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**CONCEPT OF SECURE BUSINESS ENVIRONMENT
AND MECHANISMS OF ITS IMPLEMENTATION**

08.00.05 – Economics and National Economy Management
(Economic Security)

Abstract
of the thesis for the Doctor of Economics degree

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**Main results of I. V. Vyakina's thesis *Concept of Secure Business
Environment and Mechanisms of Its Implementation***

I. V. Vyakina's thesis for the Doctor of Economics degree in the speciality 08.00.05 – Economics and National Economy Management: Economic Security is a comprehensive study of the Russian economy urgent issue of setting up some mechanisms for forming a secure business environment that can lay down conditions for economic systems to develop at different levels of the economic hierarchy.

The relevance of the research topic is determined by new challenges and threats to sustainable development of economic systems. The challenges are posed by a sharp decline in trust at all levels of the economic hierarchy, increasing risks of the spread of epidemics, military conflicts, growing inequality and transnational crime, including that in cyberspace, and a number of other threats. New and constantly emerging threats to the development of economic systems at macro-, meso- and microlevels have an extremely negative impact on the security of business environment, restrict entrepreneurial and investment activities.

The ongoing stagnation of the Russian economy, the decline in the real income of the population, the reduction in the working-age population, the uncertainty of hydrocarbon price dynamics, the sanctions on Russia, and the slowdown in global economic growth represent a range of objectively existing threats to the business environment, which not only increase the level of entrepreneurial risks but also strengthen its subjective perception by the business community as aggressive and unsafe, associated with high uncertainty, cognitive fear, and social anxiety increase.

The economic security of a business entity is determined not only by the characteristics of a particular business but also by its immediate environment. The level of external risks and the entrepreneurs' perception of business environment dangers and threats determine development opportunities of business entities, their invulnerability to external and internal threats.

The object of the research is economic systems of macro-, meso- and microlevels and institutional transformations promoting the level of economic system security.

The subject of the research is a set of managerial, social and economic relations between business entities (including specific enterprises, corporations, intersectorial, regional and other associations), state and local authorities in cooperation with civil society institutions that emerge in managing the safe development of economic systems.

The goal and objectives of the research

The goal of the research is to develop a concept of a safe business environment, to consider new challenges and threats to the sustainable development of economic systems, and to propose mechanisms of organizational, economic, regulatory and methodological nature that ensure the concept implementation.

To achieve the goal, the research sets and achieves the following objectives:

1. To justify the feasibility of a substantive supplement to the theory of economic security consisting in the inclusion of security characteristics in the methodology for assessing business environment quality and identifying their specific features having a significant impact on economic security and development prospects of economic systems.
2. To develop a methodology for diagnosing factors determining sustainable characteristics of a business environment and having a great probability of transforming into a source of threats and a possibility of being detrimental to the sustainable development of an economic system.
3. To build information models for identifying common and specific types of threats to the security of a business environment at macro-, meso- and microlevels of an economic system and to reveal the features of their manifestation.
4. To identify the interdependence nature of structural distortions in investment and business environment and to determine key indicators of imbalances of investment potential and investment risk in the Russian regions.
5. To develop tools for diagnosing characteristics of business environment security at a macrolevel and for assessing the conditions to start, develop, and run business and business climate attractiveness for an investor to do business in secure conditions and low investment risk.

6. To develop a methodology and criteria for assessing the parameters of a regional investment policy in view of business environment security to reform a regional economic policy and to determine the directions for a secure business environment, with national economic interests taken into account.

7. To propose a method for identifying and assessing development potential qualities and security threats at a microlevel in order to justify management decisions to ensure the secure operation and sustainable development of businesses.

8. To develop tools for providing strategies for enterprises to develop in a business environment according to their economic security level by comparing their internal potential and external risks.

9. To develop a system of organizational and regulatory measures for supplementing substantially traditional approaches to investment state support activities and for ensuring the protection of national interests.

The novelty of the author's research consists in solving an urgent problem of scientific and applied relevance, namely in substantiating the concepts of a secure business environment and developing tools for diagnosing the concept qualitative characteristics and mechanisms. The thesis considers new challenges and threats to the sustainable development of economic systems that negatively affect the security of the business environment, reduce planning horizons, and limit investment activities.

Within the framework of theoretical generalization and a secure business environment concept, the following provisions corresponding to the passport of scientific speciality 08.00.05 – Economics and National Economy Management: Economic Security have been justified and substantiated.

1. The Theory of Economic Security has been supplemented substantially. The supplement consists in including security characteristics in the methodology for assessing the quality of a business environment and for identifying their specific features having a significant impact on economic security and the prospects for economic system development.

