

Assessment of the Economic Security of the Region (on the Example of Chelyabinsk Region)

Elvir M. AKHMETSHIN

Department of Economy and Management
Elabuga Institute of Kazan Federal University, Russian Federation
elvir@mail.ru

Albert V. PAVLYUK

Department of Public Administration
Moscow State Institute of International Relations (MGIMO), Russian Federation
albert.pavlyuk@mail.ru

Alexander S. KOKOREV

Department of Economic Theory and Management
State University of Land Use Planning, Moscow, Russian Federation
askokorev78@mail.ru

Tatiana G. LAZAREVA

Department of Accounting and Statistics
Samara State Agricultural Academy, Kinel, Russian Federation
kdatgf@rambler.ru

Elena I. ARTEMOVA

Department of the Economic Theory
Kuban State Agrarian University named after I.T. Trubilin, Krasnodar, Russian Federation
elenarush@yandex.ru

Suggested Citation:

Akhmetshin, E.M., Pavlyuk, A.V., Kokorev, A.S., Lazareva, T.G., and Artemova, E.I. 2018. Assessment of the economic security of the region (on the example of the Chelyabinsk region). *Journal of Applied Economic Sciences*, Volume XIII, Winter, 8(62): 2309 – 2322.

Abstract:

The topic of economic security of the region is relevant, given the current economic and social instability, it is necessary at the regional and federal levels to ensure equal opportunities for the development of regions, so that the economic situation in each of them meets the security requirements, as much as possible excludes problems associated with negative social and economic development. The main component of the economic security of the country is the economic security of the regions, which is characterized by the specifics of economic development. The purpose of the article is to develop the directions of the decision for improving the economic development of the region in order to stabilize its economic security. The dialectical-materialistic method of cognition and the general scientific, special and private-scientific methods based on it are used in the work. In particular, the work uses logical, comparative, methods of analysis (namely statistical, etc.), synthesis. The article examines the main approaches to the concept of economic security in general, as well as the economic security of the region, financial security, also examines approaches to the methodology for assessing the economic security of regions, analyzed statistical data and compared them with other regions.

Keywords: economic security; region; economic development; economic security

JEL Classification: R13; R58

Introduction

Security as the protection from risks is one of the most important aspects of the activities of society, the state and the individual. Certainly, the guarantee of successful development and independence of the country, the condition of stability and efficiency of vital activity of society and the state, the achievement of success is ensured by economic security.

In recent years, the problem of ensuring the economic security of the Russian Federation and its individual regions, including the regions of the Urals Federal District, has attracted close attention of politicians, economists, scientists, the public and is one of the most important national priorities. This is connected, primarily, with the imperfection of the economic system in the country, the different degrees of development of different regions, the influence of political factors on its development and the need of conduction the active reforms in the economy.

Problems of economic security have been the subject of research by many economists, among which are Abalkin (1994), Tatarkin (1996), Senchagova (2011), Orlova (2012), Ponçano (2017) and others.

They represent the economic security as the most important qualitative characteristic of the economic system, which determines the ability of a given system to implement the support of normal living conditions of the population, as well as maintain a sustainable resource supply for the national economy, and also determines the ability to consistently realize the interests of a national-state nature (Abalkin 1994).

The current stage of development of the Russian economy is characterized by the key value of regional security issues, which are associated with the idea of developing socio-economic relations and national unity. All-Russian economic trends have a strong impact on each region, which is reflected in the security problems of the region aggravated by its features (geographical location, climatic conditions, structure of economic industries, national composition of the population, cultural and historical traditions, etc.).

In this situation, the organization of purposeful activities related to the prevention and overcoming of dangerous trends of economic development, and ensuring the economic security is gaining relevance (Panina 2017).

Many scientists define the economic security of the region as a combination of current conditions, factors and states that characterize steadiness, stability and progressive in the development of the economy within the framework of the territory, is also defined as some independence and integration with the economic development of the country, and this is reflecting in the following directions:

- the ability to conduct their own economic policies within the framework of the country;
- the ability to respond at sharp geopolitical changes in the country;
- the ability to implement major economic measures due to economic miscalculations (federal level) or local economic disasters (region);
- the possibility, within the framework of an agreement, of rendering assistance to neighboring territories, the unstable situation in the economy of which will negatively affect the interests of the region within the framework of the economy (Kotilko 2006).

And, nevertheless, the problem of ensuring economic security at the regional level cannot be called sufficiently studied. All this is due to several reasons. First, the specificity of the economic development of each region, projected on solving tasks within the framework of economic security of the region and requiring a certain modification of the indicators used, which characterize, in modern conditions, the economic security of a particular region. Secondly, consideration of the problem of ensuring the economic security of regions from several methodological positions, often contradicted to each other. Thirdly, the lack of unification of statistical data of the region, used as an assessment of the level of its economic security (Kalinina 2010).

These circumstances make it rather difficult to work out general principles for assessing the level of economic security in the region, specific measures to ensure security, taking into account the specifics of the development of the territory, causing a certain modification of objectives, specific actions of authorities and measures.

The economic security of the region, within the framework of consideration of the essence of the category, as well as threats and measures of provision are considered by such authors as: Kalinina (2010), Lavrut (2013), Uskova (2011) and others. The issues of assessing the economic security of a region are considered by the authors as Kremlev, Fedorov, Sergeev, Bigday, Mirokhina, Katsapov (Kremlev *et al.* 2007) and Bigday *et al.* (2016) and others. The above indicates the need for system research, the main purpose of which is development of directions to ensure the economic security, given the transition of the regional economy to the level of sustainable development.

The theoretical significance of the study lies in expanding and supplementing the theoretical aspects of the economic security of the region. The practical significance lies in the fact that the problem of regional economic security is one of the rather complex; its solution leads to the development of recommendations aimed at improving and implementing the mechanism of sustainable development of the region and working out the conditions of its safety.

1. Literature review

Traditionally, economic security is considered as the most important qualitative characteristic of the economic system (as already noted earlier), which determines the ability to support the qualitative conditions of human vital activity, sustainable resource provision and the realization of national-state interests.

The basis of the definition of security, which is enshrined in the Law of the Russian Federation "On Security" (Federal Law of the Russian Federation...2015), is its understanding as a state of protection. Security in

the given context is defined as a state of protection of vital important interests from internal and external threats, as regards the state, society, and the individual. For today, there are plenty of different interpretations of the term “economic security”. Given this, can be determines the essence of the concept and form it in a Table 1.

