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**The evolution of economic and financial processes as a factor of state security of Ukraine**

*The article discusses various approaches to the definition of "economic security" and its impact on the security of the state as a whole. The relationship between the evolutionary component of economic development and security is considered. Identified threats to economic security in the domestic market within the regions of the state. The necessity of supporting the state processes of development and the evolution of the economy to ensure its stable development is substantiated.*

**Keywords:** *evolution, economic processes, state security, economic problems, social sphere, crisis factors.*

Ensuring the security of the individual, society and the state, the entire world community is a key civilizational aspect of the current stage of development of the

world economy. Under the conditions of social pressure, aggravation of crisis situations, significant differentiation of the social limits of poverty and wealth, there is a weakening of public confidence in the state.

In this connection, the search for effective ways and mechanisms for solving, first of all, social and economic problems of society is very important. Undoubtedly, economic security is organically incorporated into the national security system, along with its components, such as ensuring the country's reliable defense capability, maintaining social peace in society, and protecting against environmental disasters. Here everything is interconnected, and one direction complements the other: there can be neither military security nor an effective economy in a society with impending social conflicts [1].

The complexity of the relationship between the economy and the social sphere is that each of them is relatively independent and develops according to its own laws. However, the social sphere, expressing the livelihoods in a holistic implementation, which results in a human, social groups, as it permeates all other spheres of social life. At the same time, a prerequisite for its development is the functioning of all other spheres, since they produce material, spiritual goods and values, implement the functions of political management of society, etc. In relation to other areas of society, the social sphere acts as a factor in strengthening and maintaining the stability of social relations and processes, their relative balance, preserving the integrity of the entire social system.

Social development is undoubtedly the result of stable economic development, but such a state of the economy must be constantly reproduced and thereby contribute to the improvement of the state's economic security in the socio-economic sphere. It is the ability of society to constantly maintain its stable social and economic development creates social sustainability.

Analysis of the political and economic heritage shows that three conceptual approaches to solving the problems of the country's economic security have been formed:

- Cameralist concept of foreign economic security, which was developed in the middle of the XIX century and revived by left-wing economists at the end of the XX century. (in the 1840s F. Liszt, and in the 1970s, R. Prebisch, I. Wallerstein);
- Keynesian concept of protection against internal macroeconomic threats, which was formed in the second half of the 20th century (J. Keynes);
- neoinstitutional concept, established in the 80s of the XX century and connecting the internal security of the economy with the effectiveness of state institutional policy (Hernando de Soto) [6].

The formulated concepts emphasize various aspects of economic security. In the first case, emphasis is placed on overcoming and external threats arising from different competitiveness of national economies, two other concepts link economic security with overcoming internal threats - market “failures”, instability of economic growth, unemployment, inflation and inefficiency of state regulation. Differences are also observed in setting goals and choosing methods for dealing with emerging threats. Thus, the cameralist concept is characterized by a target orientation towards overcoming competitive pressure from more economically developed countries and protecting the national producer. From this follow the methods of ensuring economic security - protectionist trade policy, state support for the development of the national economy. The Keynesian concept is focused on achieving macroeconomic stability and is based on the methods of state regulation of production, employment and money circulation. Finally, the neoinstitutional concept as the main goal of economic security considers the creation of effective proprietary, labor, financial, social and other economic institutions, forms of organizing and regulating economic life, ensuring private rights in society, the protection of property, the unity of perception of national economic development goals. An essential element in the implementation of the neo -

institutional paradigm is the fight against various manifestations of bureaucratization, corruption, shadow economic activity, as well as the formation of an institution of trust in society.

It is easy to see that these paradigms complement each other. Moreover, to a certain extent they reflect the intercountry differences in the priorities of solving the tasks of economic security, objectively arising from the achieved level of development of the country and its position in the system of world economic relations. In particular, the cameralist and neoinstitutional concepts appear to be most relevant for the countries of the catching-up development, while the Keynesian concept prevails in the practice of state regulation of developed countries.

