

Economic Conflicts as a Possible Destabilizing Factor for Sustainable Development of the Territory

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ABSTRACT

The anticipation of economic conflicts, the phenomenon that is objectively determined by the market economy, and which is based on the redistribution of the main tangible and intangible assets between economic entities on the territory of the constituent entities of the Russian Federation, determine the relevance of the study. Thus, a constructive resolution of economic conflicts can contribute to the growth of the competitiveness of the region's economy as a whole, whereas the leveling of conflict situations and the lack of legal support for the activities of economic entities with adjacent or identical spheres of interest can lead to negative consequences of the development of economic sectors and, as a result, become a threat to the security of the region in general. The formation of an effective system for managing the economic security of the region and measures to prevent the emergence of threats to economic security during the formation and resolution of economic conflicts in the territory of this region, both currently and in the future, will allow ensuring an increase in the efficiency of state management of socio-economic processes.

Keywords: economic conflicts, sustainable development of the territory, industrial production, competition, economic security.

1. INTRODUCTION

Most philosophical teachings and socio-economic theories are focused on the ideals of harmony, peace and prosperity, and not on conflict. More can be argued - human consent is simpler and easier to understand than conflict, despite the fact that economic, political, military and other conflicts are firmly woven into the fabric of human history, and the consent that interrupts the conflict is fleeting.

To suppress conflicts at the stage of inception or after their emergence, to strive to eradicate conflicts means to expose reality to unpredictable transformations. These circumstances explain the scientific and practical interest in the phenomenon of economic, political and social conflict of the modern world and modern Russia, in its sources and dynamics. The study of the possibilities of non-destructive conflict resolution in the transforming economy is of particular interest and demanded by Russian society and its leading and constructive social forces.

Economic conflicts are combined and interact in society with other conflicts of a different value nature:

geopolitical, ethnic, cultural, environmental, etc. The dynamics of social, socio-economic relations is a complex and internally contradictory process. This process has its own internal social basis, determined by various factors and, first of all, by changing subjects that arise as a result of the transformation and reform of the national economy and the dominant form of ownership and their interests [1].

Activities aimed at realizing these interests as a result of the transformation of property and the appropriation of national economic resources by new owners - territories, mineral resources, industrial and financial capital, intellectual property - decisively determines the state of the national economic system. The two most relevant conditions for Russian reality are territorial conflicts of economic interests within numerous constituent entities of the Russian Federation, and spatial economic conflicts that cross the administrative boundaries of the constituent entities of the Russian Federation, federal districts, economic regions, and sometimes the state borders of the country [2].

2. MATERIALS AND METHODS

Based on the study of classical and modern literature on the issues of conflicts and conflictology, it becomes clear that the nature of modern economic conflicts has been studied much worse than economic harmony. Conflict is not considered the natural state of society, but modern reality shows the opposite. The modern economic conflict is conceptually deformed and is often interpreted as the result of an unfortunate set of circumstances.

Analysis of the literature on theories of conflict allows us to conclude that the concept of "conflict" in most studies acts as a metaphor covering a diverse spectrum of problematic relationships between groups [2].

Political Science Dictionary edited by Yu. N. Averyanova defines the definition as follows: "a conflict is a clash of two or more oppositely directed forces in order to realize their interests in the face of opposition. The conflict arises as a result of the collision of various objective and subjective tendencies in the activities of individuals, groups, social structures, as a confrontation of ideas, theories, schools, the struggle for monopoly domination within certain spheres of activity and for gaining benefits. "

It should be noted that the concepts of "conflict" and "competition" are not identical. The famous American conflictologist K. Wright notes that "a conflict is a confrontation between social units, independently of each other making their efforts to achieve something that will not equally satisfy everyone." The conflict is characterized by "mutual interference of the parties", and competition is characterized by "their parallel aspirations" [1].

Thus, a conflict is a contradiction of interests resolved by a constructive or destructive clash of the subjects of the conflict.

Thus, conflicts increase the diversity of society as a social system, giving rise to a state of bifurcation in the sphere covered by the conflict.

Bifurcation is a state of the system from which at least three outcomes are possible [2]:

- 1) the victory of one side with the suppression (subordination) of the other;
- 2) a compromise solution, including consent;
- 3) the exhaustion of the conflict by the destruction or disintegration of one or both parties of the conflict.