Table 1. The essence of the country's economic security

| Author | Explanation |
|--------------------------------|---|
| Arkhipov <i>et al.</i> (1994) | The ability of the economy to provide effective satisfaction of social needs at the national and international levels ; |
| Shlemko and Binko (1994) | This situation of the national economy, which allows you to save the resilience to internal and external threats and is able to satisfy the needs of the individual, society and the state; |
| Bogomolov (2009) | The system of organizational-economic and legal measures to prevent economic threats; |
| Senchagov <i>et al.</i> (2011) | Such a state of the economy and institutions of power, at which the guaranteed protection of national interests is ensured, social directivity of the policy, sufficient defense potential even under unfavorable conditions of the development of internal and external processes; |
| Gorodetsky (1995) | Reliable protection of national-state interests in the sphere, which is provided with all necessary means of the state |
| Savin V. (1995) | This is a system to protect the vital interests of the country; |
| Oleynikov E. (2004) | The state of effective use of economic resources to prevent threats and ensure the stable functioning of the economic system in the present and future (100%); |
| Abalakin L. (1994) | This is aggregate of conditions and factors that ensure the independence of the national economy, its stability and sustainability, the ability to constantly update and self-develop. The state of the economic system, which allows it to develop dynamically and efficiently, to solve social tasks and in which the state has the possibility to produce and implement into life the independent economic policies. |

Source: Compiled by the authors

Western scientists as Cable (1995), Kirshner (1988), Yong (2008), Luciani (1988), Losman (2001) understand the term “security” more narrowly and specifically, the basis of this vision is an understanding of protection from threats, primarily “external”, especially those with a malevolence of opponents’ actions. This is sufficiently different from the understanding of given category by Russian scientists.

Economic security is a complex phenomenon that manifests itself in many aspects:

- it can be considered from the point of view of the factors influencing the resilience of the national economy and the political independence of the country;
- it is possible to analyze various levels of economic security — the state level, the level of regions, the level of enterprises;
- the subject of the study may be industry aspects of economic security (food security, environmental safety, etc.);
- a separate aspect of the analysis of economic security may be the institutional-legal aspect; can be highlight a separate directions or integral prevention mechanisms to certain manifestations of the threat to economic security.

Of course, the main condition for a rational economic policy is its maximum approach to the political, economic and defense doctrine of the state. The fundamental interest of each state as an institution is its security.

So, the difficulty of determining economic security is in that it is a synthetic category of political economy and political science, and in practice it is determined in accordance with specific historical conditions and development prospects. Therefore, it is impossible to offer a universal definition of economic security. It is important that this definition served understand the essence of the phenomenon, and on this basis – the realization of a system of practical actions by the state leadership, all branches of government that ensuring the economic security of the country.

Economic security (countries, region) is considered in two dimensions:

- Social-economic (general economy), which concerns such a development of the country's economy, is able to ensure long-term development in conditions of international competition. In this plane, separate types of economic security should be distinguished, namely: social, financial, raw materials, energy, environmental safety;
- The defense-military, which is a rather complex and multidimensional phenomenon and requires the definition of the concept of economic security of defense, as the ability of a state (group of states) to develop the military-defense industry and accumulate defense-economic potential.

Regarding the current conditions, characterized by incessant competition for sales markets, energy and other resources within the framework of the countries, carried out using political, economic, informational ways of influence, the regions, which finding in themselves all these reflections and influences, are quite significant (as a part of the country). External negative impacts may adversely affect the state of the country's territories. Dangers in this situation are always present, but do not necessarily lead to the execution of a threat. Therefore, security as a state of absence of danger does not exist, and a clarification of the definition of the economic security of a region is required.

According to Kalinina (2010), the essence of the region's economic security is in the possibility and ability of its economy to gradually improve the quality of life of the population at the level of generally accepted standards, resist the influence of internal and external threats at optimal costs of all types of resources, ensure the socio-economic and socio-political stability of the region. Some understandings by the authors of the category essence of economic security of the territory are presented in Table 2.

Table 2. Economic security of the territory in the authors understanding

| Author and year of publication | The definition of economic security mentioned in the publication |
|---|--|
| Bigday, Mirokhina, Katsapova (2016) | The property of the economic system to be ready and able to ensure economic growth, meet social needs, protect both from external and internal threats, to the implementation of which contributes an effective management system. |
| Fridman, Rechko, Pizarov (2015). | The state of the regional economy, generating growth of regional competitiveness and resistant to impact of internal and external threats. |
| Economic Security Strategy of the Russian Federation for the period up to 2030 (2017) | The state of protection of the national economy from external and internal threats, which ensures the economic sovereignty of the country, the unity of its economic space, the conditions for the implementation of the strategic national priorities of the Russian Federation (Presidential Decree of Russian Federation 2017). |

Source: Compiled by the authors

Some types of security can be definitely attributed to the economic security of the region (investment, financial, energy security), others are directly related to it (social, demographic, transport), and still others are indirectly related to the economic security of the region.

The basis for paying taxes to the budget, for refinancing the production process creates a financial result that ensures the financial security of the region. In turn, the last one has a fairly broad interpretation, including: tax, currency, budget, banking system, monetary-financial circulation, etc. Nikulina and Sinenko (2013) are defined the financial security as the protection state of the regional financial system, which includes budget, social, financial and production components from threats, both external and internal, that violate the sustainability of given system (consisting in the ability to provide the necessary level of budget revenues in comparison with expenditures and consumer needs). There is a certain relationship between financial and investment security in the ability of the former to influence the investment process, with the ability to influence the region's sustainable growth and competitiveness of the economy.

In a number of publications, when assessing the financial security of a region, use indicators in such spheres as:

- budget sector: the ratio of the regional budget deficit to the gross regional product (hereinafter – GRP) (%); the ratio of external regional debt to GRP (%); the ratio of domestic regional debt to GRP (%);
- financial sector: current accounts payable (rub); current receivables (rub); the volume of inter-budget transfers from the federal budget per capita (rubles);
- monetary sector: the level of dollarization of money circulation;
- foreign economic activity: consumer price index; export coverage ratio of imports; volume of foreign direct investment per capita (thousand US dollars), etc.

Some authors include to the financial security the issues affecting foreign economic activity. At the present stage, scientists are using various methods to assess the level of economic security that can be divided into groups:

- observation and comparison with threshold values of the main macroeconomic indicators (Glazyev 1997);
- expert evaluation with subsequent ranking of territories by the level of threats;
- assessment based on research of the dynamic of change in the main macroeconomic indicators;
- multidimensional statistical analysis;

- assessment of the consequences of security threats using economic instruments (quantification of damage).

The methodic of assessing economic security proposed by Ivanov (2012) is sufficiently interesting. In this study, the author considers it fair to assert that the level of economic security of a particular region depends simultaneously on the following four indicators: stable functioning and development of the region; stable development and functioning of the insurance market and the capital market at the regional level; in the framework of the aggregate of enterprises operating in the region – an indicator of the level of economic security and sustainability; regarding the totality of individuals who live in the region – an indicator of the level of economic security and sustainability. In Table 3 we will present some of them and in further we will carry out them an assessment of the economic security of the region.

