

## SECTION 4

### PUBLIC ADMINISTRATION IN THE FIELD OF STATE SECURITY AND PUBLIC ORDER PROTECTION

#### METHODS AND PRINCIPLES OF PUBLIC ECONOMIC SECURITY MANAGEMENT

**Hbur Z.V.**

Candidate of Science in Public Administration, Doctoral Student of National Academy of Public Administration under the President of Ukraine

*The article describes the methods and principles of state management of economic security. The basic principles of ensuring economic security of Ukraine are revealed. It is established that the structure of methods of public administration in the field of economic security includes: means, methods and techniques. The structure of methods of public administration in the field of economic security is presented and is divided into constituent elements. The proposed classification of factors of economic security. The set of indicators that will allow monitoring and auditing during the implementation of the state policy on economic security management is given. It has been determined that public administration of economic security should take place on the basis of a clearly structured management strategy, which should take place on the basis of the following principles: objectivity, goal – setting, efficiency, effectiveness, priority, competence, complexity, continuity, alternative, transparency and situational.*

**Key words:** public administration, economic security, national level, management methods, management principles, regional level.

**Problem solving in general and its connection with important scientific or practical tasks.** Modern acceleration of global economic processes, the continuous integration of Ukraine into the world community and economic relations, as well as the deepening of market relations in the domestic and foreign economies, and, most importantly, the criminalization of society – cause the emergence of various threats, in particular economic ones. Today, we are closely dependent on foreign investors and currencies, the Ukrainian economy is based on the raw materials sector and a very cheap but highly skilled workforce. That is why today the necessity of protectionism of national interests and the use of the whole potential of the national economy, in other words, the realization of the positions of economic security, arose.

**Analysis of recent research and publications.** Problems of methods and principles of state economic security management were dealt with by such leading scholars as Burik Z. M. [1], Bukhvald E. [2], Malyshko V. M. [3], Prikhodko V.P. [5], Proskur V F. [6], Shaidov O.I. [7] and others. However, in today's realities, the application of the principles and methods of public administration to national security becomes of particular relevance, which became the subject of our scientific research.

**Formulating the goals of the article (statement of the task).** The main purpose of the article is to characterize the methods and principles of state management of economic security.

**Presentation of the main research material with full justification of the received scientific results.** The country's economic security is a complex and multifaceted construction. Being part of the national security system, it also

forms the basis for the formation of all elements that are part of its structure: military, technological, food, ecological, etc. Experience shows that only a reliable, effective system for ensuring economic security can serve as a guarantor of the sovereignty and independence of the country, its stable and sustainable socio-economic development. The main weapon in combating negative external influences on Ukraine in the conditions of globalization is economic methods. It is not a secret that at the current stage of development of the Ukrainian economy, most of the branches of the national economy are not sufficiently competitive, insufficiently used scientific and technical potential, and therefore there is a dependence on the technology and technology of the developed countries of the world. In addition, it should be noted that Ukraine depends on the policies of international organizations – the IMF, IBRD, EBRD, which are financial institutions of developed countries [6].

The desire to implement effective regulation of economic processes in Ukraine and ensure economic security lead to the implementation of a consistent, well-structured activity of state authorities and local self-government, and determine the high need for improvement and practical implementation of the mechanism of regulation and management of economic security that would provide a logical and coherent picture of each an element of the system of regulation and management, a complex of forms, methods and means of influencing economic processes in order to provide security [5].

The basic principles of ensuring economic security of Ukraine can be attributed [3]:

- rule of law in ensuring economic security;

- keeping balance of economic interests of the person, family, society, state;
- mutual responsibility of the person, family, society, and state for ensuring economic safety;
- timeliness and adequacy of measures related to the prevention of threats and the protection of national economic interests;
- the priority of contractual (peaceful) measures in resolving both internal and external conflicts of an economic nature;
- integration of national economic security with international economic security.

It should be noted that the state administration of economic security takes place on two levels, namely, national and regional.

