

ECONOMIC ASPECTS OF THE SECURITY RISKS IN THE REPUBLIC OF NORTH MACEDONIA

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Abstract

One of the basic principles that should be taken into consideration in the concept and functioning of the security system is the economic aspect. When designing the security system, the level of the economic development of the society should be considered, accordingly, it should be allocated for financing of defense and security, i.e., to avoid excessive investment in security, to carry out economic exhaustion and disabling normal functioning of other institutions. On the other hand, a stable security situation, integrating the country into international security associations, enables the increase of foreign investments, and thus the improvement of the domestic economy. This means that we can talk about an interactive relationship between the economy and the security of a state. What is lacking, is scientific research results that will point out to the relation between economics and security. Scientific research in the field of security risks in the Republic of North Macedonia is insufficient, and the existing is without a solid theoretical elaboration of the problem of the research.

In this effort we emphasize the economic aspects of the results of the controversial research of the scientific public on the topic "Exploring the Security Risks in the Republic of Macedonia", preceded by field working of rational approaches in defining the security risks, with special emphasis on the impact of unemployment and poverty on the security of a state.

The research includes the public experts, that is, representatives of the institutions that have direct competence in dealing with security risk threats.

Key words: *risk, security risk, threat, security, security institution, economy, unemployment, poverty*

1. INTRODUCTION

The link between economic development and the security of a country is a matter of interest in many scientific debates in the country and abroad. It is about establishing a causal relationship and the impact of the security of a country and its influence on the development and growth of its economy. The Republic of North Macedonia, which is unfortunately still in a transition phase, is on the threshold to become a full member of the NATO Security Alliance, entering a phase of security and economic integration. Rational approaches related to the issue of entry into these integrations are carried out with the economic and security costs that security integrations bring with them.

Stable security brings benefits to the revival of economy, especially in developing countries, as well as the economy of the Republic of North Macedonia. Foreign direct investment is evident in those regions or states that have a stable security situation and are members of the international security institutions. Foreign direct investment has an impact on the growth of the economy which is reflected in a larger source of funds, increasing employment and exports, serving to cover the current deficit, which is characteristic for countries in transition. If we analyze the economy of our country, we will notice a small open economy that has a small capital accumulation and small domestic reserves. The only serious source of funds that could bring the domestic economy back are foreign direct investments.

The level of security of a country has a significant impact on the risk of investing in that country. Thus, security and economic development are in a direct relation, as they affect the environment suitable for investment. The unstable security situation in the environment has an impact on the withdrawal of investments to those areas and their investment in more stable safer areas, as security is necessary for the investors to keep their ownership and make a profit.

The seriousness of the threats of the 21st century is the application of the information infrastructure in decomposition of values, the types of threats which endanger the life and health of citizens, and the seriousness of endangering the values and interests of the citizens. Threats in the new millennium can be amortized and resolved only by means of an internationally created security policy and on those bases the polity of national security is built.¹⁴⁰

The Republic of North Macedonia, within the framework of the security policy, has the intention to provide security and protection of the citizens from both the external and internal influences and threats of a variety of characters: security, economic, political, ecological, or cultural. The main threat to security are the tensions and antagonisms that are the result of interethnic conflicts, extreme nationalism, religious radicalization, wrong reforms, and economic inefficiency.

¹⁴⁰A national security politics is an interdependent and complex system of measures, plans and programs undertaken by the Republic of Macedonia for the protection, preservation and promotion of the security of the Republic of Macedonia and its citizens, in accordance with the political, economic, defense, internal, security, social, environmental and other resources

Apart from the weak economy (high unemployment, low standard of living, and cheap labor), political, social and ethnic conditions in the country, and new types of hazards would be: international terrorism, organized crime (human trafficking, weapons, drugs, money laundering, migration, violent extremism, and fundamentalism) etc.