Development security is considered in the relationship between the research object potential, its current and forecasting state and its ability to withstand external

and internal shocks, to neutralize potential sources of threats and risk events, and to prevent unacceptable risks of doing harm to citizens' life or health and the environment. The integrity and sustainability of a self-developing system at any level are ensured as long as its complex internal potential and ability to protect against external threats significantly exceed cumulative negative impacts. The business environment defines the format of interactions and the intensity of business activity generation, development and suppression in the local spatial environment.

Specific features of a business environment considered as an interdependent ecosystem of business and its institutional, technological, social and natural environment have a significant influence on economic security and the prospects for the development of economic systems. The features are determined by the ecosystem content and the causal relationships existing in it together with material, human and intellectual assets and the secondary effects of human capital taken into account. Considering all the above, safety characteristics have to be included in the methodology to assess the business environment quality.

2. The approach to diagnosing business environment factors has been substantiated and a methodology for monitoring business security has been developed. The features of the approach proposed consist in the fact that the factors under consideration are assessed, on the one hand, as the ones determining the development opportunities, and, on the other hand, as the ones having the potential to transform into sources of threats.

A business climate is characterized by a set of business environment trends manifested in the form of long-term predictable characteristics and fixed over a certain period. The climate determines a level of external risk and business economic security.

Based on the identified institutional business environment constraints the author proposes a system of factors, on the one hand, determining a business climate, on the other hand, having a significant potential to be transformed into a source of threats and to create a real possibility of harming the sustainable development of an economic entity.

The identified consolidated groups of factors include the following business environment conditions: administrative and legal (A); economic and financial (E); technical and infrastructural (T); social and environmental (S).

3. Conceptual information models to identify general and specific types of business security threats have been developed. The threat features have been defined at macro-, meso- and microlevels of an economic system. The models are based on the internal potential to be adapted to systemic risk and take into account the specifics of external environment risks.

The conceptual information models developed by the author have been used to diagnose business environment conditions and to identify the most significant threats. They have formed the basis of two databases officially registered and subject to copyright and intellectual property rights. These databases are Information Base for Assessing Business Environment Quality, Identifying Business Barriers and Threats and Information Base for Analyzing Interaction between Regulatory Authorities and Business Entities.

Under conditions of high uncertainty, business environment variability, low payment discipline, increasing risks of breaching contractual obligations, administrative and fiscal threats being a cause of concern to businesspeople, as well as the ongoing process of adjusting the regulatory framework, investment activity remains weak. Insufficient business investment activity is, on the one hand, caused by common institutional, structural, and reproductive security threats to the development of economic systems at macro-, meso- and microlevels as it results in a lack of internal capacity and risk increase. At the same time, the common threats mentioned above are reflected in the investment field.

4. The key indicators characterizing investment potential and investment risk imbalances in Russian regions have been identified. They have proved the presence of significant links between structural investment imbalances and a business security level.

A high level of regional differences of investment attractiveness and investment activity, conditioned by the asymmetry of the Russian Federation regional economic

potential and investment risk, sectoral specialization and market capacity as well as a different institutional environment, is considered by the author as a systemic threat to the development. A high level of investment risk creates a risk of economic stability loss and loss of existing potential, hinders the possibility of the region development and makes it unclaimed.

The indicators identified by the author, on the one hand, represent the most significant development imbalances that increase the vulnerability of the Russian Federation national economy to destabilizing factors, on the other hand, they can be considered as criteria for clustering regions in monitoring security characteristics of a business environment.

5. The tools for diagnosing the Russian Federation business security environment have been developed based on a comparative assessment of the conditions for starting, growing, developing business and business climate attractiveness for investors. The key tool element is calculation of performance rating for the generalized characteristics of business environment and investment risk.

Security characteristics of the Russian Federation business environment are diagnosed as having three aspects: (1) security of the conditions for going into business; (2) security for growing and developing business; (3) security for providing investment activities.

To assess the Russian Federation security of the regional business environment with complex factors represented by several indicators, the author has developed an algorithm to cluster the regions for starting and developing business and investment activities due to the business environment security. The algorithm is based on the assessment of final rating criteria and their dispersion relative to the standard level.

Security characteristics of a business environment are assessed with positioning a point in a Cartesian plane as the distance from two coordinate axes intersecting at the origin. The origin of coordinates corresponds to the zero value of rating indicators for the Russian Federation. The same dimension of the axes makes it possible to match the

ratings and to compare security characteristics of the Russian Federation business environment.

6. The methodology and criteria for assessing the parameters of a regional investment policy in view of business environment security have been developed. The methodology is based on a comparing a regional investment potential with business environment risks through the author's classification of clustered groups of factors including administrative and legal (A); economic and financial (E); technical and infrastructural (T); social and environmental (S) ones.