Under the economic security of the state is understood a complex of economic, geopolitical, environmental, legal and other conditions that provide: prerequisites for survival under the conditions of the crisis and future development; protection of vital interests of the country with regard to its resource potential, balance and dynamics of development and growth; creation of internal immunity and external protection from destabilizing actions; competitiveness of the country in world markets and stability of its financial state; decent living conditions and sustainable human development. The economic security of the region is understood as a combination of conditions and factors characterizing the state of the economy, stability, stability and continuity of its development, the degree of its independence and integration with the economy of the country in general, which makes it possible: to pursue its own economic policy within the state; adequately respond to sharp geopolitical changes in the state; carry out (or at least start) significant economic reforms without waiting for help from the state in the event of urgent social and dangerous situations in the territory associated with local economic disaster or economic miscalculations at the state level; on a contractual basis to provide assistance to neighboring regions, where the existing unbalanced economic situation can negatively affect the economic interests of the region itself; maintain consistently the compliance of existing on the territory of economic norms generally accepted in world practice (or policy-approved for a specific region for a specific period of time), which allows maintaining (or restoring) decent living standards [6].

The structure of methods of public administration in the field of economic security includes: means, methods and receptions.

Methods of public administration in the field of economic security – these are actions that make it possible to achieve certain results

in ensuring economic security. The means of public administration in the field of economic security are the tools by which the influence in public administration in the field of economic security is exercised. The methods of public administration in the field of economic security are the constituent elements of the forms of implementation of management methods in the field of economic security, which are used in a concrete situation.

The structure of methods of public administration in the field of economic security can be divided into the following components [1]:

- according to the style of governance – democratic and dictatorial;
- from a legal standpoint – legal and non-legal;
- from the standpoint of the subject's influence on the object – direct influence and indirect influence; preparation and decision-making, planning, organization, control, management support;
- on a scale of application – system-wide (planning, organization, control, stimulation) and local (psychological, interviewing and interviewing);
- from the point of view of the organization of management – subordination and coordination (individual, collegial, collective, combined, regulative method of making managerial decisions);
- from the scientific point of view – cognition (cognitive-programming) and influence (organizational and regulatory);
- from the point of view of the motivation of management activity – encouragement, persuasion and coercion;
- from the standpoint of complexity – general (regulatory, administrative, social, psychological and economic) and special – strategic planning and targeted programming, budgeting, information;
- for functional purposes – regulatory, administrative (organizational and administrative), economic and socio-psychological or propagandistic.

The formation of a long-term strategy for economic security also involves formulating the main threats to economic security, and also envisages formulating the main threats to economic security. At the same time, under the threat of economic security, the economic and other conditions that are formed in the society are understood, which can directly or indirectly influence the economic security of the subject of economic activity (economy, economic theory, national economy in general) in the present or near future. Threats to Ukraine's economic security should be considered as explicit or potential actions that complicate or make impossible the implementation of national economic interests and endanger the socio-economic and political systems,

national values, the livelihoods of the nation and the individual [3].

The classification of factors of economic security is as follows:

- according to the scope of action – external and internal;
- according to the characteristics of the subject – motives and possibilities (motivation can become a source of conflicts);
- according to resource mismatch – resource shortage and surplus resources;
- according to the stability of existence – strategic and tactical;
- according to the level of distribution – individual and mass;
- according to the scale of action – national and international;
- according to the elements of the economic system – the participants of economic relations, economic methods, economic levers, economic norms, economic instruments;
- according to the mapping of the forms of conflict in the current legislation – reflected and not reflected in the legislation, as well as critical and non-critical ones;
- according to other factors – autonomous, combined and synergetic.

In the implementation of public administration of economic security, a set of indicators should be applied that will allow monitoring and auditing when implementing the state policy of managing economic security.

It is important to emphasize that the highest degree of security is achieved, provided that the entire complex of indicators is within the limits of their thresholds, and the threshold values of one indicator are not achieved to the detriment of others. For example, a reduction in the rate of inflation to the marginal level should not lead to an increase in unemployment above the permissible limit or a reduction of the budget deficit to a threshold – until full freeze of investments and a decline in production, etc. Thus, beyond the threshold values, the national economy loses the ability to dynamic self-development, competitiveness in the external and internal markets becomes the object of expansion of national and transnational monopolies, corroded with ulcers of corruption, crime, suffering from internal and external plunder of national wealth [7].

