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INCREASE STRATEGY ECONOMIC SECURITY OF THE REGION

Abstract

The article examines the urgent problems of ensuring regional economic security under conditions of global crisis phenomena and systemic transformations of the Ukrainian economy. It is substantiated that, despite the significant contribution of domestic scholars (V. M. Heiets, O. I. Baranovskyi, Z. S. Varnalii, and others) to the study of national security, the issues of developing specific methods, mechanisms, and unified assessment criteria for economic security at the regional (meso) level remain insufficiently explored.

The purpose of the work is to develop scientifically grounded proposals for improving the strategy for enhancing regional economic security, considering its unique specifics.

A systematization of approaches to defining all levels of economic security (international, national, regional, personal) has been carried out from the perspective of counteracting external and internal critical threats. The author's definition of regional economic security is proposed as a state of socio-economic relations in which the regional economic system is capable of effectively

resisting all threats of a critical nature.

The comprehensive system of indicators for security assessment and monitoring has been improved. A classification of indicators by domain, level, type, and influence is proposed, which significantly simplifies the selection task. Changes have been made to the methodology for assessing crisis situations in the industrial sector (replacing indicators with volumes of shipped products) and energy security for regions without own energy sources (increasing fuel reserve threshold values).

To enhance the system's effectiveness, the mechanism for the interaction of authorities (regional, territorial central, and public institutions) has been improved through a clear distribution of responsibility spheres and the creation of an Interdepartmental Commission for Anti-Crisis Management. The security provision process is divided into two key stages: monitoring (continuous observation and threat forecasting) and management (development and implementation of measures).

The necessity of adopting a Regional Targeted Program for Economic Security is substantiated, which will allow resource concentration, elimination of duplicate programs, and increased expenditure transparency. Criteria for assessing the effectiveness of this Program and its subprograms are developed based on comparing the dynamics of integral indicators with their threshold values.

Three key directions for optimizing the regional budget structure as a source of anti-crisis funding are identified: improving the quality of expenditure planning for "Other issues..." sub-categories, eliminating functional duplication between authorities, and implementing results-oriented budgeting, with priority financing given to the most critical spheres identified through monitoring.

Keywords

regional economic security, security monitoring, anti-crisis management,

system of indicators, threshold values, regional targeted program, interdepartmental commission, budget optimization, results-oriented budgeting, interaction of authorities.

Problem statement

In the modern economy, the ability to ensure the country's security against internal and external threats determines the level of its competitiveness and the dynamics of its socio-economic development. Global crisis phenomena in the industrial, food, energy, financial, and other sectors necessitate special attention to the concept of economic security. Today, it is mainly considered from the perspective of the national economy, while the regional component has not been studied fully enough.

Regional security has a clearly defined specificity. This is due to a set of various unique conditions: geographical location, climate, degree of provision with natural resources, population size, infrastructure development, etc. Identifying and neutralizing threats and crisis situations at the regional level can significantly reduce the risk of global threats to national security. Existing strategies for enhancing the economic security of regions require new methods, mechanisms, and tools adequate to modern economic conditions.

Analysis of recent research and publications

The results of research on this problem are reflected in the works of Ukrainian scholars such as: V. M. Heiets, O. I. Baranovskyi, V. I. Muntiyan, V. S. Ponomarenko, Yu. S. Pohorielov, O. A. Kyfiyak, M. D. Vasylenko, O. M. Lyashenko, B. V. Burkinskyi, Yu. M. Kharazishvili, and others.

Their work is mainly focused on developing the conceptual foundations, strategies, evaluation indicators, and mechanisms for ensuring economic security at the national level.

Studies dedicated to the specifics of ensuring security at the regional and

territorial levels, taking into account the peculiarities of the socio-economic development of individual regions, were presented in the works of: M. I. Dolishniy, V. M. Novikov, L. M. Semiv, Z. S. Varnaliy, V. M. Miklovda, V. O. Onyshchenko, A. I. Sukhorukov, and others.

Despite the significant contribution of Ukrainian scientists to the study of economic security, the following issues remain underdeveloped or insufficiently detailed:

Specific methods, mechanisms, and instruments for the interaction of authorities regarding the prevention and neutralization of crisis situations that ensure regional economic security.

The lack of unified and validated criteria for evaluating activities aimed at creating an effective system of regional economic security that would allow objective measurement of the effectiveness of management decisions.

Purpose of the Article

The purpose of the article is to develop scientifically grounded proposals and practical recommendations for improving the strategy for increasing regional economic security, taking into account its specific features.

Presentation of the main material of the study

The conducted research revealed the necessity to systematize approaches to defining all levels of economic security. In this regard, the author proposes an original approach to defining economic security as a system of socio-economic relations at all its levels from the perspective of counteracting external and internal critical threats.