Table 3. Indicative indicators of the regional security level

| Indicator | Criteria for evaluation | | |
|---|-------------------------|----------|----------|
| | 1 point | 2 points | 3 points |
| Volume index of GRP | <1 | =1 | >1 |
| Foreign trade turnover | <1 | =1 | >1 |
| Industrial production index | <1 | =1 | >1 |
| Agricultural product production index | <1 | =1 | >1 |
| Index of investment into fixed capital | <1 | =1 | >1 |
| Index of dynamics of retail turnover | <1 | =1 | >1 |
| Revenues / expenses of the consolidated budgets of the region | <1 | =1 | >1 |
| Dynamics of per capita incomes of the population | <RF | =RF | >RF |
| Real disposable monetary income of the population | <RF | =RF | >RF |
| Real wages | <RF | =RF | >RF |
| Unemployment rate,% | <RF | =RF | >RF |

Source: Compiled by the authors based on the article by Ivanov (2012)

Thus, the presented methodic for assessing the level of economic security in the region includes the following steps:

- sampling and introduction into the program the absolute values of static indicators for the period;
- calculation of indexes of growth of indicators (each subsequent year to the previous one) is a dynamic indicator for a given period;
- development of criteria for evaluating static and dynamic indicators on a three-point scale based on a comparison with the average level of indicators in the Russian Federation;
- quantitative (point-based) assessment of indicators in accordance with the system of criteria;
- determining the weight of indicators; the weight of a specific indicator is determined by dividing the unit by the number of estimated indicators;
- weighted assessment of the values of indicators by multiplying the point by the weight of the indicator;
- determination of the final assessment of the indicator by summing the estimates.

Initially, the evaluation values of the level of economic security are proposed to conduct using a scale:

- from 1 to 1.99 points – regions with a level of economic security below the average;
- from 2 to 3 points – regions with a level of economic security above the average.

Summarizing the results of the analysis of literary sources, it can be said that ensuring the economic security of the region is one of the priority tasks, as well as a priority moment in the complex of the country's security problems.

2. Methodology

The main research method for analyzing the economic security of a region is the method of research of statistical data or statistical analysis.

In this context, you can use the system of indicators, which, in turn, reflects the development of the region. It gives an opportunity to characterize the state, trends (Table 4).

Table 4. The main indicators characterizing the economic development of the region

| Direction | Indicators |
|-------------------------------|---|
| General indicators | - Gross regional product; |
| Industry | - Industrial Production Index; - Agricultural product production index; |
| The international cooperation | - Export; - Import; - The ratio of exports and imports (foreign trade turnover); |
| Investment activities | - Index of investment into fixed capital; |
| Population monetary income | - Dynamics of per capita incomes of the population; - Real wages; - Real disposable income of the population; |
| Trading | - Index of dynamics of retail turnover; |
| Employment | - Unemployment rate,%; |
| Financially – budget system | - Revenues / expenses of the consolidated budgets of the region. |

Source: Compiled by the authors

The revealed changes with the help of the proposed indicators will help to identify favorable or unfavorable trends in the development of the region. These indicators are studied taking into account the dynamics for a certain time interval (several years).

The empirical base of the research is presented by the Chelyabinsk region as the main subject of the research. Chelyabinsk region was formed on January 17, 1934. The region includes 319 municipalities, including 16 urban districts, 27 municipal districts, 242 rural settlements, 27 urban settlements, as well as 7 inner-city districts of the city of Chelyabinsk. Total area is 88.5 thousand sq. km. The regional center is Chelyabinsk. The population size on 1.01.2018 is 3,492.7 thousand people. At the end of 2017, among regions of the Russian Federation, the region ranks 3rd on the livestock and poultry production for slaughter in live weight, 5th in production of eggs, 6th in terms of the volume of products shipped in manufacturing, 15th on turnover of retail and on the volume of paid services, 15th place for housing construction, 27th place in terms of investment in fixed assets (Pletnev and Nikolaev 2014).

The main stages of problem research are:

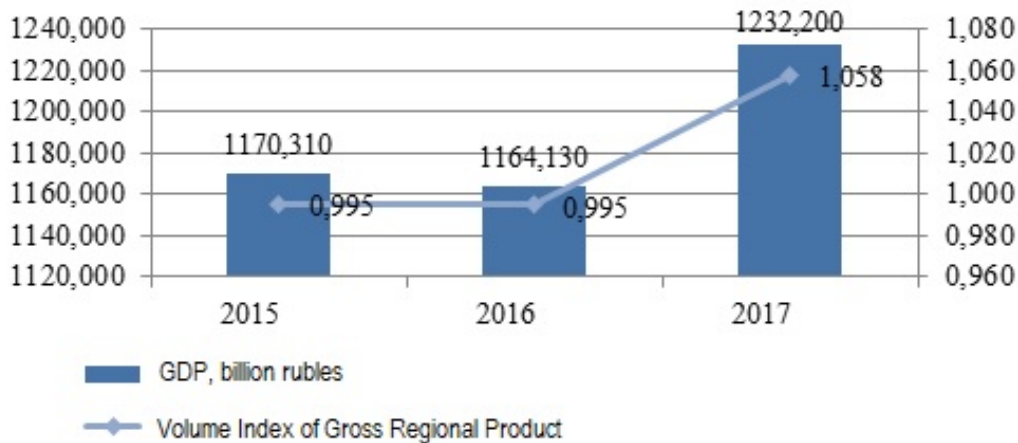
- the study and analysis of the theoretical foundations of economic security as a whole the country, and the region, as well as financial security as an element of the economic security of the region, methodic of assessing the economic security of the region, the main approaches to understanding these categories and assessment; the basis is on statistical data on the region;
- the second stage is represented by the study of selected indicators: their comparison and dynamics, the main period of 2015-2017.
- the third stage is a comparison of the development of the region with other regions.
- the fourth stage – to calculate indicators of economic security for the region.
- the fifth stage – the holding of generalization and conclusions regarding economic security and existing threats, the ways of their solutions are proposed.

3. Results

The aim of the study was the possibility of obtaining a general development trend of the regions of the Russian Federation on the example of the Chelyabinsk region. Based on the analysis of statistical data, it is possible to draw certain conclusions and construct analytical charts and tables.

Considering the indicators proposed for analysis, Figure 1 shows the dynamics of the gross regional product of the Chelyabinsk region.

