



NATIONAL SECURITY ASPECTS OF LOCAL DEVELOPMENT

Dragan Ž. Djurdjević, PhD *

Miroslav D. Stevanović, PhD •

Abstract: *In this article, we propose that local development, today, has become related to national security. In that context, we observe the potential impact of supranational factors through subnational development mechanisms for the vital values of a state. The aim of this paper is to focus the significance of national economic system for national security, and the challenges it faces in interconnected and globalized world. We find that tendencies like financialization, dominance and market concentration can generate challenges through nontransparent financial mechanisms, suffocating markets or destroying environment. The vital question for local development, therefore, becomes how to converge in national economic system, which can provide competitiveness, but also stability for the workforce, water, food and energy supply, or social relations. We conclude that this cannot be overcome only with managerial approach, but requires a more comprehensive quality governance at all administration levels.*

Keywords: *human security, sustainability, global creditors, managerialism.*

1. Introduction

Traditionally, national security concerns protection of vital values of a state, with a focus on national defense. This concept has, in contemporary times, been broadened, to include the issues of protection of vital economic and political interests. Today, however, it is widely accepted that a state has the responsibility to create physical and policy environment on its territory, where not only sovereignty and territorial integrity, strategic relationships, nation's core values and institutions, but also quality of life, i.e. national vision

* Associate Professor Dragan Ž. Djurdjević, PhD, Megatrend University, Serbia, ddjurdjevic@megatrend.edu.rs

• Assistant Professor Miroslav D. Stevanović, PhD, Academy of National Security, Serbia, mstvnv297@gmail.com

of freedoms, dignity and prosperity and the capacity to create and share wealth and living standards, are protected and enhanced.

In that context, contemporary conceptualization of national security can be decomposed into its evaluative indicators: (a) the territory of the country is intact and under the effective sovereign control of the legitimate government (territorial Integrity and sovereignty); (b) the political community (nation) and the people enjoy cordial relations with neighboring nations and are free from outside control, interference or threat of aggression (external peace and harmonious foreign relations); (c) peace and harmony among different groups in the country, and cooperation and support between the government and the people (internal socio-political stability); (d) national environment capable to support sustainable development strategies and activities for the benefit and the existence of the nation and the people (ecological balance); (e) the country's economy can support national endeavors and provide citizens with opportunities to earn and live decently, deriving its strength from the people who have an organic stake (economic solidarity); (f) shared values and beliefs of the citizens handed down from their ancestors and a sense of attachment to national community and harmony regardless of possible religious, ethnic and linguistic differences (cultural cohesion and national harmony); and (g) moral and spiritual acceptance of the wisdom and righteousness of the national vision and inspiration by patriotism and national pride to participate in the pursuit of the nation's objectives (moral-spiritual consensus).

From the aspect of integrating mentioned evaluative indicators into the development, in general, the doctrine focuses the key-role of good governance, in terms operational convergence of effective leadership, thorough planning and successful implementation of the plans. (Lopez, 2013, 48)

When it comes to regional development, as a political process, practical reasons have imposed the need for considerations for impacts on environmental security. National security includes an interest to secure an adequate physical and policy environment which will further allow the creation and distribution of value and wealth. Wealth cannot be created if among the people persists insecurity or fear for personal safety. This segment has an epistemological background. Namely, to build a metaphysical infrastructure to nationhood, a culture of respected national character and national morale among population is fundamental, including through local development.

It seems necessary that the goals, like stimulating the return of the population to the economically underdeveloped areas, the implementation of measures for the improvement of industrial production, agriculture and trade, as well as the development of transport infrastructure, which significantly contribute to reducing the differences in local development within a country, are included in the national security strategy. (National Security Strategy of the Republic of Serbia, 2009, 24)

2. How local development fits national security concerns

The relationship between problems of national security and issues of regional development is primarily on the functional level, in sense of justification of the public policy decisions. As it has been shown in theoretical works, comparative analysis of models of

National Security Aspects of Local Development

regional development management enable identification of the general and special models and focusing on the problems of improving the governance of regional development as a factor of national security. (Antoshin, V. A.; Yershov, Y., 2015, 11)

The strength of a given government depends on its powers of rational decision-making, which today involves the spectrum of activities available to relevant supranational and international institutions (Dreyfus, 2002, 17) In that context, local development involves decision-making with consequences directly concerning some security aspects, like energy supply (energy security), local and regional economic development, transport and communications, and thus relevant for national security.

