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Ways to Ensure Economic Security of Regional Development

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Abstract

National security is fundamentally contingent upon a country's economic capacity. Within the framework of national security, economic security occupies a pivotal position, with regional development policy playing a particularly critical role in guiding socio-economic progress. Ensuring regional economic security constitutes a comprehensive set of organizational and policy measures designed to protect regional economies from various risks, prevent potential threats, and address emerging challenges. Regional economic security is shaped by disparities among regions in social structures, development levels, and resource accessibility, as well as by factors such as ethnic composition, geographic location, and natural and climatic conditions, all of which exert both direct and indirect effects on the overall state of the economic system.

Overcoming regional crises necessitates a shift toward a sustainable development model, which in turn increases the demand for effective state regulatory functions during periods of recovery and reconstruction within the region. A system for ensuring regional economic security has been defined, and its organizational measures and implementation mechanisms have been delineated across six directions. Finally, the study identified four principal directions for establishing a regional economic security framework, which forms the foundation for securing Mongolia's economic security. Moving forward, it will be necessary to classify potential threats and establish quantitative criteria for the thresholds of regional economic security.

Keywords: Economic Regionalization, Economic Security, and Regional Development Policy

Introduction

It has been deemed appropriate to define its components in ensuring economic security, food security, energy security, financial security, security in the industrial sector, security of transport and communications, security of the economic environment, and security in the field of foreign trade [1]. In the current environment, the issue of economic security is of paramount importance from the point of view of cooperation of national and regional interests, and it is at the heart of the economic policy of the entire state of country, and there is an urgent need for scientific research that determines the scope of all major political decisions. The economic situation is creating a demand for the special relationship of the state's ongoing activities to ensure the economic security of the region [2]. Regional economic security is aimed at ensuring the security of the country as a whole, and at the same time, economic development and improving the quality of life of the population should create a real economic interest for all members of society to effectively operate a cohesive economic space.

Main Section

Ensuring regional economic security is a complex measure to protect the regional economy from any risks, to prevent and combat threats. Therefore, the regional economic security system includes:

- Ensuring regional economic security aligns with the country's constitution, national security law, national security concept, economic strategy, socio-economic development strategy, and regional development policy, as well as the political, socio-economic, and economic complexity of the legal framework.
- From the perspective of national security, it is crucial to analyze the key indicators of regional development, identify, evaluate, and highlight the significance of regional economic security disparities.

In view of all this, economists have interpreted economic security, sustainability, and regional development in a variety of ways, depending on their own research perspectives, but we have rarely been able to explain the problem of regional economic

security from the perspective of systems theory and methodology.

According to the Regional Development Policy of Mongolia, "A region is defined as a certain part of the territory of Mongolia, which covers the spatial development and location of socio-economic relations between provinces, provinces, capitals, districts, cities and villages, and the spatial development and location of relations between specially protected areas, their environment, population, agriculture, tourism and other sectors of industry, social complex" [3].

In the development of the theory and methodology of regional development, A. Davasuren received his Sh.D. in the field of spatial organization of the regional economy, and Drs. R. Rinchinbazar and D. Erdenebayar published a work on the scientific foundations of the region [4]. These include:

- Geographical, natural, geographical, and climatic features;
- Features of Economic and Social Relations;
- Political, geopolitical, and governance schedules;
- History, Culture and Tradition;
- Functional Factor Factors;
- national security issues;
- The spatial structure of the area is reflected in the spatial structure of the region, which is considered to be a fairly broad consideration of the development of the region.

Dr. B. Bathishig, Sh.D., of Economic Sciences, made the following recommendations for the identification of economic zones in Mongolia [5]. These include:

- The creation of economic zones in accordance with the laws of the market, not mechanical.
- To create the power to build and pull production;
- realistic cost-benefit calculations in economic areas;
- A cross-sectional approach to infrastructure, industry, agriculture, and population;
- Exploring the possibility of integrating pasture livestock into economic zones;
- The economic zone is expected to provide economic opportunities for trade with foreign countries.

Academician T. Namjim said, "An economic zone is not just a territory that includes a group of provinces arbitrarily or arbitrarily, but is formed based on a real combination and unity of all sectors of territory and trade in accordance with the development of productive forces, and this process is considered based on appropriate theories, methods, criteria, and factors. Such a theoretical and methodological criterion is defined as a complex of industries and territories that are born in accordance with the needs of the material and technical base, which can be carried out in a given region with the highest possible economic efficiency of production and distribution, and with products that are particularly favorable for production" [6].

Regional economic security is directly and indirectly influenced by ethnic groups, geographical locations, natural climatic conditions, and the state of the economic system.

