manage their shipments safely and simply, practically offering *door-to-door delivery*. These include reservations for shipments, different payment options, online shipment tracking, and the other which until recently was not available to SMEs.

The SME's share in the total number of businesses is over 95% (in 17 countries of OECD + Brazil). In the less developed countries, it can be expected that the share is even greater, although it is in some developed economies, such as in the Netherlands, very high and at the level of 97-98%. The structure of businesses in economies with different levels of development is shown in Table 3.

Table 3 Share and sectoral distribution of micro, small- and medium-sized businesses in the total number of SMEs

| Economy | Micro companies [%] | | | | | Small- and Medium Enterprises [%] | | | | | |
|----------------------------|------------------------|------------|-----------|-----------|------------------------|-----------------------------------|-----------------------------|---------------------------------|-------------|-------------|------------------------|
| | Share in total numbers | Production | Trade | Services | Agriculture and others | Share of small enterprises | Share of medium enterprises | Small and Medium-sized together | | | |
| | | | | | | | | Production | Trade | Services | Agriculture and others |
| Developed | 87.1 | 8 | 35 | 56 | 1 | 10.7 | 2.2 | 22.0 | 25.0 | 52.0 | 1.0 |
| Under development | 80.5 | 11.5 | 44.3 | 38.9 | 5.3 | 15.6 | 3.9 | 19.9 | 30.6 | 41.0 | 8.5 |
| G20 in development | 82.1 | 14 | 33 | 40 | 14 | 13.2 | 4.7 | 21.0 | 31.0 | 44.0 | 3.0 |
| Other development | 80.5 | 10 | 46 | 40 | 3 | 14.9 | 4.5 | 18.0 | 32.0 | 41.0 | 8.0 |
| Most underdeveloped (LDCs) | 78.6 | 15 | 45 | 31 | 9 | 20.7 | 0.6 | 24.0 | 23.0 | 37.0 | 16.0 |
| Total | 82.9 | 11 | 43 | 42 | 5 | 13.8 | 3.3 | 20.0 | 30.0 | 42.0 | 8.0 |

Source: [19]

In table 3, it is clear that the vast majority of SMEs constitute micro business companies with an average of about 83% of more than 12 million businesses covered by this report. It is also possible to see that in the least developed countries, the share of medium-sized companies is very small. However, the surveys conducted by Hsieh and Olken [20] show that in the lowest-developed countries, together with medium, there are no major businesses. According to Fernandes, Freund, and Pierola [21], there is a greater lack of them than of the middle-sized businesses. They conducted this research on a sample of 45 countries.

The table also shows that most of the SMEs are dealing with trade and services. Eleven percent of micro and 20% of small- and medium-sized companies are engaged in production. A double-digit percentage in agriculture and other areas occurs only by micro-businesses in G20 (14%) and small- and medium-sized businesses in the least developed countries (16%). This is a consequence of a lower level of machinery and increased needs for the participation of people in agricultural affairs.

Although there have been many attempts to determine the actual share of SMEs in employment, it has not been done unambiguously. The reasons are numerous, starting from the definition of the SMEs until the difficulty of collecting valid data. Obstacles lie in the labor force fluctuation and in establishing and shutting down businesses, parallel work of employees in several places, etc. One of the researches was performed on data from the World Bank Enterprise Surveys [22]. Ayyagari, Demircuc-Kunt, and Maksimovic [23] after excluding business companies with less than five employees (most micro-businesses) observed formal, non-agricultural sectors. The analysis included 99 countries and gave the conclusion that 67% of employees were employed in SMEs with less than 250 employees. Another survey [24], on the sample of 17 OECD countries + Brazil has shown that 63% of employees work in SMEs and the remaining 37% in big companies. Given the modern trends, it is easy to assume that the SMEs' share of employment is now even greater.

The data on micro-businesses is even less reliable. In addition to being treated differently by different institutions and states, it should be given that these businesses often exist both as formal and as informal, and, especially for informal businesses, often, statistical data even do not exist. For 13

countries of sub-Saharan Africa, Fox and Sohnesen [25] determined that after 70% of jobs in agriculture, informal non-agricultural micro-enterprises are reported as a second major jobs provider with 15%. SMEs and big companies in the non-agricultural sector provide 9% of the jobs.

A special group of SMEs consists of startups. In the area of services, they are almost always in the category of micro-businesses, and in the field of production they can also appear in a group of small businesses, but seldom with more than 25 employees. In general, manufacturing startups are usually equipped with more employees (in average, about 10) than startups in the area of services (in average, around 5), but these others appear much more frequently.

