

Trust as a Category that Determines the Development of Entrepreneurship in the Digital Economy

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Abstract—This article attempts to consider the concept of trust as an economic category important for the development of Russian entrepreneurship in the transition to the digital economy. Trust is a multifaceted concept, which is most often considered in the scientific literature from the psychological, cultural, social side. Recently, trust has been given a prominent place in the economic sphere of activity, defining it as a factor, a resource for the functioning of the economy. In the article the trust is considered, first, as the relation built in system of production relations, i.e. as an economic category. Changes in the productive forces cause changes in the production relations. And of course, in the nature of their relationship and in the implementation of public, group, personal interests. The main content of the digital economy is the release of labor from the sphere of production and circulation of goods and the transfer of these functions to artificial intelligence. This, in turn, leads to the overcoming of the traditional understanding of wage labor as the alienation of labor from the means of production. Therefore, instead of contractual relations with high transaction costs, trust and cooperation come to the fore. Effective implementation of the digital economy requires an environment that determines the development of technologies and effective interaction of economic actors. Trust as an economic, systemic category in the digital economy plays one of the main roles in the relationship of new and changed objects of activity and economic entities. In this aspect, the place of entrepreneurship in the digital economy is of interest. The article deals with changes in integral indicators illustrating the development of small enterprises and the number of the latter. A high degree of dependence of integral indicators illustrating the development of small enterprises on the degree of trust between the subjects of industrial relations is revealed.

Keywords—trust, entrepreneurship, digital economy, development, integral indicators.

I. INTRODUCTION

Currently, trust plays an important role in scientific research of Russian and foreign scientists. There are different approaches to the definition of trust, but as an economic category, trust is becoming a necessary element of the modern economy, undergoing a transition to digitalization. It is quite difficult to determine the impact of trust on the efficiency of the economic system, but the use of correlation analysis allows us to link integral indicators, including those reflecting the level of trust between market counterparties, with quantitative indicators of business development.

II. LITERATURE REVIEW

Sufficient space in scientific works is devoted to the review of various points of view on trust, so we will not focus on this aspect of the problem. In this article we will focus on several points of view.

Despite the fact that trust permeates all activities of an individual, a group of people, and society as a whole, the concept of trust is not clearly defined. If we consider the initial characteristics of trust, we are talking about the psychological phenomenon of trust.

In Brockhaus and Efron's "Encyclopaedic dictionary": "Trust is "a mental state in virtue of which we rely on any opinion that seems to us authoritative, and therefore refuse to independently investigate the issue that can be investigated by us" [1].

The development of this concept has been developed in the works of modern scientists.

Thus A.I. Dontsov and E. B. Perelygina note that "... the theoretical understanding of trust based on the knowledge of the Other in the course of professional interaction, confidence in its reliability and the ability to predict the behavior of the Other..." [2].

According to I.V. Glushko specificity of formation of trust is caused "... first, as a psychological phenomenon..." [3].

Trust in terms of cultural origins is viewed with honest, predictable relationships between members of society according to generally accepted, ethical norms.

The authors' point of view on the consideration of trust from the point of view of social relations is interesting.

Thus O.A. Alexandrova notes that "social trust is not a given, but a product of the functioning of a complex social mechanism in which, producing and reinforcing each other, ethno-cultural factors and elements of conscious social construction dialectically interact"[4].

It should be noted that the authors, who prefer the study of trust as a psychological, cultural, social concept, consider its impact on other spheres of life, in particular economic relations, namely, intra-company relations at the microeconomic level and the rate of economic growth at the macroeconomic level.

Thus A.A. Poduzov notes that law, contract and economic efficiency in the post-industrial era should be based on "...

interaction, moral obligations, responsibility to society and trust, which, in turn, lives by tradition and not by rational calculation" [5].

According to O.A. Alexandrova level of social trust affects not only industrial relations: "the nature of economic structures and corporate spirit", but also on the state with its political structure, on which the development of the economy depends [4].

