

**MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
KYIV NATIONAL UNIVERSITY OF TECHNOLOGY DESIGN
EUROPEAN BUSINESS ASSEMBLY (OXFORD)
EASTERN - UKRAINIAN ACADEMY OF BUSINESS (OXFORD)
INSTITUTE OF STAFF TRAINING OF STATE EMPLOYMENT SERVICE
OF UKRAINE
SCHOOL OF ECONOMICS OF THE MEMBER OF NATIONAL ACADEMY
OF SCIENCE OF UKRAINE V. G. FEDORENKO**

**ECONOMIC PROCESSES IN SAFETY
MEASUREMENT**

MONOGRAPH

Kyiv 2018

UDC 330.33/36: 332.1

Reviewers:

Stezhko N. V. - Doctor of Economics, Professor
Hrushchynska N. N. - Doctor of Economics, Professor
Kasych A. A. - Doctor of Economics, Professor
*Recommended for publishing by Academic Board of
Kyiv National University of Technologies and Design
(minutes №10, May 30, 2018)*

Economic processes in the safety measurement: monograph/ [Fedorenko V., Gryshchenko I., Bondarenko I., Novikova O., Olshanska A., Melnyk A., Voronkova T., Denysenko N., Boretskaya N., Palytsya S., Fedorenko S., Gryshchenko A., Shat-skaya Z., Breus S., Sydorhuk O., Fokina-Mezentseva K., Kozak L., Kuznetsova A., Pinchuk Yu., Levishchenko O., Pyaskivska M., Budagian V.]; edit.V. Fedorenko, I. Gryshchenko, T. Voronkova – K.: «DKS Tsentр» Ltd, 2018. – 264 p.

ISBN 978-617-7300-29-7

The monograph covers the theoretical and methodological foundations of the formation of economic security system and the determinants of its development. Special attention is paid to the influence of geoeconomic factors on the country's economic security in the conditions of globalization and the elimination of the negative impact of world crises on the economic security of Ukraine. The monograph provides a thorough analysis of the international policy of ensuring national security in the context of economic and social aspects. The problem of economic security of regions and economic entities is investigated.

The monograph is intended for scientists, lecturers, civil servants, specialists, managers of enterprises and financial institutions, teachers, postgraduates, students, as well as a wide range of readers who are studying national economic security problems.

ISBN 978-617-7300-29-7

UDC 330.33/36: 332.1

© Fedorenko V., Gryshchenko I.,
Bondarenko I. and others. 2018

Authors of the monograph

Doctors of Sciences, professors:

Valentin Fedorenko, Doctor of Economic Science, Professor, Academician of UAS (introduction, CHAPTER 13, 1.1)

Ivan Gryshchenko, Doctor of Economic Sciences, Professor, Academician of NAPSU (CHAPTER 2)

Ievgen Bondarenko, Doctor of Economic Sciences, Professor, Academician of UAS (10.1)

Olga Novikova, Doctor of Economic Sciences, Professor (CHAPTERS 7,8)

Aleksandra Olshanska, Doctor of Economic Sciences, Professor (CHAPTER 5)

Alona Melnyk, Doctor of Economic Sciences, Professor (CHAPTER 4)

Tayisiya Voronkova, Ph.D. in Economic Sciences, Professor (10.3, 10.7)

Nikolay Denysenko, Doctor of Economic Sciences, Professor (CHAPTER 11)

Nataliya Boretskaya, Doctor of Economic Sciences, Professor (CHAPTER 6)

Candidates of Sciences, Associate Professors:

Svyatoslav Palytsya, Ph.D. in Economic Sciences, Associate Professor (10.6)

Stanislav Fedorenko, Ph.D. in Engineering Sciences, Associate Professor (CHAPTER 7, CHAPTER 9)

Andrey Gryshchenko, Ph.D. in Economic Sciences, Associate Professor (10.5)

Zorina Shatskaya, Ph.D. in Economic Sciences, Associate Professor (introduction, 10.4)

Lyudmyla Kozak, Ph.D. in Economic Sciences, Professor (1.2)

