

STRATEGIC MANAGEMENT OF ECONOMIC SECURITY OF THE TERRITORY (INTEGRATED ASSESSMENT)

Murzina Elena Aleksandrovna¹,

¹Volga State University of Technology Shemyakina Marina Sergeevna, Volga State University of Technology
Yalyalieva Tatiana Valerievna, Volga State University of Technology

Received: 05 May 2020 Revised: and Accepted: 15 July 2020

ABSTRACT: The strategic management of economic security of a public legal entity (territory) should be carried out on the basis of its comprehensive assessment. The article provides an analysis of economic security indicators. The authors propose an assessment of the economic security of the territory based on modeling. Modeling should be carried out using five components: industrial safety, scientific and technical security, investment security, social and demographic security. The authors identified trends in the development of indicators, calculated the integral indicator. Conclusions are drawn about the low level of economic security of the studied region, which requires increased attention of public authorities to strategic management tools. The approach proposed in the article to assessing the economic security of the territory can be used for the strategic management of public law education.

KEY WORDS: security, indicators, system of indicators, enterprise, territory.

I. INTRODUCTION

The strategic management of the economic security of the region is carried out on the basis of a comprehensive assessment, which is based on the creation of a common information database. Moreover, the main problem is the search for an optimal system of indicators that meet the requirements of a comprehensive assessment of economic security. An indicative assessment is based on a comparison of the actual values of the indicators with their threshold values. The main advantages of this assessment method are simplicity, accessibility and visibility. Its use contributes to the optimization of security management at any level. Monitoring of private indicators of economic security makes it possible to identify its most unstable elements requiring urgent managerial influences. This determines the relevance and need for a comprehensive assessment of the economic security of the region with a view to its further sustainable socio- economic development.

II. REVIEW OF LITERATURE

It should be noted that in the scientific literature various approaches to the formation of a system of indicators of regional economic security are presented. Most use a system of socio- economic indicators, grouped in various areas. Economic security as a scientific category has been discussed by many researchers. For example, R. Stock treats economic security as a humanright (Stock, 2002). Consumer society requires security for the consumption of goods (Bobitt, 2002; Sennet, 2014). As P. Geschiere and B. Meyer notes, along with the growth of ideas about economic security, the individual has a need to control the economic situation (Geschiere & Meyer, 1994). An analysis of the level of economic security cannot be made without modeling, which is described in detail in the work of E. Murzina and A. Burkov (Burkov & Murzina, 2019). This approach has already been used by a number of authors in the analysis of economic security (E. Murzina, T. Yalyalieva & M. Shemyakina, 2019). Particular attention in the article is supposed to be given to modeling according to the method of M.S. Syupova and N.A. Bondarenko, who use the calculation of private integral indicators (Syupova & Bondarenko, 2019).

III. METHODOLOGY

Monitoring of the economic security of the state of the region is based on the basic indicators. Moreover, their choice, further monitoring have a significant impact on the strategic management of the entire security system in

the region. The basic indicators of industrial safety of the territory are indicators characterizing the growth rate of the main macroeconomic indicators of the real sector of the economy. First of all, these include: the rate of growth of the gross regional product (GRP), indices of industrial production and agricultural production, retail turnover.

An analysis of the relative indicators of the production sector allows us to identify the ability of the region's economy to sustainable economic growth, which provides a sufficient level of protection for the real sector of the economy from possible threats and impacts. It is also important to note that the study of indicators characterizing the dynamics of processes, and not their actual state, neutralizes the existing differentiation of economic development of individual regions of the Russian Federation.

Scientific and technical security contains indicators characterizing the innovative activity of the region. The level of investment security in the region is determined by the degree of ensuring the reproduction of fixed assets in the economy. Social security reflects the level of protection of the vital interests of the individual and society from threats of a social nature. The state of social security characterizes the level and quality of life of the population. Demographic security is one of the most important components of the economic security of the territory, since it determines the composition and structure of the labor and scientific potential of the territory.

