

Mechanism for Ensuring Regional Economic Security (Through the Example of the Moscow Region)

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Abstract

The popularization of studies related to economic security at various levels (state/region/business) is stipulated by the reformation of the Russian economy. At the same time, according to the world studies, the conceptual apparatus of economic security has been used in management extensively and for a long time, while in Russia it is correlated only with the national security as its structural component.

Since the direct relationship between the national and economic security and the fact that under modern conditions, there is a national concept of preventing, minimizing, and eliminating threats to the state development are obvious, it is urgent to estimate the required security and the mechanism for ensuring it at the regional level. The region is a part of the country. The development of each of them, as well as the subsequent sum of aggregate indicators, make it possible to judge about the real economic situation in the country and the current level of economic security.

As for the Moscow Region, the mechanism for ensuring economic security should be regarded as comprehensive protective measures against existing and potential threats that destabilize the economy of the commercial environment, based on the principle of improving the sustainability and expanding the opportunities to prevent them. It is especially necessary to reconsider and rationalize this mechanism due to the latest global crisis events caused by the pandemic and the decrease in the efficiency of business entities functioning, their withdrawal into the shadows, managerial mistakes, and, therefore, the violation of economic security in the region.

Key-words: Economic Security of the Region, Mechanism for Ensuring Economic Security, Top Priority Areas of The Economy of the Moscow Region, Sequence of Tasks, Management Levels, Signs, Factors and Criteria of Regional Economic Security.

1. Introduction

The implementation of the mechanism for ensuring regional economic security requires the parallel course of two processes: the development of theoretical provisions, approaches to forming the mechanism algorithm, and the practical achievement of constant regional development. In its essence, this mechanism maintains economic security at the level of not only a certain region but also the whole country, as well as improves the economic sustainability of business entities and institutions [1].

The versatility and complexity of implementing economic security under the study make it possible to evaluate it as an integral system by isolating its key, especially significant components from certain sides. It is generally defined that in the national theoretical and applied space, the relative novelty of the concept of economic security causes a variety of points of view when considering it.

Comprehensively assessing the opinion of various researchers, it is possible to summarize that at the regional level, economic security is a unity of opportunities to prevent the regional economic system from external/internal threats and maintain its sustainability. Due to the efficient management, its balance means the sustainability of economic growth, proper satisfaction of the population's needs, and the maintenance of the region's interests in all areas of life [1, 2, 3].

If any stage of the regional economic development is destabilized, the sustainability of the economy and the ability to withstand the effects of threats from inside and outside the region decrease, and economic security is not fully ensured. Sustainability is an integral attribute of adequate ensuring of regional economic security. It characterizes the reliability of structural components, the strength of hierarchical and horizontal relations in the economic space of the region, and the potential for resistance and timely response to negative influences [2].

2. Materials and Methods

Certain indicators – objects of the required security – characterize the current level of ensuring economic security at the regional level. These include the following series of grouped criteria [3]:

Macroeconomic categories that characterize the whole economic situation (e.g., the aggregate size of the gross national product, the gross regional product of the Moscow Region per person, etc.),

The demographic situation in the Moscow Region, the life quality parameters (the average life expectancy, the average and minimum levels of labor wages as compared to the subsistence rate, the degree of basic food consumption, etc.),

Dynamics of employment indicators in the Moscow Region in the context of the main zones of economic processes, territories, various groups of the population,

Dynamics of production parameters, replenishment of economic resources, provision with production capacities, various life support systems and their wear in the Moscow Region,

Changes related to regulating and improving the budgetary and financial policy, as well as the monetary complex at the level of the Moscow Region, the parameters of meeting central state's needs with financial resources, the subsidized level,

Market development within the Moscow Region, the dominant form of ownership (private/state), the share of entrepreneurs and their social activity in the structural composition of the population, and

The efficiency of processes of federal/regional authorities and the instruments of the complex of administrative and legal regulation for the development of the Moscow Region.

As a whole, from a systemic point of view, the economic security at the regional level is concretized by the factor integration, which is important for

Retaining and improving certain components of the required security in the region during crisis circumstances,

Maintaining top priority interests of the state and territorial unity under resource conservation,

Improving the capacity of the national environment to prevent external factors that disturb the internal balance, and

Improving the competitiveness of the region's products both on the state and on the world markets [4].