In accordance with the regional development goals of Mongolia referred to as "Economic Belting", the territory of Mongolia is fully integrated into the development of the territory of Mongolia in terms of the development of the internal market, the geographical location of appropriate links with the foreign market, the common goals of economic and social development, the common economic and social development goals, the natural resources and intellectual potential of Mongolia within the framework of cooperation between the government, territorial units and sectors "Economic zone" is defined as the territorial boundaries established at the national level, the acceleration of regional development, and the implementation of common and discriminatory policies to regulate the economy at the local level to ensure the balance of territorial development [3].

In its 2016 study of Mongolia's regional development, JICA found it beneficial to develop regional development along two axes: the vertical axis, the industrial corridor, and the cross-axis green development corridor [7].

Some analysts believe that an economic zone is a region that requires a common and discriminatory policy to regulate the economy at the national level, at a specific level of regional development, to ensure the balance of territorial development. Economic zoning is constructed using specific theories and criteria for zoning, and when determining the boundaries of an economic region, the current and prospective development of the country and the region, the natural conditions, resources, location, main industrial trends, industrial centers, transportation networks, and geographical distribution of the region are taken into account. From this point of view, it is only natural that regional economic problems should be studied at the level of systems theory.

In 2001, the State Great Khural adopted the "Concept of Regional Development of Mongolia", which states that the noble objectives of the Concept of Regional Development are to reduce the undesirable concentration of the country's land, its resources, agricultural and livestock resources and intellectual capacities in relation to the environment, reduce urban and rural development gaps, inequalities and imbalances between provinces and regions, and bring the level of development closer to the level of development. It is defined as the creation of a conducive internal and external environment to accelerate national economic and social progress [8].

The concept calls for 5 economic zones. These include: 1. In the western region, there are Bayan-Olgi, Gov-Altai, Zavkhan, Uvs, and Khovd provinces 2.In the Khangai region, Arkhangai, Bayankhongor, Bulgan, Orkhon, Uzurkhangai, and Khosgul provinces, 3. The Central Regions include Gov-Sumber, Darkhan-Mountain, Dornogov, Dungov, Southern, Selenge, Central Provinces 4. Eastern Region: Eastern, Sukhbaatar, and Khentii Provinces, 5. In the Ulaanbaatar region, the territory of the capital cities and suburban districts, and suburban areas are specified.

It took 20 years for the concept to be approved, but it failed to materialize. This is believed to be due to a variety of reasons, including governance, organization, economics, and finance, but the main one is due to poor economic zoning. The lack of implementation of the concept of regional development in Mongolia is likely to lead to the creation of a regional economic security system in the future.

Academician P. Ochirbat said, "One of the fundamental problems of economic zoning is the correct determination of the nature and principle of the location of the productive forces," adding, "The most accurate and efficient location of production; integrated development with all other economic actors, ensuring optimal regional and intra-regional labor distributions; Emphasizing the socio-economic development of the regions, it was proposed to support the three

provinces: Central, West and East, and to make some changes to the structure of these provinces and ensure that they were enforced by law [9].

Ts. Sukhbaatar, Doctor of Economic Sciences, calculated and analyzed using the gravitational model of the Dutch economist and Nobel laureate Y. Tinbergen, and concluded: "According to the theory of the regional development center based on the theory of regional development in 5 economic zones, the organization of the Western and Eastern zones is maintained, but the economic gravity density of the regions and arrows within these zones is weak, and the regional integrated market is not developed." There is a need to reconsider the problem of regional location, and to look at it differently in light of the changing centers of gravity or development in relation to the concentration of mining and industries and new locations. Organized efforts to create the main centers of regional gravity in the natural form of a real market are lagging behind economic growth," he said, noting that in addition to the central Khovd in the Western Region and the central Choibalsan, the Central Region of the Eastern Region, the gravitational regions of Erdenet, Darkhan, Dalanzadgad, Ulaanbaatar and Kharkhorin are becoming more pronounced [5].

Academician S. Nyamzagd said, "Based on our own research, we have come to the following conclusion. These include: 1. Mongolia considers it more appropriate to develop with a 2-centered and attacking axis due to its high elliptical shape in terms of land form. It is appropriate to construct these 2 centers with a backward-facing vertical and dual longitudinal structure. 2. Is it possible that one of these centers will be located in the vicinity of Ulaanbaatar and the other in the vicinity of Zavkhan and Khovd?" [10].

In the context of the regional development of the economy, it is necessary to take into account the location of livestock, pastures, raw materials, and the supply of products. The study, which aims to estimate the supply of livestock products and pasture coverage, will examine the location of the natural area. If the demand for livestock products and the market analysis of resources for sale to other provinces, cities, and foreign countries are to be carried out, the location should be considered by province and economic zone [5].

