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*Pozhuieva T.O., Bugrim O.Yu.***THE ROLE OF ECONOMIC SECURITY IN FORECASTING PROBABLE THREATS****“Zaporizhzhia Polytechnic” National University, Zaporizhzhia, Ukraine**

The content of economic security remains the subject of numerous discussions. Therefore, it is relevant to consider the existing approaches to the interpretation of the role of economic security. The generalization of these approaches makes it possible to consider economic security from the perspective of process, situational, and systemic aspects. The literature review allows us to generalize the existing definitions of economic security. Two paradigms of economic security can be distinguished. The need for constant observance of economic security is determined by the task of ensuring the stability of functioning and achieving the main goals of the business entity. The level of economic security of a business entity depends on the extent to which its management and specialists will be able to evade potential threats and eliminate the harmful effects of individual negative components of the internal and external environment. The system of economic security of a business entity cannot be formulaic. It should be unique for each business entity. It depends on the level of development, structure, size, production potential and efficiency of its use, direction of activity, qualification of personnel, production discipline, competitive environment, location, riskiness of production, presence of secret materials and their degree of secrecy, etc. The security system of the business entity must be independently separated from similar systems of other production units. But her separation is relative. Many tasks cannot be completed independently. The security service of a particular business entity also depends on the activity of countermeasures by the intelligence units of competitors. It is created and functions on the basis of legislative acts adopted in the state. The business entity's security system must be comprehensive. It is designed to ensure economic, scientific and technical, personnel, intellectual, environmental, informational, physical, technological, fire, communication, etc. security. Taking into account the above, the economic security system should include the appropriate elements, bodies, forces, and means. Only the complexity of the system of economic security can ensure the appropriate reliability of the security of the business entity.

Keywords: economic security, threat, crisis situation, security, level of economic security, economic security, efficiency.

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Formulation of the problem

The need for constant observance of economic security is conditioned by the task of ensuring the stability of functioning objectively available to each business entity. A constant threat to any business is the emergence of crises. According to the analytical data of the «big four» auditors (KPMG, EY, Deloitte,

PwC), economic crises rank among the most serious threats to business.

Their spread is a consequence of the illusions of business owners. who are convinced that by exercising total control over employees, changing business management tactics and strategies, the enterprise will be able to avoid economic troubles.

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But this has nothing to do with practice. Taking measures to prevent crisis phenomena at a business entity is one of the key tasks of business. This contributes to the growth of the organization’s economic security.

The purpose of the article

Justification of the role of economic security as a tool for ensuring business stability is the purpose of the article.

Analysis and research of publications

Scientists are working on issues of economic security of the economic entity. In Ukrainian companies, this continues to be one of the most urgent problems. Among the numerous works, the works of N. Chupryna, O. Chernysheva, O. Krainik, T. Ivanyuta, N. Levchenko, Y. Petrovych, A. Tkachenko, L. Shvab, I. Shulga, N. Shtamburg, T. Vasylytsiv, A. Zaichkovsky and others deserve special attention [1, 2, 3]. Issues regarding the introduction of economic security of business in the corporate sector of the economy remain not fully studied. Primary economic, organizational and legal measures that form the basis of economic security have a primary role in the area of economic security of business.

Presentation of the main research material

The formation of a favorable legal and economic field for the realization of the right to entrepreneurial activity is a component of proper socio-economic development of the state. It is appropriate to talk about the existence of a relationship between the provision of free entrepreneurship, a favorable economic and legal environment for business and

the socio-economic growth of the state. The consequence of this is the formation of the defining components of the security system of the national economy [4, p. 9].

The development of scientific knowledge in the field of economic security allows us to draw a conclusion about the formation of a separate vector of economic security issues. To this day, the content of economic security as an economic category remains the subject of numerous discussions. Therefore, it becomes necessary to unify the existing approaches to the interpretation of the theory of economic security. The generalization of these approaches allows us to draw a conclusion about considering economic security in view of its process, situational and systemic aspects. Within these limits, economic security is divided according to various criteria. The study of scientific literature allows to generalize the existing definitions. In particular, we are talking about two paradigms regarding the interpretation of its content. The first of them is the security paradigm. It is based on the understanding of economic security as a way of denying danger. The second is the paradigm of the statement, which is based on the understanding of economic security as a way of approving a business entity in the form of its functioning and development. The goal is to implement the declared mission, achieve the set goals, and solve the set tasks. Fig. 1 shows the classification of approaches to defining the concept of “economic security of an enterprise”.

