

Economic Security of Ukraine and Its Structural Components: Economic and Legal Aspects

Kuchmak, Yuriy; Litovchenko, Vladyslav; Zarichnyi, Roman; Uskyi, Mykola; Muzyka, Yuriy; Mylyanyk, Zakhar; Mazur, Yuriy; Mylianyk, Taras

Veröffentlichungsversion / Published Version

Zeitschriftenartikel / journal article

Empfohlene Zitierung / Suggested Citation:

Kuchmak, Y., Litovchenko, V., Zarichnyi, R., Uskyi, M., Muzyka, Y., Mylyanyk, Z., ... Mylianyk, T. (2024). Economic Security of Ukraine and Its Structural Components: Economic and Legal Aspects. *Path of Science*, 10(5), 1008-1012. <https://doi.org/10.22178/pos.104-25>

Nutzungsbedingungen:

Dieser Text wird unter einer CC BY Lizenz (Namensnennung) zur Verfügung gestellt. Nähere Auskünfte zu den CC-Lizenzen finden Sie hier:

<https://creativecommons.org/licenses/by/4.0/deed.de>

Terms of use:

This document is made available under a CC BY Licence (Attribution). For more information see:

<https://creativecommons.org/licenses/by/4.0>

Economic Security of Ukraine and Its Structural Components: Economic and Legal Aspects

Yuriy Kuchmak¹, Vladyslav Litovchenko¹, Roman Zarichnyi¹, Mykola Uskyi¹, Yuriy Muzyka¹, Zakhar Mylianyk¹, Yuriy Mazur¹, Taras Mylianyk¹

¹ Lviv University of Business and Law
99 Kulparkivska Street, Lviv, 79021, Ukraine

DOI: [10.22178/pos.104-25](https://doi.org/10.22178/pos.104-25)

JEL Classification:
E60, K30, O10

Received 27.04.2024
Accepted 25.05.2024
Published online 31.05.2024

Corresponding Author:
Yuriy Kuchmak
kuchmak.yuriy@ukr.net

© 2024 The Authors. This article is licensed under a Creative Commons Attribution 4.0 License 

Abstract. Economic security is a critical component of the national security of any country, as it directly affects the stability and development of the state. Despite surviving difficult economic trials, Ukraine faces challenges such as corruption, an unstable political environment, and external threats. To ensure sustainable economic growth, it is essential to strengthen the legal framework, improve the legal culture and ensure the transparency of the financial environment. Given this, the article aims to study the economic and theoretical-legal foundations and features of ensuring the economic security of Ukraine. It is noted that the essential legal documents regulating the economic security of Ukraine are the Constitution of Ukraine, the Law "On National Security of Ukraine", and the Strategy for Economic Security of Ukraine until 2025. These documents define the principles of state policy in ensuring economic security and establish mechanisms for protecting the economic interests of the state and citizens. It was established that the main structural components of economic security in the national security system of Ukraine are production, demographic, energy, foreign economic, investment and innovation, macroeconomic, food, social, and financial security. The definition of the essence of economic security, its components, subjects of support, indicators and threats should be contained in the Law of Ukraine "On National Security of Ukraine", as well as other laws of Ukraine that concern the provision of economic security of the state. It is also concluded that the sustainability and stability of the economic system, economic independence, self-reproduction, and national interests are critical aspects of ensuring economic security.

Keywords: state; Ukraine; economic security; national security; economic system; threats to economic security; legal provision of economic security.

INTRODUCTION

Economic security is essential to any country's national security, directly affecting the state's stability and development. It covers various aspects, including the protection of economic interests, the strength of the financial and economic environment, and the country's ability to recover from crises. In Ukraine, which has experienced complex economic trials, understanding the legal aspect of economic security is particularly important.

Today, Ukraine faces several challenges in ensuring economic security, including corruption, a low level of law and order, instability in the political environment, and external threats.

To achieve sustainable economic growth, Ukraine must focus on overcoming systemic problems affecting the country's economic security. One of the main directions is strengthening the legal base and improving legislation to fight corruption and enhance legal culture among citizens and businesses. It is also necessary to intensify measures to create a stable and transparent financial environment to ensure effective control over financial transactions and protection from international economic threats. In addition, an essential element of increasing economic security is improving the judicial system and ensuring its independence. Also, to provide economic security, it is necessary to continue political and economic reforms to strengthen institutions and increase transparency in power structures. These

measures are aimed at improving the institutional foundations and creating conditions for sustainable economic growth, which is an essential step in improving the lives of all citizens of Ukraine.