Yurij Pinchuk, Ph.D. in Economic Sciences, Associate Professor (10.6)

Kateryna Fokina-Mezentseva, Ph.D. in Economic Sciences, Associate Professor (CHAPTER 3)

Orystlava Sydorchuk, PhD, Associate Professor, Post-Doctoral Student of the Public Administration Department (CHAPTERS 7,8)

Svitlana Breus, Ph.D. in Economic Sciences, Associate Professor (CHAPTER 13)

Anna Kuznetsova, Ph.D. in Economic Sciences, Associate Professor
(CHAPTER 11)

Teachers, postgraduates:

Olena Levishchenko - senior teacher (CHAPTER 12)

Maria Pyaskivska, Graduate student (CHAPTER 3, 10.2)

Violetta Budagian, Graduate student (1.3)

CONTENT

INTRODUCTION	8
<i>CHAPTER 1</i>	
THEORETICAL-METHODOLOGICAL BASES OF FORMATION OF THE SYSTEM OF ECONOMIC SECURITY	13
1.1. System analysis of economic security research	13
1.2. Modern methods of assessing the level of economic security of the country	18
1.3. Structural elements of economic security of the national economy	21
<i>CHAPTER 2</i>	
ECONOMIC SECURITY AS AN INTEGRAL SYSTEM	27
2.1. External and internal elements of the economic security system	27
2.2. Functional approach to the definition of subsystems and economic security elements	41
<i>CHAPTER 3</i>	
CORPORATE CULTURE AS AN INSTRUMENT FOR THE PROVISION OF ECONOMIC SECURITY OF THE ENTERPRISE	52
<i>CHAPTER 4</i>	
MONITORING OF CONSEQUENCES OF THE IMPACT OF WORLD ECONOMIC CRISIS TO THE ECONOMY OF UKRAINE	63
<i>CHAPTER 5</i>	
FEATURES OF THE FUNCTIONING OF ECONOMIC SYSTEMS OF REGIONS OF UKRAINE IN THE CONDITIONS OF GLOBAL CHANGES	78
5.1. Competitive advantages of the regions of Ukraine in the global paradigm of development	78
5.2. Economic systems of Ukraine's regions in the context of global change	85

CHAPTER 6	
NATIONAL SECURITY IN THE CONTEXT OF REGIONAL TRANSFORMATION CHANGES	92
CHAPTER 7	
STATE REGULATION OF THE SOCIAL COHERENCE OF THE ECONOMY IN THE CONTEXT OF NATIONAL NEEDS AND GLOBAL PROCESSES	103
7.1. Mechanisms for ensuring economic and social security in the system of social relations: expert assessments	103
7.2. Obstacles and directions of socio-economic security of society and the state	108
7.3 Global goals of sustainable development of 2030 and introduction of social responsibility - the key to Ukraine's integration into the European space	113
7.4 Determination of the impact of regional security on the country's economic and social situation	117
7.5. Economic and social security of Ukraine in the context of globalization processes	118
CHAPTER 8	
NATIONAL SECURITY STRATEGIES FOR FOREIGN COUNTRIES	125
8.1. The National Security Strategy of the United States in the face of new challenges	125
8.2. Basics of National Security of Georgia: conceptual and legal support	128
8.3 Main provisions of the National Security Strategy of the Republic of Lithuania	137
8.4. Formation and development of the system of ensuring national and economic security of the Republic of Poland	140
CHAPTER 9	
OF THE PROBLEMS OF ECOLOGY AND ECONOMIC SECURITY OF UKRAINE	147

CHAPTER 10

THE CURRENT STATE OF INVESTMENT AND INNOVATION SECURITY OF UKRAINE 155

- 10.1. Investment and innovation security as a main condition for sustainable economic development under the influence of internal and external threats 155
- 10.2. Core Indicators of Investment and Innovation Security 161
- 10.3. Private-government partnership in the system of innovation and investment security of the national economy 169
- 10.4. Technological platforms development as an effective form of public-private partnership in the investment-innovation sphere 181
- 10.5. Potential advantages and risks of public - private partnership 188
- 10.6. World experience of public-private partnership and prospects for development for Ukraine 193
- 10.7. Investigation of methods of control of the investment capacity of private business in the system of public-private partnership 196

CHAPTER 11

THE ROLE OF INFORMATION SUPPLY IN THE SYSTEM OF ECONOMIC SECURITY OF ENTERPRISE 208

CHAPTER 12.