These kinds of threats can directly or indirectly affect the national security of the country. They undermine security and the democratic and economic foundations of society through the weakening of the state institutions and the loss of confidence in the rule of law. But, despite the attempts of the institutions to detect and deal with potential threats to the security of the country in a timely manner, today the state faces a serious economic, political, and security crisis that pretends to endanger the survival of the country. Unfortunately, this situation has been present for too long, starting with the demands of the former oppositional political parties that the current government resigns, to form a technical government and organize early parliamentary elections. The non-functioning of the institutions appeared to be an appropriate ground for the development of organized crime and corruption, a drop in foreign investment and, above all, decline in the economy. If we add to this the global migration crisis, which unfortunately has a direct impact on the economic, political and security system of the Republic of North Macedonia, we can talk about the risks that pose a serious threat to the security of the citizens.

Starting from these bases, as well as the actuality of the issue with the research of the security risks, a scientific research was conducted on the opinion of the expert public, representatives of several security institutions on issues related to prevention from certain risks so that they did not become threats, and threats from a wider scale.

2. RESEARCH ABOUT SECURITY RISKS IN THE REPUBLIC OF NORTH MACEDONIA

The world today lives in times of globalization and postmodern social perceptions. Developmental dynamics is not linear and characterizes many ambivalent processes, of which, perhaps the key one refers to the change of security and freedom as values. Namely, social circumstances create an environment and a culture of living that require greater freedom and realization of personal freedom of people as a universal social, cultural, and civilization benefit.

However, the complex network of social relations and interdependence in times of globalization, which greatly contributed to the breakthrough in the sphere of freedom, simultaneously led to the rise of security and, more closely, the preoccupation with the security risks. Security risks today have become the basic paradigm of the study of security sciences. *First*, we are living at a time in which security risks dominate the theory and practice of risk and have a shift from neutral to negative (security) understanding and defining modern risks. *Secondly*, since security risks are increasingly less locally determined, they are also increasing the

consequence of the complex interdependent relationships of a globalizing society, are more predictable, more numerous, and with ever more possible harmful consequences. *Third*, security risks are closely related to security maintenance as the basic response to the new scope and structure of the nature of modern security risks. *Fourth*, the strategies and ways of managing and assessing security risks have become the basis of the modern way of treating security risks. *Fifth*, there is obviously a change in the very structure and types of security risks, in which the manufactured over external risks and the exposures over the self-extinguishing security risks are dominating.

The Republic of North Macedonia is not and cannot stay out of this intricate network of social relations in which the nature of modern security risks changes. It must necessarily reflect in some way these tectonic movements in the security sphere, and especially in the area of security risks. It is precisely because of this fact, but also because of the fact that in the Republic of North Macedonia so far there is no such way of scientific research and study of security risks, that we have decided to fill one significant gap in our security science and practice related to the study and treatment of security risks. In essence, it is necessary to investigate to what extent and in what manner the wider changes in the nature of the security risks affect the scope, structure, and the type of security risks in the contemporary Macedonian society and state and how those risks influence the stability of the state and thus on the improvement of the economy. This would give a clear picture of the nature of modern security risks and it would be easier to determine the most appropriate approaches to security prevention, handling, management and assessment of safe security risks by the holders of the security policies in the Republic of North Macedonia, acting on a stable security influence on the improvement of the state's economy and thus bring to better economic growth and a better standard of all citizens.

On the other hand, the unfavorable economic, political and security situation requires a profound analysis and inclusion of all segments of society, each of its own country contributing to timely detection of potential risks and scheduling security and taking timely adequate measures by the competent institutions in order to prevent potential risks and avoid threats to security on a wider scale.

According to these facts, the research team from the Faculty of Security during the 2017 conducted a research project with the implementation of an empirical research, a survey of the general public about the current risks and threats to the security of the Republic of North Macedonia. The questionnaire examined the opinions and attitudes of the public expert representatives of the security institutions on issues related to the security risks in the Republic of North Macedonia.

From the security institutions concerned precisely with security, were the representatives of:

- the Cabinet of the President of the Republic of North Macedonia;
- the Intelligence Agency;

- the Ministry of Defense - security organs;
- the Ministry of Internal Affairs (Security and Counter-Intelligence Directorate and Public Security Bureau, Criminal Police and Uniformed Police); and
- the private security chamber.

