

SMALL AND MEDIUM ENTREPRENEURSHIP: ROLE IN ECONOMIC SECURITY

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Abstract: *The article is devoted to the role of small and medium entrepreneurship (SME) in economic security. In the introduction, the author determined that there are different approaches to understanding economic security and the role of SME in it. The purpose of this work is to determine the role of SME in economic security based on the analysis of various documents. In the main part, the author reveals the functions of SME and the goals in relation to them in the national national security strategies of various countries. It was determined that the national security strategies of various countries usually included an element of SME. The author has identified several main national security strategies of various countries. An analysis was made of the levels of economic security and state economic policy for the formation of the SME space. An analysis of the main strategic documents in the field of national security and development of SME in the Republic of Belarus revealed their certain synchronization at the macro level. An analysis of the main directions or really existing challenges and threats to the national security and economic security of the Republic of Belarus from the perspective of SME showed that in most cases the participation of SME is very possible. In conclusion, it is noted that the role of SME in economic, technological, information and other types of security is obvious. Conceptual documents in the field of national security and SME development in the Republic of Belarus pursue the same goals. In this regard, in the context of ensuring economic security, the task of increasing the efficiency of state support for SME is being updated based on harmonizing approaches to the development of its conceptual framework and assessment methodology aimed at leveling internal and external threats to economic security.*

Keywords: *economic security, small and medium entrepreneurship, sustainability, competitiveness.*

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INTRODUCTION

Scientists identify several approaches to the study of economic security. The most frequently used concepts are “competitiveness” and “sustainability”. There are “development” and “sustainability”, which are also the main ones when characterizing the security of entrepreneurship. There are also three groups of approaches to determining national economic security, including “sustainability” (national economy, socio-economic development, economic system, etc.) [1]. It is ensuring the competitiveness and sustainability of the socio-economic system that is the function of SMEs at the state level. In turn, Lithuanian scientists distinguish a macroeconomic approach (Russian school; approach developed by Professor L. Briguglio) and an individual approach (International Labor Organization (ILO), American school). In this case, the experience of the ILO is interesting, which includes analysis of the macro, meso and micro levels and which is also partly related to the state and development of SME [2]. At the meso level, there is a survey of flexibility and labor safety at the enterprise (various types of flexibility - organizational; numerical; functional; working time; wages; labor force, as well as the role of labor legislation, gender preferences, existing mechanisms of labor relations). The micro level

includes surveys of people's safety (socio-economic status of the respondent and his family; popular ideas about insecurity and safety; sources of socio-economic instability for different socio-demographic groups; coping mechanisms, etc.). At the same time, the American Approach Economic Security Index adopts a general, although often implicit, definition of economic security: the degree to which people are protected from hardships that cause economic losses [3].

PAPER BODY

SME is the most important element of a market economy, without which neither the state nor society can fully develop, without which a competitive environment cannot be formed, a balanced production structure cannot be achieved, social stability can be ensured and the country's innovative potential can be fully used [4].

We can highlight the following individual functions of SME and goals in relation to them in the national security strategies of foreign countries - support for entrepreneurs; formation of a qualified workforce; formation of high added value; regional development; improving the economic system for future generations; internationalization of entrepreneurs; participation in the formation of a national brand; security of financial infrastructures and services; achieving a balance between the needs to improve the quality of life, economic and social well-being and the requirements to preserve the environment as natural resources (Table 1).

Table 1. Functions of small and medium entrepreneurship and goals in relation to them in the national national security strategies of various countries

Country	Document	Year	Role of SME
Poland	National Security Strategy Of The Republic Of Poland	2007	One of the strategic goals was to support Polish entrepreneurs.
Latvia	The National Security Concept	2008	To ensure long-term economic growth, it is very important to be able to use skilled labor, science and innovation in business development when developing projects focused on high-value-added production. Particular attention should be directed to the development of entrepreneurial initiative in the regions of the Republic of Latvia.
Philippines	National Security Policy 2011 –2016	2011	The interest of the national vision of economic solidarity is for Filipinos to become stakeholders in the economy and business enterprises for the purpose of collectively protecting and improving the economic system for themselves and future generations of Filipinos.
Croatia	National Security Strategy	2017	Takes into account the role of business structures in the joint actions of government bodies and local / regional authorities to achieve a balance between the needs for improving the quality of life, economic and social well-being and the requirements for preserving the environment as natural resources.

Source: Ministry of National Defence of Poland <https://www.gov.pl/web/national-defence>

Ministry of Defence of Latvia <https://www.mod.gov.lv>

The National Security Council <http://www.nsc.gov.ph>

National Security Council <https://www.uvns.hr/en/legislation/national-security>.

