

National Economic Security Planning: Recommendations for Russia

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ABSTRACT

In this article, the authors, based on the earlier analysis of the best practices of strategic development of the leading countries of the world, give certain recommendations and suggestions for the practical development of the national economic security strategy of the Russian Federation. The analysis of the experience of the strategic planning of a number of leading countries of the world (particularly the USA and China) showed that one of the important trends was the integration of socio-economic development and ensuring its national security. The authors come to the conclusion that the basis of such a strategy should be a strategy of socio-economic development and sustainable economic growth. In addition, the authors paid special attention to the formulation of the most important tools for developing a strategy for equalizing the development of Russian regions. The authors formulated suggestions and recommendations for a strategy to counter threats to national economic security associated with the low level of scientific, technological and innovative development in Russia. In conclusion, the authors state that it is necessary to improve (strengthen) the entire national system of economic security of the Russian Federation.

Keywords: *Strategic planning, National security, Economic security, Threats to national security, Scientific and technological progress, Innovative development, Economic policy.*

1. INTRODUCTION

At the moment, in the current realities of the unstable development of the world economy and international economic relations, as well as the extremely tense geopolitical situation, the issue of ensuring economic security, and, consequently, the national security of Russia, has become particularly relevant and even acute.

Modern geo-economic and geopolitical problems, as well as institutional and structural problems accumulated in Russia, strongly dictate the need to implement new approaches to state regulation of the economy and state economic policy, to search for solutions that could guarantee not only stable socio-economic development of the country, but also its economic and, in general, national security. At the same time, the increase in the rate of the economic growth and the level of economic and, in general, national security

of the country cannot be achieved without a developed effective system of strategic planning for the country's development.

The considerable long-term experience of a number of countries (the USA, China, France, Japan, etc.) that have achieved significant success in their socio-economic development over the past decades shows that this success was based on the transition to permanent long-term systematic strategic planning of the national economy and the preparation and implementation of strategic development plans as the main model of state management of socio-economic development of the country.

This message is about the strategic long-term nature of the implemented state economic policy, which is a practical consistent implementation of the system of indicative planning of socio-economic development of

the country. In addition, most of the world's leading economies have based their economic development strategies on the priority development of national industry. So, for example, drawing up medium-term indicative economic development plans (for a period of 5 years), with a special focus on the development of national industry, became the basis of the South Korean "economic miracle".

A number of researchers (Klimenko A.V., Korolev V.A., Dvinsky D.Yu., Rychkov N.A., Slastikhin I.Yu) analyzing the best practices in foreign strategic planning (in particular, the main strategic project documents of the leading countries of the world) note that, when organizing strategic planning (both at the state and regional levels), considerable attention was paid to ensuring timely identification of risks of socio-economic development and threats to national security [1]. In addition, the analysis of the experience in the strategic planning of the leading countries of the world (particularly the USA and China) showed that one of the important trends was the integration of socio-economic development and ensuring its national security.

The accumulated practical experience of a number of leading countries of the world clearly shows that the relevant state planning bodies were created directly in the structure of the governments of these countries [1].

2. MATERIALS AND METHODS

The main purpose of this article is to conduct a comprehensive study of the concept of strategic planning for ensuring national economic security, as well as to formulate specific practical suggestions and recommendations for strategic planning for ensuring national economic security in Russia.

When writing the article, this purpose was achieved by formulating and solving a number of methodological and practical tasks, namely:

The analysis of the system-performance experience of strategic planning to ensure national economic security in the leading countries (the USA, China, France, etc.) [2]. Especially valuable in this connection are the works of the following foreign authors: Mika Aaltola, Jyrki Kallio and Katri Pynnöniemi, Chen Biao, Sun Baochen. [3,4].

The research of the practice of strategic planning to ensure national economic security in the leading countries of the world (the USA, China, France, etc.) [2]. At the same time, the considerable emphasis was placed on the analysis of materials by the following authors: Mika Aaltola, Jyrki Kallio and Katri Pynnöniemi, R. Botsman, R. Rogers [3,5].

The methodological and theoretical basis of this research is the concept of strategic planning, plans and strategies for socio-economic development and

economic security of a number of leading countries (China, the USA, Germany, etc.), as well as various theories of socio-economic development planning [2,3].

In this research, the groups of different methods were used: general scientific research methods and general methods of scientific knowledge: analysis and synthesis, induction and deduction, the use of analogies, generalization, comparison; the method of expert assessments, the method of abstract logical assessment, etc.

3. ANALYSIS OF THE PROBLEM AND ITS RESULTS

At present time, published researches reflect various aspects of threats to national security.

However, the authors do not provide a systematization of these threats.

In the course of the macroeconomic analysis, the authors identified the main threats to the economic security of the Russian Federation.

The systematization of the main threats to the economic security of the Russian Federation is shown in figure 1.

