Institutional foundations of the business environment in the field of transport services

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Abstract. The development of the services market is impossible without improving the regulation of trade in services. Trade in services has been regulated bilaterally for many years. However, as a result of the emergence of a network of services based on the use of modern technical means of communication and computers, the effectiveness of traditional regulatory methods in this area has decreased, which, in turn, has hindered the full realization of the economic potential of scientific and technological progress in the service sector. As a result, it became necessary to create a universal effective mechanism by which trade relations in this area could be coordinated. An important component of the implementation of state and private projects in the field of socially significant public interests at an effective level is the study of the functioning environment of economic entities that is adequate to modern competitive conditions for the provision of socially significant services. First, we are talking about the formation of a business environment, the functioning conditions of which are set by the state. The article substantiates the need to form a system of relations between economic entities based on the principles of public-private partnership in the field of public passenger transport services. It is proved that this system is aimed not only at increasing the number of financially independent actors and their associations, but also at transforming state institutions that become active participants in market relations, interacting, and sometimes competing with the business community, transferring more and more functions to it even in those industries for which they previously traditionally held sole responsibility.

1. Introduction
The Russian system of public passenger automobile transport (PPAT), like any other socially oriented sphere of the economy, is in a state of permanent changes under the conditions of modern transformation processes. Not only are approaches to the provision of socially significant services changing, but significant institutional transformations are taking place in the industry, which do not always positively affect producers and consumers. The reduction of budgetary allocations, which traditionally ensure the reproduction of PPAT enterprises, significantly complicates the adaptation of industry entities to new socio-economic conditions, as well as the implementation of long-term projects by economic actors in order to provide high-quality transport services to the population. Meanwhile, individualization and differentiation of consumer demands, growing economic activity and spatial mobility of citizens present new requirements for the production processes and the provision of socially significant services, reinforcing the trend towards their commercialization.

This leads to the need for joint activities between government and business in the provision of socially important PPAT services, since without the involvement of the private sector for regular
passenger transport it is impossible to achieve the most complete satisfaction of human needs for services and ensure high-quality and uninterrupted operation of public transport.

The need to apply an entrepreneurial approach to implementing socially significant projects has actualized the problem of searching and developing a mechanism for cooperation between government bodies and economic actors aimed at the efficient use of budget resources, improving the quality of services, achieving social stability and sustainable economic development of the region as a whole. Such a mechanism can be based on the principles of public-private partnership between government and business, which has gained widespread over the past two years in certain sectors of the social and industrial infrastructure of Russian regions (private investment in energy, transport, construction, water supply, urban improvement and other areas) However, in the field of socially significant public passenger transport services, it is at the stage of its inception.

The purpose of the article is to investigate the features of the interaction of economic entities in the field of socially significant services using the example of public transport in the framework of the modern business environment. To achieve this goal, the article discusses the nature and characteristics of the business environment as an economic category, as well as the evolution of relations between the state and economic actors in the field of socially significant public transport passenger services.

The study is based on an interdisciplinary approach using the methods of logical-structural, situational, and comparative analysis. The obtained results and recommendations can become the basis for decision making by business entities in the field of transport services.

2. Literature review
Various researchers pay attention to the principle of forming an entrepreneurial environment – competition, which in its essence is an essential element of the growth of entrepreneurial activity, an incentive to improve and sustainability of business development. Maintaining the competitive nature of relations between economic entities is possible only with equal principles of management and the division of economic power between competitors. This means that all entities operating in a specific environment can apply for certain results of their activities.

Discussion is the assertion that the business environment is a favourable, comfortable situation. Some authors rightly point out in their scientific works that there are problems of research in this category due to the differentiated nature of the impact of elements of the business environment on its formation and development: conditions and factors of the business environment, determined by the special characteristics of socially significant services, can have both positive and negative effects for business [1, 2, 3]. For example, a reduction in budgetary allocations that traditionally provide for the reproduction of public passenger transport enterprises (PPAT) significantly complicates the adaptation of industry entities to new socio-economic conditions, as well as the implementation of long-term projects by economic actors in order to provide high-quality public transport services [4]. Meanwhile, individualization and differentiation of consumer demands, growing economic activity and spatial mobility of citizens present new requirements for the production processes and the provision of socially significant services, reinforcing the trend towards their commercialization [5]. Thus, the level of «comfort» of carrying out activities in a socialized entrepreneurial environment is determined not only by the established «rules of the game», but also depends on the results (experience) of managing economic entities in the territory of presence in the form of external, often constraining effects, contrary to the normal practice of market relations.