In the long-term development policy of Mongolia "Vision 2050", an updated project on the development of Mongolia is planned to be divided into 6 regions: the Western Zone (Khovd, Bayan-Olgi, Uvs), the Altai Region (Gov-Altai, Bayankhongor, Uzurkhangai), the Khangai Region (Selenge, Darkhan-Mountain, Orkhon, Bulgan, Arkhangai, Khosgul, Zavkhan), the Eastern Zone (Khentiy, Sukhbaatar, Eastern), the Govi Zone (Govsumber, Dornogov, Dundgov, South), and the Central Region (Ulaanbaatar City, Central Region) [11].

In the work of the above-mentioned scholars, a number of important ideas and proposals in the field of regional development were presented in the documents of state and foreign organizations. On the basis of their analysis, the organizational measures and mechanisms for determining the system of ensuring regional economic security and ensuring it are considered. "A system of ensuring regional economic security is defined as an economic system whose micro, meso, and macroeconomic indicators of the region are protected from factors that negatively affect it, with a multi-pillar structure, with the ability of the region to develop independently, compete in neighboring regional and regional economic activities, with the potential to protect national interests, and ensuring sustainable development."

Let me explain the following issues of organizational measures and implementation mechanisms to ensure regional economic security. Over here:

1. Rather than abandoning the economic zone, we need to create a gravitational force to strengthen the center of the area and build large factories and mines. For example, if a large tannery were to be built in the town of Khovd, there would be no need for the pastoralists and their families to move their raw materials to Ulaanbaatar, and if there were no such factories, it would be useless to call the city a regional center. In this regard, Professor A. Davaasuren, Doctor of Economic Sciences, supports the proposal "For Mongolia, with a large territory and a small population, it is desirable to develop the economies of the regions through the creation of specialized clusters based on a strong unified state economic policy." [12] The establishment of several large factories in the region and the operation of many small and medium-sized industrial units around it are the main ways to make the regional economy self-reliant, so that the economic security of the region is ensured. It is reasonable to understand that the establishment of economic zones is not a matter of mechanism, but rather a process of market regulation and law. Bullets, crew, citizens, industrial units, and organizations will be involuntarily involved. For example, the construction of the Khanbogd and Tavantolgoi factories and mines in the Umnugovi Province has created a major regional center. Mongolia's concept of regional development does not mention the existence of such a zone, nor does it imply that it will be created. Meanwhile, large economic projects have been followed by the creation of large economic zones. Industrial units compete to supply goods and products to these factories and mines, and citizens are eager to get jobs there. It is clear that in this way, the economic zone created by the market will develop stably and efficiently. This suggests that an economic zone must have the economic potential to attract industrial units, organizations, and citizens. Cost and benefit calculations are essential to the creation of an economic zone. An industrial unit or citizen belonging to the area should create business conditions in such a way that it would not be profitable for a person to travel to the capital or to another area or city to do business or to do business. Transportation costs and time spent have a significant impact on business efficiency. If it is less costly and costly to do business in the region than going to the capital or other regions or provinces, no one is going to incur more expenses and go farther.
2. In addition to taking into account the infrastructure network, it is necessary to take into account the development potential, opportunities, and prospects of the agricultural and industrial sectors. This is because it is not enough to determine only the economic zone, taking into account the existing road axes. It is also necessary to take into account the railway and highway projects that will be built in the future. For example, within the framework of the Mongolian, Russian, and Chinese economic corridor projects, projects are being discussed for the construction and modernization of

railways and highways in the Central, Western, and Eastern regions of our country's territory. Railways and highways from the southern arrow to the southern neighbor have been built and are about to be built. Therefore, it is important to consider the issue of regional development in the context of the interconnection of all components of the productive force, such as industrial, agricultural, infrastructure, and population.