Solving current problems requires the active participation of the state, the public, and the business environment to achieve sustainable economic growth and raise the standard of living of all citizens.

Theoretical and practical aspects of ensuring economic security were studied by such scientists and practitioners as Z. Varnalii, V. Heiets, T. Hordiienko, V. Kabanov, O. Naienko, V. Pokhyliuk, R. Skrynkovskyy, V. Tretiak, A. Chubenko and others. At the same time, the legal aspect of the problem of ensuring Ukraine's economic security has yet to be sufficiently explored in the scientific literature. Awareness and consideration of the legal aspects of ensuring Ukraine's economic security plays a critical role in forming a sustainable investment climate and protecting national interests in the face of globalization.

Given this, the *article aims* to study the economic and theoretical-legal foundations and features of ensuring Ukraine's economic security.

RESULTS AND DISCUSSION

As you know, the primary legal documents regulating the economic security of Ukraine are the Constitution of Ukraine, the Law of Ukraine "On National Security of Ukraine", the Strategy of Economic Security of Ukraine for the period until 2025, put into effect by the Decree of the President of Ukraine dated August 11, 2021 No. 347/ 2021, as well as several other legal acts. These documents define the basic principles of state policy in ensuring economic security, establishing rules for regulating economic activity and security, and establishing mechanisms for protecting the state's and citizens' economic interests.

Thus, the Constitution of Ukraine [1] defines the protection of Ukraine's sovereignty and territorial integrity and the practical and comprehensive provision of its economic and information security as the essential functions of the state and the business of the entire Ukrainian people [1, 2].

In the Methodological recommendations for calculating the level of economic security of Ukraine [3], it is stated that economic security is

the state of the national economy that allows for maintaining resistance to internal and external threats, ensures high competitiveness in the global economic environment and characterizes the ability of the national economy for sustainable and balanced growth. The presented definition of "economic security" is quite broad in content and needs appropriate specification. Also, considering Ukraine's economic security among the state's main tasks, we recommend paying particular attention to the legal aspect of its provision.

The main structural components of economic security in Ukraine's national security system are industrial, demographic, energy, foreign economic, investment and innovation, macroeconomic, food, social, and financial security [3, 4].

Methodological recommendations [3] also contain definitions of individual components of economic security in the national security system of Ukraine:

- Industrial safety is the state of the country's production sphere, which ensures the most efficient use of the available production capacities in the country, their modernization and expanded reproduction, the increase in the level of production innovation and the increase in the level of competitiveness of the national economy;
- Demographic security is a state of protection of the state, society and the labour market from demographic threats, which ensures the development of Ukraine, taking into account the set of balanced demographic interests of the state, society and the individual by the constitutional rights of Ukrainian citizens;
- Energy security is a state of the economy that contributes to the effective use of the country's energy resources, the presence of a sufficient number of energy producers and suppliers on the energy market, as well as the availability, differentiation and environmental friendliness of energy resources;
- Foreign economic security is a state of compliance of foreign economic activity with national economic interests, which ensures the minimization of state losses from the action of negative external economic factors and the creation of favourable conditions for the development of the economy thanks to its active participation in the global division of labour;

– Investment and innovation security is the state of the economic environment in the state, which stimulates domestic and foreign investors to invest in the expansion of production in the country, promotes the development of high-tech production, the integration of research and production spheres to increase efficiency, deepening the specialization of the national economy in the creation products with a high share of added value;

– Macroeconomic security is a state of the economy in which the balance of macroeconomic reproductive proportions is achieved;

– Food security is the state of food production in the country, which can fully satisfy the needs of every member of society in food of appropriate quality, provided that it is balanced and accessible to every member of society;

– Social security is a state of state development in which the state can ensure a decent and high-quality standard of living for the population, regardless of age, gender, and income level, and promote the development of human capital as the most critical component of the country's economic potential;

– Financial security is the state of the country's financial system, which creates the necessary financial conditions for stable socio-economic development, ensures its resistance to financial shocks and imbalances, and creates conditions for preserving the integrity and unity of the country's financial system. Financial security, in turn, has the following components:

– Banking security is the level of financial stability of the country's banking institutions, which ensures the effectiveness of the country's banking system and protection from external and internal destabilizing factors, regardless of the conditions of its operation;

– The security of the non-banking financial sector is the level of development of the stock and insurance markets, which makes it possible to fully satisfy the needs of society in the specified financial instruments and services;