This systematization includes the macroeconomic and institutional blocks of the main threats to the economic security of the Russian Federation:

1. Low (close to nominal) economic growth rates (according to preliminary data, GDP growth in 2019 was only 1%; according to existing forecasts, an economic decline of about 10% is expected in the Russian Federation by the end of 2020) [6,7];
2. Low internal (national) and external (international) competitiveness of the national economy;
3. Decline in real incomes and living standards for the majority of the country's population;
4. Maintaining the export-raw material model of the Russian economy and its extremely high dependence on the world economy and a number of world markets;
5. Low level of monetization of the national economy (the money supply of M2 in Russia is only about 43%, which is 3 times lower than the global average of 125%) [8];
6. Large-scale capital outflow from the country (net capital outflow from the Russian Federation has been going on for 28 years, from 2008 to 2019 it amounted to more than \$772 billion, only in January-April 2020 it amounted to \$23.9 billion (which is almost equal to the outflow for the whole of the last year - \$26.7 billion) [9];
7. The imbalance in the Russian budget system;

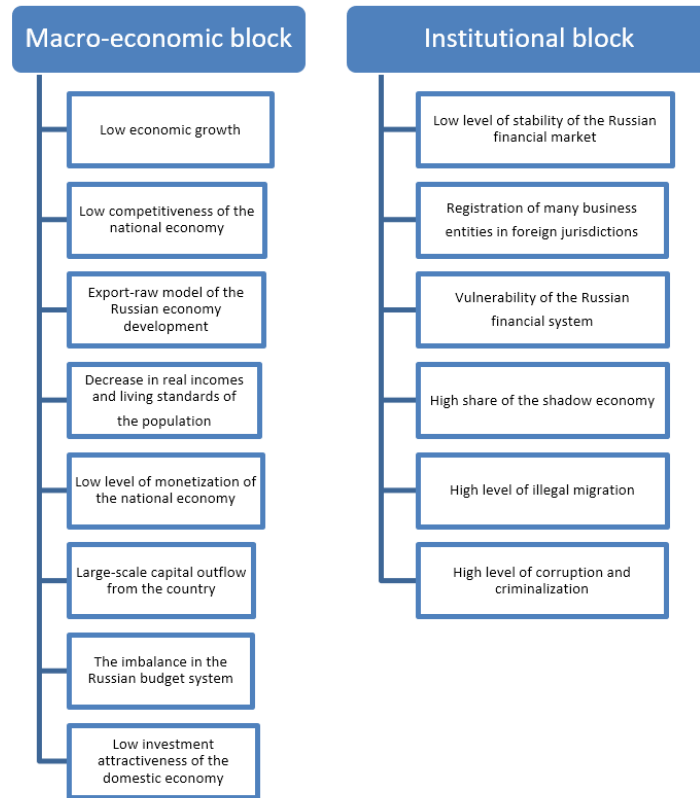


Figure 1 The main threats to the national economic security of the Russian Federation.

8. Low level of stability of the Russian financial (and, above all, the foreign exchange market) and high level of ruble volatility [10,11];

9. Vulnerability of the Russian financial system to foreign hot speculative capital and related actions of non-residents;

10. Deterioration of the investment climate in the country and very low investment attractiveness of the domestic economy;

11. Registration of a significant part of economic entities (including large ones on a national scale) in various foreign jurisdictions;

12. Rapid depletion and deterioration of the national raw material base, sometimes reducing the profitability of hydrocarbon production, reducing the reserves of strategic minerals;

13. Extremely high share of the shadow economy;

14. Extremely high level of illegal migration;

15. Preservation of conditions and high level of corruption and criminalization of financial and economic relations, etc.

4. PRACTICAL RESULTS

In order to eliminate threats to national economic security associated with the existing large-scale imbalance in the development of Russian regions, the strategy of the system for equalizing regional development, among other things, should identify the following important instrumental directions (measures):

1. The expansion of the number of centers of economic growth among the subjects of the Russian Federation, including territories of advanced development;

2. The expansion and strengthening of financial (primarily budgetary) resources of the subjects of the Russian Federation, improvement of inter-budgetary relations;

3. The increase of the investment and business activity in Russian regions;

4. The stimulation of independent economic development of Russian regions.

In addition, it is necessary to develop a strategy to counter the following threats to national economic security associated with the low level of scientific, technical and innovative development of the country, in particular:

1. The existing significant lag in the level of technological development of Russia (in particular, in the development and implementation of advanced technologies) from the leading countries of the world;

2. The lack of own production and dependence on imported research and testing equipment, instrumentation and electronic components, as well as computer hardware and software;

3. The significantly lower efficiency of Russian research organizations in comparison with world leaders in the field of innovation (the USA, Japan, China, the Republic of Korea, Germany);

4. The low susceptibility to innovation, insufficient rapid transfer of knowledge and technology from the research sector to the production sector of the economy (especially in industry);

5. The significantly lower in Russia (3-10 times lower than in the leading countries) level of investment in R&D (including, in particular, intangible assets);