Even if national security is viewed within traditional concept, local development remains related to protection of vital values of a state. Namely, local authorities and various legal entities, including entrepreneurs, create an industrial defense potential and carry out assignments within the scope of national defense (Strategy of Development of the National Security System of the Republic of Poland 2020, 2013, 15)

This generates preconditions for cooperation of national agencies in many fields of national security: (a) local ownership of development projects; (b) energy; (c) water; (d) social groups within integrated economic, (e) military and foreign policies (U S Government Accountability Office, 2011). In these fields, therefore, local development inevitably includes focus on flexible system of local management and response mechanisms (Allswede, 2007, 47)

The current United States' National Security Strategy explicitly makes an argument about how development is functional to national security: "Economic challenges at home demand that we understand economic prosperity as a pillar of national security" (National Security Strategy of the United States of America, 2017, 18). The document also points its role for prosperity, through: "programs that prepare American workers for high – wage jobs" (Ibid, 19).

The US National Security Strategy also points the role of development, in general, as an offensive political instrument: "aspiring partners include states that are fragile, recovering from conflict, and seeking a path forward to sustainable security and economic growth. Stable, prosperous, and friendly states enhance American security and boost U.S. economic opportunities." (ibid, 38)

The meaning of development, including on the local level, should be functionally perceived as a whole-of-government and whole-of-society approach.

3. Structural national security approach to local development

All biggest recognized global challenges, like improving health security; addressing inequality; confronting climate change; countering authoritarian regimes and extremism; and ending conflicts, require effective development responses, including on local levels. Thus, rationality requirement is that a state cannot leave local development on its territory as a spontaneous and autarchic process. Namely, a state has a natural duty to nurture a system of social and political order and the internal social structure, if it is to remain

sovereign. This does not mean that private initiatives should be suppressed, but only that those which facilitate overall positive affects should be supported and stimulated.

It is often argued the rational of the current global system has, especially in the information age, evolved and that it can be identified as a new stage which is dictating dynamics (Lipuntsov, Beatch, Collier, 2017: 422). After the escalation of the global financial and economic crisis, which has been attributed to a centralized global financial and economic mechanisms, there is increasing argumentation that the strive for economic and political modernization cannot substitute the need for socio-political access (Voskressenski, 2017, 53-91), particularly for explaining the non-Western reality. that local incentives, pp

A development response includes a variety of affirmative actions, which are linked but not exclusively of economic nature. Among such responses, from the evaluative perspective, are attraction of direct investments, development (growth or development) of agriculture, industry and tourism; development of infrastructure, development of social activities, and protection of environment. From the aspect of providing national support for local developments, it is important to have a view a goal of balanced economy. In that context as priority criteria are explicated: (a) that economic development is sustainable, and (b) the economy is growing across different sectors (Chen, Lu, 2016, 2).

The rational need for national support of local development, as a political aspect which does not imply interference in market affairs, can be derived from a currently existing paradox. While the aspects of rural development, employment, equal opportunities and social inclusion, economic and social cohesion, regional policy are provided support and guidance on supranational level, like by the European Union, UN system, states are often expected only to comply to global financial and political interests and, thus.

Currently dominating approach to activating potentials for local development is that it is primarily a matter of individuals within the certain community', whose interests for development can be realized through the power and the efforts of their associations within that community', and with the assistance and support of local administrative institutions (Laratta, Nakagawa, 2013: 112).

It seems disputable that a state, even in contemporary age of globalization, can be disqualified as an autonomous actor in any process of local development on its territory. The principle reasons for this are twofold. On the practical level, since the progress is uncertain, reliance on external institutional support, including public-private partnerships, is a conceptually fragile. On the evaluative level, since the underlying interest is for the development to be sustained, it coincides with the interests of national security to provide in certain fields and aspects the support for an extended period.

In line with that, if the local social capital is to become mobilized towards development, there is a need for political will and structural support from the state. This aspect can be provided for in two parallel ways: (a) through providing institutionalization of representation of the local community, the social partners and the state agencies in relation to the local development of an area; and (b) through providing structural funds or financial mechanisms to support local development, i.e. enterprise initiatives (not general plans),

National Security Aspects of Local Development

with the aim to promote integrated economic, social and community development of local areas.