3. Methods of research
Summarizing the points of view presented by various researchers on the essence of the business environment as an economic category, the authors conclude that most interpretations come down to a structural-level characteristic of the business environment, which implies a consistent study of nano, micro, meso and macro levels of the environment, as well as internal and external factors impacts inherent in each of the specified levels [6, 7]. According to the authors, this approach not only does not reflect the multidimensional nature of state participation in the production of socially significant
services [8, 9], but also does not reflect the role of the entrepreneur in shaping the functioning environment in order to determine the possibility of any influence on its individual elements, and also requires adjustment in terms of systematization of processes occurring at different levels of the environment.

In the author’s understanding, the business environment is interpreted taking into account the specifics of the provision of socially significant services and is characterized from the perspective of the subject-object approach, which implies a system of interconnections of its main institutions (entities) that have goals and interests aimed at the same objects. The institutes represent both individual producers, consumers, and the whole industry, state. The objects are the principles, conditions, and factors of the implementation by the institutions of their activities, including all that based on which market relations arise.

The basic (typical) principles for the formation of the institutional environment are defined in the Constitution of the Russian Federation (Article 8) and imply a guarantee of the unity of the economic space, free movement of goods, services and financial resources, support for competition, and freedom of economic activity. The set of principles is subject to correction depending on the scope or type of ongoing economic activity. So, the specific (atypical) principles of carrying out activities in the field of socially significant services include competition, market power, personal interest, economic freedom, and innovativeness. Owing to the presence of special characteristics of socially significant services and the principles of the formation of the environment caused by them, manufacturers are forced to carry out their activities in predetermined conditions, which are also differentiated by the author (typical and atypical). It should be noted that manufacturers do not directly influence the principles and conditions for the implementation of their own activities, which are «dictated» by the state.

The conditions generated in the environment, determined by the principles of formation, in turn, are transformed into factors that directly affect the efficiency of the company in the analysed space. Factors are understood to mean a system of regional, sectoral, and productive impact on the ability of economic entities to carry out their activities (including their activity) [10]. The interdependencies between the principles, conditions, factors are determined by the nature and characteristics of production in the territory of presence. After the principles of the implementation of the activity are formulated, the entrepreneur evaluates the created conditions under which it will be organized, identifies the factors of external and internal environment [11].

Thus, the subject-object structure of the institutional environment proposed by the authors in the field of socially significant services is sensitive to any changes in the economic situation at any of its levels (nano, micro, meso, macro).

4. Results and discussion

Using the example of socially significant public passenger transport services, the author identifies the following constraints (elements) of the competitive environment that do not allow actors to ensure predictability of their development results:

1. "The paradox of a monopolistic competitor." The contradiction lies between the desire of the enterprise to take a monopoly position in the market and at the same time diversify its activities to strengthen market power. In the practice of managing PPAT operators, this contradiction is resolved by splitting a large enterprise into smaller ones or distributing the market between subsidiaries of a holding type to maintain its competitive space.

2. The restrictive tariff policy of the state. In modern practice of regular passenger transportation in the Russian regions, the level of involvement of the private sector in solving socially significant problems largely depends on the formation of an effective mechanism for recovering the costs of their production, which makes it possible to make the consumption volume independent of the tariff level, resource prices and current consumer income. The basis for pricing in the field of PPAT is a mechanism for determining a rational level of tariff that takes into account the solvent demand of the population for socially significant transportation, as well as the existing system of subsidies and
financial budget opportunities in the region. Calculation of the tariff for the carriage of passengers on the basis of control and regulatory indicators, the value of which, as a rule, is underestimated relative to the fact, together with the lack of budgetary sources of financing, leads to a low percentage of expenses covered by enterprises' own incomes.