– Debt security - an appropriate level of internal and external debt, taking into account the cost of servicing it and the efficiency of using internal and external borrowings and the optimal ratio between them, sufficient to meet urgent socio-economic needs, which does not threaten the sovereignty of the state and its financial system;

– Budgetary security is the state of ensuring the solvency and financial stability of state finances, which enables state authorities to perform their assigned functions as effectively as possible;

- Currency security is a state of exchange rate formation characterized by high public trust in the national monetary unit. Its stability creates optimal conditions for the progressive development of the domestic economy, the attraction of foreign investments into the country, the integration of Ukraine into the world economic system, and also protects as much as possible from shocks on international currency markets;

– Monetary and credit security is the state of the monetary and credit system, which provides all subjects of the national economy with high-quality and accessible credit resources in volumes and on terms favourable to achieving economic growth [3].

The definitions of economic security determine the need for an integral assessment and a systematic approach to regulating Ukraine's economic security level [5, 6, 7, 8].

In modern conditions, taking into account the contradictions and integration processes, the problem of economic security of the state is of particular importance, which is the basis for ensuring its sovereignty, competitiveness, defence capability, maintaining social harmony and organic influence of the country on the system of the world economy [9, 10, 11, 12, 13]. It is important to note that the need for a unified understanding of the essence of economic security and the definition of its components in scientific research and the legal framework leads to several contradictions and emphasizes the relevance of further scientific developments in this area.

In a scientific study [9], it was noted that today, there are several approaches to understanding and regulating the economic security of the state, in particular due to the following aspects:

– stability and stability, meaning the ability of the economic system to withstand internal and external threats, ensuring the strength and reliability of relationships between all its elements, the stability of economic development and the ability to contain and neutralize destabilizing factors;

– economic independence, reflecting the ability of economic security subjects to independently make and implement strategic economic and political decisions for development, as well as use national competitive advantages to ensure stability and progress;

– self-reproduction and self-development, which includes the creation of the necessary conditions for practical economic policy and expanded self-reproduction, ensuring the competitiveness of the national economy in the international arena;

– national interests determine the national economy's ability to protect its interests.

In the above context, it was clarified that expanding international cooperation is critical to ensuring Ukraine's economic security. Today, Ukraine is actively working on strengthening its foreign economic ties and participation in global economic organizations. Deepening trade relations and signing new international agreements contribute to expanding export opportunities and attracting foreign investments. This approach contributes to the diversification of economic risks and ensures the sustainable development of the national economy in the conditions of globalization.

Strengthening the interaction between scientific institutions, the business environment, and the public sector is essential to support Ukraine's innovative development. Introducing future technologies, such as artificial intelligence, cyber security, and green energy, can be critical in increasing Ukraine's economic competitiveness and stability.

At the same time, to achieve sustainable economic growth, social justice must be maintained, and equal access to education, health care and housing for all citizens must be ensured. Human capital development is essential for ensuring long-term economic success and raising the population's standard of living.

From this, it is evident that the definition of the essence of economic security, its components, subjects of support, indicators and threats should be contained in the Law of Ukraine "On National Security of Ukraine", as well as other laws of Ukraine that concern the provision of economic security of the state. Here, it is essential to pay attention to the protection of economic interests, stability of the financial and economic system,

infrastructural development, risk minimization and cooperation at the international level to support national economic strength and competitiveness.

CONCLUSIONS

Economic security is a critical component of the national security of any country, as it directly affects the stability and development of the state. Despite surviving difficult economic trials, Ukraine faces challenges such as corruption, an unstable political environment, and external threats. To ensure sustainable economic growth, it is essential to strengthen the legal framework, improve the legal culture and ensure the transparency of the financial environment.

The primary legal documents regulating Ukraine's economic security are the Constitution, the Law "On National Security of Ukraine", and Ukraine's Strategy for Economic Security until 2025. These documents define the principles of state policy in ensuring economic security and establish mechanisms for protecting the economic interests of the state and citizens.

The main structural components of economic security in Ukraine's national security system are industrial, demographic, energy, foreign economic, investment and innovation, macroeconomic, food, social, and financial security.

In modern conditions, the problem of ensuring the state's economic security is of particular importance. This issue is critical for ensuring its sovereignty, competitiveness, and defence capability, as well as maintaining social harmony and influencing the world economic system. The lack of a shared understanding and precise definition of the components of economic security in scientific research and the legal framework leads to contradictions. It emphasizes the need for further scientific developments in this area. In particular, it is determined that stability of the economic system, economic independence, self-reproduction, and national interests are critical aspects of ensuring economic security. The development of international cooperation, the deepening of foreign economic ties, and innovative development also play an essential role in strengthening Ukraine's economic stability and competitiveness.