The system of initial investment policy indicators assessing a regional business climate consists of two parameters: investment potential and business environment risks $\{Pot, Risk\}$ assessed by four aggregated factors $\{A; E; S; T\}$.

The methodology proposed allows us to assess the level of investment potential and security threats to the development of a regional business environment, opens up opportunities for practical application in selecting development areas and specific measures to reform a regional investment policy, in protecting business against possible threats and in reducing investment risks.

To assess structural parameters of investment policy at a mesolevel, the author has developed an algorithm to assess a sectoral structure of a regional economy as being secure for development and to determine a final rating assessment of investment attractiveness of specific economic activities. The assessment is based on the profitability and risk of the activity under consideration as well as its specific weight in the structure of a gross regional product.

7. The method for identifying and assessing qualitative characteristics of a development potential and threats to the business environment at a microlevel has been developed. The method substantiates management decisions to ensure secure corporate structures and their sustainable development.

The method consists in building a matrix to identify and distribute by characteristic groups (administrative and legal (A); economic and financial (E); technical and infrastructural (T); social and environmental (S)) the factors of development potential and investment risks for specific companies at a microlevel

(matrix columns). It takes into account development threats and opportunities caused by regional business environment characteristics, industry characteristics as well as the state of the internal business environment (matrix rows). In this case, not only risks and threats but also development opportunities corresponding to the existing potential are assessed.

In this case, development potential qualities and investment risks are diagnosed to be a management tool providing managers of a business entity with an opportunity to assess investment potential – investment risk and to identify the most significant investment risks and development threats.

Presenting development opportunities and threats in such a way makes it possible not only to quantify them but also to develop a set of targeted management decisions aimed at increasing an enterprise investment attractiveness, using its competitive advantages and development potential to eliminate or neutralize threats and risks.

8. The new methodological tools for developing economic security mechanisms at a microlevel have been proposed to choose a development strategy in a competitive market environment in terms of business economic security. The tools are based on comparing available internal potential and business environment risks to consider the possibilities of increasing the economic security by identifying positive and negative factors of internal and external environment.

A development strategy is selected by the classification of enterprise economic security conditions depending on the level of negative or positive factors of the external and internal environment. Quantitative standardized assessments based on the author's approach are used to describe the state of business economic security, to select the development and economic security strategy by comparing standardized risk assessments with internal and external environment potentials.

9. A system of organizational and regulatory measures substantially supplements traditional approaches to state investment support has been substantiated. The system applies indirect methods of tax incentives for investment processes and aims at the protection of national interests.

The system of measures includes:

- 1) creating conditions for improving the efficiency of business interaction with supervisory authorities,
- 2) applying new mechanisms of stimulating taxation of fixed investments,
- 3) developing mechanisms for protecting investors' rights.

Approbation of Research Results

The conceptual provisions, developed tools and practical recommendations presented in the thesis were put into practice in the Central Directorate of Regional Security of the Tver Region, the Ministry of Industry and Trade of the Tver Region, the Verkhnevolzhskiy (the Upper Volga) Interregional Department of the Federal Service for Supervision of Natural Resources. The research results are widely used by the Commissioner for the Protection of Entrepreneurs' Rights in the Tver Region, the Tver Chamber of Industry and Commerce, and public associations of entrepreneurs.

The main research provisions were reported, discussed and approved at international research and practice conferences: International Scientific Conference Far East Con (Vladivostok, 2019), International Research-to-Practice Conferences (Tver, 2019, 2017, and 2016); The XI International Research-to-Practice Conference Current Issues of Law, Economics and Management (Penza, 2017); The 11th Annual International Symposium on Economic Theory, Policy and Applications (Athens, 2016); The IX International Research and Practice Conference European Science and Technology (Munich, 2014); All-Russian Research and Practice Conference with international participation Regional Economy: Problems and Prospects of Development (Makhachkala, 2014); The Second International Research and Practice Conference on Humanities and Natural Sciences (London, 2014); The IInd All-Russian Scientific Conference with international participation (Tver, 2014,);

Publications

The research results are published in two author's and some other chapters of the monograph, 51 research and methodological papers with a total volume of 84.7 printed pages (including the author's 72.17 printed pages); 22 papers are published in journals recommended by The State Commission for Academic Degrees and Titles under the Ministry of Education and Science of the Russian Federation; 10 research papers are

published in journals recommended by the Academic Council of the RANEPa for the publications of research results. The assignment of intellectual property rights are confirmed by the three state copyright certificates issued in accordance with the established procedure.

The thesis consists of an introduction, four chapters, a conclusion, a list of references (consisting of 387 titles) and an appendix. The thesis contains 69 figures and 77 tables (excluding the appendix).

 I. V. Vyakina