

**SCTCMG 2018**  
**International Scientific Conference «Social and Cultural  
Transformations in the Context of Modern Globalism»**

**ECONOMIC SECURITY OF A POLYETHNIC REGION:  
EXPERIENCE AND NEW CHALLENGES**

N.L. Kurepina (a) \*, M.V. Shovaeva (b), N.B. Berikova (c), L.V. Namrueva (d)

\*Corresponding author

(a) Kalmyk State University n.a. B.B. Gorodovikov, Elista, Russia

(b) Kalmyk State University n.a. B.B. Gorodovikov, Elista, Russia

(c) Kalmyk State University n.a. B.B. Gorodovikov, Elista, Russia

(d) Kalmyk Scientific Center of the Russian Academy of Sciences, Elista, Russia

*Abstract*

The aim of the study is to form modern scientific views on regional economic security in a multi-ethnic region, taking into account new political and socio-economic challenges. The peculiarity of the study is that it is conducted at the intersection of theories of economic security, regional economy, ethno-political law and is aimed at the development of scientific methods for assessing the regional economic security of a multi-ethnic region.

The object of the study was the Republic of Kalmykia, which is home to representatives of 100 nationalities, three relatively large ethnic and religious communities (Buddhists, Orthodox, Muslims). Data monitoring, the survival of the inhabitants of the Republic suggests favorable ethnic climate in the region.

The subject of the study is the economic security of a multi-ethnic region. Developed methodological and theoretical methods of assessment of economic security, justified by the specificity of the multi-ethnic regions as objects of regional economic security.

The evaluation of socio-economic indicators and identified destructive factors that determine the threat to economic security. The economic security of the region should be based on the interests of the population, stability (absence of crisis situations in the economy), security (availability of measures to counter crisis situations in the economy and social sphere).

An interdisciplinary approach will improve the methodology and provide the opportunity to make management decisions at the regional level in order to ensure economic security and the development of interethnic relations in their relationship.

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**Keywords:** Economic security, threats, polyethnic region, destructive factors.



## **1. Introduction**

Threats to economic security under current financial and economic crisis, difficult foreign economic relations, changes in the ethnic structure of the population and inter-ethnic relations require new methodological approaches.

Given the vast territory of Russia and diversity of natural, socio-economic, cultural, confessional and political conditions, development without taking into account territorial factors is not possible. Crisis and territorial differentiation elimination is the most important condition for ensuring the economic security of Russia and its regions. To this end, timely risk assessment should be a priority for polyethnic regions.

Studies on regional economic security often ignore ethnocultural and ethno-confessional characteristics of the Russian regions. The relevance of the study is due to the fact that it is carried out at the intersection of the theories of economic security, regional economics, ethnopolitology, law and aims to develop scientific regional economic security assessment methods for a polyethnic region. Within the framework of the developed theory, it formulates modern scientific regional economic security assessment methods for a polyethnic subject in order to create a comfortable and safe social environment taking into account new political and socio-economic challenges associated with new socio-economic threats and destructive factors and crisis phenomena.

## **2. Problem Statement**

Researchers always pay attention to the issues of regional economic security. However, these studies have been carried out under sustainable, consistent socio-economic development of the Russian Federation and its regions. At the same time, in recent years, the country and its regions have been under financial and economic crisis. This requires new analysis of the theory and practice of regional economic security, identification of their characteristics taking into account the accumulated experience and the above-mentioned challenges, as well as the specifics of the Republic of Kalmykia where three relatively large ethnic and religious communities live (Kalmyks practicing Buddhism; Russians adhering to Orthodoxy; Caucasian peoples practicing Islam).

## **3. Research Questions**

The issue of security has acquired a general scientific status which requires improvement of the economic security assessment method using an interdisciplinary approach.

The national security strategy determined that "the main directions of national security of the Russian Federation are strategic national priorities which define the tasks of the most important social, political and economic transformations aimed at creating safe conditions for exercising constitutional rights and freedoms of citizens of the Russian Federation, ensuring sustainable development of the country, preserving territorial integrity and sovereignty of the state" (Logunov, 2009).

One of the main medium-term directions of the national security policy at the regional level is creation of mechanisms to reduce the level of interregional differentiation of the constituent entities of the Russian Federation and formation of a comfortable and safe social environment.

The differences in the level of socio-economic development, disruption of production and technological relations between enterprises, a widening gap in the level of production of national per capita

income between the Russian regions indicate that the once-common economic and social space is split into regions with different social and economic development indicators.