Even though local, development incentives related to areas, should be local segments of integrated action towards stability and national security. This could undoubtedly be enhanced by, on the one side, devolving more state power in many aspects of life to the structures of local self-governance including planning of development, and on the other, by having predictable economic policies and strategies and provided means to support local developments which facilitate them on the local level. The balance between the two can be structurally established on national and local levels of planning, and the institutional support for local actions and local self-governing to co-ordinate and deliver solutions.

4. National Security Challenges in Local Development

Local development, as we have stated previously, is related to concerns for some broader vital national values concerns. It is therefore unavoidable to anticipate potential generators of challenges in that respect.

It is impossible to focus every possible generator of challenges, especially if they manifest through personalized or institutionalized forms. What is possible, seems to outline mechanism which may induce unfavorable conditions for nationally compatible local development.

Such mechanism is financialization, in its aspect of being an incentive to shop credits (Palley, 2013, 180). Besides the risk of functionalization of this mechanism for imposing, without military force, dominance, hegemony and imperialism, on the national level this undermines the ability of states to lead rational and sustainable economic policies. In such circumstances, without the institutional presence of the state, global financial systems of money laundering, offshoring, tax evasion industry, hedging industry, widely recognized as risky, may find suitable ground for machinations through money flows which are not motivated in purpose of projected local development.

Related risk of financialization as a global mechanism in the interest of developed countries is the matter of capability of states to control their debts. In poorer countries, inflow of capital distorts parameters. It leads to many challenges for the security of real estate ownership, pension and health funds. As it is noted in literature, this is a challenge for the long-term stability of national financial market (Aalbers, 2016, 137, 44)

Another related risk-catalyst is the dynamics of policy transfer on international level (Evans, 2017, 27). In the economic environment of high frequency trading, junk bonds and other sources of fictitious "capital", it cannot be left to local structures to determine the foundation of private capital flow, in terms of long-term interests for business operations, or just obtaining "something for nothing".

With information age, states face a specific challenge in terms of awareness about potential problems for national security related to local development. As it is noted in theory, information age has redefined the scope of the reach, while simultaneously supports local innovation in terms of transcend the boundaries national towards

transnational systems (Turpin, Xielin, 2002, 11). This suggests that local initiatives are less confined by the boundaries. The consequence is that local incentives may be reintroduced in the community in interest of capital of outside actors, or even used in other communities. With the international system of protection of intellectual rights, ideas, projects and solutions are available to the highest bidders, and local communities seeking development cannot compete in this arena.

5. Conclusion

The analysis of the potential impact of supranational factors through local development mechanisms on the vital values of a state shows that the concept of national security unites several subjects according to their common level of socio-economic development, cultural traditions and natural conditions on the territory.

Despite being focused within globalization as the condition for achieving a more balanced, free and democratic world, local development is still in primary interest of states. Therefore, the fact that in today's world there is notorious centralization of access to investment capital has direct consequences. Namely, the money flows do not necessarily have to follow interests of both sides, only those of investors. Structural analysis shows that a state, without direct participation, cannot be timely in position to recognize potential fraudulent or speculative flows into local development, and even the political interests behind them. This, since the quality of life of all citizens is responsibility of a state, is a potential national security challenge, which, as we have shown, can be faced by introducing institutional preconditions, in terms of representation and support.

There is no indication that the generation of challenges can be attributed to globalization or the information age as such. The analysis shows that misuse of mechanisms of financial power in such conditions expose weaknesses of states, which are additionally subjected to capabilities of those with greater financial and information might. We can, thus, induce that in critical matters, involving energy, drinking water, arable land, natural resources, strategic infrastructure etc., a state cannot allow itself to subdue interests of local development to the interests of national security.

The overarching conclusion is that states facing uneven local development, should follow a framework of national economic system and directly participate, through support, in incentives which facilitate their own economic system. This would not exclude the principle challenges, but would significantly reduce potential negative influences on vital values, which cannot be left as a burden of the institutions on the local level.

REFERENCES

- Aalbers, M. B. (2016). *The Financialization of Housing: A Political Economy Approach*. Oxon/New York: Routledge.
- Allswede, M. (2007). Medical Response to Chemical and Biological Terrorism. In: Johnson T. (ed.), *National Security Issues in Science, Law, and Technology* (pp. 23-50) , Boca Raton: CRC Press.