Figure 1. Dynamics of the Gross Regional Product indicator



Source: compiled from the materials of the Report of the Governor of the Chelyabinsk Region on the results of the activities of the Government of the Chelyabinsk Region in 2017

The gross regional product of the Chelyabinsk region increased by 5.8% compared to 2016 (in the Strategy by Option 1 – 102.2%, Option 2 – 104%). The positive dynamics of the GRP produced is associated with the growth of industrial production by 5.3%. The main indicators characterizing the economic development of the Chelyabinsk region are presented in Table 5.

Table 5. The main indicators, characterizing the economic development of the Chelyabinsk region

| Indicators | Values by year | | | Change, units | |
|--|----------------|-----------|-----------|---------------|--------|
| | 2015 | 2016 | 2017 | 2016 | 2017 |
| Volume Index of Gross Regional Product | 0.995 | 0.995 | 1.058 | 0.000 | 0.063 |
| GRP, billion rubles | 1,170.310 | 1,164.130 | 1,232.200 | -6.180 | 68.070 |
| Industrial Production Index | 0.980 | 0.964 | 1.053 | -0.016 | 0.089 |
| Investment in the fixed capital | 0.836 | 0.847 | 0.980 | 0.011 | 0.133 |
| Agriculture Products | 1.079 | 1.027 | 1.025 | -0.052 | -0.002 |
| Tax and non-tax revenues of the consolidated regional budget | 1.089 | 1.085 | 1.089 | -0.004 | 0.004 |
| Consolidated budget expenditures of the region | 1.081 | 1.051 | 1.033 | -0.030 | -0.018 |
| Average monthly cash income per capita | 1.061 | 0.999 | 0.980 | -0.062 | -0.019 |
| Real disposable income of the population | 0.931 | 1.000 | 0.947 | 0.069 | -0.053 |
| Real wages | 0.938 | 0.978 | 1.039 | 0.040 | 0.061 |
| Retail turnover | 0.827 | 1.000 | 0.973 | 0.078 | -0.027 |
| Export | 0.800 | 0.913 | 1.258 | 0.113 | 0.345 |
| Import | 0.601 | 0.999 | 1.689 | 0.397 | 0.690 |
| Foreign trade turnover | 0.744 | 0.932 | 1.363 | 0.189 | 0.431 |
| Unemployment rate | 7.000 | 7.100 | 6.638 | 0.100 | -0.462 |

Source: compiled from materials of the official website of the Ministry of Economic Development of the Chelyabinsk Region

In the structure of industrial production, manufacturing industries have the largest share, with an industrial production index of 105.7%, incl. the metallurgical production index grew by 7.2%. The demand for the products of metallurgists is actively supported by pipe rolling and defense enterprises. Positive dynamics persists in the extraction of minerals (an increase of 8.6% in 2016) as a result of reaching the design capacity of new extractive industries, as well as in water supply and water disposal (by 5%).

In 2017, there was a steady increase in the production of textiles and clothing, the production of leather, leather goods, food production, the production of motor transport vehicle, and electrical equipment. A positive impact on the dynamics of GRP in 2017 was also made by the acceleration of the increase of agricultural production, whose output grew by 2.5%, as well as a significant increase in construction: the volume of construction work increased by 15.2%.

Investments in fixed assets for 9 months of 2017 amounted to 115.2 billion rubles, reporting data for 2017 are not available (in the Strategy, 284 billion rubles under the first option and 302.9 billion rubles under the second option).

The foreign trade turnover of the Chelyabinsk region excluding the countries of Eurasian Economic Union (Armenia, Belarus, Kazakhstan, Kyrgyzstan) amounted to 5,488.8 million dollars (136.3% compared to the same period of 2016). By 2017 are decreased: the average monthly per capita income by 1.9% and amounted to 23,025.2 rubles: real disposable income of the population by 5.3% and amounted to 94.7%.

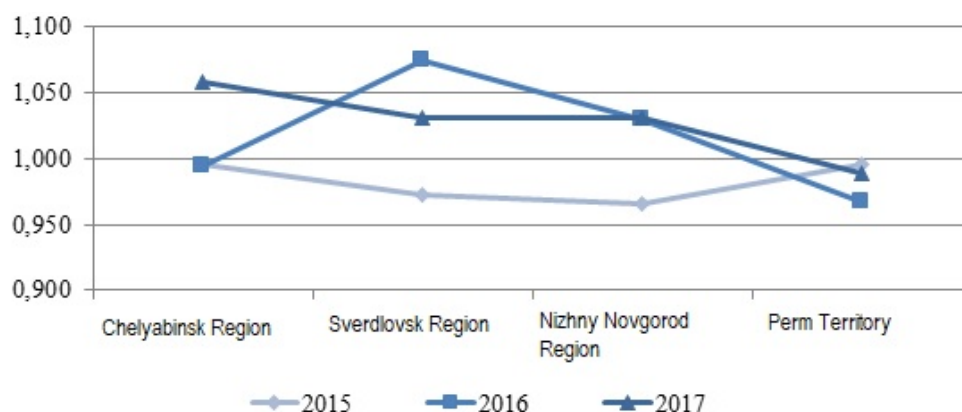
Retail trade turnover in 2017 amounted to 491.3 billion rubles, which is 2.7% in comparable prices lower than the level of 2016 (across Russia – an increase of 1.2%). The decline of retail turnover in 2017 was due to a decrease in non-food products turnover, which has shrunk by 6.2%, while there is noting an increase in the turnover of food products, including drinks, and tobacco products by 1.5%. In 2017, there was noting an improvement in the labor market situation, which was characterized by a decrease in:

- the number of citizens who applied for assistance in finding a job;
- registered unemployment and labor market tensions;
- the appeal to employment centers of citizens dismissed to reduce.

The level of registered unemployment in the Chelyabinsk region has decreased. The budget policy of the region was aimed at fulfilling obligations to the residents of the Chelyabinsk region and maintaining financial stability in the current economic conditions. The trend of growth in revenues of the budget of the Chelyabinsk region has been preserved. In 2017, the expenditure commitments of the region were fulfilled in full.

The result of a targeted policy to improve the efficiency of budget spending is to reduce the budget deficit and public debt of the Chelyabinsk region. Thus, the deficit of the regional treasury, planned for 2017 in the amount of 10 billion rubles, has been completely eliminated. For the first time in the last five years, the regional budget was executed with a surplus, which amounted to 7 billion rubles. We will compare the main indicators of economic security of the region with other regions: Nizhny Novgorod Region, Perm Territory and Sverdlovsk Region (Figure 2).