LOGISTIC CONSULTING AS AN INSTRUMENT OF ENTERPRISES ECONOMIC SECURITY 225

***CHAPTER 13* ECONOMIC SECURITY OF HEI (HIGHER EDUCATION INSTITUTION): A METHODOLOGICAL APPROACH TO ITS EVALUATION 232**

WHAT IS THE EUROPEAN BUSINESS ASSOCIATION (EBA)? 258

INTRODUCTION

The modern economy of the country is in a situation of constant changes of the external and internal environment under the influence of economic and political factors. This instability requires the state, society, business entities to search not only ways to adapt to changing conditions, but also the introduction of proactive measures to ensure the country's economic security.

The urgency of this problem is increasing as a result of the acceleration of the globalization of the world economy and the constant participation of Ukraine in these processes, especially those related to its accession to the associate membership with the European Union.

In today's conditions, the issue of the internal regional economic security of Ukraine is intensifying in connection with the aggravation of the political situation in the country. These problems require revision of existing concepts of economic security and improvement of the priority ways of ensuring it.

In the context of accelerated globalization, aggravation of contradictions in various spheres of human activity, international competition and competition in national markets, increasing the number of natural disasters, catastrophes and man-made accidents, the importance of ensuring security in general and economic security, in particular at all levels, is increasing.

The stable development of the national economic system is inextricably linked with the country's economic security. Economic security is a multidimensional phenomenon, and its state is dynamically changing. Economic security of the nation in today's conditions becomes one of the main problems that requires attention and careful study of specialists of different profiles.

The current state of development of the national economy is characterized by the presence of a significant number of factors that negatively affect the functioning of the state, regions, enterprises, organizations, institutions. The study of the composition of these factors and their impact on the state of economic security of the state as a whole and various objects of the economy is of interest to researchers. Despite the large number of publications, there remain many unresolved issues in the management of economic security, which is protection against threats both at the state level and at the level of economic entities.

Issues regarding the definition of the essence of the category of economic security, the list of its structural subsystems and elements that significantly affect its status and determine the country's development prospects remain insufficiently settled.

The problem associated with the impact of globalization and regional factors, including transboundary importance on the level of economic security of the country, is not fully explored. The current state of the methodological foundations for securing the hierarchy of economic security is not perfect, but the accumulation of knowledge, the appearance of official documents and methodological recommendations for calculating the level of economic security in Ukraine testify to the urgency of both theoretical and methodological research as well as applied aspects of ensuring economic security .

The presence of regional disproportions in socio-economic development, the strengthening of the disintegration of the country's economy, and the imperfection of the mechanisms for managing regional development raises complex challenges for the further evolution of the scientific foundations of the territorial organization of the economy, which would meet the needs of a new period of development and modernization of the socio-economic system of Ukraine. Modern challenges call for a reassessment of the traditional principles of the economy and the development of new ones, which are primarily concerned with spatial development of the economy and its system organization in market conditions, creation of real prerequisites for ensuring economic security and sustainable development of the Ukrainian economy and conditions of turbulence of the environment.

Economic globalization is an objective stage in the development of the world economy, has both positive and negative consequences, which collectively form the source of the threat to the security of the balance of economic systems. In this regard, the presence of threats and risks leads to the expediency of introducing a relatively new category of "global economic security" into scientific circulation and the development of models and practical measures that contribute to ensuring this component of the economic security system.

In Ukraine there is no clear program for solving existing problems in the innovation and marketing sphere of the national economy. In fact, there is no

coordination and interconnectedness of measures to form a national strategy for economic development in a globalized world.

In conditions of global economic crises, the probability of their negative impact on the development of individual countries of the world, which are active participants in world economic processes, is growing. In order to identify trends in the dynamics of GDP changes in individual indicators for their further consideration in anti-cyclical regulation with the help of the econometric basis in the monograph, their interdependence is determined.