The purpose of the research project is based on the perceptions of the current opinions and attitudes of the public expert on the security risks, to obtain valid scientific knowledge about the existence of security risks, their types, the process of handling and management as well as the assessment of security risks. The obtained results from the survey, and in full with the entire scientific-research project, will be the benefit to scientists working on the security research of the Republic of North Macedonia, the security policy holders, and the security management of security institutions. The questionnaire itself contained several sets of questions: biographical data, understanding-defining the notion of risk, ways of acquiring knowledge of risks, assessing the vulnerability of society to the types of risks, assessment of the kind of society we are living in relation to the risks. A number of risks were listed, whereby the general public was asked to determine the risks that endanger the safety, starting from the most important to the less significant, the intensity of the influence of the risks on the personal safety of the citizens, and on the security of the vital interests of the state, exploring the reasons for the current security risks in the Republic of North Macedonia, assessing the quality in creating and implementing the security policy, names methodology in assessing security risks and creating security strategy. At the end of the questionnaire, there are open questions for commentaries and presentation of certain attitudes of the expert public on certain issues related to security risks, for issues which are not covered in the questionnaire.

The survey covered a total of 151 persons interviewed from the above mentioned security institutions, from several towns in the Republic of North Macedonia: Skopje, Kumanovo, Bitola, Vinica, Kicevo, Kratovo, Ohrid Struga.

In the analysis, we process the data related to the influence of the economic factors, i.e., unemployment, low living standards, poverty, migration movements and labor market impacts, and their impact as a potential risk to the security of Republic of North Macedonia.

3. STRUCTURE OF THE SAMPLE

The selection of the sample is based on the distribution of certain socio-demographic characteristics among the employees in the security organizations. Thus, the gender structure of the sample shows a certain disproportion in favor of the male population (70:30), which is a result of the greater presence of the male population in the security institutions of the Republic of North Macedonia, i.e., it is about replicating the real situation in this domain. As for the age structure, the percentages show that the largest number of respondents is from the older category

(over 40) - 30%, and the youngest age category (up to 25 years) - 14% are with the lowest participation. The remaining age categories are in the range between these two intervals, and the value of the standard deviation (1,425) indicates the dispersion of the different age groups.

The structure according to the place of residence reveals the dominance of the respondents from Skopje (93%), while the respondents from other towns participate only with 7% (5% from Western Macedonia, 2% from Eastern Macedonia). The ethnic structure indicates the highest participation of respondents from the Macedonian ethnic community (86%), members of the Albanian ethnic community participate with 6% in the sample, the Turkish with 3%, etc. The religious structure (including the structure of the religion) reveals the dominance of the respondents - Orthodox Christians - 81%, then Muslims -11%, atheists - 4%, etc. The structure according to education reveals that almost every second (47%) respondent has completed university education, and almost every third (29%) has a secondary education. 90% of the respondents are employed in institutions / organizations that deal with security issues: the largest part - 43.5% are employed in private security agencies, and 41.3% in the state intelligence agency. In a smaller percentage, the sample includes police officers (6.5%), employees in the criminal police (5.4%) and the Security and Counter-Intelligence Directorate - 3.3%, which means that the research findings are created with the participation of all security organizations in the sample.

The facts that should be market are the data for the survey from the public expert, and the highest percentage of the respondents in the survey are respondents of higher education, masters, and doctoral studies background.

4. ECONOMIC DIMENSIONS OF SECURITY

From where the security risks come in the Republic of North Macedonia? Are they the result of a turbulent regional environment or the general globalization trend? Respondents, although not reject the external influences, still consider that security risks mainly originate from "home", i.e. from the state itself (44%). However, a high percentage of respondents (39%) see regional security risks as the main reason for endangering security in the country, while additional 17% of respondents as the source of the security risks in Macedonia, see the globalization (Table 1).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	globalization	17	17,0	17,0	17,0
	regional security risks	39	39,0	39,0	56,0