Economic security at any of its levels, particularly at the regional level, must be viewed as a system of relations between society and the state, and thus, the systemic approach [1] should be the main approach to studying economic security problems.

The author defines regional economic security as a state of socio-economic

relations within the regional economic system in which it is capable of effectively resisting all critical threats, both external and internal.

Definitions for other levels of economic security are provided as follows:

International Economic Security is a state of the international economic system in which it is capable of adequately responding to and effectively resisting all critical threats, guaranteeing every member state of the global community [2]:

Freedom of choice of economic development paths;

Protection from hostile external influence, enshrined in international law;

Resilience to global external and internal economic shocks and crises.

National Economic Security is a state of the national economic system in which it is capable of adequately responding to and effectively resisting all critical threats, both external and internal [3].

Personal Security is a state of international, national, and regional economic systems in which they are capable of counteracting all biological, political, social, spiritual, moral, and cultural critical threats to each individual.

This proposed approach allows for a clear definition of the place of regional economic security and reveals the dialectical unity of the security provision processes at the international, national, regional, and personal levels. This unity of processes necessitates considering all levels together. Regional economic security is influenced by both external factors (related to international and national economic security) and internal factors (related to the economic security of an individual enterprise or person). Furthermore, factors that are internal to one level of economic security may be external to another. The systemic nature of this approach lies in the uniformity of the proposed definitions, the source of which is the common essence of the processes affecting different levels of economic security.

One of the primary tasks concerning economic security is the development

of a system of indicators that would objectively and timely reflect crisis phenomena in the economy. This is a complex methodological problem requiring the classification of existing economic security indicators.

Due to the diversity of factors influencing economic security and its multi-level structure, there is a large number of various indicators characterizing security and approaches to their formation. The lack of systematization of existing indicators complicates this task. The proposed classification system significantly simplifies the task of selecting the necessary indicator.

Let's examine the place of some of the most common economic security indicators within the proposed classification. This classification reflects the characteristics of economic security: its complex, multi-level structure; the enormous number of different socio-economic factors influencing it; and the diversity of existing approaches to forming systems for its evaluation. The significance of the proposed classification is that it substantially simplifies the task of selecting the indicator(s) that most fully characterize a particular economic sphere depending on the level of security. Furthermore, the classification allows for the creation of multi-level indicator systems that reflect the state of affairs in all spheres of the region's life.

In the course of the research, the comprehensive system of indicators for assessing and monitoring economic security in the region, used to analyze the situation in the production sector and energy, was improved. The basis for this work was the indicator system proposed by a group of authors from Ukrainian scientific institutions (e.g., the Institute for Economics and Forecasting of the National Academy of Sciences of Ukraine). The following changes were introduced:

When analyzing crisis situations in the production sector, using the indicators of the proposed existing system was not feasible due to their absence in the statistical accounting system of Ukraine. Therefore, it is appropriate to

analyze crisis situations in the production sector using indicators for which statistical accounting is maintained, namely: volumes of shipped products (goods, services) of own production by type of activity.

Consequently, relevant changes must be made to the formulas for calculating the generalized assessment of the severity of the crisis situation in this sphere. Since these indicators are relative and characterize the rate of production decline, the resulting generalized assessment values can be compared with the threshold values (rates of decline) of the existing system.

Special attention must be paid to the methodology for assessing energy security. The proposed system uses two integral indicators: the share of own sources in the balance of fuel and electricity in the territory and the degree of provision with fuel reserves for consumers.

However, a number of Ukrainian regions (for example, the Odesa region) do not possess significant own sources in the balance of fuel and electricity. A feature of such regions is that their energy security completely depends on fuel reserves. Accordingly, the use of the first integral indicator is impossible, and the assessment of the energy security of such regions should appropriately be conducted by focusing only on the sufficiency of fuel reserves.

The study included an analysis of the tasks and functions of various regional authorities in Ukraine regarding the provision of economic security. This analysis allowed for the improvement of the mechanism for interaction between authorities to enhance the effectiveness of the security system, using the example of the Vinnytsia region. The system is based on the distribution of functions and responsibilities among regional ministries and departments.

The main participants in the system are:

Regional authorities (Regional State Administration/Regional Military Administration, departments, directorates, municipal institutions);

Territorial bodies of central authorities (Territorial departments of the

National Police, State Treasury Service of Ukraine, State Tax Service, Security Service of Ukraine, etc.);

Public institutions of the region (regional public councils, territorial associations of trade union organizations, etc.).