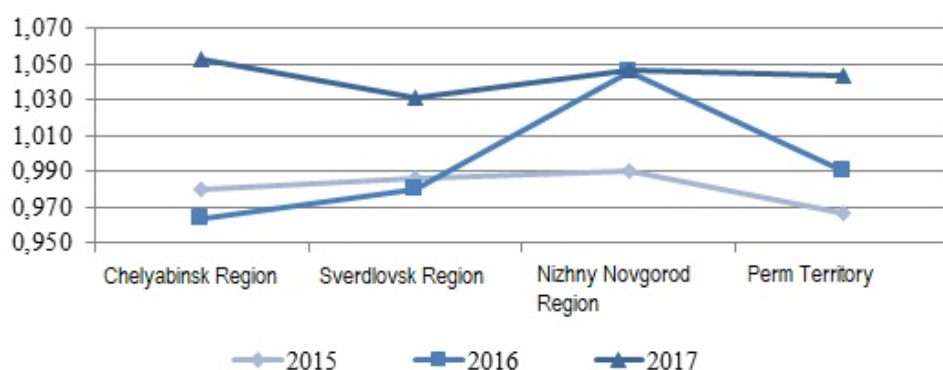
Figure 2. Dynamics of the index of the physical volume of the GRP of the regions



Source: compiled according to the data of the official website of the Federal State Statistics Service

The dynamics of the indicator of index of the physical volume of the gross regional product in comparison of the regions presented makes it possible to note the positive dynamics in the Chelyabinsk region relative to other regions. Imagine the dynamics of the index of industrial production in the framework of compared regions (Figure 3).

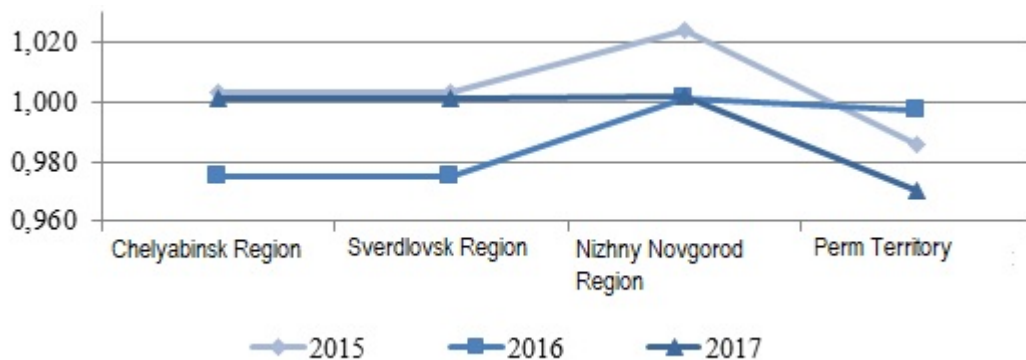
Figure 3. Dynamics of the industrial production index of the regions



Source: Compiled according to the data of the official website of the Federal State Statistics Service

In this situation, it is also possible to note the prevailing growth of indicator in the Chelyabinsk region relative to other regions, and nevertheless, a positive dynamic is observed in all regions. Let us present the dynamics of the agricultural production index in the framework of the compared regions (Figure 4).

Figure 4. Dynamics of the index of agricultural products production of the regions

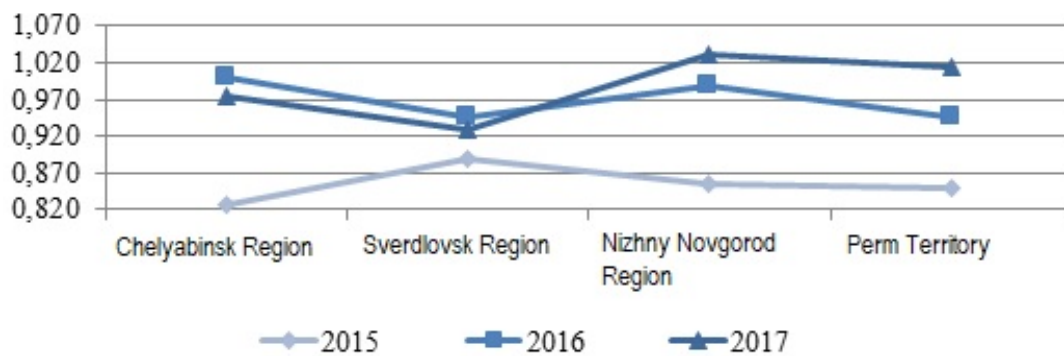


Source: Compiled according to the data of the official website of the Federal State Statistics Service

On the basis of compared indicators, we can also note that the Chelyabinsk region with respect to other represented regions, according to this indicator, is at a higher level.

The dynamics of the indicator – of the retail trade turnover will be presented in Figure 5

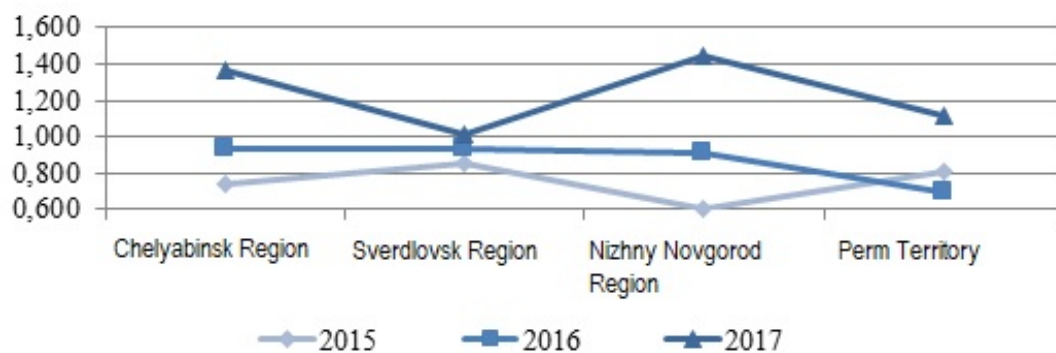
Figure 5. Dynamics of the retail trade turnover index of the regions



Source: Compiled according to the data of the official website of the Federal State Statistics Service

In this situation, the advantage by indicator in the Novgorod region, the Chelyabinsk region has an average value among the compared regions. The dynamics of the indicator – of the foreign trade turnover is presented in Figure 6.