For Russia, given its vast territory and diversity of natural, socio-economic, cultural, confessional and political conditions, development is impossible without taking into account territorial factors. Economic security of Russia and its regions can be ensured by overcoming the crisis and territorial differentiation. Differences in regional development are largely determined by the abundance of both objective and subjective factors.

For polyethnic regions, there is a situation of interconnection between economic security and interethnic relations, their mutual influence on each other. On the one hand, the economic vulnerability, the economic disadvantage of the region can negatively affect the socio-economic situation, the well-being of certain ethnic groups, and their interrelations. On the other hand, anxiety, tension, and even conflicts in inter-ethnic relations have a negative impact on the economic security.

Scientists dealing with economic security have not developed a unified approach to this issue. This is largely due to the interdisciplinary status of this branch of knowledge which is studied by political scientists, lawyers, economists, sociologists.

Economic scientists define economic security as a set of conditions ensuring the protection of national interests, harmonious, socially oriented development of the country as a whole, and sufficient economic and defense potential (Abalkin, Arkhipov, & Tambovtsev, 1994).

Methodological and theoretical problems of economic security are described by (Oleinikova & Senchagova, 2005).

Issues of regional economic security, assessment methodologies and mechanisms for neutralizing regional threats are considered by (Senchagov & Oleinikov, 2005).

(Senchagov, 2005) defines regional economic security as "an ability of the Russian regions to withstand crisis situations, provide decent living standards."

At the same time, (Oleynikov, 2005) believes that economic security of Russia "is characterized by the ability of national and regional economies to ensure stable development and appropriate protection of the interests of individuals, Russian regions and Russia as a whole." He defines regional economic security as a special subject since violation of the maximum permissible values may cause regional crisis.

(Vechkanov, 2007) believes that "regional economic security is a combination of the current state, conditions and factors reflecting the stability, sustainability and progressive development of the regional economy, independence and integration with the national economy".

According to T.E. Kochergina "regional economic security is an equilibrium state of the economy and institutions of power in the region characterized by stability and progressive development which ensures guaranteed protection of national interests and social orientation of the policy under adverse development of internal and external processes." (Kochergina, 2007).

Logunov, (2009) considers regional security as a component of international security and defines it "as a state of relations within a specific regional security system in which vital interests, reliable existence and stable development of all states, peoples, citizens, public institutions and groups are protected".

(Feofilova, 2014) suggested using a behavioral method to isolate the levels of economic security of the region and build an assessment model taking into account regional specifics.

Issues of legislative regulation of economic security are considered by (Stepashin, 2001; (Goncharenko & Akulinina, 2015; Bogomolov, 2012; etc).

The collective monograph “Inter-ethnic relations and ethno-cultural education in Russia” (Tishkov, Stepanov, & Namrueva, 2016) published by researchers of the Institute of Ethnology and Anthropology n.a. N.N. Miklukho-Maclay of the Russian Academy of Sciences deals with the data on the Republic of Kalmykia.

The study of the relationship between economic security and inter-ethnic relations is considered in the collective monograph edited by N.P. Medvedev “Security in the North Caucasus Federal District in Modern Conditions” (Medvedev, 2015) which addresses the issues of optimization, national security system improvement as applied to the North Caucasus Federal District.

Thus, the issue of economic security is rather controversial in terms of assessment methods, indicators, etc.

Interdisciplinary methodological approaches and tools for creating a comfortable and safe social environment are understudied. Therefore, the current research method requires improvement taking into account current conditions.

The peculiarity of the ethnic composition of polyethnic regions raises the need for taking into account ethnopsychological and ethnocultural features and traditions of peoples. The study was conducted at the intersection of theories of economic security, regional economics, ethnopolitology and law. The interdisciplinary approach improved existing research directions and methods and made it possible to apply scientific results, including development of tools to create a comfortable and safe social environment.

#### **4. Purpose of the Study**

The purpose of the study is to develop a scientific economic security assessment method, to justify the specifics of polyethnic regions as objects of regional economic security, to assess negative impacts and threats.

#### **5. Research Methods**

The study applies the principles of objectivity, accounting for changes and development of the phenomenon, systematic and holistic approaches to the research subject.

The main research methods are structural-functional and logical analysis, expert assessment, questioning, economic analysis, statistical and ethnological monitoring, etc.

#### **6. Findings**

For polyethnic regions, interconnection between economic security and interethnic relations, their mutual influence on each other are typical. On the one hand, the economic vulnerability, the economic disadvantage of the region can negatively affect the socio-economic situation, well-being of ethnic groups, and their interrelations. On the other hand, anxiety, tension, and inter-ethnic conflicts have a negative impact on economic security.