3. Lack of motivation to reduce costs and develop competition. The inability of enterprises engaged in passenger transportation to influence the pricing model is the main factor holding back the development of competitive relations in the market. As a rule, competition is limited to several enterprises (sometimes it is one enterprise), which have inherited from the Soviet era a scientific and industrial-technical base that is currently able to comply with modern standards and rules for the implementation of transport activities, providing high quality services.

4. Innovative passivity of manufacturers. Weak orientation of PPAT operators to innovations is a consequence of the factors mentioned by the author above, namely, insufficient financing, restrictive tariff policies, protracted unprofitability of enterprises, as well as the prevalence of state initiatives in the form of distributing directives for manufacturers to use innovations in order to fulfil the requirements of various norms, standards, licensing requirements, etc. (for example, the installation of turnstiles, cash registers, radar communications in buses).

5. Economic fragmentation of the market. Relations based on the conditions for the provision of PPAT services, by their nature close to competitive ones and allowing enterprises to gain economic independence, are mainly formed in large cities. This affects the volume of passenger traffic and the structure of demand, which, in turn, depends on the size and gender composition of the population, which noticeably decrease with distance from regional centres.

6. Amorphous market boundaries. Socially significant services, as a rule, have the targeted nature of the provision, and their provision involves the simultaneous presence in one place of both the manufacturer and the consumer (for example, within the region). However, the area of functioning of the regional market of socially significant services does not always coincide with the territory of a given region, going beyond its administrative borders. There are contradictions not only in determining the powers and functionality of the executive authorities of the region and municipalities, but it is also difficult to distribute areas of responsibility between economic entities, often causing opportunistic behaviour of partners based on distortion and the provision of incomplete information in order to obtain sole profit (Figure 1).
Modern realities are such that a business in the field of socially significant services functions according to the principles and in the conditions of the business environment, which is uniform in terms of structural and level descriptions in comparison with the business environment in other types of economic activities, but in practice—excellent in subject-object characteristics [12]. The insufficient elaboration of the theoretical and methodological foundations of socially significant services, the lack of a successful, widespread empirical experience of including Russian business in solving socially significant problems do not allow us to fully explore the environment for the functioning of entrepreneurship in the specific conditions for the provision of the analysed goods (goods, services). Manufacturers are forced to adapt to the established "rules of the game", being under the strong influence of the state and largely dependent on its financing [13]. As a result, the activities of business entities in this environment are vulnerable, and often impossible. The transformation processes taking place in recent years in the relationship between the state and business in the social sphere are more likely to be institutional (policy) in nature, and are based on organizational and legal changes initiated by the authorities in terms of attracting business to solve socially significant problems, which led to the absence of social basis for the development of the business environment [14]. Changing the nature of the interaction between government and business, focused on the formation of a socially oriented entrepreneurial environment should not be based on state support of producers, but should be achieved by concluding contractual relations between economic entities through the implementation of a mechanism of public-private partnership, moving from the economic socio-economic plane to the political and economic [15].

A modern understanding of public-private partnerships is based on the effective building of an alliance between the official authorities and both separate, separately functioning entrepreneurial structures and their associations, which act as coordinator of social investments of the business on a par with the state [16]. The process of forming partnerships between government and business (including integrated business structures) takes place in several stages, each of which is due to the transformation of goal setting and the motives of their activities.

The evolution of relations between the state and economic actors in the sphere of socially significant public transport passenger services was considered by the author in two planes: «power-business», the space of which narrows as the interaction between state and business structures becomes closer; in the coordinates of «business-to-business», which ultimately form the region for the formation of a production alliance in this area, which further determines the nature of relations with the state. Studying the behavioural scenarios that have developed in the regional practice of public administration and management in the PPAT system from the 90s of the 20th century to the present, the author identifies the main trends in the transformation processes that were the basis for the evolution of the interaction between government and business from private to associated based on the coordination of the goals and motives of each of the participants [17].