Under market economic conditions, the economic security of all subjects of business and

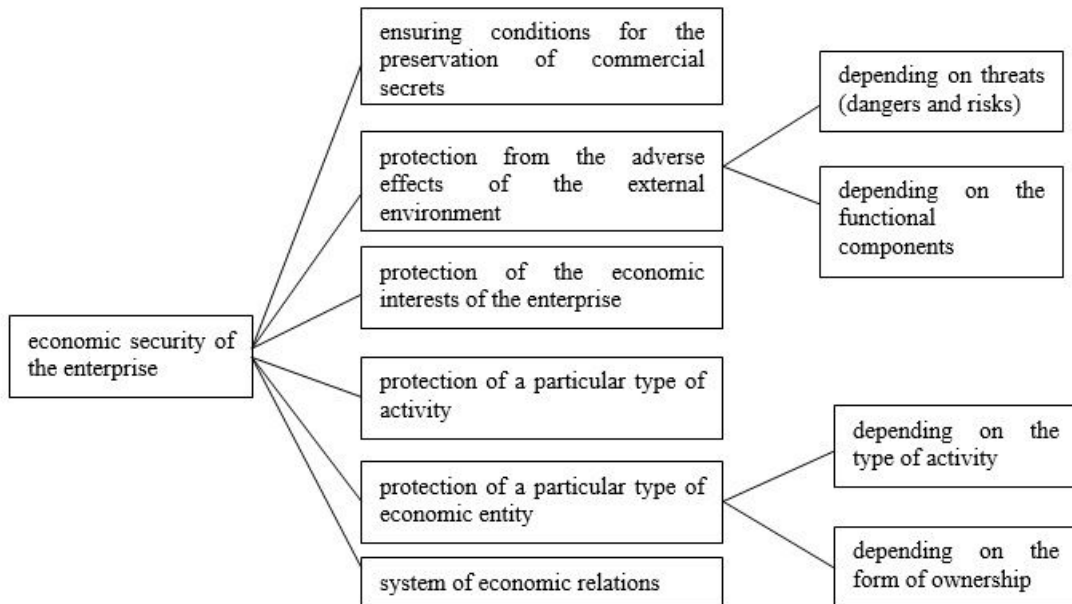


Fig. 1. Classification of approaches to the interpretation of the concept of “economic security of the enterprise” [5, p. 38]

other types of activity becomes very important.

The economic security of a business entity is a state of corporate resources and business opportunities that guarantees their most effective use for stable functioning and dynamic scientific, technical and social development, prevention of internal and external negative influences (threats).

The need for constant observance of economic security is determined by the task of ensuring the stability of functioning and achieving the goals of its activity available to each business entity [6, p. 466].

An enterprise that is in a situation of uncertainty in conditions of fierce competition makes risky decisions. In these conditions, this ensures the achievement of business goals. In such a situation, the resources of the business entity (land, capital, labor, entrepreneurial abilities, intellectual property, information, technology, etc.) are used not only to prevent risks and dangers, but also to achieve business goals. Identifying risks and dangers, using resources to prevent harm, making risky decisions, fighting competitors, etc. is the way to achieve strategic business goals [7, p. 18].

In the conditions of the circular economy, business entities function in a dynamic and unpredictable environment. This determines the urgency of ensuring the economic security of the business entity.

The level of economic security of a business entity depends on the ability to evade potential threats and eliminate the harmful effects of negative components.

Sources of negative impact on the economic security of the enterprise can be:

- conscious or unconscious actions of individual officials and business entities;
- a coincidence of objective circumstances (the state of the financial situation in the markets of this enterprise, scientific discoveries and technological developments, force majeure, etc.) [8, p. 510].

Factors of negative impact on economic security can be objective and subjective. Such negative impacts that occur without the participation and involuntarily of a specific enterprise are considered objective. Subjective factors are the result of inefficient work of the enterprise as a whole or managers and functional managers [9, p. 278].

The main goal of the economic security of the economic entity is to guarantee its stable and maximally productive functioning. The main functional goals of economic security include:

- ensuring the financial stability and independence of the business entity;
- ensuring technological independence and

achieving high competitiveness of technical potential;

- achievement of high management efficiency, optimal and effective organizational structure of management of the business entity;

- minimization of the destructive impact of the results of production and economic activity on the state of the environment;

- high-quality legal protection of all aspects of the business entity's activity;

- ensuring the protection of the information field, commercial secrets and achieving the necessary level of information support for the work of all divisions of the business entity;

- effective organization of the security of the business entity's personnel, its capital and property, as well as commercial interests [10, p. 105].

The economic security of a business entity is characterized by a set of qualitative and quantitative indicators. The level of economic security is considered the most important. It is determined by the state of use of corporate resources according to the criteria of the level of economic security of the enterprise. This indicator depends on the ability of the management of the business entity and specialists to effectively avoid possible dangers. In order to achieve the highest level of economic security, the business entity must work to ensure the functional components of its work. Functional components of economic security of a business entity are a set of main vectors of its economic security [11, p. 490].