Figure 6. Dynamics of the index of foreign trade turnover of the regions

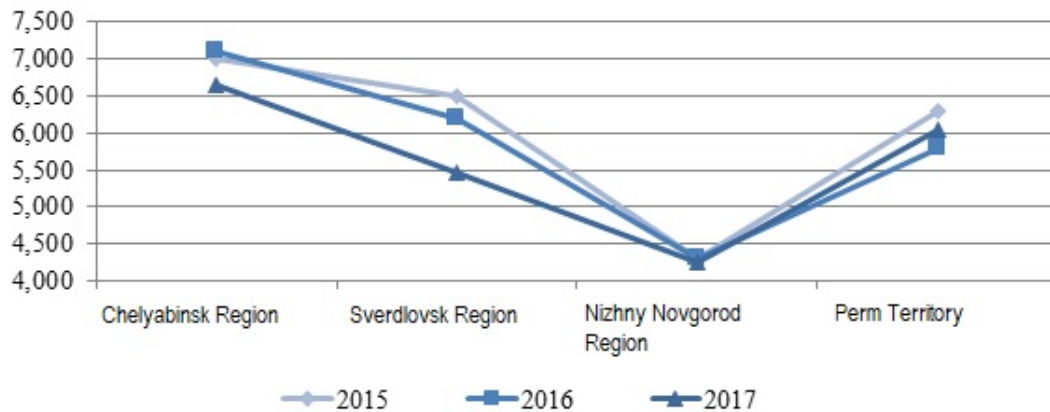


Source: Compiled according to the data of the official website of the Federal State Statistics Service

In the commodity structure of export prevail: metals and products from them (88.8%), engineering products (5.6%), consumer goods (1.9%), mineral products (1.6%), food products (1.1%), products of chemical industry (1%). The main import items are engineering products (54.9%), metals and products from them (19.1%),

mineral products (10.8%), products of chemical industry (7.7%), consumer goods (4%), food products (3%). The dynamics of the indicator – the unemployment rate is presented in Figure 7.

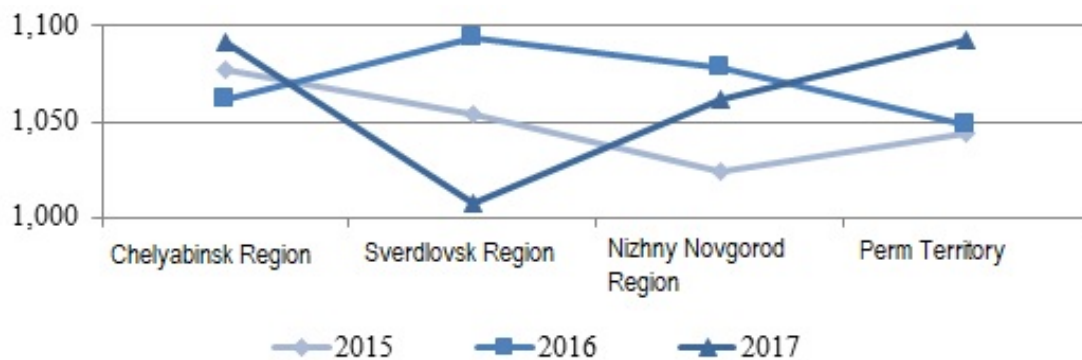
Figure 7. Dynamics of the level of regional unemployment



Source: Compiled according to the data of the official website of the Federal State Statistics Service

In the dynamics, a decrease in the unemployment rate is observed, however, in comparison with the analyzed regions, the unemployment rate in 2017 in the Chelyabinsk region is the highest. Dynamics of indicator – revenues of the consolidated budget in Figure 8.

Figure 8. Dynamics of consolidated budget revenues of the regions



Source: Compiled according to the data of the official website of the Federal State Statistics Service

In comparison with the regions, the Chelyabinsk region has a fairly high level of income. We have carried out the calculation of economic security indicators for the region on the proposed methodic (Table 6).

Table 6. Assessment of the level of economic security for the Chelyabinsk region

| Indicators | 2015 | 2016 | 2017 | Point-based assessment of indicators | | | Weight | Weighted assessment of indicators | | |
|--|-------|-------|-------|--------------------------------------|------|------|--------|-----------------------------------|-------|-------|
| | | | | 2015 | 2016 | 2017 | | 2015 | 2016 | 2017 |
| Volume Index of Gross Regional Product | 0.995 | 0.996 | 1.058 | 1 | 1 | 3 | 0.077 | 0.077 | 0.077 | 0.231 |
| Industrial Production Index | 0.980 | 0.964 | 1.053 | 1 | 1 | 3 | 0.077 | 0.077 | 0.077 | 0.231 |
| Investment in the fixed capital | 0.836 | 0.847 | 0.980 | 1 | 1 | 1 | 0.077 | 0.077 | 0.077 | 0.077 |
| Volume Index of Gross Regional Product | 0.995 | 0.996 | 1.058 | 1 | 1 | 3 | 0.077 | 0.077 | 0.077 | 0.231 |
| Industrial Production Index | 0.980 | 0.964 | 1.053 | 1 | 1 | 3 | 0.077 | 0.077 | 0.077 | 0.231 |
| Investment in the fixed capital | 0.836 | 0.847 | 0.980 | 1 | 1 | 1 | 0.077 | 0.077 | 0.077 | 0.077 |
| Products of agriculture | 1.079 | 1.027 | 1.025 | 3 | 3 | 3 | 0.077 | 0.231 | 0.231 | 0.231 |

| Indicators | 2015 | 2016 | 2017 | Point-based assessment of indicators | | | Weight | Weighted assessment of indicators | | |
|--|-------|-------|-------|--------------------------------------|------|------|--------|-----------------------------------|-------|-------|
| | | | | 2015 | 2016 | 2017 | | 2015 | 2016 | 2017 |
| Revenues / expenses of the consolidated budget | 0.972 | 0.984 | 1.002 | 1 | 1 | 2 | 0.077 | 0.077 | 0.077 | 0.154 |
| Average monthly monetary incomes per capita | 1.061 | 0.999 | 0.980 | 1 | 1 | 1 | 0.077 | 0.077 | 0.077 | 0.077 |
| Real disposable monetary income of the population | 0.931 | 1.000 | 0.947 | 2 | 3 | 1 | 0.077 | 0.154 | 0.231 | 0.077 |
| Real wages | 0.938 | 0.978 | 1.039 | 2 | 3 | 3 | 0.077 | 0.154 | 0.231 | 0.231 |
| Retail turnover | 0.827 | 1.000 | 0.973 | 1 | 2 | 1 | 0.077 | 0.077 | 0.154 | 0.077 |
| Export | 0.800 | 0.913 | 1.258 | 1 | 1 | 3 | 0.077 | 0.077 | 0.077 | 0.231 |
| Import | 0.601 | 0.999 | 1.689 | 1 | 1 | 3 | 0.077 | 0.077 | 0.077 | 0.231 |
| Foreign trade turnover | 0.744 | 0.932 | 1.363 | 1 | 1 | 3 | 0.077 | 0.077 | 0.077 | 0.231 |
| Unemployment rate | 7.0 | 7.1 | 6.6 | 1 | 1 | 1 | 0.077 | 0.077 | 0.077 | 0.077 |
| Assessment of the level of economic security of the Chelyabinsk region | | | | | | | 1.000 | 1.308 | 1.538 | 2.154 |

Source: Compiled and calculated on materials of the official website of the Ministry of Economic Development of the Chelyabinsk Region

The assessment made shows an increase in the level of economic security of the region. The achievement of high assessments of the level of economic security of the region became a consequence of the influence of such economic security factors as:

- reducing unemployment level due to active employment policies;
- high income level of the population;
- high level of foreign trade turnover;
- a high level of income-to-expenditure ratio of the consolidated budget, the presence of a surplus relative to other regions;
- high level of index of industrial production and agricultural production.