3 SME SECTOR IN THE EUROPEAN UNION

The SMEs are considered the backbone of the EU economy. 99.8% of the businesses that have worked in 2016 in the EU was the SMEs, employing 67% of total non-financial sector employees and generated 57% of the total added value in the non-financial sector.

After years of decline after the 2008/9-year economic crisis, employment growth in the SMEs exceeds the growth of employment in the economy. From 2013. Employment in SMEs by 2016 increased by 5.2%, which is almost 50% more than the growth of employment in the economy.

In 2016, 93% of all SMEs were micro business companies. In the areas of providing "business services" and "accommodation and food services", as in construction, SMEs provide over 80% of jobs, and in the trade sector of the wholesale and the retail trade 70%. All member states, except Latvia, in 2016 have recorded employment growth in the SMEs, where 14 member states recorded employment growth by 2% or more. The leaders were Malta, Croatia, Slovakia, Portugal, Cyprus, Lithuania, and Luxembourg, with a rise higher than 3%. In all member states, except in Greece and Poland, the SMEs also recorded an increase in the added value in 2016. It grew by over 2% in 22 member states and for over 5% in five member states (Bulgaria, Croatia, Ireland, Malta, and Romania). Still, the EU has not been unified in terms of the SMEs' success. Only in nine member states (Austria, Belgium, Finland, Germany, Luxembourg, Malta, Poland, Sweden, and Great Britain) are the number of small- and medium-sized companies, the employment level in and the added value in the SMEs were higher in the year 2016 than in 2008. In contrast, these three indicators of the SMEs' performances were still below the level of 2008 in six member states (Croatia, Cyprus, Greece, Italy, Portugal, and Spain). The other 13 member states have shown only a partial recovery in one or two indicators. Based on the analysis of the indicators, employment in SMEs was expected to increase by 0.9% in 2018 and added value for 3.8% with corresponding values for 2017 (1% and 2.5%). It was a relatively stable pace of growth. The size of the expected added-value growth was based on the expected increase in inflation that has been at a very low level in recent years. [26]

Table 4 shows statistical data for EU companies in 2016.

Table 4 EU-2016. Year-SMEs and big business companies: Number of businesses, employment, and added value in the non-financial sector

| Number of businesses | | | | | | |
|-----------------------------------|--------|--------|--------|--------|--------|---------|
| | Micro | Small | Medium | SMEs | Big | Total |
| In thousands | 22,232 | 1,392 | 225 | 23,849 | 45 | 23,894 |
| % of all businesses | 93.04 | 5.83 | 0.94 | 99.81 | 0.19 | 100.00 |
| Number of employees | | | | | | |
| In thousands | 41,669 | 27,982 | 23,398 | 93,049 | 46,665 | 139,714 |
| % of total employees | 29.82 | 20.03 | 16.75 | 66.60 | 33.40 | 100.00 |
| Added value | | | | | | |
| In EUR billions | 1,482 | 1,260 | 1,288 | 4,030 | 3,065 | 7,095 |
| % of the total added value | 20.89 | 17.76 | 18.15 | 56.80 | 43.20 | 100.00 |
| Number of employed by the company | 1.9 | 20.1 | 104.0 | 3.9 | 1037.0 | 5.8 |
| Added value per employee | 35,566 | 45,029 | 55,047 | 43,311 | 65,681 | 50,782 |

Source: Author based on [27]

According to statistical data [28], the total number of SMEs in 2017 amounted to 24.4835 million, of which there were 22.83 million micro-businesses, 1.42 million small- and 0.2319 million medium-sized companies.

4 SMEs SECTOR IN RUSSIA

As in Chapter 2.2, the division of SMEs in Russia differs from the division valid in the EU, Serbia and other European states, so the results cannot be completely compared to all categories, but they can be comparable at the SMEs level.

According to official data published on the federal web portal [29], the number of SMEs in Russia recorded a significant decline in 2013. Year and light growth in 2014 years, which can be seen in Figure 1.

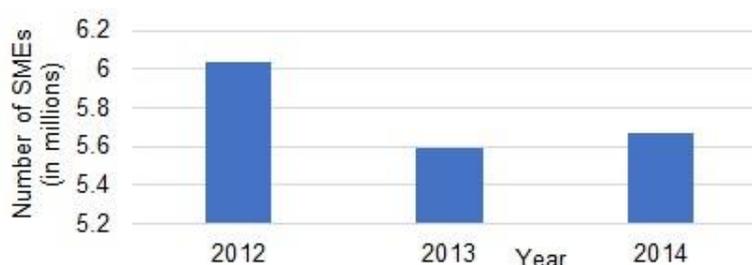


Figure 1 Number of small- and medium-sized businesses in Russia including entrepreneurs in the period 2012-2014

Source: author based on [29]

Figure 2 shows the structure of the SMEs in Russia in the period 2012-2014.