REFERENCES

1. Konstitutsiia Ukrainy [Constitution of Ukraine] (Ukraine), 28.06.1996. Retrieved February 1, 2024, from <https://zakon.rada.gov.ua/laws/show/254%D0%BA/96-%D0%B2%D1%80#Text> (in Ukrainian).
2. Samoilenko, Yu., & Hryhorchuk, M. (2013). *Ekonomichna bezpeka Ukrainy: pravovyi aspekt* [Economic security of Ukraine: the legal aspect]. *Viche*, 17, 27–29 (in Ukrainian).
3. *Metodychni rekomendatsii shchodo rozrakhunku rivnia ekonomichnoi bezpeky Ukrainy* [Methodological recommendations for calculating the level of economic security of Ukraine] (Ukraine), 29.10.2013, No 1277. Retrieved February 1, 2024, from <https://zakon.rada.gov.ua/rada/show/v1277731-13#Text> (in Ukrainian).
4. *Pro natsionalnu bezpeku Ukrainy* [On the national security of Ukraine] (Ukraine), 21.06.2018, No 2469-VIII. Retrieved February 1, 2024, from <https://zakon.rada.gov.ua/laws/show/2469-19#Text> (in Ukrainian).
5. Chubenko, A. (2014). *Teoretyko-pravovyi aspekt zabezpechennia ekonomichnoi bezpeky* [Theoretical and legal aspect of economic security]. *Naukovyi visnyk Natsionalnoi akademii vnutrishnikh sprav*, 3, 88–101 (in Ukrainian).
6. Natsionalnyi instytut stratehichnykh doslidzhen. (2014, April 01). *Vyznachennia stratehichnykh oriientyriv rivnia ekonomichnoi bezpeky Ukrainy* [Defining strategic guidelines for the level of economic security of Ukraine]. Retrieved from <https://niss.gov.ua/doslidzhennya/nacionalna-bezpeka/viznachennya-strategichnykh-oriientyriv-rivnya-ekonomichnoi-bezpeki> (in Ukrainian).
7. Tretiak, V., & Hordiienko, T. (2010). *Ekonomichna bezpeka: sutnist ta umovy formuvannia* [Economic security: essence and conditions of formation]. *Ekonomika i derzhava*, 1, 6–8 (in Ukrainian).
8. Varnalii, Z., Burkaltseva, D., & Naienko, O. (2011). *Ekonomichna bezpeka Ukrainy: problemy ta priorityty zmitsnennia* [Ukraine's economic security: challenges and priorities for strengthening]. Kyiv: Znannia Ukrainy (in Ukrainian).
9. Skoruk, O. (2016). *Ekonomichna bezpeka derzhavy: sutnist, skladovi elementy ta problemy zabezpechennia* [Economic security of the state: essence, components and problems of ensuring]. *Naukovyi visnyk Uzhhorodskoho natsionalnogo universytetu. Serii: Mizhnarodni ekonomichni vidnosyny ta svitove hospodarstvo*, 6(3), 39–42 (in Ukrainian).
10. Mandzinovska, Kh. (2016). *Ekonomichna bezpeka derzhavy: sutnist, skladovi elementy ta problemy zabezpechennia* [Economic security of the state: essence, components and problems of ensuring]. *Naukovi zapysky*, 2, 159–166 (in Ukrainian).
11. Komelina, O., Onyshchenko, S., Matkovskyy, A., & Puhach, O. (2013). *Ekonomichna bezpeka derzhavy: otsiniuvannia ta stratehichni oriientyry zabezpechennia* [Economic security of the state: assessment and strategic guidelines for ensuring]. Poltava: PoltNTU (in Ukrainian).
12. Kovaliv, M., Skrynkovskyy, R., Nazar, Y., Yesimov, S., Khmyz, M., Yosyfovych, D., Mykytiuk, m, & Kozoriz, M. (2022). Legal Bases of Realization of the Law Enforcement Function of the State in the Sphere of Economy of Ukraine. *Path of Science*, 8(2–3), 1001–1009. doi: 10.22178/pos.79-2
13. Sopilnyk, L., Skrynkovskyy, R., Kovaliv, M., Zayats, R., Malashko, O., Yesimov, S., & Mykytiuk, M. (2020). Development of Digital Economy in the Context of Information Security in Ukraine. *Path of Science*, 6(5), 2023–2032. doi: 10.22178/pos.58-7