Studying these components and indicators characterizing them, we can draw conclusions about the state of economic security of the studied region - the Republic of Mari El (administrative territory of Russia).

IV. RESULTS

To assess the level of economic security of the studied region, we used the methodology of a comprehensive assessment of several groups of indicators, deviations in which may indicate the presence of threats. The methodology was tested on statistical data up to 2018 inclusive. A significant part of indicators by the state statistics bodies of the Mari El Republic for 2019 as of June 20, 2020 is not formed.

Consider enterprise security indicators. At the end of 2018, the growth in gross regional product of the Mari El Republic amounted to 101.8%. This does not meet the required threshold value of at least 105%. It can be concluded that there are certain threats and risks that impede the sustainable socio-economic development of the territory. It should be noted that the values of this indicator do not correspond to the threshold level for almost the entire observed period from 2014 to 2018. The exception is in 2014, when the GRP growth rate amounted to 106.0%. In 2018, compared with 2014, the value of this indicator decreased by 4.2 percentage points.

One of the key factors of mismatch with the threshold values of GRP growth rates is the negative values of the industrial production index, the value of which in 2018 amounted to 96.7% compared to the previous year.

In 2018, compared with 2014, the size of the agricultural production index decreased by 3.8 percentage points, which indicates the minimum threats and risks to food security in the region under consideration, in contrast to the negative dynamics observed for the period 2016 and 2017.

The results of the assessment of the indicators of scientific and technical security of the Mari El Republic for 2014-2018 allow us to talk about the presence of a pronounced problem - a decrease in the scientific, technical and innovative potential of the region, which, in turn, is a threat that negatively affects the value of GRP, industrial production, as well as the prospect of sustainable and safe functioning of the territory.

Table 1 DYNAMICS OF THE SELECTIVE STUDIED INDICATORS							
Indicator name	Threshold value (not less)	Годы					Deviation (+,-) 2018 to 2014, %
		2014	2015	2016	2017	2018	
GRP growth rate compared to the previous year in comparable prices, %	105	106,0	103,2	94,7	101,6	101,8	-4,2

Industrial production index,% to the previous year	105	113,4	108,5	97,0	106,5	96,7	-16,7
Agricultural production index to the previous year, %	105	115,2	110,2	93,9	96,8	111,4	-3,8
The degree of depreciation of fixed assets, %	40	52,5	55,2	55,1	53,0	53,9	+1,4
The ratio of the disposal of fixed assets, %	5	0,5	0,5	0,6	0,5	0,4	-0,1
Population with incomes below the subsistence level, in % of the total population	10	19,5	22,2	22,1	21,7	20,4	+0,9
Annual population growth rate, %	100	99,8	99,8	99,8	99,6	99,7	-0,1

Consider the aspects of the economic security of the Republic of Mari El in the investment sphere. At the end of 2018, the index of physical volume of investments amounted to 106.9%, which is higher than the threshold value of 105%. This circumstance is a positive signal, indicating the intention of business entities to stimulate the effectiveness of ongoing activities, to improve the quality of products. Moreover, the value of this indicator in previous years had negative values. So compared to 2014, the value of the index of physical volume of investments in fixed assets increased by 9.1 percentage points.

However, despite the rather optimistic value of the index of physical volume of investments in 2018, the total share of investments in the total volume of GRP amounted to 15.37%, which does not correspond to the threshold level of 25%. This suggests that the region’s economy needs much more investment investment in order to increase its sustainability and the safety of socio-economic development. It should be noted that the share of investments in the structure of GRP is steadily decreasing from year to year. Compared to 2014, this value in the reporting year decreased by 17.56 percentage points.

The fact that the economy of the territory in question requires a larger number of investments is evidenced by such an indicator as the degree of depreciation of fixed assets. In 2018, the wear rate was 53.9%, which is dangerous, because the threshold value sets the maximum permissible value of 40%. It should be noted that the mismatch with the threshold value is observed for the entire period 2014-2018. Compared to 2014, the degree of depreciation of fixed assets increased by 1.4 percentage points.