The Republic of Kalmykia was a research object. In Kalmykia, there are about 100 nationalities, three large ethnic and religious communities (Kalmyks practicing Buddhism; Russians adhering to Orthodoxy; Caucasian peoples practicing Islam).

The national composition of the population of Kalmykia is presented in Table 1 (the 2010 census): Kalmyks – 56.2%, Russians -29.6%.

**Table 01.** National composition of the population of the Republic of Kalmykia

(according to the population censuses; people) Nationalities	1989		2010		+ -	Growth rate,%
	Number of population	%	Number of population	%		
Republic of Kalmykia	322579	100.0	289481	100.0	-33098	89.7
Kalmyks	146316	45.4	162726	56.2	+ 16410	111.2
Russians	121531	37.7	85695	29.6	-33836	70.5
Dargin	12878	4.0	7590	2.6	-5288	58.9
Chechens	8329	2.6	3343	1.2	-4986	40.0
Kazakhs	6277	1.9	4948	1.7	-1329	78.8
Germans	5586	1.7	980	0.3	-4606	17.5
Ukrainians	4069	1.3	1530	0.5	-2539	37.6

Changes in the national composition of the population are mainly due to external migration, differences in the natural reproduction of population groups and ethnic identity changes under the influence of mixed marriages and other factors. Interestingly, the number of people who did not indicate their nationality increased from 6 in 1989 to 450 in 2010.

Despite the fact that demographic development in Kalmykia is characterized by natural population growth (12.7 in 1990, 4.3 in 2010 and 2.6 in 2016), migration reduced the number of the population from 322 thousand to 282 thousand, i.e. by 40.0 thousand people. Russians and other nationalities are leaving the region. It is not due to interethnic relations and violation of the rights of non-indigenous nationalities. According to social surveys, 80% of the population approve inter-ethnic marriages (Namrueva, 2013, 2014). In the republic, there is a high level of tolerance.

Despite the positive balance of the reproduction process, the natural growth in the population is insignificant. For normal reproduction of the population, it is necessary to have 2.15 children per woman of childbearing age.

From 1992 to the present, there is a persistently negative migration balance, which is a dominant factor in the depopulation of Kalmykia, a negative ethnocultural, economic and geostrategic trend (Table 2).

**Table 02.** Migration growth rates, losses (per 10,000 population)

	1990	1995	2000	2005	2010	2016
Russian Federation	19	44	25	9	13	18
Southern Federal District	80	116	39	13	16	48
Republic of Kalmykia	-38	-93	-36	-57	-76	-60

The main reasons for migration are low income and unemployment. The studies have shown that migrants are qualified and educated people of working age.

The negative socio-economic situation in the rural areas makes people move from the province to the capital of Kalmykia, Elista. The level of urbanization increased from 38.1% in 1995 to 45.0% in 2016.

The migration loss negatively affects labor resources, since professional and educated people leave the republic. In addition, the birth rate also affects the long-term labor potential. The demographic load level increased from 558 to 660. In rural areas, it is much higher than in the city (both in Russia as a whole and in the Republic of Kalmykia). This factor cannot be considered progressive, since the load of children decreases and the load ratio of the retired increases, i.e. the population is aging.

Demographic problems and migration issues are the result of unfavorable socio-economic development of the republic, formation of destructive factors such as unemployment, low income, high income differentiation, high level of the population living below the poverty line.

During the analyzed period, as a result of measures taken by the Russian Government aimed to level socio-economic development of the regions, there has been a positive trend, a growing ratio of the average Russian and republican indicators from 42.9% in 2000 to 47.4%. However, the level of income of the population is still low.

The republic has one of the lowest per capita income. In 2016, it took the 84th place by this indicator.

Anomalous differentiation of income was formed in the regional and industrial aspects, the average per capita income is more than two times lower than the average Russian and almost five times lower than the maximum indicator in the Nenets Autonomous District. The income gap in the national economy is irrational, the income level of workers in the agrarian sector is two times lower than the national average.

The poverty level (the share of the population with income below the subsistence minimum) in Russia over the past years decreased from 29.0% in 2000 to 13.4% in 2016. In the Republic of Kalmykia, this indicator decreased from 66.4% in 2000 to 31.2% in 2016, however, it is still high. Despite the positive nutrition indicators, it is difficult to observe nutritional standards for children by milk, eggs, and vegetables (Kurepina & Shovaeva, 2015).

The world experience shows that threats to economic security are minimal when the proportion of the population with income below the subsistence minimum is 7-10%. Only 12 regions of Russia have this indicator (Table 3), in 2013 there were 16 Russian regions corresponding to this level.