The research showed that there must be a clear distribution of responsibility spheres among participants, depending on the type of security. For instance, ensuring food security falls under the responsibility of the Department of Agro-Industrial Development and the Department of Economic Development. Financial security falls under the responsibility of the Department of Finance.

For the successful functioning of the system, coordination of the activities of all its participants is necessary. Such coordination can be carried out by the Interdepartmental Commission for Anti-Crisis Management—a collegial body created to organize and coordinate work on regional economic security provision. The Commission includes the heads or representatives of all system participants.

The main functions of the Interdepartmental Commission are: analyzing data on the state of regional economic security; coordinating the activities of all system participants; and making decisions on measures to counteract crisis situations.

The process of ensuring economic security in the region should proceed in two stages: Security Monitoring and Security Management.

1. Security Monitoring

This is the continuous observation of the emergence of negative impacts (threats) on the region's economy, determining their types and causes. Monitoring should appropriately be conducted quarterly and for the past year as a whole; in exceptional cases, it may be tracked monthly.

The main tasks of monitoring are: assessing the state and dynamics of economic development; identifying destructive trends and crisis phenomena;

determining the causes, sources, nature, and intensity of critical threats; and forecasting the negative consequences of crisis situations.

2. Security Management

This is the continuous process of ensuring and protecting the region's economic interests from internal and external threats by implementing a set of measures aimed at maintaining the stability and development potential of the economy.

The main tasks of security management are: assessing and formulating areas of activity for economic security provision; developing proposals for improving interaction among system participants; and planning and conducting control and preventive security measures.

The sequential execution of all stages in the monitoring and economic security management phases will allow not only for tracking negative processes but also for timely prevention of all critical threats.

The results of the system's functioning will manifest in:

Creating a unified information database (system of indicators).

Determining major threats and developing measures for their elimination.

Coordination and methodological guidance of the activities of all state and public organizations on anti-crisis management issues.

Developing unified standards and methods of anti-crisis management.

Developing programs for the development of problem areas in the region.

The necessity of adopting a Regional Targeted Program for Economic Security as an instrument for the prevention and neutralization of crisis phenomena is substantiated.

A Regional Targeted Program is a complex of production, socio-economic, organizational, and other measures, coordinated by tasks, resources, and implementation timing, that ensure the effective solution of systemic problems. Research shows that it is precisely systemic problems that are the source of crisis

situations, the overcoming of which is the main task of security provision.

The study established that most existing regional targeted programs are related to economic security, but the term "security" is often not used (for example, programs such as "Healthy Generation," "Improving the Demographic Situation" are aimed at the unified goal of improving demographic security). The use of a single Targeted Program will allow for a reduction in the total number of programs, decrease budget expenditures, and make their use more transparent.

The Program can consist of subprograms aimed at preventing crisis situations in specific security spheres identified during the monitoring process. The number of subprograms should correspond to the number of spheres where threats are detected.

Advantages of developing such a Program:

Logical justification (it is adopted only in case of threats).

Targeted focus on the most priority spheres where threats are significant.

Savings in the regional budget by eliminating the duplication of similar goals.

The possibility of determining the effectiveness of both the Program as a whole and its individual subprograms.

The main directions for optimizing the structure of the regional budget to find sources for financing anti-crisis measures were identified.

1. Improving the Quality of Expenditure Planning

Analysis of the structure of planned and executed budget expenditures (using the example of the Vinnytsia region) showed that for a number of sub-sections labeled "Other Issues...", planned expenditures significantly exceeded executed ones. Better planning and detailing of expenditures for these sub-sections would allow for budget savings and coverage of the deficit.

Optimization Path: Strengthening control over the justification for including costs in the expenditures of sub-sections such as "Other general

government matters," "Other issues in the field of national economy," "Other issues in the field of environmental protection," etc.

2. Eliminating Functional Duplication

A number of functions, such as "cash servicing of budget execution," are duplicated by different executive authorities (the territorial department of the State Treasury Service and the region's Department of Finance).

Optimization Path: Transferring duplicated powers to a single body (e.g., from the Department of Finance to the Territorial Department of the State Treasury Service). This would allow the saved funds to be reallocated for the financial provision of the Regional Targeted Program for Economic Security.

3. Implementing Results-Oriented Budgeting (ROB)

The budget process must move away from the principle of planning expenditures based on "what was achieved." The results of economic security threat monitoring must be taken into account when planning future budget expenditures.

Conclusions

Optimization Path: Priority in expenditure allocation should be given to those socio-economic spheres where the most critical situations have arisen, which is implemented by increasing the funding for measures within the framework of the targeted program.

The identified directions for expenditure structure optimization are of practical interest to other regions of Ukraine, especially in the context of contemporary economic challenges.

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