

# Ensuring the Economic Security of the Subsidized Region on the Basis of Risk-based Management of Socio-economic Development

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**Keywords:** Territories without large urban agglomerations, sustainability of development, economic security of the region, risk-based approach, risk assessment.

**Abstract:** Sustainable and economically secure socio-economic development of the Russian Federation requires the use of modern management methods and tools, including, along with other modern methods, also risk-based management methods. The tasks of wide application of the risk-based approach of the RR are an actual research topic for solving the important national economic problem of developing and improving models and programs for ensuring the economic security of meso-economic entities without large urban agglomerations. This paper analyzes the criteria for the socio-economic development of Russian regions, identifies the main risk factors for the socio-economic development of a region without large urban agglomerations, and evaluates models and programs for ensuring the economic security of meso-economic entities in a region without large urban agglomerations.

## 1 INTRODUCTION

The paper examines the conditions and factors of the object of research-changes in the internal and external environment (context) of a region without large urban agglomerations. Based on the materials of the analysis, the main factors of the formation of rice situations are identified and the reasons that can negatively affect the stable and sustainable development of the economy in the period up to 2025 are systematized. The widespread situation of insufficient reliable information is also confirmed, which allows us to speak about the formation of management decisions in the territorial administration in conditions of incompleteness or insufficiency of the required information for a reliable assessment of risk outcomes, the necessary reserves and the adoption of operational and strategic decisions.

Among the main threats and dangers of the external environment that form the possible risks of the Republic of Kalmykia, traditionally repeated and characteristic of other regions of a similar level of development are highlighted:

- the lack of resources necessary for development, which leads to fierce competition in the domestic and foreign markets of raw materials, finance, and technology, creating chronic difficulties

in entering the national and global markets with the products of local enterprises;

- as a result, the decline in market demand for both traditional products and the development of new technologies at the expense of local production resources;

- the continuing outflow of domestic investment, the restriction of external investment and its use exclusively in the raw materials sectors of the Republic of Kalmykia;

- competition in the field of traditional agricultural sectors of the economy of the Republic of Kalmykia from neighboring territories that are similar in natural characteristics of natural and resource zones;

- reduction of economic production contacts with neighboring territories, deterioration of the socio-economic climate, curtailment of cultural ties, etc.

The analysis shows that the risks of socio-economic development of the territory similar to Kalmykia, in general, are grouped as internal and external. The first group can not only be correctly evaluated, but can also be regulated by internal resources. The success of such management is largely determined by the qualifications and competence of the territory's management. The second group of risks is more problematic, because often depends on external regulators and the effectiveness of the

interaction of administrations, for the territorial management body there is a difficulty of remote or indirect risk management. To date, the subjects of the Federation are required to analyze the strengths and weaknesses of the development of territories at the planning stage. This allows to solve part of the problem, determine the direction of corrective and preventive actions. But the second part of risk management-control (monitoring) and the use of mechanisms for assessing, analyzing and improving (adjusting risk management) - is difficult due to the diversity of areas of responsibility, authority, resource availability, etc.

## 2 CONTENT AND RESULTS OF RESEARCH

The analysis of the weaknesses and strengths of the socio-economic development of the region, carried out at the initial stage of risk management procedures in accordance with the provisions of the risk management standards, allowed us to identify the factors of GRP growth for the planned period and identify the reasons and constraints of such growth. Of course, the analysis is evaluative in nature and does not cover all possible factors and aspects of the analysis that is carried out further. First of all, let us name the obstacles and difficulties that hinder development. Among them, we can distinguish a decrease in the volume of mineral extraction (0.3%). Also in 2018 the growth rate of the volume of economic development, including foreign trade, slowed down significantly compared to the previous year. In 2019 and 2020, the reasons could be the growing pandemic attacks, so they are excluded from the review analysis.

For regions and territories that do not contain large urban agglomerations, one of the typical risk consequences of the implementation of these threats is the growing and difficult to overcome gap between the volume of investment and its results of project implementation, which is typical for agricultural products, but not only. There is a well-known example of land reclamation, when water supply projects for the arid territories of the Republic were not implemented. This alone strongly requires the improvement of the risk-based approach and its implementation at the state and regional levels. At the same time, the most important role in the organization of risk-oriented management at the regional level is played by regional and local government bodies

responsible for a large group of internal threats and risks.

It has been shown that a specific risk for territorial administration is the lack of sufficient reliable, complete and systematic information. The regulation of risk events at the stage of forecasting the guidelines for socio-economic development is essential for the success and effective management of the territory and its development. To compensate to some extent for this disadvantage, special methods and techniques of modeling and data processing are used to improve the quality and efficiency of management. In this case, higher requirements are placed on the qualifications in the field of risk management for decision makers in the administrations of regions and territories. It is also noted that it is necessary to take into account the behavioral risks of so-called contradictory processes, to use heuristic methods of decision-making in conditions of increasing uncertainty, in assessing various system parameters and impacts and possible risk outcomes.

It also describes the risk situations associated with possible man-made, natural and military conflicts. In these cases, other management standards are implemented on the basis of the introduction of an emergency, which is regulated by legal acts of an emergency nature.

Risk situations related to the territorial and geographical features of the region in which organizations are registered as a taxpayer and (or) carry out their main activities are considered and described separately. This group of risks requires separate analysis, assessment and accounting. We do not study in detail in this work, because this is not part of the task of the study.