The role of SME in the country’s economy is important and is determined by such indicators as the share of SMEs in GDP, GVA, employment, etc. In turn, the SME space contributes to the active development of SME. Based on the theory of public policy in the field of formation of the SME space, the following levels are distinguished: regional level (country), meso level (region), micro level (organization and/or person). At the national and regional levels, the SME space includes elements such as the state, education, financial support, human capital, etc. The task of the state in this area is to develop policies that do not have direct intervention. In this case, the role of the state can be both indirect and direct. The direct one, in particular, lies in the ability to identify SME with high growth potential (which can, for example, actively cooperate with the Ministry of Defense), the indirect one lies, in particular, in the role of the state as an intermediary for SME. There are two government policies regarding the formation of the SME space - traditional and growth-oriented. At the same time, traditional policy will not contribute to strengthening economic security in all its parameters; rather, it will be aimed at neutralizing certain threats, in particular, unemployment. While a growth-oriented policy will help strengthen not only economic, but almost all types of national security, including military. In an effort to build an effective space for SME, the state thereby strengthens economic security at three levels (Table 2).

Table 2. Types of economic security and small and medium entrepreneurship space

Economic security	SME space
	National
	Regional
	Business entity and/or person

Source: elaborated by the author

Thus, the levels of economic security correspond to the levels of state economic policy for the formation of the SME space. One of the elements of the SME space is the state, which, in essence, is designed to ensure the effective development of the SME space. Turning to the experience of government policy in the field of formation of the SME space in various countries, the following can be noted. It is advisable to take into account when addressing issues of economic development in accordance with the challenge and/or threat (for example, “the lag in the pace of transition of the economy to advanced technological structures from other states, the degradation of the technological structure of the real sector of the economy” - the Republic of Belarus), which, according to a study by the Kauffman Foundation during 2000 – 2010. Almost all new jobs in the United States were created by fast-growing technology startups. So, in addition to the above and reaffirming the role of SME in military security, the US has a year-long Technology and National Security Fellowship that provides the opportunity for technologists and entrepreneurs to connect with key decision makers at the highest levels of the US government (Department of Defense and Congress USA), to provide advice and new knowledge on issues at a critical juncture in national security.

State regulation of the market model of the economy from the perspective of security interests should not violate self-regulation mechanisms and at the same time create conditions for the effective operation of these mechanisms. One of the mechanisms for self-regulation of SME and the business community of any country is the formation of an SME space. In this context, it should be noted the necessary modernization of “managing the process of reconciling interests and coordinating the efforts of the state and business as

the main institutions of a market economy” [5]. Analysis of the main strategic documents in the field of national security and development of SME in the Republic of Belarus made it possible to identify their certain synchronization at the macro level (Table 3).

Table 3. Strategic national interests and goals with the participation of small and medium entrepreneurship

National Security Concept of the Republic of Belarus	Strategy for the development of small and medium entrepreneurship “Belarus is a country of successful entrepreneurship” for the period until 2030
sustainable economic development and high competitiveness of the Belarusian economy; achieving a high level and quality of life for citizens	the formation of a dynamically developing SME sector that can significantly improve the structure of the Belarusian economy, increase its competitiveness, ensure effective employment and growth in incomes of the population

Source: elaborated by the author

This table clearly shows the connection between national interests and the goals of SME development. An analysis of the main directions or really existing challenges and threats to the national security and economic security of the Republic of Belarus from the perspective of SME showed that in most cases the participation of SME is very possible.

CONCLUSIONS

All of the above directions fully correspond to the concept of the SME space in terms of solving various problems of state development in socio-economic terms. Thus, the connection between the SME space and economic security is obvious.

In this case, the following statement is true. “Regardless of how we look at national security, there is no question of ignoring the economic vitality of the nation. Without capital there is no business; without business there is no profit; without profit there are no jobs. And without jobs there are no taxes, no military potential... Without jobs, people's quality of life deteriorates to such an extent that society itself may collapse” [6].

The role of SME in economic, technological, information and other types of security is obvious. Conceptual documents in the field of national security and SME development in the Republic of Belarus pursue the same goals. In this regard, in the context of ensuring economic security, the task of increasing the efficiency of state support for SMEs is being updated based on harmonizing approaches to the development of its conceptual framework and assessment methodology aimed at leveling internal and external threats to economic security. In this regard, on the one hand, it is necessary to modernize state support for SME in accordance with modern challenges and threats in the economic sphere, on the other hand, to ensure the maintenance of the state of protection of the SME entity from the negative impact of internal and external threats in accordance with the needs of its free and comprehensive development and based on mandatory requirements established by current legislation.

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