The stability of the economy, the evolution of its development greatly contribute to the stabilization of the social sphere, the cohesion of social groups, overcoming conflicts, increasing employment, improving the quality of life, reducing the number of people with incomes below the subsistence minimum. The more sustainable the development of the national economy, the less possible social threats.

At present, a favorable situation is emerging for an evolutionary economy. Not only are economists' internal dissatisfaction with the narrowness of economic orthodoxy, but also some real-life events increase interest in the evolutionary economy and the evolutionary approach in general. It is primarily about the impact on economics of the problems that have arisen in connection with the transformation processes in the post-socialist countries, and what analytical and practical achievements in this situation she has demonstrated.

Ensuring economic security is one of the most important functions of the state. This problem is derived from the task of ensuring economic growth at every stage of the development of society. To assess growth prospects, it is necessary to study the structure of the national economy in order to diagnose its ability to development and evolution.

The concept of a sectoral structure of the economy, expressing these trends, has existed in economics for more than half a century. It was proposed by C. Clark [4], who divided the economy into three sectors:

1. Primary sector - production of raw materials, traditional production (forestry, agriculture, extraction of materials from the bowels of the earth).
2. Secondary sector - industries that provide processing of raw materials into the final product, manufacturing industry.
3. Tertiary sector - production of services (services, high-tech production).

The pre-industrial society was mainly mining, its economy was based on agriculture, coal mining, energy, gas, fisheries, and the timber industry. The industrial economy is characterized by the dominance of the processing industries, a society in which energy and machine technology are used to produce goods. The post-industrial society is characterized by the fact that telecommunications, computers, machines and robots play a prominent role in production, in the exchange of information and knowledge, creating a basis for further development of the economy, facilitating its reconstruction on its own basis using the limited resources available.

The ability of the state to contribute to the innovation sphere of the international community, the ability for self-development, progress and evolution, ensuring the actual development and improvement of production factors are of paramount importance and are an integral part of ensuring national economic security, ensuring the country survival in the face of protracted global crises, promotion and promotion national interests, economic independence, stable and sustainable development of economy and as a result, competitiveness in the global economy [7].

The solution of social and economic problems involves qualified government regulation of the Ukrainian economy, focused on the establishment and activation of a competitive market mechanism, the formation and use of a mechanism to manage economic security. Without this, it is impossible to resolve, smoothing socio -economic contradictions [5].

In scientific research and practical work of state bodies in general and internal affairs bodies, in particular, insufficient attention is paid to management issues, methodological support of analytical work in the field of organizing activities to ensure the economic security of the social sphere in the state and in the regions of Ukraine.

The concept of “economic security” has become popular in Ukraine since the moment of active reforms in the economy. Analysis of world experience shows that the concept of economic security is well known in the practice of the activities of management structures, and economic security is considered, as a rule, as an integral part of national security.

The complexity of the phenomenon of economic security allows, in a conceptual sense, to define it through the system method, in a generalized form, with the possible identification of the most important elements of this system in a concrete expression. Due to the fact that the concept of economic security has relatively recently become the object of scientific research, in the domestic and foreign literature the range of different approaches to the interpretation of this term has been very extensive:

- a qualitatively defined state of the country's economy, which from the point of view of society, it is desirable to maintain or develop on a progressive scale;
- the ability and readiness of the economy to ensure decent living conditions and personal development, the socio-economic and military-political stability of society and the state, to resist the influence of internal and external threats;
- the most important qualitative characteristic of the economic system, which determines its ability to maintain normal living conditions of the population, the sustainable provision of resources for the development of the national economy, as well as the consistent realization of the national state interests of Ukraine;
- the level of economic development, which ensures economic, socio - political and military stability under the influence of adverse factors;

- a set of conditions and factors that ensure the independence of the national economy, its stability and sustainability, the ability to continuously update and improve itself;

- characterization of the national economic complex and its components in terms of its ability for progressive development along the path of sustainable growth in the welfare of all segments of the population, in conditions of social and economic stability and effective international cooperation aimed at positively resolving internal and external problems that threaten vital interests of society [2].