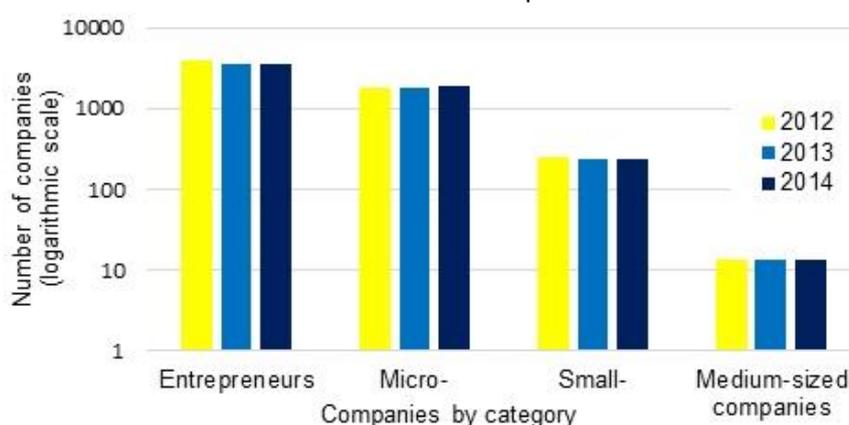


Figure 2 Structures of small- and medium-sized businesses in Russia including entrepreneurs in the period 2012-2014

Source: author based on [29]

Table 5 SME statistics for the years 2015 and 2016 (without entrepreneurs)

| | Year | Small Business Companies | | Medium Business Companies | SMEs |
|--|------|--------------------------|------------------|---------------------------|-----------|
| | | Total | From that, micro | | |
| Number of businesses at the end of the year | 2015 | 2,222,372 | 1,990,003 | 19,278 | 2,241,650 |
| | 2016 | 2,770,562 | 2,597,646 | 13,346 | 2,783,908 |
| Number of employed employees full-time in millions | 2015 | 10.3776 | 4.1979 | 2.0366 | 12.414 |
| | 2016 | 10.0559 | 5.0057 | 1.6766 | 11.733 |
| The middle number of external workers on all bases in thousands | 2015 | - | - | - | |
| | 2016 | 681.0 | 490.4 | 29.6 | |
| Turnover of businesses in billions of rubles (course at 31.12.201x)* | 2015 | 44.1243 | 18.5870 | 2.0366 | 46.161 |
| | 2016 | 38,877.0 | 20,138.8 | 7,590.4 | 46.467 |

* 31.12.2015 ratio 79.6972 RUB for €1; 31.12.2016 – 63.8111; 31.12.2014 – 68.3427

Introducing economic sanctions to Russia by the US and the EU forced Russia to orient itself to an international production of imports, which prompted the development of Russian SMEs. The number of small- and medium-sized companies has increased in 2015 and besides the 2016 year as shown in table 5. [30]

However, although the Russian government promoted the development of the SMEs, the growth remained relatively slow in 2017 (only 1.3%) and reached the number of about 5.8 million businesses, which is still less than they were 2012. Micro-businesses (≤ 15 employees) provided the growth. The number of small businesses declined by 1.6%, and the number of secondary companies (101-250 employees) decreased by 3.4%. Moscow and St. Petersburg recorded the biggest growth with 5.2% and 3.8% respectively. [31]

5 SME SECTOR IN SERBIA

In this research, we classified Serbian companies in the manner shown in Chapter 1.1. Based on Table 6, one can see that the total number of businesses after the smaller falls in 2014 and 2015, in 2016, recorded a 4.97% increase.

Table 6 Number of business entities in Serbia according to the size in the period 2010-2016

| Years | Companies according to the number of employed persons | | | | Total |
|-------|---|-------|--------|-----|--------|
| | Micro | Small | Medium | Big | |
| 2016 | 78,049 | 9,713 | 2,170 | 489 | 90,421 |
| 2015 | 74,446 | 9,127 | 2,084 | 481 | 86,138 |
| 2014 | 75,698 | 8,787 | 2,025 | 486 | 86,996 |
| 2013 | 76,126 | 8,903 | 2,011 | 489 | 87,529 |
| 2012 | 73,349 | 9,042 | 2,025 | 505 | 84,921 |
| 2011 | 73,108 | 8,990 | 2,105 | 487 | 84,690 |
| 2010 | 72,191 | 8,958 | 2,129 | 509 | 83,787 |

Source: Author based on [32]

The biggest growth was reported in small businesses (6.42%). Slightly less than average has increased the number of micro-businesses (4.84%) and medium-sized businesses (4.13%), and large businesses achieved the smallest increase, only 1.66%.