The base of the economic security of the Moscow Region determines the potential for an uninterrupted economic increase in the population's life quality, based on aggregate standards to prevent the impact of internal and external factors for achieving the efficiency from the incurred resource costs and maintaining the sustainability of the socio-economic and socio-political space [5].

In order to balance the socio-economic situation, the most noticeable features that characterize the economic security in the region and provide optimal living conditions for the majority of residents include the following:

Large-scale reproduction of the social and economic infrastructure in the Moscow Region,

Strong dependence of providing the population in the Moscow Region with the goods of prime necessity on imports, and

Sufficient meeting of the population's vital needs in the Moscow Region [6].

Besides, the components of the region's economic security include the following:

Financial (stability of the financial and budgetary complex in the Moscow Region and socio-economic development),

Production (a sufficient level of resources to implement the top priority development areas in the Moscow Region that will be specified below),

Socio-demographic (high development of the labor market and simultaneously a high level of unemployment, as well as a considerable social gap in the Moscow Region, the maximum accessibility to each sphere and form of education, insufficient medical care, etc.),

Food (high provision of the population in the Moscow Region with the amount and range of food), and

Ecological (high environmental pollution in the Moscow Region along with the simultaneous maintenance of its safety, the search for alternative energy sources and methods of saving resources, technological progress in working with wastes).

The development and indicators of production, the financial sector, society, and demography, the parameters of the external economy, and food supply directly indicate the level of the economic security of the Moscow Region that is located as close to the capital as possible and mostly reflects the aggregate economic situation of the country [5].

3. Results

Since the phenomenon of security is characterized by a certain degree of protection against possible threats, the economic security of the Moscow Region primarily reflects and evaluates the

degree of protection of its previously presented features and components required to ensure optimal living conditions for the majority of residents.

In order to regulate and monitor the economic security of the region under study, the relevant authorities should use the following instruments based on socio-economic political guidelines:

Improvement of the market in the Moscow Region as a structural element of the entire Russian market, regulation of the unified infrastructure of the energy complex, transport communication, monetary area, national external audit concerning export and import operations [7],

Assistance to the increase in residents' well-being in the Moscow Region, the systematic leveling of the population strata and clear social delineation [8],

Modernization of horizontal ties/relations in the Moscow Region, monitoring and support of the regional labor market and employment of personnel concerning other Russian regions, the formation of capital markets by improving the investment and financial complex [9],

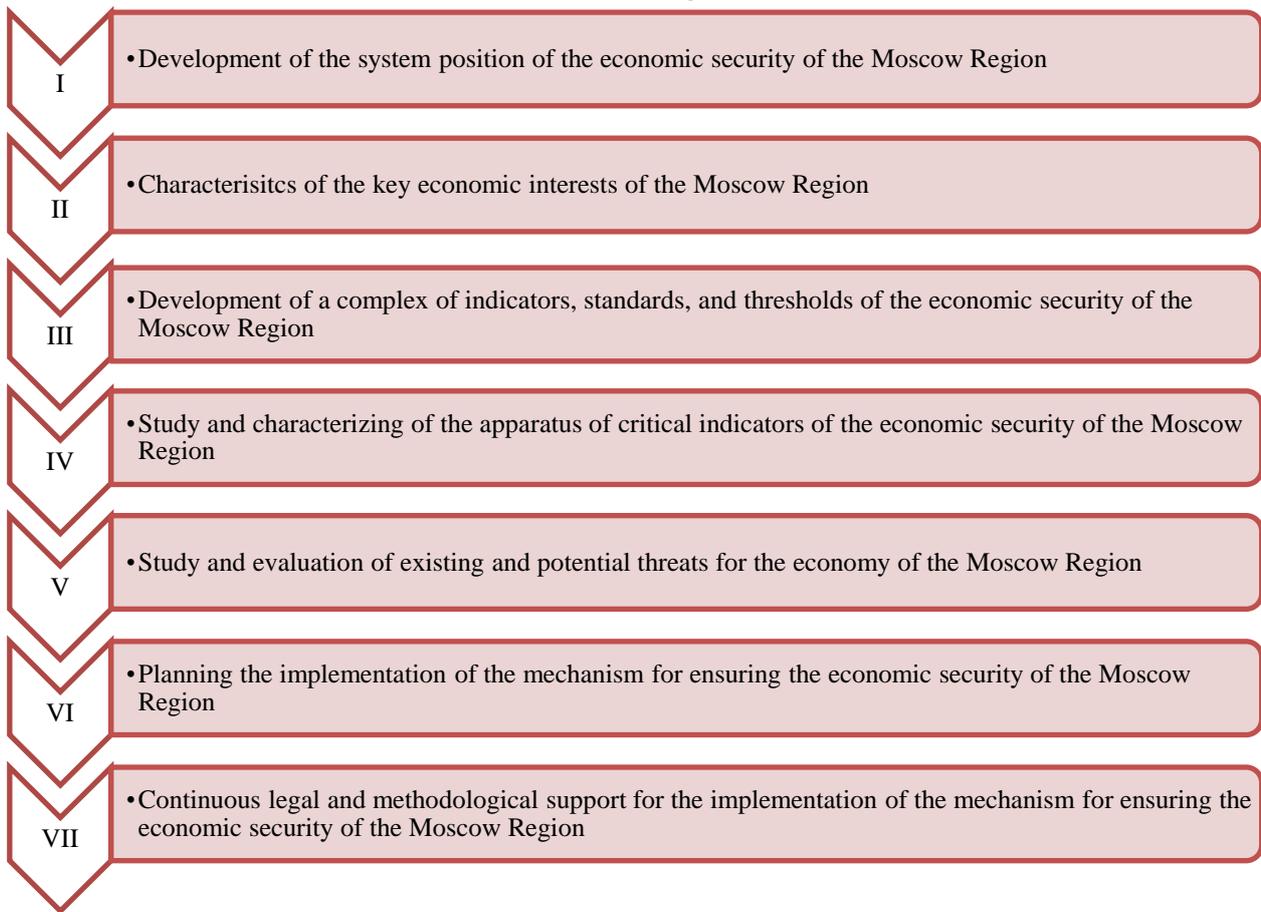
Preventing the negative consequences of the current global crisis, adaptation, and modernization of the economy of the Moscow Region, and