The subjects of the conflict, as a social phenomenon, are individuals, groups, economic entities, countries, ethnic groups and other communities.

One way or another, the essential definition of the conflict remains the struggle of subjects among themselves for the possession of goods.

Thus, summarizing the existing research information on the theory of conflicts, an economic conflict can be defined as follows: an economic conflict is a direct legitimate or shadow struggle of business entities for the possession of economic (material and non-material) resources and benefits.

The basic socio-economic condition for the emergence of an economic conflict is the existence, interests and economic activity of business entities (economic entities), a certain type of interaction of which causes a conflict.

Among the set of all economic subjects of spatial and territorial structures, there is a dominant subset, the resulting vector of interaction of which is significant in terms of the scale of the impact on the state and prospects of the socio-economic impact of the development of these structures. The dominant subsets include [2]:

- 1) federal authorities with representation in the region;
- 2) financial and industrial groups, corporations, concerns, large banks and insurance companies;
- 3) spatial and territorial structures operating on the territory of the region;
- 4) local government bodies of the largest cities;
- 5) large municipal enterprises;
- 6) shadow and criminal structures, etc.

Economic subjects acting within the framework of spatial and territorial structures form various configurations of interacting interests. In these configurations, you can fix a whole gradation of forms of interaction [2]:

- mutual support;
- help;
- cooperation;
- corporation;
- neutrality;
- mutual damage;
- resolved conflict;
- insoluble conflict (antagonism).

The most dangerous for ensuring the economic security of the region are insoluble conflicts between economic entities consolidating tangible and intangible assets in the region, which is caused by direct losses in production, inter-budgetary and fiscal relations and problems of direct violation of the legislation of the Russian Federation.

3. RESULTS AND DISCUSSION

In the structure of industrial production of the Sverdlovsk region, the largest part is occupied by the mining and metallurgical complex, whose share in the structure of the processing industries of the region is 55.5%. In the sectoral context, the metallurgical complex includes the sub-industry of ferrous metallurgy, including the actual metallurgical plants and plants, pipe and ferroalloy enterprises, and the sub-industry of non-ferrous metallurgy, including enterprises for the production of primary metals, plants for the production and processing of non-ferrous metal alloys, as well as enterprises special metallurgy. Metallurgical enterprises of the Sverdlovsk region occupy a significant sector in the total volume of Russian production of metal products, and for a number of commodity items - in the world and European output.

Among the multitude of conflicts that have their origins in the redistribution of property, competition for raw materials and sales markets, affecting the economic interests of owners, top managers and power structures of adjacent territories - constituent entities of the Russian Federation, for a more complete analysis of the formation of economic security of the Sverdlovsk region, the authors consider the conflict relations of the largest metallurgical plants that are strategically important for the economic development of the region as a whole - the Ural Mining and Metallurgical Company and the Russian Copper Company.

The purpose of the analysis is to identify a direct correlation between the escalation of the conflict situation of the largest holdings of the Sverdlovsk region and the formation of its economic security.

The Ural Mining and Metallurgical Company (hereinafter - UMMC) is a Russian mining and metallurgical holding, the largest producer of copper, zinc, coal and precious metals in the country. In addition, UMMC enterprises produce lead, selenium, tellurium, copper and nickel vitriol, and other types of by-products [3].

The company is based on a closed technological chain for copper: from the extraction of raw materials to the production of finished products based on it (copper wire rod, rolled metal, cable and wire products, heat exchangers).

The main types of production include [3]:

- mining and processing of copper raw materials and production of copper cathodes;
- production of products of increased readiness from copper and other non-ferrous metals: copper wire rod, cable products, copper powders, products from copper powders, rolled non-ferrous metals, radiators, etc.;

- extraction of metals contained in copper raw materials: production of gold and silver in bank-grade ingots, production of selenium and tellurium;
- production of chemical products: sulfuric acid, copper sulfate, nickel sulfate;
- extraction and processing of zinc raw materials, production of zinc and zinc-based products;
- services for galvanizing metal structures;
- processing of secondary lead-containing raw materials, production of lead and lead alloys;
- production of construction industry products: brick, crushed stone, etc.

On the other hand, the Russian Copper Company (hereinafter RCC) is a Russian metallurgical company headquartered in Yekaterinburg. RMK operates on the territory of Russia in the Sverdlovsk, Chelyabinsk, Orenburg, Novgorod regions, as well as on the territory of the Republic of Kazakhstan (Aktobe region) [4].