	security risks from the state itself	44	44,0	44,0	100,0
	Total	100	100,0	100,0	

Because the respondents consider that the situation in the country is the main source of security threats, several important socio-economic issues (primarily unemployment and poverty) and their impact on security are analyzed for the needs of the paper. From here, respondents in the largest percentage (39.2%) consider that poverty "extremely much" affects personal safety, and an additional 29.9% think that poverty "has a great deal of influence" on personal safety. This means that almost 7 out of 10 respondents think that the impact of poverty is high or very high on personal safety. (Table No.2)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	extremely little	3	3,0	3,1	3,1
	a little bit relative	4	4,0	4,1	7,2
	a lot	23	23,0	23,7	30,9
	extremely much	29	29,0	29,9	60,8
	Total	38	38,0	39,2	100,0
	Missing	System	97	97,0	100,0
Total		3	3,0		
		100	100,0		

Religion / religion		Table 3 Impact of Poverty on Personal Security					Total
		extremely little	a little bit	relative	a lot	extremely much	
Orthodox	Count	3	4	14	25	32	78
	% within religion	3,8%	5,1%	17,9%	32,1%	41,0%	100,0%
Muslim	Count	0	0	5	4	2	11
	% within religion	,0%	,0%	45,5%	36,4%	18,2%	100,0%
Catholic	Count	0	0	1	0	1	2
	% within religion	,0%	,0%	50,0%	,0%	50,0%	100,0%
Protestant	Count	0	0	1	0	0	1
	% within religion	,0%	,0%	100,0%	,0%	,0%	100,0%
atheist	Count	0	0	2	0	2	4
	% within religion	,0%	,0%	50,0%	,0%	50,0%	100,0%
else	Count	0	0	0	0	1	1
	% within religion	,0%	,0%	,0%	,0%	100,0%	100,0%
Total	Count	3	4	23	29	38	97
	% within religion	3,1%	4,1%	23,7%	29,9%	39,2%	100,0%

The in-depth analysis reveals that certain socio-demographic characteristics influence the perception of the impact of poverty on security. Namely, Table 3 reveals that religious affiliation plays a certain role in the perception of the relationship of poverty-safety. Namely, 41% of Orthodox Christians believe that the impact of poverty on personal security is "extremely high", while only 18.2% of Muslims think the same. For most Muslims, in fact, the impact of poverty on personal security is relative (according to 45.5% of the respondents).

On the other hand, on the direct question with the offered answers "yes" and "no", 2/3 of the respondents do not see poverty as a factor of influence on the general security. An attempt has therefore been made to differentiate their responses according to certain characteristics.

Crossing the view on the impact of poverty on general security, with the affiliation to a particular security organization, reveals certain differences. Namely, Table 4 reveals that employees of the Security and Counter Intelligence Directorate (fully) and police officers (on a large scale) see poverty as a factor in endangering general security. On the other hand, almost 3/4 of the respondents - employees of the Intelligence Agency and private security agencies (and 3/5 of the crime police) - do not see poverty as an influential factor.

Table 4 Does poverty affect general security?			да	не	Total
security organization	Administration for Security and Counterintelligence	Count % within	3 100,0%	0 ,0%	3 100,0%
	Intelligence Agency	Count % within	10 26,3%	28 73,7%	38 100,0%
	A police officer	Count % within	5 83,3%	1 16,7%	6 100,0%
	Criminal police	Count % within	2 40,0%	3 60,0%	5 100,0%
	Private Security Agencies	Count % within	11 27,5%	29 72,5%	40 100,0%
Total		Count % within	31 33,7%	61 66,3%	92 100,0%

The check-up confirmed that there is a statistically significant link between employment in a particular security organization and the stance on the impact of poverty on security. Namely, the value of the Pearson Chi-Square of 14,223, 4 degrees of freedom and 5% permissible error, is higher than the minimum value - 9,488; which implies the connection between these variables. The Contingency coefficient of 0.366 indicates a significant correlation between the security organization and the stance on the impact of poverty on security.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14,223 ^a	4	,007
Likelihood Ratio	14,584	4	,006
Linear-by-Linear Association	,761	1	,383
N of Valid Cases	92		

a. 6 cells (60,0%) have expected count less than 5. The minimum expected count is 1,01.

Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Contingency Coefficient	,366	,007
N of Valid Cases	92	

Almost 2/3 of the respondents estimate that very high unemployment (30.9%) or extremely high (36.1%) affects personal safety, while only 7.2% consider this impact to be minor. (Table 5).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	extremely little	7	7,0	7,2	7,2
	a little bit	4	4,0	4,1	11,3
	relative	21	21,0	21,6	33,0
	a lot	30	30,0	30,9	63,9
	extremely much	35	35,0	36,1	100,0
	Total	97	97,0	100,0	
Missing	System	3	3,0		
Total		100	100,0		

Certain socio-demographic characteristics of the respondents influence their attitude towards the relation between unemployment and personal security. Thus, the structure of responses among younger respondents reveals greater heterogeneity in the answers, than in the elderly. As much as 21.4% of the respondents under 25 years of age believe that unemployment affects "very little" personal security, and 50% of them that unemployment affects "extremely much". Much greater consistency exists in older age categories (36-40 years) and especially over 40 years, where it is evident that most of the answers (over 70%) are concentrated in the categories "extremely much" and "many", and in minor percentages (3.6%, or 6.3%, respectively), attitudes for "extremely low" and "small" influence are present.

Age		Impact of unemployment on personal safety					Total
		extremely little	little	relative	A lot	Extreme lot	
to 25 years	Count	3	0	2	2	7	14
	% within age	21,4%	,0%	14,3%	14,3%	50,0%	100,0%
26-30 years	Count	2	1	3	7	4	17
	% within age	11,8%	5,9%	17,6%	41,2%	23,5%	100,0%

31-35 years	Count % within age	0 0,0%	0 0,0%	7 31,8%	8 36,4%	7 31,8%	22 100,0%
36-40 years	Count % within age	1 6,3%	1 6,3%	4 25,0%	4 25,0%	6 37,5%	16 100,0%
up to 40 years	Count % within age	1 3,6%	2 7,1%	5 17,9%	9 32,1%	11 39,3%	28 100,0%
Total	Count % within age	7 7,2%	4 4,1%	21 21,6%	30 30,9%	35 36,1%	97 100,0%

Crossing the attitude about the impact of unemployment on general security, with the affiliation to a certain security organization, again reveals certain differences. Namely, Table 7 reveals that the employees in the Security and Counterintelligence Administration (100%) see the unemployment factor as a security threat. On the other hand, most of the respondents - employees of the Intelligence Agency and private security agencies, the police and the criminal police - do not see unemployment as an influential factor in the domain of security.

		Table 7 Does unemployment affect general security?		Total
		yes	no	
Security organization				
Administration for Security and Counterintelligence	Count % within	3 100,0%	0 0,0%	3 100,0%
Intelligence service	Count % within	12 31,6%	26 68,4%	38 100,0%
Police officer	Count % within	1 16,7%	5 83,3%	6 100,0%
Criminalistics police	Count % within	2 40,0%	3 60,0%	5 100,0%
Agency for private	Count	9	31	40

security	% within	22,5%	77,5%	100,0%
Total	Count	27	65	92
	% within	29,3%	70,7%	100,0%
	3			

5. CONCLUSIONS

Security risks originate from "home"

Although they do not rule out external influences, security service employees still consider that security risks mainly originate from "home", i.e., from the situation in the countr.

The impact of unemployment and poverty on personal security is high and extremely high

Most employees in security organizations perceive poverty and unemployment as factors that "very" and "extremely much" affect personal security.

The affiliation to a particular security organization affects the attitude of the impact of poverty and unemployment on the general security

Employees in the Security and Counter-Intelligence Directorate (fully) and police officers (on a large scale) see poverty as a factor in endangering general security, unlike employees in other security organizations. Also, employees in the Security and Counterintelligence Administration (100%) see the unemployment factor as a security threat, unlike employees in other security organizations that do not share this attitude.

- The integration of the Republic of North Macedonia into the international security institutions will positively influence the attracting foreign direct investments, and hence to the improvement of economic growth, reduction of unemployment and better livelihoods

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