Ensuring the political balance, ethnic equality, rationality of processes carried out by the state structure [10], etc.

For potential and existing threats to be eliminated and not to destabilize the economic security, it becomes important to form an optimal mechanism for ensuring it.

Such mechanism for the Moscow Region should be prepared for, formed, and implemented according to a certain stage sequence (Figure 1).

Figure 1 - Stage Sequence of Preparing, Forming, and Implementing the Mechanism for Ensuring the Economic Security of the Moscow Region



In addition to the above, it is important for the Moscow Region to ensure continuous interrelations at the regional level, namely, the Security Council and representatives of the President of the country at the regional level. Each normative regulation enshrined in legislation by the structure of the executive power of the Moscow Region must cease its effectiveness by the decision of the Constitutional Court/Government of the country if it affects the economic security of the region, and, consequently, the country, as a whole.

Table 1 shows the primary ways to ensure the economic security of the Moscow Region and the respective solutions (measures) [4].

Table 1 - Ways to Ensure the Economic Security of the Moscow Region

Ways	Solutions
<i>Information and analytical instruments</i>	
Estimation of and control over the protection of economic interests	Estimation of and control over the socio-economic situation in the Moscow region
Estimation of the current situation and forecasting the economic development	Formation of the complex of parameters of the economic development in the Moscow Region
<i>Regulatory impact</i>	
Modernization of the legal regulation and introduction of institutional novelties	Issuing laws/decrees by the relevant authorities of the Moscow Region within their competences
Preventing the development of crisis	Contribution and support provided to the Moscow Region in the context of municipal entities, economic entities, and entrepreneurs within competences
<i>Direct regulation</i>	
Formation and implementation of the program on overcoming the crisis in the Moscow Region	
State control over the development of the region	Active involvement of the Moscow Region in the implementation of state target programs on the socio-economic regional improvement and raising of additional funds from nonbudgetary resources
Preventing the threats that destabilize the state and regional interests	Improvement of the efficiency related to managing the Moscow Region by social, economic, and budgetary means
Preventing anti-legal economic phenomena	Investigation and elimination of economic crimes in the Moscow Region

The performance and efficiency of the mechanism under study are determined and proven by the following areas of economic activity in the Moscow Region:

The formation of the general database in the Moscow Region as an indicative system [11],

Characteristics of the key threats to the economic security of the Moscow Region and formation of the list of neutralizing measures [12],

Functioning of the administrative structures of municipalities, regional state institutions, social policy, and anti-crisis management, which are focused on and planned for the future [13],

Introduction of fundamental measures into the activities of the authorities in the Moscow Region to improve professional competencies when overcoming the crisis [13],

Including the aggregate standards of the Moscow Region in the complex of anti-crisis monitoring [12],

Formation of a range of guidelines for resolving acute issues of the Moscow Region [7], and

Focus of the efforts on implementing top priority areas of the economy in the Moscow Region that contribute to its development and improvement of the economic security, namely, countering terrorism, nanotechnology, creating the latest materials and technologies, information and telecommunications support, biological technologies, medicine and pharmaceuticals, environmental protection, rational use of resources, transportation, and energy efficiency and conservation [11].