Among the functional components of an adequate level of economic security, the financial component is considered the leading one.

Financial security is characterized by:

- the balance and quality of the set of financial instruments;

- resistance to internal and external threats;

- the ability of the financial system of the business entity to ensure the realization of its financial interests, mission and tasks;

- to ensure the development of this financial system.

This type of economic security characterizes the financial security of the business entity. The weakening of financial security is evidenced by the following indicators: decrease in liquidity; increase in receivables and payables; decrease in financial stability, etc. Financial and economic services of the economic entity are responsible for this component of economic security. The following factors influence the financial component of the economic security of an economic entity:

- internal negative actions (inefficient financial planning and asset management; ineffective market

strategy; erroneous pricing and personnel policy);

- external negative actions (speculative operations on the securities market; price and other forms of competition; lobbying by competitors for insufficiently thought-out decisions of authorities);

- force majeure circumstances (natural disaster, strikes, military conflicts) and circumstances close to force majeure (adverse legislative acts, embargoes, blockades, currency exchange rate changes, etc.) [12, p.495].

Technological component. The main negative impacts include:

- actions aimed at undermining the technological potential of the economic entity;
- violation of technological discipline;
- moral aging of technologies.

Countermeasures should be handled by the technological service.

Legal component. The main security threats are:

- insufficient legal protection of the company’s interests in contractual and other business documentation;

- violation of the legal rights of the enterprise and its employees;

- intentional or unintentional disclosure of commercially important information;

- violation of the norms of patent law.

Countermeasures should be handled by the legal and patent licensing service [13, p. 569].

The personnel component provides information on providing the enterprise with the necessary personnel. The main negative effects on this component of the economic security of the enterprise include: staff turnover; physical aging of personnel, aging of their knowledge and qualifications; low qualification of personnel; combining the main activity with work in other organizations. The personnel service (personnel department) is responsible for this component of security [12, p. 496].

Information component. The level of this component of economic security is determined by the share of incomplete, inaccurate and contradictory information.

Countermeasures should be handled by the information and analytical service together with the security service (analysis of the reliability of incoming information, collection, accumulation, systematization and storage of information, protection of information from unauthorized access, maintaining relations with business partners and the public).

Ecological component. Negative effects on the economic security of the enterprise are manifested as follows: threat to the health of the enterprise’s

employees: loss of profit due to a high level of environmental fines and payments; decrease in competitiveness of the enterprise and manufactured products; threats to the company’s image.

The company’s environmental safety service should deal with such impacts.

Issues related to the protection of the environmental safety of society from business entities carrying out industrial and commercial activities can be resolved only through the development and careful observance of national (international) norms. Enterprises-producers will not voluntarily do this, because such measures require additional costs for treatment facilities and for the corresponding effective environmentally friendly technologies. The only factor in greening production is the application of significant fines for violations of national environmental legislation [12, p. 499].

Power component. The main negative impacts include:

- physical and moral influences aimed at specific managers, and above all management and leading specialists of the business entity;

- negative influences that cause damage to the property of the business entity, threaten to decrease the value of its assets and loss of economic independence (including access to confidential information of the enterprise, including industrial espionage; misinformation; destruction of information, etc.).

Beyond the generally accepted functional components of the economic security of a business entity, it is possible to single out an investment component. The investment activity of the business entity takes place in the form of investing money in production projects, securities, real estate, statutory funds of other enterprises, precious metals. This activity brings income in the form of interest, dividends, profit from resale. This contributes to the improvement of the organization’s financial condition.

Among the negative phenomena of influence on the investment component of the economic security of the economic entity, the following can be named:

- unqualified project management.

- incorrect establishment of the relationship between the investment security of the enterprise and the investment security of the project.

- errors in substantiating the corporate and competitive strategy of the business entity. Increasing the level of investment security of technical development ensures the growth of competitiveness of products and business entities in the long term.

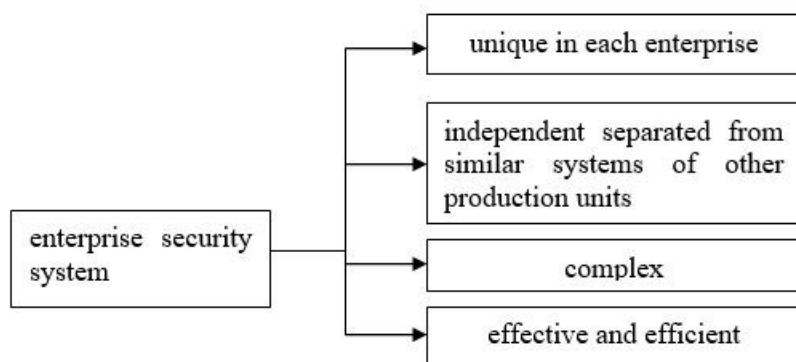


Fig. 2. Characteristics of the economic security system

Ensuring the economic security of a business entity requires the creation of its own security system in the organization. When characterizing the system of economic security of an economic entity, it is necessary to define some methodological provisions (Fig. 2).