The neural model of forecasting developed based on real information takes into account the influence of internal and external changes on the domestic economy, confirms the possibility of their application for system analysis, forecast and quantitative assessment of the impact on the main macroeconomic indicators in terms of uncertainty, asymmetry of information and possible changes in economic development trends.

The urgency of the issue of state regulation of the social orientation of the economy increases in the current conditions of the economic crisis, which negatively affects the economic activity and the welfare of the population in the medium and long-term.

Foreign experience of the leading countries of the world proves the expediency of increasing the role of the state, specifying its functions in the implementation of social policy and expanding the range of economic socialization. The experience of solving the problems of national security in all its components, accumulated by the developed countries of the world, promotes the efforts of other states to develop and implement their own national security concepts and strategies, aimed at the reliable protection of national and economic interests.

During the years of independence, the state policy in Ukraine in the area of energy intensity of the economy was generally rather marketable and unsystematic. Because of this, despite a significant reduction in the energy intensity of GDP (almost three times), Ukraine continues to lag behind developed countries significantly behind these indicators. Therefore, the introduction of energy saving and the widespread use of renewable energy sources is an important condition for the transition of Ukraine's economy to the low carbon develop-

ment path. The solution to this problem has become a major task for improving the competitiveness of the country's economy.

Between investments and economic threats, in practice, there are direct and inverse relationships. The emergence of economic threats in the economic sphere, on the one hand, holds back the flow of investments that are being directed there, and on the other, contributes to the intensification of new investments that can neutralize this type of economic threat. In this sense, we can talk about structural shifts in investment capital and the change in the share of public and private investment in the relevant industry. Actuality obtains an estimation and forecasting of the investment vector-structure of the domestic economy.

The main condition for stable economic growth of the country and the preservation of economic security is the dynamic growth of investment potential. It is volumes, structure and efficiency of investments that determine the results of business entities, prospects for their development, as well as the level of competitiveness of the economy as a whole.

Countries that will not be able to create opportunities for effective innovation will risk hopelessly lagging behind in competitiveness and security issues, both in economic and social development, because today's security depends on its intellectual and investment-innovation potential.

The state should develop a system of policy support for innovation in the real sector of the economy, to find mechanisms for influencing the market, which will stimulate the business to finance and implement new technologies (production, management). The use of new technologies involves an exit to a new level of security, which is accompanied by environmental and reliability requirements.

Improving the existing model of the innovative economy, taking into account the current features of the state regulatory system, the state and capabilities of the manufacturing sector, the high level of requirements and needs of consumers, dynamic and irreversible processes of globalization is possible only if the actions of all participants in this process, including the state, are combined. That is why the interaction of the subjects of innovation development is proposed to be based on the principle of innovative partnership, which is a logical continuation of the social and investment partnership.

Public-private partnership in the innovation-investment sphere is considered as new technologies of economic development and is a peculiar determinant of innovation and investment security of the national economy.

The modern system of international security is in the process of deep transformation, being under the influence of globalization processes. As a result, fundamentally new features of the world order are formed, and international processes are manifested in the form of contradictory tendencies, and new challenges and threats to international security are constantly emerging.

The dynamism of the changes taking place in modern society and the modern world directly influences the state of national security of Ukraine, forcing the society, scientists and practitioners to find adequate solutions to new challenges and threats.

The monograph "Economic Processes in the Security Dimension" represents a fundamental scientific work, which is based on the research of researchers in the field of economic security, which have been tested in textbooks and scientific publications in recent years and are aimed at deepening the theory and methodology of economic security of Ukraine at different levels of management.

The team of authors expresses its gratitude to the General Director of the European Business Assembly (EBA) prof. John A. Netting (UK), to individual members of the EBA Board of Directors – Anton Savvov (Ukraine), Ivan Savvov (Great Britain) for contributing to the preparation of monograph materials and working with regional partners, which is a permanent interactive platform for international economic, academic and intercultural cooperation with Ukraine.