Summarizing the results of the analysis made, it was determined that one of the main threats to the economic security of the Chelyabinsk region is a decline in investment activity; here we can also note a decrease in retail trade turnover. The level of investment activity is the main factor, and problems in the area of the development of investment activity lead to consequences and affect at all other factors of a complex indicator of economic security of the region. In addition, we can note the need for further growth of the region, both in the framework of industrial production and in agriculture production.

4. Discussion

The Chelyabinsk region in 2017 year was represented with the following trends – the index of industrial production for the first time in a long time headed for an increase. Back in April, Governor Boris Dubrovsky reported that the region was beginning to “push off from the bottom,” and in ten months the figure rose by 4.8% compared with last year (Report of the Governor...2017). These results suggest that the economy has moved into a steady growth phase. In this situation, one of the prospects is the further development of production in the framework of mining. Some experts hold the same opinion. One of the “islands of stability” and even growth, within the framework of economic security, for the region is mining. Traditional for the Southern Urals, economic sphere, with a long history, today has the largest inflow of investments, it contains promising investment projects. In one of his recent works, Chelyabinsk economist Sergey Gordeev confirms that it is no coincidence (Gordeev 2016). In his opinion, it can be said that today the economy of the Chelyabinsk region at a new, modern technological and environmental level returns to the traditional, determined by nature itself and historical experience to the competitive advantages of the region, to the development of the mining industry. Unlike many other spheres, it has a substantial raw material base, is provided with human and scientific potential, large investments, infrastructure, advanced technologies and is competitive enough. Nevertheless, an industrial specialization of the region is observed, which, according to the author of this article, can become the opposite weight in the economy and lead to its weakening, which necessitates diversification

Negative moment as a result of the study is a decrease in investment in fixed assets. In this context, it is possible to present the opinion of specialists in the field of economics. Not every company is ready to invest in the

opening and modernization of production. The Southern Urals is pursuing a negative trend that emerged a few years ago, according to the results of January-September 2017. The Chelyabinsk region was on the 60th place in the rating of regions in investments to fixed capital. This is evidenced by the calculation of the level of economic security within the framework of the dynamics of this indicator. Growth has not reached 100%, the volume of investments is falling, and this trend, unfortunately, will be increase only – sure some specialists of a various levels companies, one of which is Sergey Kolobov, Director of "ProfKapitalService" (Kolobov 2017). Business is leaving the Chelyabinsk region, and one of the most attractive areas is the Republic of Kazakhstan, where unprecedented conditions have been created. This trend is the only indicator of the investment climate. He calls the cancellation of benefits on tax of movable property as a kind of investment tax. In early September, the Ministry of Finance and the Ministry of Economic Development and Trade of the Russian Federation announced the decision to the regions to determine by themselves, leave or cancel benefits. The Chelyabinsk region then publicly stated that it would not preserve benefits. In the meantime, the abolition of benefits, according to the authorities, should bring to the budget more than 3 billion rubles.

In general, it is possible to note the development of the agro-industrial complex. This is connected with the achievement of the optimal volume of production for certain types of agricultural products and with a decrease in the production of products in personal subsidiary farms. To well-growing agriculture, a new growth resource is needed – entry to export.

The annual growth of the gross regional product (GRP) of 5.8%, an increase in population of 200 thousand people and a 3-fold increase in labor productivity without an increase in the number of unemployed are further prospects for the Chelyabinsk region in case of the implementation of the Strategy-2035 target scenario (The Economic Development Strategy...2017).

The topic of addressing the issues of economic security in the region is currently debatable and ambiguous, requiring a comprehensive approach. The author's position is that objective reality dictates the need for intensive study of issues, characterizing the emerging threats to the economic security of the region, such as relatively low investment activity, decline in retail turnover, and the need for further development of all industries of the region's economy.

Conclusions

Conducted research provides an opportunity to draw generalizing conclusions. Economic security is a qualitative characteristic of the economic system, which determines the ability to realize national and the state interests, also the ability to sustain the resource supply of the national economy, the ability to maintain the quality of human vital activity conditions. All-Russian economic trends are characterized by incessant competition (sales market, energetic and other resources) within the framework of the countries, which uses such methods of influence as political, economic, informational, all this has a strong influence on each region, it is reflected in the security problems of this region, aggravated by its features. In this context, the essence of the economic security of the region is the possibility and ability to gradually improve the quality of life of the population at the level of generally accepted standards, the ability to confront internal and external threats with optimal costs for all types of resources, the possibility of ensuring the overall stability of the region.

The level of economic security of the Chelyabinsk region in 2017 has significantly increased relative to previous periods; such a dynamic is due to the positive trend of indicators of the socio-economic development of the region, which is also the right direction for the regional development. At the same time, there are certain threats regarding the economic security of the Chelyabinsk region, which consist in a rather low investment activity, a decrease in retail trade turnover. The first component is quite a significant factor, since it is investment activity that is the driver of economic growth in any region. In this situation, there is a need to take measures to eliminate the emerging threats to the economic security of the region.

The author's position regarding to the ways of solving problems is as follows:

- The economic prospects of the Chelyabinsk region, while maintaining a narrow industrial specialization of the region, which may be strengthened by the support of industries (metallurgy, metal processing), look rather vague and depend on the situation on the domestic and global market. The industry of the region needs diversification, creation of new competitive industries based not only on the use of local raw materials and metal. Given the need to diversify the region's economy and avoiding narrow industrial specialization, the implementation of support of investment projects in the industries of light, food industry, high-tech industries whose enterprises are located on the territories of the Chelyabinsk region is needed. In this situation, tax preferences or benefits can be used. The experience of France is very interesting: in order to encourage R&D expenditures there are actively use the tax incentives,

such as a tax credit for research expenses (Credit d'impôt recherche) and assignment of the status of "Young Innovative Enterprise" (Jeune entreprise innovante). Depending on the volume of investments of small and medium enterprises in scientific research, the state calculates the amount of the tax rebate. In the event that the amount of the tax credit is greater than the tax payable by the enterprise, the state pays the company a difference.

- further development of the agro-industrial complex is necessary; in this situation, the development of exports can become the main focus. In this direction, we need to move along with the neighboring regions – thus, much more can be achieved both in terms of conquest the foreign markets and in terms of internal processes, including automation, import substitution for feed additives, medicines, etc.