In turn, the high deterioration of fixed assets of the republic is also evidenced by the values of such indicators as the coefficient of renewal of fixed assets and the coefficient of disposal of fixed assets. More precisely, their values that do not correspond to the threshold level for the entire observed period. In the reporting year, their values amounted to 5.7% and 0.4%, respectively, which, compared to 2014, is lower by 0.5 percentage points and by 0.1 percentage point, respectively.

A review of the social security of the region under consideration allows us to highlight the following circumstances. It should be noted the high poverty level of the population of the Republic of Mari El. The share of categories of citizens with incomes below the subsistence level significantly exceeds threshold levels. So in 2018, compared with 2014, the value of this indicator increased by 0.9 percentage points and amounted to 20.4%.

The consequence of a high poverty level is a high income gap between the most affluent segments of the population and citizens with incomes below the subsistence level. So in 2018, the size of this gap was 11.5 times, with an acceptable threshold level of 8 times.

In contrast to the indices, characterizing the level of social tension, a little better is the situation c employment and crime. So, the unemployment rate as a whole for the period 2014- 2018. corresponds to the threshold value. Of course, in this time period, values are observed that do not correspond to the threshold of 5%. This is especially evident in the periods of 2016 and 2017.

Consider indicators of demographic security. Due to the fact that the Republic of Mari El is a region with a low level of socio-economic development, it clearly shows such characteristic features as a decrease in population, low birth rate, relatively low life expectancy, excess of mortality over birth rate, and an increase in migration outflow regions with a high level of socio- economic development.

The analysis of the indicators and their comparison to the thresholds allowed to evaluate the integral index of economic security based on five integrated components. Calculation of partial integral indicators can be produced by the method of M.S. Syupova and N.A. Bondarenko (Syupova & Bondarenko, 2019). The method proposes to use formula (1).

$$K_{инт} = \sum_{i=1}^n K_i$$

где K_i – correlation coefficient (importance);

n – number of indicators in a private integral indicator.

The dynamics of the indicator is presented in the figure 1.

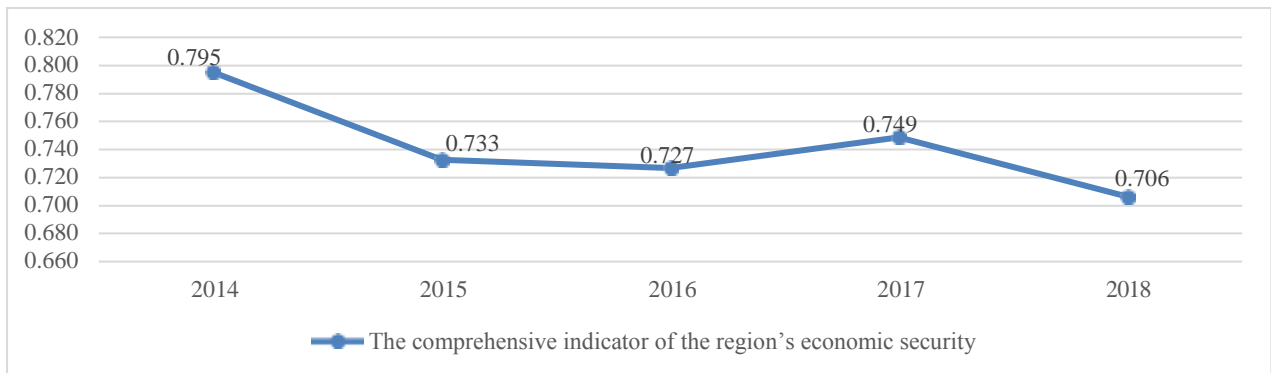


FIGURE 1 DYNAMICS OF A COMPREHENSIVE INDICATOR OF THE ECONOMIC SECURITY OF THE REPUBLIC OF MARI EL FOR 2014-2018 (Author's research)

Its value indicates that the greatest threat to the territory of the characteristic in the field of scientific and technical security, and especially in the social and demographic security.