6. The threat of the final loss by Russia of the world market of high technologies [12];

7. The lack of effective transfer of technologies and knowledge between the defense and civil sectors of the national economy (this hinders the use and development of dual-use technologies in Russia);

8. The unauthorized transfer of competitive advanced Russian technologies abroad, etc.

At the same time, in order to eliminate threats to the economic (and, as a result, in general, national) security of the Russian Federation associated with the low level of scientific, technical and technological development of the country, when developing an appropriate strategy for improving the economic security of the country, its main directions and measures should be defined as follows:

1. The development of the appropriate infrastructure for various (across the entire spectrum of major areas) scientific, scientific and technical (scientific and technological) and innovative activities, taking into account all the requirements that appear on the basis of forecasts and plans for economic and scientific and technological development of the country;

2. The implementation of the necessary fiscal stimulus of the development of scientific, scientific and technical (scientific and technological) and innovation activity, in particular through the formation and funding of the relevant state order for carrying out the scientific, scientific and technical (scientific and technological) and innovation activity, providing the different subjects with the budget and intergovernmental transfers (including in the form of grants, subsidies, grants, subventions), as well as through the providing the subjects of scientific, scientific and technical (scientific and technological) and innovation activity with special

tax benefits in accordance with applicable Russian legislation on taxes and fees;

3. The creation of the State Fund for scientific and innovative development (FNI) and its concessional lending by systemically important banks;

4. The providing technological parks and other organizations with innovative infrastructure, tax benefits during the first 2 years of operation, and subsequently tax benefits;

5. The stimulation of the demand for innovative products produced with the participation of Russian organizations and enterprises, including through the system of state orders and public procurement of goods and services for various state and municipal needs;

6. The reorientation of the state customers to purchase Russian knowledge-based and high-tech products based on Russian technologies;

7. The infrastructure development operation of centers for collective use of scientific equipment and pilot production at the expense of budget funds of all levels and private investments;

8. The support for individual regions (territories) with a high concentration of research and development, innovation infrastructure and production;

9. The organization of support for interaction between various state authorities of the Russian Federation and large Russian manufacturing companies with various Russian innovative, scientific and educational organizations;

10. The development and implementation of a system to support the entry of Russian research and educational organizations, as well as manufacturing companies into the world markets of knowledge, technology and high-tech products;

11. The creation and implementation of the long-term state program of scientific and technical development of the Russian Federation, as well as the Technological doctrine of the Russian Federation [13,14].

The Doctrine of technological development of the Russian Federation should determine the principles and directions of technological development of the country for the next 10 years.

The socio-economic development strategy as an essential element of the national economic security strategy, in turn, should include the following essential elements:

1. The strategy for countering threats to national security associated with the low level of scientific, technical and innovative development of our country;

2. The strategy for countering threats to national economic security associated with high differentiation of levels of socio-economic development of the subjects of the Russian Federation (Russian regions).

5. DISCUSSION

The suggested formulation of tools for developing a strategy for creating a system for equalizing the level of development of Russian regions is extremely important for organizing research and practical work on strategy formation.

The issue of developing a national economic security strategy was considered in conjunction with the development of a strategy to prevent threats to national security associated with the low level of scientific, technical and innovative development of the Russian Federation.

6. RESULTS

All scientific and practical provisions, conclusions, methodological suggestions and recommendations contained in this article are the results of the independent analysis and research conducted personally by the author. The specific personal involvement of the author in obtaining the analytical data and results presented in this article is as follows:

– The research was carried out and the development of theoretical and methodological aspects of the formation of the system of ensuring economic security of the modern state was also done;

– The general and detailed analysis of the state of the national economy and economic security of the Russian Federation was carried out and the following main threats to the economic security of the Russian Federation were identified;

– The analysis of the scientific and technical sphere was carried out and the corresponding threats to national economic security associated with the low level of scientific, technical and innovative development of the country were identified;

– The directions and measures to eliminate the existing large-scale imbalance in the development of Russian regions and equalize regional development were prepared and formulated;

– The measures to improve the economic security of the Russian Federation have been prepared and formulated.

All the above-mentioned scientific and practical results presented in this study are obtained personally by the author, have scientific novelty, theoretical and practical significance.

7. CONCLUSIONS

In modern geopolitical conditions in Russia, it is necessary to improve (strengthen) the entire system of ensuring national security, and the public administration system must guarantee the ability to respond proactively to all types of risks and threats.

The analysis of the experience of strategic planning in the leading countries of the world shows that in most cases the first iteration of the planning process is the development of a long-term state strategy for economic security. There is no medium-term development plan in the current Russian legislation. At the same time, throughout the developed world, the main (strategic) program documents for the country's development are formed just for the medium-term time period. Taking into consideration this circumstance, it seems necessary to supplement the existing Federal law of 28.06.2014 No. 172-FZ "On strategic planning in the Russian Federation" [15] with a special chapter containing provisions on the introduction of medium-term master plans for socio-economic development of the country into the system of strategic planning of the Russian Federation.

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