1. The economic security system of an economic entity cannot be standard. It should be unique for each business entity. This system depends on the level of development, structure, size, production potential, direction of activity, qualification of personnel, production discipline, competitive environment, location, riskiness of production, presence of secret materials).

2. The security system of the business entity must be separate from similar systems of other production units. Many tasks facing the security system of a business entity cannot be performed independently. The security service of a particular business entity also depends on the activity of countermeasures by the security services of competitors. It is created and functions on the basis of legislative acts adopted in the state.

3. The security system of the business entity must be comprehensive. It provides economic, scientific and technical, personnel, intellectual environmental, information, physical, man-made, fire safety, etc. The system of economic security should include appropriate elements, bodies, forces, and means. The complexity of the economic security system can ensure the appropriate security reliability of the business entity.

The main thing is the effectiveness and efficiency of economic security. The uniqueness, independence and complexity of the economic security system does not guarantee that this system will operate effectively [7, p. 19-20].

The general scheme of the process of organizing economic security includes the following actions:

- formation of necessary corporate resources (capital, personnel, rights, information, technology and equipment);
- general strategic forecasting and planning of economic security by functional components;
- strategic planning of financial and economic activities of the organization;
- general tactical planning of economic security by functional components;
- tactical planning of financial and economic activities of the organization;
- operative management of financial and economic activities of the organization;
- implementation of a functional analysis of the level of economic security;
- general assessment of the achieved level of economic security [14].

Conclusions

The main task of the economic security of a business entity is forecasting and anticipating probable dangers that cause a crisis state of the organization. This also includes the timely introduction of an anti-crisis management strategy. This strategy is aimed at minimizing the manifestation of a crisis state; reduction of external and internal dangers for the organization. Economic security of business has economic, organizational and legal measures. All this is developed on the basis of a set of organizational and economic-legal measures.

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РОЛЬ ЕКОНОМІЧНОЇ ЗАХИЩЕНОСТІ В ПРОГНОЗУВАННІ ВІРОГІДНИХ БЕЗПЕК

Пожеєва Т.О., Бугрім О.Ю.

До сьогодні зміст економічної захищеності залишається предметом численних дискусій, а тому стає необхідним злиття та єднання існуючих підходів до тлумачення її значення. Узагальнення цих підходів дозволяє зробити висновок про розгляд економічної захищеності з огляду на її процесні, ситуаційні й системні аспекти. Дослідження наукової літератури, присвяченої економічній захищеності суб'єктів господарювання, дозволяє узагальнити на сьогодні існуючі її визначення, виділивши дві парадигми щодо тлумачення її змісту. Потреба постійного дотримання економічної захищеності зумовлюється об'єктивно наявним для кожного суб'єкта господарювання завданням забезпечення стабільності функціонування та досягнення головних цілей своєї діяльності. Рівень економічної захищеності суб'єкта господарювання залежить від того, наскільки продуктивно його керівництво та фахівці будуть здатні ухилитися від потенціальних загроз і усунути шкідливі наслідки поодиноких від'ємних складових внутрішнього та зовнішнього середовища. Система безпеки суб'єкта господарювання повинна бути самостійною відокремленою від аналогічних систем інших виробничих одиниць. Але її відокремленість відносна. Багато завдань, які постають перед системою безпеки суб'єкта господарювання, не можуть бути виконані самостійно, без необхідних рішень, що приймаються на більш високому рівні, передусім на державному. Служба безпеки конкретного суб'єкта господарювання залежить також від активності протидії служб безпеки конкурентів та, в першу чергу, від їх розвідувальних підрозділів. Вона створюється та функціонує на основі прийнятих законодавчих в державі актів, наявності та можливості придбати засоби захисту, рівня підготовки та кваліфікації кадрів тощо. Система безпеки суб'єкта господарювання повинна бути комплексною. Вона покликана забезпечити безпеку економічну, науково-технічну, кадрову, інтелектуальну екологічну, інформаційну, фізичну, техногенну, пожежну, зв'язку тощо. Враховуючи перераховане, до складу системи економічної безпеки повинні входити відповідні елементи, органи, сили, засоби. Лише комплексність системи економічної захищеності може забезпечити відповідну надійність безпеки суб'єкта господарювання.

Ключові слова: економічна захищеність, загроза, кризовий стан, безпека, рівень економічної безпеки, економічна безпека, ефективність.

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THE ROLE OF ECONOMIC SECURITY IN FORECASTING PROBABLE THREATS

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