A positive aspect in the consideration of trust from the point of view of its functioning in a certain sphere is its influence, connection with other social relations. The question is which aspect of trust to take as an independent variable and which sphere of relationship - as dependent on the degree of trust. In other words, what sphere of trust functioning is the basis, "main" for the development of other spheres.

As noted above, the authors did not refuse to consider the impact of trust on the market economy. But trust as an independent economic relationship has not received proper attention until recently. The economic sense of trust was narrowed to a certain sphere of activity of the subject of relations.

There is no denying that the economic scientific literature has begun to pay attention to the functioning of trust.

G. Kleiner notes: "Trust is a kind of "air" of the economy; it permeates all its elements" [6].

B.Z. Milner stressed that the complexity of economic relations leads to an increase in the weight of the trust factor in the economy "...in modern society, the trust factor is gaining more and more economic weight" [7].

In this context the following question arises: is trust a resource, is trust a factor or is trust a category?

Let us turn to the dictionary interpretation of these concepts

In the most general sense, resources (from French resource - intermediate agent) - this is money, values, reserves, opportunities, sources of funds, income. Usually, economic resources are singled out - everything that is necessary for the production process.

Factor (from lat. factor - making, producing) - the reason, the driving force of any process, phenomenon, determining its character or its individual features.

Economic category is a theoretical expression, a mental form of economic, first of all, production, relations in interaction with the development of productive forces, economic phenomena and processes that actually exist [8].

Most authors hold the view that trust is a factor in the functioning of the economy. For example, Vazhenin S.G. and Sukhoi V V. note that: "...for clarity of terminology it is expedient, in our opinion, to adopt the definition of trust as a factor in the functioning and development of the economy" [9].

If, on the other hand, we understand trust as a relationship, which, in the words of A.I. Yudkina "... acts as a prerequisite for other relations and as conditioned by them and the system as a whole. The economic system is theoretically reproduced as a whole interacting within itself, as a self-reproducing and self-developing organism..." [10], that is, it can be considered as an economic category.

III. RESEARCH METHODOLOGY

The purpose of the article is to consider the impact of trust as an economic category on business activity in the digital economy.

This study is based on the concept of trust as an economic category, which determines the systematic development of the economy.

For the influence of trust as an economic category on the development of entrepreneurship, the integral indicators published annually by the world Bank, characterizing the conditions of doing business in a country, including the conditions in the economy associated with an increase or decrease in trust in society, were considered.

Further, based on correlation analysis, which allows to check the influence of two variables on each other, the relationship between the integral indicators of the rating and statistical data on the development of small enterprises (including micro-enterprises) for 2016-2019 in the Russian Federation was determined on the basis of Rosstat data.

Based on the performed analysis, conclusions are drawn about the impact of trust as a systemic, economic category on the development of entrepreneurship in Russia in the digital economy conditions.

IV. RESULTS

In the conditions of innovative, digital economy from the point of view of the system approach trust should be considered not only from the point of view of influence on economic relations, but also from the point of view of its embeddedness in this system, therefore it is a question of economic category.

From our point of view, trust is a diverse structure of "reproductive relations between different groups of subjects for the realization of public, collective and individual interests. Trust is a fundamental category of innovative way of production, based on the use of human capital in production, without trust relations the knowledge economy cannot develop, just as market relations cannot function without competition [11,12].

Thus, trust in a broad sense is a systemic relationship of economic, institutional, social, psychological, cultural and moral relations that determine the development of the reproductive economic system.

The development of the economic system is impossible without the development of entrepreneurship, it should be noted that entrepreneurial activity is higher where the level of trust between the subjects of public relations is higher. In this case, trust as a category is an indicator of the effectiveness of long-term planning of the reproduction process of the enterprise and the quality of business activity.

In this context, the influence of trust on the development of entrepreneurship, including in Russia, is of interest.

There are ratings to assess how easy it is to do business in a particular country: Forbs rating of the best countries for doing business, Edelman rating, World Bank Doing Business rating of favorability, etc. [13-15]. In fact, these ratings reflect institutional changes occurring in a particular country, including changes affecting changes in trust between different market counterparties.