Let's return to the issues of the sustainability of the functioning of socio-economic systems, characterized as territories without large urban conglomerates. This is due to the fact that similar territories may be characterized by similar risk factors and possible risk outcomes. A wide range of views on the sustainability of such territories is reflected in the works of Avdiysky V. I., Bezdenezhnykh V. M., Sinyavsky N. G., Grebenkina S. A. and other researchers (Indarbayev, 2020; Zemskov, 2019; Alizada, 2019).

When assessing budget sustainability, the authors proceed from the assumption that since it is proved (Avdiyskiy, 2019; Indarbayev, 2019), that it is impossible to completely avoid risk, optimization consists in reducing uncertainty and the level of risk consequences should not exceed the established values (thresholds). For the budget system, risks are acceptable, as a result of which the socio-economic

system does not leave the state of stability or is able to return to this state in the shortest possible time (Podobryaev, 2008).

E. A. Stepanova also considers the budget risk in relation to budget revenues as the probability of deviation of the actual budget revenues from the potential ones (not from the planned ones, as interpreted by most researchers), taking into account the most rational use of resources and opportunities based on new budget planning technologies (Stepanova, 2011).

In the field of financial stability, A. A. Nikiforova proposed a definition of a threat to financial security, which is understood as a set of conditions, factors and processes that create an asymmetry of financial resources and the need for them to implement the socio-economic policy of the municipality and violate financial independence and critical values of financial security indicators (Nikiforova, 2007).

These interpretations are, in our opinion, one-sided, they do not apply to a broad understanding and definition of the main risk of financial and budgetary development for the economic systems of the territories. According to a number of practitioners, which is shared by the authors of this work, the complex systemic risk of financial and budgetary stability and the development of economic security of a region (municipality) is understood as a set of financial and economic internal and external conditions, factors and processes that threaten the financial and budgetary security of the region (territory) and carry unacceptable risk consequences for its development.

There are also transformational and transactional risks of the development of the regional economic system based on the grouping of factors of the regional economic process according to specially selected cluster features and characteristics.

Further, we emphasize that to identify regional development risks, it is advisable to use an analysis of the risks that arise during the formation of these clusters. The formation of clusters is based on well-known methods, so we will not dwell on them further. We will select the groups of features that form the basis of the cluster classification:

- lack of financial resources for priority support of the innovation sector;
- tough competition in the global technology markets, which causes problems in entering the world market with innovative products;
- incomplete compliance of the level of professionalism of the personnel of workers and specialists with the requirements of high-tech industries.

- risks associated with the financing of state programs and national projects not in full;

- organizational and managerial risks associated with non-implementation of measures provided for by state programs;

- legal risks associated with the lack of regulatory regulation of the main activities of the implementation of state programs.

As examples, specific risks that may arise during the implementation of the activities of the subprogram "Creating a favorable investment climate in the Republic of Kalmykia for 2014-2024" were considered. The following threats and risks are highlighted:

- financial risks associated with the financing of the sub-program not in full;

- organizational and managerial risks associated with the late implementation of the activities provided for in this subprogram;

- legal risks associated with the practically insufficient and even lack of regulatory regulation of the main activities at the level of the Republic and municipalities of the implementation of the subprogram.

Further, in our opinion, the analysis of the factors of formation of threats and risks for the subprogram "Development of small and medium-sized businesses in the Republic of Kalmykia for 2014-2024" can be attributed to:

- The risk of unsuccessful implementation of the subprogram "Development of small and medium-sized businesses in the Republic of Kalmykia for 2014-2024" is estimated as minimal (acceptable). At the same time, the probability that the risk of non-receipt by the Ministry of Economy and Trade of the Republic of Kalmykia of the necessary funding for the implementation of the Subprogram.

- In this case, it will lead to the risky outcome that several planned activities of the Sub-program will not be implemented or the funding of the Sub-Program activities will be significantly reduced.

- It is also necessary to note the possible risks in the implementation of the Subprogram associated with the improvement of regulatory support for activities, which in general may lead to a slowdown in the development of small and medium-sized businesses.

The categories of entrepreneurship that are most at risk include start-up entrepreneurs, entrepreneurs who are experiencing temporary financial difficulties for obvious reasons, and developing innovative, creative and non-traditional, social businesses (enterprises that use the work of disabled people, youth businesses, handicrafts, etc.). Their

development is affected by the amount of funding at the initial stage. The larger the initial capital invested in the firm, the more opportunities for its preservation in force majeure and in times of crisis.

The risks that may arise in the process of implementing the activities of the subprogram "Ensuring the implementation of the State Program" may include:

- financial risks associated with the financing of the Sub-program not in full;
- organizational risks associated with late implementation of the activities provided for by the Sub-program;
- legal risks are associated with the lack of regulatory regulation of the main activities of the Sub-program.

If we compare the results of the analysis, it is obvious to identify similar and even overlapping threats and risks in the implementation of development programs for the territory of the Republic of Kalmykia. This allows to form clusters by risk groups and develop methods for their regulation. It is also important that many of the measures can be implemented simultaneously and have an impact on risk groups at the same time.

### 3 CONCLUSIONS

Sustainable and economically secure socio-economic development of the Russian Federation requires the use of modern management methods and tools, including, along with other modern methods, also risk-based management methods.

The problems of wide application of ROP are an urgent research topic for solving an important national economic problem of developing and improving models and programs for ensuring the economic security of meso-economic entities without large urban agglomerations. This is especially important with a limited information database for making management decisions in the context of increasing instability in the context of the functioning of the region.

This paper analyzes the factors and criteria for the socio-economic development of Russian regions, identifies the main threats and factors for the formation of possible risk situations for the socio-economic development of the region without large urban agglomerations, and evaluates models and programs for ensuring the economic security of meso-economic entities in the region without large urban agglomerations.

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