The main national interests of economic security are [7]:

- the ability of the economy to operate in the mode of expanded reproduction without critical dependence on imports;
- an acceptable standard of living for the population, ensuring social and political stability;
- stability of the financial system;

- preservation of a single economic space, which makes it impossible to develop separatist tendencies;

- creation of economic and legal conditions that do not allow the criminalization of society;
- ensuring the necessary state regulation of economic processes capable of guaranteeing the normal functioning of a market economy, both in normal and in extreme conditions.

E. Oleinikov considered in detail the issues of systematization of indicators of economic security. As the main features of the classification of indicators of economic security, he suggests [4]:

- level of the object of economic security;
- measure of significance of indicators;
- period of threats and their forecasting;
- the direction of the economy;
- the composition of the threats, the nature and extent of the likely damage from the action.

According to the above features, the classification of economic security indicators becomes the following [4]:

– by the level of the object of economic security:

- macroeconomic level – the economy of the country as a whole;
- mezo-valence (regional or sectoral) – the economy of the regions of the state and industries;
- microeconomic level – economy of market agents: firms, enterprises, institutions, banks, etc.;
- family and personality level – economic security of every citizen of the country.

– by measure of significance of the indicators:

- general macroeconomic indicators (level and quality of life, inflation rate, unemployment rate, economic growth, industrial production growth rate, consumer price index, budget deficit, public debt, etc.);

- basic macroeconomic indicators (ownership structure, dynamics of denationalization and privatization of state and municipal enterprises, monopolization and demonopolization, development of market structures, etc.);

- partial economic indicators (the growth rate of industrial production and the share of its components in GDP, GDP structure, gross and net investments, retail turnover, total non-payment, income ratio, employment rate, indicators of criminalization of the economy, etc.).

- over the period of threats and their prediction – short-term and long-term;

- in the direction of action on the economy – internal and external;

- the whole set of indicators is divided into quantitative and qualitative.

Among the indicators of economic security, it is possible to distinguish the following [2]:

- economic growth (dynamics and structure of national production and income, indicators of volumes and rates of industrial production, sectoral structure of the economy and dynamics of certain sectors of investment, etc.);

- which characterize the natural – resource, production, scientific and technical potential of the country;

- which characterize the dynamics and adaptability of the economic mechanism, as well as its dependence on external factors (inflation rate, consolidated budget deficit, external economic factors, national currency stability, domestic and foreign debt);

- quality of life (GDP per capita, level of income differentiation, provision of main groups of material goods and services, working capacity of the population, state of the environment, etc.).

Threshold levels of security reduction can be characterized by a system of indicators of general economic and socioeconomic importance, reflecting [2]:

- the maximum permissible level of reduction of economic activity, volumes of production, investment and financing, beyond which the independent economic development of the country is impossible on a technically modern, competitive basis, preservation of democratic foundations of the social system, maintenance of defense, scientific and technical, innovation, investment and educational and qualification potential;

- the maximum permissible decrease in the level and quality of life of the bulk of the population, outside of which there is a danger of uncontrolled social, labor, interethnic and other conflicts; the threat of the loss of the most productive part of the national “human capital” and the nation as an organic part of the civilized community is created;

- the maximum permissible level of reduction of expenses for maintenance and reproduction of natural and ecological potential outside of which there is a danger of irreversible destruction of elements of the natural environment, loss of vital resources of economic growth, as well as significant areas of residence, placement of production and recreation, the problem of irreparable damage to health present and future generations, etc.

Public administration of economic security should take place on the basis of a well-established management strategy.