Thus on the annual World Bank DoingBusiness rating, drawn up on the basis of the previous year, including such integral characteristics as "Enterprise creation" (No. 1), "Obtaining construction permits" (No. 2), "Connection to the power supply system" (No. 3), "Property registration" (No. 4), "Obtaining of credit" (No. 5), "Protecting minority investors"

(No. 6), "Taxation" (No. 7), "International trade" (No. 8), "Enforcement of contracts" (No. 9) and "Resolving insolvency" (No. 10) [16] Russia has risen from 51 place (2016) to 31 (2019) (table 1, compiled based on the ranking of countries by ease of doing business (DoingBusiness) [14,15].

TABLE I. POSITION OF RUSSIA IN THE RATING ON THE LEVEL OF FAVORABILITY OF DOING BUSINESS BASED ON THE DOINGBUSINESS RATING

Year	Position in rating	No. 1	No. 2	No. 3	No. 4	No. 5	No. 6	No. 7	No. 8	No. 9	No. 10
2016	51	41	119	29	8	42	66	47	170	5	51
2017	40	26	115	30	9	44	53	45	140	12	51
2018	35	28	115	10	12	29	51	52	100	18	54
2019	31	32	48	12	12	22	57	53	99	18	55

It should be noted that these integral indicators presented in the table are based on such indicators as the number of procedures, time (days), cost/expenses, capital investment/ or some index illustrating the procedure (for example, the minimum capital when starting a business or the quality index of land management in the assessment of property registration).

According to the results of this study, we can conclude that there is an improvement in many parameters, but the rating

position in parameters No. 4, No. 7, No. 9 and No. 10 has worsened, and it is precisely the last two parameters that are related to the trust between the counterparties of market transactions, on the one hand, and on the other, the confidence of entrepreneurs in a stable transparent tax system and the judicial system.

At the same time, the development of entrepreneurship in Russia is characterized by negative dynamics, presented in tables 2 and 3 [17].

TABLE II. DEMOGRAPHIC INDICATORS OF ENTERPRISES IN 2017-2018 (UNITS)

year	Number of active enterprises	including						Number of dead enterprises	including				
		born	one-year-old	two-year-old	three-year-old	four-year-old	five-year-old		one-year-old	two-year-old	three-year-old	four-year-old	five-year-old
2017 total	3802007	359430	420684	395590	332719	277696	238092	510669	12303	42992	43486	44365	42050
2018 total	3433533	290288	378726	351412	323179	277438	229356	622111	13967	63493	65431	49262	43032

In 2017-2018, the number of active enterprises decreased by 9.7 %, and the number of deceased enterprises increased by 21.8 %.

If we consider the dynamics of small enterprises (including micro-enterprises), their number for the period 2012-2014 increased, and from 2016 to 2018 - decreased (table 3). There are no data for 2015 on the Rosstat website.

TABLE III. NUMBER OF SMALL ENTERPRISES (INCLUDING MICRO-ENTERPRISES) (UNITS)

Year	2012	2013	2014	2016	2017	2018
Number of enterprises	2003038	2063126	2103780	2770562	2754577	2659943

To determine the impact of changes in the integral indicators reflected in the rating (table 1) and the number of small enterprises (including micro-enterprises) in Russia for 2016-2018, a correlation analysis was carried out, the result of which is presented in figure 1. Correlation dependence coefficients are presented in absolute value (to modulo).

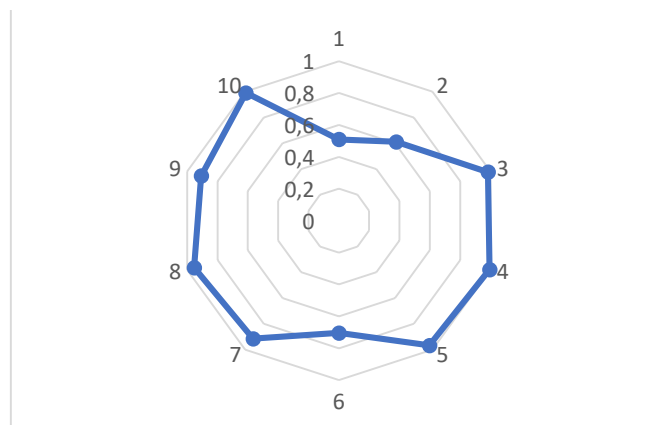


Fig. 1. Correlation dependence of the impact of rating changes on integral indicators and the number of small enterprises (including micro-enterprises) for 2016-2018.