Thus, the interaction of economic entities in the field of socially significant public passenger transport services in the space "power-business", "business-to-business" undergoes the following stages of development:

1. «Antagonism-Rivalry» is characteristic of a period of active privatization processes in a transitive economy. The model of the free market for PPAT services, applied by individual regions, has led to excessive commercialization of passenger transportation, namely, the emergence of many individual private entrepreneurs who are economically isolated and distant from each other as a result of competition for more favourable conditions of production activity and personal economic well-being. The indifference of business in solving socially significant problems of society inevitably gives rise to an antagonism of the relationship between power and private structures, in which the achievement of goals by some economic entities is difficult or impossible as a result of the actions of other economic entities.

2. «Solidarity-Competition» is inherent in the stage of active structural and institutional transformations in transport of the last decade, when at the federal and regional levels legal and organizational and managerial mechanisms for a model of regulated services market were created that
meet the requirements of a market economy based on licensing, certification, combining administrative and economic leverage. The real factor stimulating the development of passenger transportation in the regions is competition between economic actors both within the industry itself and with enterprises of other modes of transport. A new institutionally organized and fixed form of rivalry (for example, based on the conclusion of state contracts) creates the unity of the market operators in achieving the goal of providing quality services, and is aimed at understanding the need for interaction between government and business in solving socially significant problems facing society. Despite the commonality of interests and the unity of goal setting, the actions of economic entities to implement their tasks are fragmented. The state, guided by the motive for the most efficient performance of its social functions in the face of increasing limited budgetary resources, creates an additional restrictive framework that not only disorganizes the effective interaction of economic actors among themselves, but also does not fully overcome the amorphous relations between the organizers and operators of the regional PPAT market.

3. «Synergy-Integration» as a result of effective interaction between authorities and the business community in the field of PPAT services based on partnerships. The economic actors integrated among themselves form a regional entrepreneurial network, the effect of joint activities in which exceeds the individual successes of each of them. In addition, the combined forms of business offer opportunities to influence not only socio-economic, but also political decisions in the region. In turn, the authorities are interested in expanding the scope of applying the entrepreneurial approach and building effectively functioning business alliances in the region. The high valency of the companies participating in the interaction and the state gives a synergistic effect, manifested not only in obtaining economic, but also social results from the implementation of a public-private project, thereby justifying the «hopes» of the population for high-quality and affordable services, business – for public trust and long-term development, authorities – for further partnership in order to increase the sustainability of economic development and social stability of the region in the context of existing budgetary constraints, creating the prerequisites for investment in a socially significant sphere.

The constructed relationship system allows the authors to form a field of interaction between economic entities based on the principles of public-private partnership and aimed not only at increasing the number of financially independent actors and their associations, but also at transforming state institutions that become active participants in market relations, interacting, and sometimes and competing with the business community, transferring more and more functions to it, even in those industries for which traditionally they were solely responsible.

5. Conclusion
Thus, the evolution of the system of scientific views on services in the context of the transition to postindustrialism is caused not only by the specifics of their genesis (identification in the essence of material components, the emergence of new types and groups of services), as well as by the characteristics of consumption due to the law of exaltation of needs, which determines a stable relationship between the level of social-economic development and qualitative characteristics of the needs of the individual and society. The socio-economic development of the socially significant service sector is accompanied by the features inherent in socially significant services in Russia, as well as the specifics of the formation of the institutional business environment. Firstly, the terminological instability of the definitions of «service», «service industry», as well as the tendency to diversify the products of the service sector in the world and domestic markets, determined the presence of diverse and often antinomistic classification groups. Secondly, the specific characteristics inherent in atypical types of services (social, public services), and significant external effects arising from their consumption, formed the corresponding expectations of the population regarding the free provision of services of this category, as well as business expectations regarding the formation of an effective mechanism reimbursement by the state of «falling out» income from their production (provision). As a result, the desire of economic entities in their activities to balance the desired consumption and the
result actualize the problem of humanization of modern economic relations that meet the trends of socialization of the Russian economy.

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