**Table 03.** Regions with the highest and lowest poverty rates

<b>The share of the population with income below the subsistence minimum, %</b>	<b>Name of the region</b>
<b>2006</b>	
Over 30%	Adygea, Ingushetia, Kalmykia, Tyva, Altai krai, Mari El, Ivanovo oblast, Amur oblast
Less than 10%	Yamalo-Nenets Autonomous District, Khanty-Mansi Autonomous District, Nenets Autonomous District, Tatarstan, St. Petersburg
<b>2009</b>	
Over 30%	Kalmykia, Ingushetia, Altai krai

Less than 10%	Lipetsk oblast, Yamalo-Nenets Autonomous District, Khanty-Mansi Autonomous District, Nenets Autonomous District, Republic of Dagestan, Tatarstan, St. Petersburg
<b>2016</b>	
Over 30%	Kalmykia, Ingushetia, Tyva
Less than 10%	Belgorod oblast, Voronezh oblast, Lipetsk oblast, Moscow oblast, Tatarstan, Nizhny Novgorod oblast, Sverdlovsk oblast, Yamalo-Nenets Autonomous District, Chukotka Autonomous District, Sakhalin oblast, Moscow, St. Petersburg

The authors tested various regional economic security assessment methods. The transformation of private indicators was carried out in various ways: rating, rationing of indicators, a “maximum - minimum” method. The transformation method determines values and content of the integral indicator (Table 4)

**Table 04.** Destabilization indicators

	Average Russian level		
	RF	SFD	RK
Per capita GDP, RUB.	1.0	0.60	0.38
Per capita Retail trade turnover, RUB.	1.0	0.35	0.37
Investment in fixed capital per capita, RUB	1.0	0.49	0.72
Per capita income of the population, RUB	1.0	0.47	0.55
Per capita consumer spending per month, RUB	1.0	0.33	0.35
The share of the population with income below the subsistence minimum,%	1.0	-	2.3
The ratio of the average income to the subsistence level, times	1.0	-	0.53
Unemployment rate,%	1.0	1.64	1.41

The low level of economic development is confirmed by the data on the per capita gross regional product. In the republic of Kalmykia, it makes up 38,1% of the average Russian one.

Sectors with the lowest income are as follows: agriculture (31.3%), education, health care and social services.

The share of business income (5.6%) and property income (1.9%) remains extremely low in the structure of income of the population which speaks for weak involvement of the population in market relations.

Comparison of regional and national indicators showed that due to social transfers, disproportion of regional development levels is reducing. The gap in the level of production of the per capita gross regional product decreased slightly.

Enterprises engaged in wholesale trade take the largest share of the regional gross product (1056 out of 4.739 enterprises or 22.3%). In the Southern Federal District, more than 50% of enterprises deal with production, while in Kalmykia, their share is 30% (Kurepina & Shovaeva, 2015)

Small business in Kalmykia is underdeveloped: in 2016, there are 54 small businesses per 10,000 people, against 138 in the Southern Federal District and 189 in the Russian Federation.

Reasons preventing entrepreneurship from development are the lack of motivation, instability of the tax burden, the lack of a marketing system, information and advisory services, insolvency of the population and marketing difficulties.

## 7. Conclusion

The study described the author's interpretation of economic security assessment for a polyethnic region.

The analysis of demographic problems showed that migration caused a decrease in the number of the population of the republic by 40 thousand people. According to the ethnomonitoring, the population outflow is due to unfavorable economic situation in the region rather than due to interethnic relations or violation of the rights of non-indigenous peoples.

The study revealed elements of the regional security system, identified threats to the regional economic security, determined the level of destabilization. On the basis of integral indicators, destabilization levels were classified.

It was determined that imbalances in regional development are due to underdevelopment of the real sector of the economy and small businesses, monospecialization of the region. The share of the agricultural sector in the structure of the gross regional product is 30%.

These factors caused anomalous income differentiation. The average per capita income in the republic is more than two times lower than the average one for Russia, and the income level of agricultural workers is two times lower than the national average one.

The mechanisms for overcoming poverty have a positive effect on the income of the population of the republic, but more than a third of the population have income below the subsistence minimum.

The integral assessment of threats to economic security revealed the most important ones (migration and poverty elimination).

To this end, production, technological and socio-economic modernization is required. It will reduce threats to regional economic security, increase the level of social welfare, the share of the middle-class population, and improve the infrastructure.

The authors suggested using a system of regional ethnomonitoring as a tool for forecasting crisis situations. The system includes information blocks and measures aimed at overcoming crisis situations.

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