Table 7 shows the number of businesses in Serbia in 2016, according to the size of business entities and activities.

Table 7 Number of business entities by size in 2016.

| | Business companies according to the number of employees | | | | Total |
|---|---|-------|--------|-----|--------|
| | Micro | Small | Medium | Big | |
| Republic of Serbia | 78,049 | 9,713 | 2,170 | 489 | 90,421 |
| Mining | 284 | 41 | 15 | 9 | 349 |
| Processing industry | 13,197 | 2,716 | 853 | 212 | 16,978 |
| Supply of electricity, gas, and steam | 719 | 51 | 24 | 7 | 801 |
| Water supply and wastewater management | 569 | 152 | 138 | 28 | 887 |
| Construction | 6,497 | 872 | 220 | 33 | 7,622 |
| Wholesale and retail trade and repair of motor vehicles | 29,820 | 2,867 | 408 | 80 | 33,175 |
| Traffic and storage | 5,050 | 731 | 134 | 34 | 5,949 |
| Accommodation and food services | 2,893 | 483 | 60 | 4 | 3,440 |
| Informing and communicating | 4,063 | 485 | 91 | 25 | 4,664 |
| Real Estate Business | 1,086 | 66 | 17 | 1 | 1,170 |
| Professional, scientific, innovative and technical activities | 10,960 | 899 | 119 | 15 | 11,993 |
| Administrative and secondary service activities | 2,911 | 350 | 91 | 41 | 3,393 |

Source: Author based on [32]

The number of employed persons by the size of business entities and activities and their distribution in the total number of business entities is shown in Table 8.

Table 8 Average number of employees in Serbia per company

| | Business companies according to the number of employees | | | | Total |
|---|---|-------|--------|---------|-------|
| | Micro | Small | Medium | Big | |
| Republic of Serbia | 2.76 | 19.96 | 103.63 | 880.93 | 11.77 |
| Mining | 2.58 | 25.02 | 108.07 | 1052.11 | 36.82 |
| Processing industry | 2.80 | 21.35 | 105.10 | 714.46 | 19.79 |
| Supply of electricity, gas, and steam | 1.59 | 23.43 | 107.17 | 5238.57 | 51.91 |
| Water supply and wastewater management | 2.80 | 23.70 | 118.16 | 552.96 | 41.70 |
| Construction | 2.57 | 20.33 | 102.54 | 470.09 | 9.51 |
| Wholesale and retail trade and repair of motor vehicles | 2.74 | 18.68 | 101.04 | 834.08 | 7.33 |
| Traffic and storage | 3.07 | 19.72 | 98.71 | 1706.94 | 17.01 |
| Accommodation and food services | 2.92 | 19.70 | 100.77 | 573.00 | 7.65 |
| Informing and communicating | 2.67 | 19.61 | 101.74 | 894.88 | 11.14 |
| Real Estate Business | 2.23 | 19.36 | 108.88 | 258.00 | 4.96 |
| Professional, scientific, innovative and technical activities | 2.83 | 18.74 | 95.70 | 654.73 | 5.76 |
| Administrative and secondary service activities | 2.74 | 20.73 | 100.90 | 1040.73 | 19.77 |

Source: Author based on [32]

The average number of employees per business company is shown in Table 8, indicating the fact that in all categories, the number of employees is considerably below the top limit value foreseen for that category of SMEs. In the case of small- and medium-sized businesses, the average value is set at the level of about 40% of the above limit value for that category, and in the case of micro-businesses, that percentage is around 28. This could mean that it is a business that is considerably below what they can expect and that there is a significant space for their progress.

6 CONCLUSION

The survey confirmed that SMEs are under-researched and given insufficient attention, although they are dominant in terms of the share in the total number of companies. The most obvious example is the grouping of companies, as one can see immediately that there is no unique world-class classification. However, classification is the basis for any further consideration and data comparison. This situation is a consequence of the huge difference between SMEs in what they do and, in the ways, and conditions in which they operate. The range is very wide, from the fact that SMEs are the bearers of modern technologies and digitization, to where they only serve the survival of their founders and employees. SMEs have great potential in cross-border trade, but they also face major obstacles, primarily in legislation that is not adapted to them.

The survey also confirmed that in more developed economies, SMEs, startups are primarily to develop and market new technology, and in underdeveloped economies, SMEs are primarily set up to help founders survive.

Finally, it should be emphasized that SMEs can be a source of jobs and a contribution to the economy of a country, but the main driving force lies in large enterprises.

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