4. Discussion

The mechanism for ensuring economic security is implemented only in case of preliminary identification of threats to the required security and their grouping in the context of the level of impact on the development and improvement of the region, as a whole [14].

Under these circumstances, the support mechanism forms a systemic unity of organizational and economic components and instruments, management decisions of a specific nature and audit methods, selection of measures on preventing and eliminating threats identified by special services, and, consequently, the formation of an economically safe environment in the Moscow Region. Table 2 gives a general structural view of this mechanism.

Table 2 - Structure of the Mechanism for Ensuring the Economic security of the Moscow Region

Structural components of the mechanism for ensuring the economic security of the Moscow Region		
I	<i>Objects</i>	<ul style="list-style-type: none"> – Real economic sector, – The integrity of areas of the financial space (budgetary, taxation, credit and financial structures, insurance institutions, and financial markets), – External trade, – Consumer market, trade, households, – State management structures.
II	<i>Subjects</i>	<ul style="list-style-type: none"> – Structures of executive/legislative power of the Moscow Region.
III	<i>Organizational and economic instruments</i>	<ul style="list-style-type: none"> – Estimation and control over the factors determining internal/external threats for the security of the Moscow Region, – Forecasting the tendency of the socio-economic becoming of the Moscow Region taking into account the destabilizing economic safety of the threat, – Measures on eliminating the existing threats in each economic segment and area, – Estimation of the selected solutions in the economic area, – Determining methods of monitoring and forecasting the economic security of the Moscow Region, – Identifying fluctuations of the actual/forecast indicators in the Moscow Region as compared to the threshold criteria of the economic security, – Development of tasks for maintaining the security in the Moscow Region at various management levels, – Studying the economic security of the Moscow Region, – Improving the legislative regulation, development of unified conceptual provisions of the economic security of the Moscow Region, – Taking the measures set by the program, including the ones aimed at counteracting economic crimes in the Moscow Region, and – Monitoring the implementation of certain components/instruments of the mechanism for ensuring the economic security of the Moscow Region.

The fundamental provision and the top priority goal of the above mechanism development and implementation in the Moscow Region are a comprehensive evaluation of threshold values, factor parameters under crisis circumstances, existing and potential threats, their impact on the overall economic security of the country, study of and control over the most influencing factors, and development of a system-focused program as a part of the complex on ensuring the economic security of the region. At the same time, management solutions in a certain range of financial areas should be monitored and evaluated to achieve the best indicators of the economic security of the Moscow Region [4, 5, 6, 15].

5. Conclusion

Thus, when studying the complex of economic security in the region, it is of paramount importance to identify the objects that undergo threats and are subject to risks most of all. When selecting alternative solutions aimed at minimizing or eliminating threats, it is important to assess the accuracy of the information by correlating the information with the area of risk. Possessing the initial data on the level of security, it is possible to develop optimal solutions not only to ensure it but also to enhance it in the future.

From a strategic point of view aimed at long-term development, the mechanism for ensuring the economic security of the Moscow Region needs to resolve a range of certain issues. Thus, first of all, it is necessary to solve the following issues: to improve the trust in functioning and management of the power structures of the Moscow Region, to select methods on involving the mass strata of the population for resolving economic issues, and to efficiently fight against corruption and criminogenic manifestations in the Moscow Region.

It is possible to assume that at the level of the Moscow Region, the mechanism for ensuring the security under study should be implemented through systemic transformation of public administration in economics through conceptual and regulatory developments, planning and forecasting at the regional level, and formation of an integrated complex of monitoring manifestations of risks and threats. Besides, it is important to activate the region's monetary policy focused on import substitution and promotion of not only top priority development areas but also other economic sectors, to continuously improve progressive technologies, and to form components for protecting the economy of the Moscow Region from crisis manifestations and negative impacts (threats).

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