National Security Aspects of Local Development

- Antoshin, V. A.; Yershov, Y. (2015). Management issues of regional development in the field of national security of the Russian Federation and the United States: A Comparative Analysis, *Voprosy Upravleniâ*. 2015, 36(5), pp. 1-10.
- Chen, Z.; Lu, M, (2016), *Toward Balanced Growth with Economic Agglomeration: Empirical Studies of China's Urban-Rural and Interregional Development*, Peking University Press; Heidelberg/New York/Dordrecht/London: Springer.
- Dreyfus, P. G. (2002). *Border Spillover: Drug Trafficking and National Security in South America*. Université de Genève Doctoral Theses N° 636, p. 17. Retrieved from: <http://www.unige.ch/cyberdocuments/theses2002/DreyfusP/these.pdf>. Accessed on: 27.12.2017.
- Evans, M. (2017). Understanding Policy Transfers. In: Evans, M. (ed.), *Policy Transfer in Global Perspective* (pp. 10-44). Oxon/New York: Routledge.
- Laratta, R.; Nakagawa, S. (2013). Cooperative Banks and Community Development in Japan. In: S.; Alexopoulos, Y. (eds), *Financial Cooperatives and Local Development* (pp. 111-140). Oxon/New York: Routledge.
- Lipuntsov, Y.; Beatch, R.; Collier, I. (2017). Financial Market Data Collection Using the Information Model of Interagency Cooperation and the International System of Codification of Financial Instruments. In: Alexandrov D.A. et al. (eds.), *Digital Transformation and Global Society: Second International Conference, DTGS 2017, St. Petersburg, Russia, June 21–23, 2017, Revised Selected Papers* (pp. 417-430). Cham: Springer International Publishing.
- Lopez, G. (2013). Integrating National Security into Philippine Regional Development Planning. In: *The Study of National Security at 50: Re-awakenings. A Golden Anniversary Publication of the National Defence College of the Philippines* (pp. 40-68). Quezon City: National Defence College of the Philippines.
- National Security Strategy of the Republic of Serbia, Official Gazette of Republic of Serbia, No 88/2009.
- National Security Strategy of the United States of America. December 2017. Retrieved from: <http://nssarchive.us/wp-content/uploads/2017/12/2017.pdf>. Accessed on: 27.12.2017.
- Palley, T. (2013). *Financialization: The Economics of Finance Capital Domination*. Basingstoke: Palgrave Macmillan.
- Strategy of Development of the National Security System of the Republic of Poland 2020. Resolution of the Council of Ministers of 9 April 2013, p. 15. Retrieved from: http://en-m.mon.gov.pl/p/pliki/dokumenty/rozne/2014/01/ENGLISH_SRSBN_RP_do_pobrani_a.pdf. Accessed on: 27.12.2017.
- Turpin, T., Xielin, L. (2002). Introduction: Regional and National Systems of Innovation. In: Turpin, T., Xielin, L., Garret-Jones, S, Burns, P. (eds.), *Innovation, Technology Policy*

and Regional Development: Evidence from China and Australia (pp. 3-12). Cheltenham/Northampton: Edward Elgar.

U S Government Accountability Office (2011). National Security: An Overview of Professional Development Activities Intended to Improve Interagency Collaboration. Report to Congressional Committees No. 11-108. Retrieved from: <https://www.gao.gov/new.items/d11108.pdf>. Accessed on: 27.12.2017.

Voskressenski A.D. (2017). Non-Western Theories of International Relations: Conceptualizing World Regional Studies. Cham: Palgrave Macmillan.

LOKALNI RAZVOJ U KONTEKSTU NACIONALNE BEZBEDNOSTI

Apstrakt: У овом чланку, постављамо тезу да је локални развој, данас, постао повезан за националну безбедност. У том контексту, посматрамо потенцијална дејства супранационалних чинилаца на основне вредности државе, преко поднационалних развојних механизма. Циљ овог рада је да фокусира значај националног привредног система за националну безбедност и изазова са којима је суочен у међуповезаном и глобализованом свету. Налазимо да механизми попут финансијализације, доминације и концентрације тржишта могу да генеришу изазове, преко нетранспарентних финансијских механизма, гушења тржишта или уништавања животне средине. Основно питање за локални развој, стога, постаје како да се уклопи у национални привредни систем, који може да обезбеди конкурентност, али и стабилност за радну снагу, воду, храну, енергију, или друштвене односе. Закључујемо да се ово не може превазићи менаџеријалистичким приступом, већ да захтева целовито квалитетну владавину на свим нивоима администрације.

Keywords: human security, sustainability, global creditors, managerialism.

Кључне речи: људска безбедност, одрживост, глобални кредитори, менаџеријализам.