The holding includes five mining enterprises, one hydrometallurgical plant, three metallurgical plants and one trading company that sells products of all enterprises of the holding.

The metallurgical division of RCC includes enterprises that process ore into blister copper and produce refined copper in the form of cathodes and copper wire rod. The production capacity is up to 200 thousand tons of cathode copper and up to 200 thousand tons of copper wire rod per year. The Russian Copper Company is currently the third producer of refined copper in Russia, with a 16% share in the Russian market, and about 1% of the global copper production market. Along the way, RCC produces zinc concentrate, gold and silver [4].

The main types of finished products of the enterprises of the RMK holding include [4]:

- copper in copper concentrate;
- zinc in zinc concentrate;
- copper cathodes;
- copper wire rod;
- refined gold;
- refined silver.

In total, the turnover of the two largest holdings UMMC and RMK - copper producers in the Russian Federation - accounts for more than 438 billion rubles for 2021 according to RAS, which is the largest share of the total turnover of the industry [5].

However, such a neighborhood of two enterprises cannot be conflict-free. Sverdlovsk copper producers have managed to find their competitive niche in the world market and have become one of the most important export sectors of the Russian economy. The abolition of the currency corridor in 1998 allowed metallurgical plants to invest the resulting free resources in the expansion of their own assets. At the initial stage

of development, the method of acquiring objects by holdings consisted of buying up accounts payable of bankrupt enterprises with the assistance of regional authorities.

Despite the fact that both UMMC and RMK have a complete technological complex: ore - concentrate and blister copper - refined copper - rolled products and cable products, the source of "copper" conflicts is the raw material base of the Urals, which meets the needs of the copper processing enterprises of the Sverdlovsk region no more than by 50%. At the same time, mining enterprises in the region provide only 10-15% of the needs with raw materials.

Thus, the main competition between the UMMC and RMK holdings is not at the level of manufactured products, but at the level of supply of raw materials.

There is practically no competition in price due to the fact that the cost of non-ferrous metals and products from them is formed on the basis of prices for the LME (London Metal Exchange). However, the cost of copper products is influenced by internal factors of the manufacturer (production costs, supply of raw materials, electricity, etc.).

Thus, during the existence and development of metallurgical companies, several major conflicts between the UMMC and RMK holdings can be distinguished, the object of which was an interest in the ownership and operation of deposits and copper-smelting plants in the Urals Federal District, namely [5]:

- 1) conflict, 2000, "copper war" - the issue of the sole right of ownership of the Karabash copper-smelting plant;
- 2) shareholder conflict, 2004 - the issue of sole ownership of OJSC Verkhneuralskaya Ruda;
- 3) management conflict, 2009 - changes in the composition of shareholders of the Chelyabinsk Zinc Plant;
- 4) consolidation of CZP in the possession of UMMC, 2015;
- 5) the possibility of joint development of BGK and RMK of the Udokan copper deposit, 2017

It should be noted that the reason for resolving the economic conflicts between the holdings under consideration, in particular, is the need to comply with the license terms for the development of deposits, one way or another, constructive decisions made by the management structures of the UMMC and RMK holdings lead to positive development results for both companies.

Thus, the struggle of owners to expand the raw material base and seize sales markets through mining and copper smelters in the adjacent territories of the Urals is constructively positive for the Sverdlovsk region, the same is the impact of aggressive economic

conflicts on the prospects for the development of the holdings in question and the competitiveness of the Ural metallurgy in general.

4. CONCLUSION

It should be noted that the formed holdings, with the support of regional authorities, have a clear vertical hierarchical structure and territorial extent, fitting into the concept of the region as a quasi-corporation imputing economic subjectivity to the region. An additional incentive for the development of holdings undoubtedly leads to an increase in profits, an increase in the number of jobs and the formation of a socially significant multiplier effect of the development of the Sverdlovsk Region.

The creation of a stable, actually functioning legal framework is a prerequisite for the formation of a stable and developing economic complex in the region. This task is solved both through the active participation of the management bodies of the Sverdlovsk region in improving federal legislation, and using the opportunities available to the region in accordance with the Charter and the Treaty on the delimitation of jurisdictions and powers.

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