There is a high correlation between the number of small enterprises (including micro-enterprises) on such indicators as "Connection to the power supply system", "Property registration", "Obtaining of credits", "Taxation", "International trade", "Enforcement of contracts" and "Resolution of insolvency".

The performed analysis, on the one hand, revealed a high dependence between the integral indicators illustrating the development of small enterprises (including micro-enterprises) on the degree of trust between the counterparties of market transactions, between entrepreneurs and credit

institutions, between entrepreneurs and state bodies involved in the registration of enterprises, as well as the confidence of entrepreneurs in a stable and transparent tax system, the judicial system. On the other hand, the decrease in the number of small enterprises (including micro-enterprises) in the period under review can be attributed to the deterioration of business conditions and conditions for protecting their interests, which is characterized by a drop in the rating on these indicators.

The development of economy based on the displacement of analog signals by digital ones; the presentation of information in digital format during storage and transmission [18] lead to a decrease in transaction costs: costs of information search, negotiation, measurement (in particular the scope and accessibility of credit information), costs of protection of property rights (time of complaint, time necessary for lenders to meet their demands, automation of the judiciary bodies, the existence of a free report on results of work of competent court), etc.

The development of the digital economy leads to a reduction in transaction costs, an increase in the degree of openness of the state to business, which, in turn, leads to an increase in trust between all market counterparties, and ultimately to an increase in the efficiency of the entire economic system, which is characterized, *inter alia*, by an increase number of entrepreneurs.

V. CONCLUSION

From the point of view of the system approach, trust as an economic category is considered as a reproductive relation that is built into the economic system.

Trust in a broad sense refers to the systemic relationship of economic, institutional, social, psychological, cultural and moral relations that determine the development of the economic system, including the development of entrepreneurship.

Trust from the point of view of the economic category must be considered not only from the qualitative but also from the quantitative side in their relationship.

There are certain integral indicators, which can characterize the degree of trust in the framework of "entrepreneur-entrepreneur", "entrepreneur-state", "entrepreneur-consumer".

To some extent, these integral indicators are reflected in the DoingBusiness rating, which is calculated and published annually by the World Bank.

The performed analysis showed that Russian entrepreneurs are sensitive to such indicators as "Connection to the power supply system", "Property registration", "Obtaining of credits", "Taxation", "International trade", "Enforcement of contracts" and "Resolution of insolvency".

The rating downgrade from 2016 to 2019 on such indicators as "Property registration", "Taxation", "Enforcement of contracts" and "Resolution of insolvency" is accompanied by a decrease in the number of small enterprises (including micro-enterprises) in the Russian Federation.

I would like to emphasize that any rating only reflects the changes that are taking place in the economy. For Russian companies the most sensitive changes reflected on the negative dynamics of the number of small businesses (including micro-enterprises) were changes in the system of

property registration (the process of transferring ownership rights and conducting due diligence if required); taxation (all taxes and fees that affect the financial statements of the company); enforcement of contracts (level of time and financial cost to resolve a commercial dispute in the local court of first instance) and resolving of insolvency (level of time and financial resources, the final outcome of the insolvency proceedings and the effectiveness of the regulatory framework applicable to the procedures for reorganization and liquidation of the enterprise) [16].

Most of these changes are related to the transaction costs of *ex ante* and *ex post*.

The development of the digital economy reduces costs due to the use of faster methods of requests processing, the ability to store large databases and higher openness of the state towards entrepreneurs, including matters of taxation and court decisions. Greater openness and reduced time spent on various procedures leads to increased trust between all market participants, which in turn leads to an increase in the efficiency of the entire economic system.

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