In the conditions of the annexation of the Crimean Peninsula by the Russian Federation, as well as the unfolding of hostilities in the territory of Donetsk and Lugansk regions, the problem of the development of the regional economy, and accordingly regional economic security, has received particular urgency. This is due both to the temporary loss of enterprises that provided economic growth and the increased number of forced migrants, which creates particular pressure on the labor market and the economy of the host regions [3].

The main criteria that characterize the interests of the region in the field of security and ensure acceptable living conditions and personal development for the majority of the population, the stability of the socio-economic situation include:

- expanded reproduction of the economic and social infrastructure of the region;
- boundaries of the region's critical dependence on the importation of the most important essential goods;
- providing the necessary level of service to the needs of the population in order to create conditions for a normal life support of the population of the region.

An analysis of the situation in the region should be based on a set of indicators of economic security, which will help identify and assess future threats, as well as implement the necessary set of program-targeted measures to reduce the level of threats. The system of threats to the economic security of regions can be presented in the form of table 1.



**Table 1** - Internal and external threats to the economic security of regions

Threat	Manifestation of the threat
<b>Internal threats</b>	
<b>High depreciation of fixed production assets of enterprises in the region</b>	<ol style="list-style-type: none"> <li>1. Low competitiveness at the regional and national levels.</li> <li>2. The impossibility of effective market diversification of equipment production</li> <li>3. The high cost of manufactured products, which is due to the high cost of depreciation of equipment</li> </ol>
<b>Low profitability of regional industrial enterprises</b>	<ol style="list-style-type: none"> <li>1. Forced reduction of production, up to the closure of enterprises.</li> <li>2. The growth of unemployment and social tensions in the regions.</li> <li>3. The destruction of the elemental base of the general economic system</li> </ol>
<b>Low degree of budget support for regional economic development</b>	<ol style="list-style-type: none"> <li>1. The inability to implement budget projects for the development of production and regional infrastructure.</li> <li>2. High degree of budget embezzlement at various levels of administrative management.</li> </ol>
<b>External threats</b>	
<b>The growing degree of dependence of regional economic systems on foreign capital, on imports of food and equipment.</b>	<ol style="list-style-type: none"> <li>1. Reduced regional production.</li> <li>2. Hypertrophied and inadequate growth of the population in the services sector, especially in the entertainment industry.</li> </ol>
<b>Reduction of regional production, due to unprofitability and inability to compete in the market for goods.</b>	<ol style="list-style-type: none"> <li>1. The growth of unemployment, impoverishment and association of the population.</li> <li>2. Destructurization of the economic system of Ukraine.</li> </ol>
<b>The development of trends in regional economic and socio-political separatism.</b>	<i>The growth of interethnic, interfaith and inter-ethnic tensions, which can lead to major conflicts and allow aggressively-minded states to take advantage of this.</i>



From the above, it can be concluded that it is necessary to continue monitoring security factors related to economic evolution, study threats to the security of a region and the state as a whole, and on this basis, develop measures to maintain and enhance economic security and prevent emerging threats.

The socio-economic interests and opportunities of the Ukrainian economy correspond to the development scenario, in the process of realization of which a general increase in the competitiveness of the economy is achieved. The algorithm of this variant of the scenario provides for the sequential solution of the following stage tasks:

- redistribution of volumes and financing channels between crisis and effective sectors (depressed and developing territories) of Ukraine in favor of the latter;
- concentration of investments in industries (and districts) of increased competitiveness in order to escalate their market activity with the aim of inflow of financial resources for raising crisis industries and territories;
- removal of crisis industries and territories from the state of stagnation;
- involvement of crisis industries and depressed areas in the sphere of economic activity of industries and areas with high development potential.

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