

DOI <https://doi.org/10.30525/978-9934-26-459-7-56>

ECONOMIC SECURITY OF UKRAINE

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Abstract

It is a well-known fact that in the modern world, a high level of infrastructural development and innovation increases the level of security of the national economy of any country. At the same time, the issues of protection of investments, private property and freedom of entrepreneurship remain the basic conditions for achieving a high level of economic security of the state. That is why a complex approach to understanding the essence of the very concept of “economic security” necessitates the formation of a multifactorial and structured approach to assessing the level of economic security, which makes the study of this issue relevant at the present stage.

Key words: *economic security, components of economic security, digital technologies, integral Index of economic security.*

1. Introduction

The economic security of the state, manifested in the safe functioning of all branches of the national economy, acts as an integral factor in the stability of the entire economic system. At the same time, it is necessary to take into account that economic security at the macroeconomic level includes a number of important directions, the consideration of each of which is absolutely necessary to ensure a qualitative assessment of the vulnerability of economic spheres to negative influences.

Some of the key aspects that make Ukraine's economic security relevant include: 1. Geopolitical environment. Ukraine is in a complex geopolitical

environment, especially in connection with the annexation of Crimea, the conflict in the east of the country, a full-scale invasion and war. This creates instability and uncertainty, which can negatively affect the economic situation. 2. Energy dependence. Ukraine is a significant importer of energy, particularly natural gas, and over-reliance on supplies could pose risks to the economy in the event of political or economic supply difficulties. 3. Reforms and investments. The effectiveness and speed of reforms, especially in the areas of finance, the judiciary and the fight against corruption, are critical to ensuring economic sustainability and attractiveness to investors. 4. Trade and international relations. The development and conclusion of new trade agreements with other countries can be of great importance for increasing exports and economic development. 5. Economic challenges. The high level of unemployment, inflation, budget deficit and other economic problems require systemic solutions to solve them. 6. Competitiveness. Increasing the competitiveness of the Ukrainian economy on the international market is an important task for ensuring sustainable economic development. In general, the economic security of Ukraine is an urgent problem that requires attention and systemic measures from the government, business community and international partners to ensure sustainable and balanced development of the country.

Overview

The formation of approaches to the assessment of the economic security of the state, as is known, is formed from a complex of components that take into account the state of threats and the availability of tools for countering them in key sectors and branches of the national economy. At the same time, it is necessary to take into account that economic security, as such, is also a separate element of the national security of Ukraine in general. Therefore, in reality, it is impossible to assess economic security in isolation, as it requires taking into account systemic interaction with other areas of protection of the state's interests. In particular, economic security is inextricably linked with social security, which results in the formation of socio-economic principles in the system of protecting the interests of the country's population. The interaction of economic factors with the ecological system is also important, as a result of which there are needs to ensure environmental and economic security, etc. Thus, when forming approaches to the assessment of economic security, it is necessary to consider its structure, to determine the key factors that should be taken into account when determining a specific assessment model. In particular, it should be taken into account that although economic security consists of many separate

directions, including the economic security of individual economic entities, for the assessment it is worth limiting coverage to key sectors of the national economy (Fig. 1).

As we can see, comprehensive consideration of all aspects of economic security requires the use of specialized methods that allow building multifactorial models with many variables.

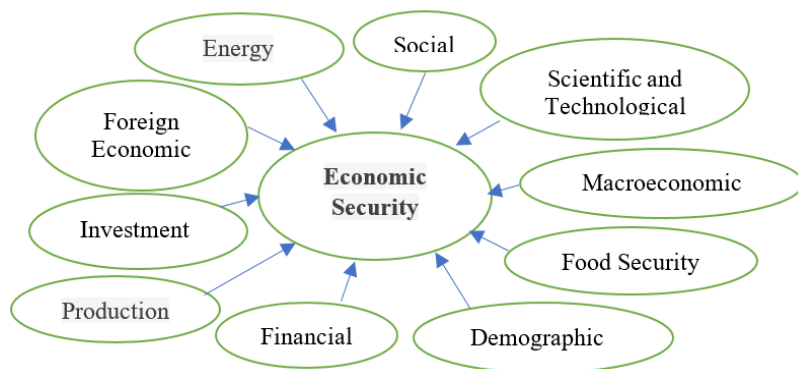


Figure 1. The structure of economic security of the state

Undoubtedly, the practical tools for calculating the level of economic security in such a case are specialized mathematical and econometric methods of processing and summarizing large data sets, which also allow evaluating their dynamics and predicting the direction of change in the short- and medium-term period. In Ukraine, the "Methodical recommendations for calculating the level of economic security of Ukraine", approved by the Order of the Ministry of Economic Development and Trade, are a practical tool used to calculate the level of economic security at the national level [3]

This technique is based on determining the numerical characteristics of a set of specialized indicators, each of which determines the level of their safety – from absolutely dangerous to optimal. As a result, a complex of indicators is formed for each of the spheres of economic activity, which are included in the methodology. In turn, the combination of all individual indicators makes it possible to calculate the integral index of economic security.

The value and dynamics of the integral index of economic security of Ukraine for 2018–2021, calculated in accordance with the Methodological

recommendations, given in the table 1. The given data indicate that the level of economic security of Ukraine for 2018–2021 had an unstable trend. Minor fluctuations are observed, which requires a more detailed analysis by individual sub-indices.

Table 1

Integrated index of economic security of Ukraine [1]

Indicator	2018	2019	2020	2021
Production	59	58	57	54
Demographic	40	41	39	40
Energetic	54	53	49	49
Foreign Economic	36	36	40	44
Investment and innovation	30	31	31	31
Macroeconomic	37	40	45	43
Food Security	91	90	89	85
Social	59	59	60	59
Financial	40	45	42	40
Integral Index of Economic Security	48	49	49	48

*due to martial law, statistical data starting from 2022 are not available

It is worth noting that in today's conditions, digital technologies have a very significant impact on economic security in the modern world [2]. This influence has both positive and negative aspects. Increased productivity and efficiency: Digital technologies such as automation, artificial intelligence, data analytics, and the Internet of Things enable increased workforce productivity and business process efficiency, which can drive economic growth. Digital transformation of industries: Digital technologies are transforming various industries such as finance, healthcare, transportation, education and manufacturing. This can create new opportunities for business and the development of new products and services. Cost reduction: The use of digital technologies can help reduce costs in production, logistics, marketing and other areas of activity, which positively affects the efficiency of the enterprise and its competitiveness. Cyber Security: On the other hand, the growing use of digital technologies

leads to increased risks in the field of cyber security. Cyberattacks, data theft, and other cybercrimes can cause significant business losses and threaten economic security. Jobs: The use of automation and artificial intelligence could lead to the automation of a number of jobs, which could have an impact on unemployment and social stability. Uneven access: In many cases, access to digital technologies and their benefits can be uneven, leading to a deeper divide between developed and less developed regions or population groups. In general, digital technologies can be a significant factor in improving economic security, but they also create new challenges that require attention and effective risk management strategies.

Conclusion

Thus, we come to the conclusion that the assessment of the level of economic security at the macro level is formed on the basis of a new processing of known data arrays, the result of which is the formation of integral indicators of economic security. Accordingly, for an objective assessment of the level of economic security of the national economy, it is objective to use methods based on taking into account individual indicators and sub-indices of economic security. Taking them into account in this way makes it possible to cover potential threats as much as possible and determine the level of their influence on the state of the markets and the national economy of Ukraine as a whole.

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