It is also quite important to use the experience of other countries in solving these problems.

References

- [1] Abalkin, L.I. 1994. Economic security of Russia: Threats and their reflection. *Issues of Economy*, 12: 4-13.
- [2] Arkhipov, A., Gorodetsky, A., and Mikhailov, B. 1994. Economic security: estimates, problems, means of support. *Issues of Economics*, 12: 36-44.
- [3] Bigday, O.B., Mirokhina, A.A., and Katsapova, V.V. 2016. The essence of economic security of a system at the meso-level and its estimation on the example of the Stavropol territory. *Vestnik SevKavGTI*, 1(24): 7-12.
- [4] Bogomolov, V.A. 2009. *Economic Security*. Examen.
- [5] Cable, V. 1995. What is international economic security? *International Affairs*, 71(2): 312-317.
- [6] Friedman, Yu.A., Rechko, G.N., and Pizarov, Yu.A. 2015. Economic security, economic protection and competitiveness: a regional aspect. *Bulletin of the Kuzbass Technical University*, 1: 122-125.
- [7] Glazyev, S.Yu. 1997. The Basis for ensuring the economic security of a country: an alternative reformation course. *Russian Economic Journal*, 1: 33-39.
- [8] Gordeev, S. 2016. The Ways of Development Chelyabinsk Region Were Prompted by Nature Itself. *Arguments and Facts*. http://www.chel.aif.ru/society/industry/puti_razvitiya_chelyabinskoy_oblasti_pod_skazala_sama_piroda
- [9] Gorodetsky, A. 1995. Security issues of the Russian economy. *Economist*, 10: 44-50.
- [10] Ivanov, A.V. 2012. Methods of assessing the economic security of the region. *Regional Economics: Theory and Practice*, 48(279): 47-56.
- [11] Kalinina, N.M. 2010. Economic security of the region: the essence, threats and measures to ensure. *Siberian Trade and Economic Journal*. <https://cyberleninka.ru/article/v/ekonomicheskaya-bezopasnost-regiona-suschnost-ugrozy-i-mery-obespecheniya>
- [12] Kirshner, J. 1988. Political economy in security studies after the cold war. *Review of International Political Economy*, 5(10): 64-91.
- [13] Kolobov, S. 2017. Chelyabinsk Region Pushed Off from the Bottom: Experts Called the Main Results of the Business. *Business Quarter*. <http://chel.dk.ru/news/chelyabinskaya-oblast-ottolknyulas-ot-dna-eksperty-naz-vali-glavnye-itogi-biznesa-v-2017-g-237096073>
- [14] Kotilko, V.V. 2006. Economic security of the Chelyabinsk region. *National Interests: Priorities and Security*, 4(7): 81-83.
- [15] Kremlev, N.D., Fedorov, V.G., and Sergeev, M.F. 2007. Issues of assessing the economic security of the region. *Questions of Statistics*, 2: 42-48.
- [16] Lavrut, N.S. 2013. Economic Security of the Regions as the Basis of the Country's Security. *Economics and Modern Management: Theory and Practice: Collection of Scientific Articles of XXII Intern. Scientific-Practical Conf*. <https://sibac.info/conf/econom/xxii/31785>
- [17] Losman, D. 2001. Economic security. A national security folly? *Policy Analysis*, 409: 1-12.
- [18] Luciani, J. 1988. The economic content of security. *Journal of Public Policy*, 8(2): 151-173.

- [19] Nikulina, N.L., and Sinenko, A.I. 2013. Diagnostics of the financial security of the region. *Manager*, 4(44): 54-59.
- [20] Oleynikov, E.A. 2004. *Economic and National Security*. Examen.
- [21] Orlova, A.V. 2012. Evolution of the concept of "Economic security". *Scientific Notes of Belgorod State National Research University*, 19(138): 93-97.
- [22] Panina, M.E. 2017. Economic security of the Chelyabinsk region. *International Scientific Herald*, 2: 165-172.
- [23] Pletnev, D.A., and Nikolaev, E.V. 2014. The success of the middle business in the Chelyabinsk Region: Analysis of key areas of activity. *Bulletin of Chelyabinsk State University*, 21(350): 128-144.
- [24] Poņçano, V.M.L. 2017. Water supply and sanitation network – Creation and activities. *Periodico Tche Quimica*, 14(27): 139-145.
- [25] Savin, V.A. 1995. Some aspects of the economic security of the Russian economy. *Agrarian Bulletin of the Urals*, 9: 14-20.
- [26] Senchagov, V.K., Maksimov, Yu.M., Mityakov, S.N., and Mityakova, O.I. 2011. Innovative transformations as an imperative of regional economic security: a system of indicators. *Innovations*, 5(151): 56-61.
- [27] Shlemko, V.T., and Binko, I.F. 1994. *Economical Security of Ukraine: The Essence and the Ways to Ensure*. NISD.
- [28] Tatarkin, A.I., Romanova, O.A., Kuklin, A.A., and Yakovlev, V.I. 1996. Economic security as an object of regional research. *Issues of Economy*, 6: 78-89.
- [29] Uskova, T.V., and Kondakov, I.A. 2011. Threats to the economic security of the region and ways to overcome them. *Economic and Social Changes: Facts, Trends, Forecast*, 2: 37-50.
- [30] Yong, J. 2008. Economic security: redressing imbalance. *China Security*, 3(2): 66-85.
- *** Federal Law of the Russian Federation of 05.10.2015 N 285-FZ "On security". Available at: <http://pravo.gov.ru/proxy/ips/?docbody=&nd=102144301>
- *** Presidential Decree of Russian Federation from 13.05.2017 N 208 'On the Strategy of Economic Security of the Russian Federation for the period up to 2030'. 2017. Available at: <http://kremlin.ru/acts/bank/41921>
- *** Report of the Governor of the Chelyabinsk Region on the Results of the Activities of the Government of the Chelyabinsk Region in 2017. Available at: <http://pravmin74.ru/vystuplenie-gubernatora-chelyabinskoy-oblasti-borisa-dubrovskogo-pered-zakonodatelnym-2>
- *** The Economic Development Strategy of the Chelyabinsk Region-2035: Goals, Objectives, Scenarios. 2017. Available at: <http://mob.gov74.ru/htmlpages/Show/socioEconomicDevelopment/Rabochayagrupporazrabotkeotr/Materialyporazrabotkestrategii>
- *** The Official Website of the Federal State Statistics Service. Available at: <http://www.gks.ru/>
- *** The Official Website of the Ministry of Economic Development of the Chelyabinsk Region. Available at: <http://mineconom74.ru/>