It should be noted that the strategy of economic security management in Ukraine should be based on the following principles:

- objectivity, which takes into account previous experience and information gathered during the development of a strategy for managing economic security;

- goal-setting, which involves the precise formulation of specific strategic goals and objectives of the strategy;

- effectiveness, which involves directing the full set of measures that have been put into the strategy for achieving the final result, namely the achievement of the goals set in the strategy;

- efficiency, which involves determining the effectiveness of the program through the ratio of costs to its implementation and after its implementation, the results of improving the state of economic security of the state;

- priority, which envisages inclusion in the main directions of the strategy of the most important tasks, realization of which will allow to achieve harmonious development of the state;

- competence, which means the involvement of a wide range of experts with knowledge in these spheres of socio-economic development in the process of strategic management of economic security;

- integrity, which involves the creation of an innovative economic structure based on social consensus principles;

- continuity, which involves involving representatives of all stakeholders in the process of development and implementation of the strategy of economic safety management in order to ensure the inheritance of the implementation of the developed strategy;

- alternative, which involves the development of parallel alternative plans for the implementation of the strategy;

- transparency, which implies openness and transparency of actions of all actors during the implementation of the strategy, broad coverage of their activities in the media, involvement of stakeholders;

- situational, which involves identifying, evaluating, taking into account the influence of internal and external factors, as well as scenarios of actions, as a result of possible development options depending on their combination.

Consequently, the application of the above methods and principles will strengthen economic security in Ukraine.

**Conclusions from this study and prospects for further exploration in this direction.** After conducting research in the structure of methods of public administration in the field of economic security includes: means, methods and techniques. The methods of public administration in the field of economic security are democratic and dictatorial; legal and non-legal; direct exposure and indirect exposure; preparation and decision-making, planning, organization, control, management support; system-wide (planning, organization, control, stimulation)

and local (psychological, interviewing and interviewing); subordination and coordination (individual, collegial, collective, combined, regulatory method of making managerial decisions); cognition (cognitive – programmed) and influence (organizational and regulatory); encouragement, persuasion and coercion; general (regulatory, administrative, socio-psychological and economic) and special – strategic planning and targeted programming, budgeting, informing; regulatory, administrative (organizational and administrative), economic and socio-psychological or propaganda. Public administration of economic security should take place on the basis of a well-established management strategy. It should be noted that the strategy of managing economic security in Ukraine should be based on the following principles: objectivity, goal-setting, effectiveness, efficiency, priority, competence, complexity, continuity, alternative, transparency and situational.

#### REFERENCES:

1. Бурик З. М. Система методів державного регулювання сталого розвитку в Україні / З. М. Бурик // Актуальні проблеми державного управління. – 2016. – № 1. – С. 37–44.
2. Бухвальд Е. Макроаспекты экономической безопасности: факторы, критерии и показатели [Текст] / Е. Бухвальд, Н. Головацкая, С. Лазуренко // Вопросы экономики. – 1994. – № 12. – С. 18–22.
3. Малишко В. М. Актуальні проблеми економічної безпеки в системі національної безпеки України / В. М. Малишко // Юридичний вісник. Повітряне і космічне право. – 2015. – № 4. – С. 129–133.
4. Основы экономической безопасности (Государство, регион, предприятие, личность) [Текст] / под ред. Е. А. Олейникова. – М. : Бизнес школа, 1997. – 288 с.
5. Приходько В. П. Механізм державного регулювання та управління економічною безпекою / В. П. Приходько // Інвестиції: практика та досвід. – 2013. – № 15. – С. 6–8. – Режим доступу: [http://nbuv.gov.ua/UJRN/ipd\\_2013\\_15\\_3](http://nbuv.gov.ua/UJRN/ipd_2013_15_3)
6. Проскура В. Ф. Формування засад забезпечення економічної безпеки на рівні держави, регіону, підприємства / В. Ф. Проскура, С. А. Жуков // Науковий вісник Львівського державного університету внутрішніх справ. серія економічна. – 2011. – Вип. 2. – С. 299–307.
7. Шайдоров О. І. Економічна безпека в системі національної безпеки / О. І. Шайдоров // Університетські наукові записки. – 2011. – № 4. – С. 395–400.