V. CONCLUSION

In the framework of the conclusions of the article, we note the following. a) the presented set of indicators, in our opinion, is most optimal as indicators of the economic security of the territory; b) indicators of economic security should reflect the objective level of threats and risks in various aspects of socio-economic development; c) the analysis of economic security indicators should be accompanied by a comparison with the threshold values of these indicators.

VI. ACKNOWLEDGMENTS

The reported study was funded by RFBR, project number 19-010-00620.

VII. REFERENCES

[1] Bobitt, P. (2002). The Schield of Achilles, War, Peace and the Course of History. New York, Knopf.
 [2] Burkov, A.V. & Murzina, E.A. (2016). Analysis method of structural equation modeling. Advances in

Systems Science and Applications, 4(16).

- [3] Tandon, Shailesh, and Akanssha Nigam. "Empirical Investigation on Mutual Funds and Their Influence Due to Interational Economic Event." *International Journal of Business Management & Research (IJBMR) ISSN (P) (2016): 2249-6920.*
- [4] Geschiere, P. & Meyer B. (1998). *Globalization and identity: Dialectics of flow and closure, Development and Change*, 29 (4), 605
- [5] Kazakova, N.A., Bolvachev, A.I., Gendon, A.L., & Golubeva, G.F. (2016). *Monitoring economic security in the region based on indicators of sustainable development. Studies on Russian Economic Development*, 27(6), 638-648.
- [6] CHANG, NAIWEN, and Yuan-Ho Hsu. "Social Security Reform in Aging Economy." *International Journal of Humanities and Social Sciences (IJHSS) 6.3 (2017): 9-28.*
- [7] Metelev, S.E., Murat, M.M., & Lizunov, V. (2016). *Economic security policy of the Russia Federation. Libertas.*
- [8] Murzina, E. (2019). *Modeling a Regions Tax Potential Allowing for the Uniformity Ratio. Academy of Strategic Management Journal. 18 (5).*
- [9] NYANDORO, ZIVANAYI FRANCIS, and TALENT GOREMUSANDU. "EMPLOYEES'EVALUATION OF THE RELATIONSHIP BETWEEN REWARD MANAGEMENT AND ORGANISATIONAL STRATEGY: A CASE STUDY OF ZIMBABWE NATIONAL FAMILY PLANNING COUNCIL (ZNFPC)." *InternationalJournal of Research in Business Management (IMPACT: IJRBM), E-ISSN: 2321- 886X 4.7 (2016).*
- [10] Murzina, E., Yalyalieva, T.& Shemyakina, M. (2019). *Factors of Strategic Management of the Tax Potential of the Region. Academy of Strategic Management Journal. 18 (5).*
- [11] Dhamija, Ankita, and Diksha Sahni. "Green Banking: Perception and Willingness of Customers to Adapt Green Banking." *International Journal of Financial Management 7.2 (2018): 1-8.*
- [12] Maull, H. 1984 *Raw materials, energy and Western Security. L., 1984*
- [13] Syupova, M.S., & Bondarenko, N.A. (2019). *System of economic safety indicators of the region. Bulletin of PNU, 55 (4).*
- [14] Stock, R. (2002). *Psychological Approaches to Work Security, SES Paper. Geneva.*
- [15] Singh, Kalpana, and Alka Awasthi. "ROLE OF STRATEGIC MANAGEMENT IN TALENT ACQUISITION PROCESS." *IMPACT: International Journal of Research in Business Management (IMPACT: IJRBM) 7. 3, Mar 2019, 11-14*
- [16] Sennet, R. (2014) *Respect: The Formation of Character in an Age of Inequality. London.*
- [17] Vermeulen H. & Govers, C. (1994). *The Anthropology of Ethnicity: Beyond Ethnic Groups and Boundaries. Amsterdam, Het Spinhuis.*
- [18] Mustafa, M. U. R. T. A. Z. A., et al. "Brain abscess: pathogenesis, diagnosis and management strategies." *Int J Res Applied, Natural Soc Sci 2 (2014): 299-308.*