3. Careful consideration needs to be given to the question of how to integrate pasture livestock farming into economic zones. The better, the more likely it is that the economic zone includes both the plains, the plains, and the governs, i.e., the outward orientation. So was our traditional government and economic schedule. This will allow cattle to move to areas with fertile pastures in difficult natural and climatic conditions. This is because it should be possible to move freely within the economic zone.
4. An economic zone should be able to conduct direct economic and trade relations with a foreign country. Such a communication through the capital or other area will increase costs, reduce profits, and a loss of time. In recent years, our provinces and provinces have access to direct access to the north and especially to the south, which has made it possible to increase the income of the citizens and improve the supply of goods. However, it is time to take note that this opportunity is being underutilized. The provinces of the Western, Khangai and Central regions of Mongolia will be able to establish direct relations with the subjects of the Russian Federation, such as Tuva, Buriad, Erkhu Province and the Natural Frontier of the Russian Federation, as well as with Kazakhstan and the Eastern Regional Provinces of the Russian Federation, the Amar Province, the Far East and the North-Eastern Provinces of the Baltic Region, and the development of cross-border trade and economic cooperation. Because these regions are cool, there is a high demand for our wool, leather, textiles, and meat products.
5. By exporting livestock raw materials without any processing, they are missing out on a significant opportunity to process them domestically, generate large amounts of additional costs, create jobs, and increase profits. In the future, there is a need to intensify the implementation of policies to encourage the development of processing industries within the economic zone to limit this. One of the main tasks of the economic zone is to process the raw materials of the livestock farming in the region, and the government needs to create and regulate the legal environment. A regional development project from the National Development Authority was developed in 2020, but it has not yet been implemented.
6. On the other hand, the long-term development policy of Mongolia, "Vision 2050," stipulates the construction of 13 factories for the processing of 10 million pieces of animal fur per year, 10 thousand tons of wool processing, and wool washing and combing factories in Darkhan [11]. This means that almost all of the more than 10 million animal skins produced annually in the country will be processed in the Darkhans, and it is in line with the objectives of regional development that the development of the zones is to establish factories for the processing of furs and wool wool in each region, and to develop the zones uniformly, and it is therefore advisable to coordinate the establishment of at least half of the 13 factories mentioned above in other regions. It is also worth considering the question of zoning the country, as well as the redistribution of government and territorial units: today there are 149 bullets with 3,000 people out of 330 bullets in the country, 110 bullets with 3,000 to 5,000 people, and 48 bullets with more than 5,000 people [8], the vast majority of bullets are smaller, and the bullet centers have even fewer people, but the overall demand for such a small number of bullets is low, so that production, and there is virtually no opportunity to expand services. This is where market relations can't really work. Since small-scale economies cannot develop on their own, social and cultural development cannot depend on the state budget. On the other hand, in the provinces with a population of more than 10,000, there is more opportunity for the expansion of production and services. Therefore, the consolidation of the provinces and provinces will be an important factor in increasing their economic potential. The reform of the division of government and territorial units of Mongolia has many benefits, such as merging and enlarging many provinces and provinces taking into account their location, population, and economic potential, thereby saving administrative, infrastructure, and social costs, expanding the local market, providing conditions for increased production and services, improving social services, and population stability. Each province will have a mix of cattle, grasslands, and prairies, and the conditions for the development of pasture livestock and its integration with agriculture and industry will improve. One of the main goals of regional development should be to slow the over-centralization of the city of Ulaanbaatar. The issue of creating a capital with several subcenters or satellite cities should be addressed in connection with economic and infrastructure development. For many years, there has been talk of the need to move from the capital city to processing plants, material and technical supply facilities, livestock, raw materials, and trade markets, and to the transfer of specially established industrial and technology parks and markets, but the results have not yet been achieved. It would also be advisable to move some educational, cultural, and government institutions to the capital's sub-centers, and to curb the consequent expansion of slums. At the same time, the study of the relocation of the capital cannot be abandoned.

There has been a lot of talk about the development of Mongolia, and some documents have been produced, but there is little practical implementation. This is because the zoning has been planned and drawn deliberately, not according to market demand and regularity. Therefore, when making a zoning, it is necessary to take into account where large factories, industries, and infrastructure are being built, where they will be built, what the future holds, and where people will be able to live.

Conclusions

According to the researcher, the region's economic security is not yet tense, but to a certain extent it is implicit, because the region's economic security lies in the fact that it takes

into account the differences between regions in terms of social systems, level of development, and resource availability, as well as the direct and indirect influence on ethnic and ethnic areas, geographical location, environmental, climatic conditions, and the state of the economic system [13]. By addressing the above-mentioned 6 organizational measures and implementation mechanisms, the negative impact and consequences on the economic security of the region will be eliminated.

In conclusion, the main directions for the formation of a regional economic security system, which is the basis for ensuring Mongolia's economic security, are as follows:

1. Implementation of the development of regional development programs and concept documents aimed at ensuring regional economic security;
2. To determine the criteria for ensuring the economic security of the region and its thresholds;

To assess the components of regional economic security, the security threshold or vulnerability threshold is calculated using the following criteria [2]: These include:

- the process of population change;
- Standard of Living;
- Law and Order, Decrees, and Decisions;
- Budget and Finance;
- Scientific and technical skills;
- Nature and the environment.

Implementation of projects by private and industrial unit entities aimed at reducing the level of threats to certain areas of life /energy security, food security, technology security, public safety, human security / regional security.

The development and implementation of organizational measures and mechanisms for their implementation by the state to ensure regional economic security.

Further, it will be necessary to formulate threat classifications and determine the numerical basis for the regional economic security thresholds. In the end, such development is not merely a declaration of economic intentions, but rather an opportunity to provide a framework and mechanism for access to a safe development zone.

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