

UKRAINE REGIONS SOCIAL AND ECONOMIC SECURITY PROVISION PRECONDITIONS

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Introduction. Creating economically secure conditions aimed at regions steady social and economic development is influenced by many factors (threats): economical, political, psychological, scientific and technical, social and others. In terms of organizational and economic transformations, the priority objective of regional policy is formation of reliable system for providing social and economic region security, the basic components of which include prevention, neutralization and decrease in threats negative impact. That is why study of preconditions of Ukrainian regions social and economic security provision becomes particularly important under current conditions.

Latest research papers and publications review. Regional aspects of providing state social and economic security are being investigated in the papers by Ukrainian and foreign scientists, conducting their research in the field, namely: M. Yermoshenko, O. Vlasiuk, V. Senchahov, L. Abalkin, V. Tkachenko, V. Tretiak, A. Tatarkin and many others. But despite the problem of region social and economic security actualization, the latest research papers and publications review enables making a conclusion about lack of system approach, fragmentary nature of theoretical and methodical basics of region social and economic security formation, in particular study of its provision preconditions.

Problem statement. In terms of formation an effective territory administration system, the principal function of which is regions and the state as a whole economically safe existing ensuring, the objective of a research is study of Ukrainian regions social and economic security provision preconditions.

Main material and investigation results. System of the region's social and economic security is an integral part of the state security system. Conceptually, region's social and economic security is developed with account of all the variety of factors, generally understood as cause and effect connection existing in the security system and which are a driving impulse, motivating force of transforming possibilities into reality, and maximization efforts of using inner resources. It represents a set of inside and outside conditions contributing to effective and dynamic economy growth, its ability to meet the needs of a separate territory and the state as a whole, support competitiveness at the overseas markets which will provide protection from threats and loses.

System of regional social and economic security is a set of business and management entities joined by relations of ownership, economic interests, legal and ethical regulations aimed at steady, effective and safe social and economic development. Considering region's social and economic security from the systematic approach point of view, it is necessary to represent its structure (fig. 1). Integrated institutions providing social and economic security do not exist yet and they have to be created. Regional economic governance should have a principal part in the process as an initiator.

Fundamental categories of the region's social and economic security system include region's social and economic conditions, regionally independent economical and social policy and region's organizational and economical mechanism. Occurring contradictions in the internal environment of social and economic security system result in appearing of internal dangers, risks and threats, while external influence results in external threats to its development. Uncertainty which is a source of external threats is caused by nature of social phenomenon and processes, in particular by the abruptness of their increase.

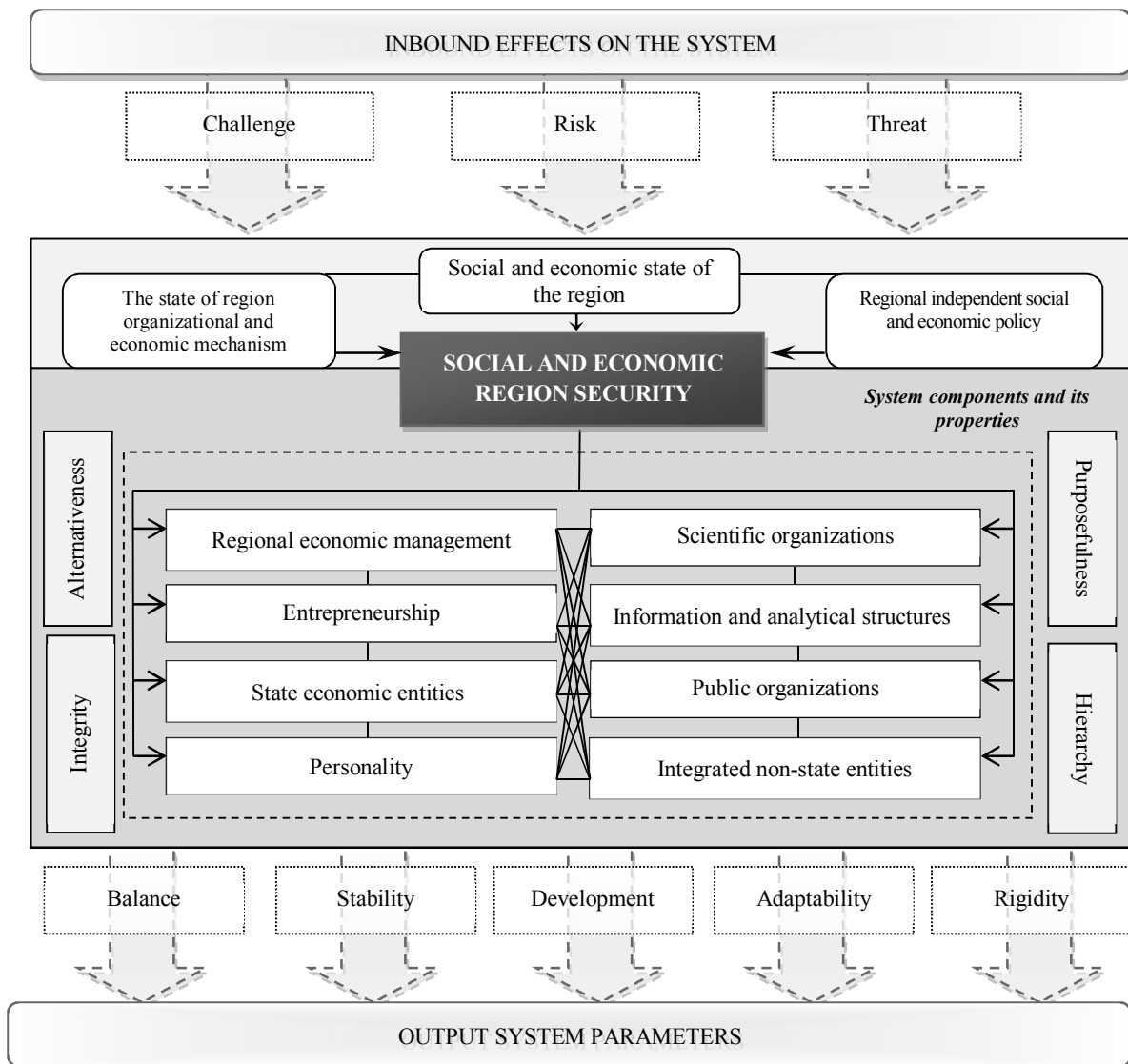


Fig. 1. System of regional social and economic security

Region's corresponding organizational and economic mechanism is a consolidated managerial instrument, increasing effectiveness of the social and economic security provision process. Governmental structures of the regional level are introduced in this system in the double way, which is as business and managerial entities, providing territory social and economic stability. Issue of region's social and economic security formation in terms of national and regional interests' interaction is of a great importance; it should become an axis of all Ukrainian state social and economic policy and be a foundation for all the principal political decisions development. A significant amount of employees are represented in this system through economic interest and their civic position [11]. Altogether the participants of social and economic security provision process are the territory population.

The initial parameters of the region's social and economic security system are such its features as equilibrium, stability, development, persistence and adaptability. In our opinion, the major factors influencing social and economic security should include political, resources, macroeconomical, institutional, and social and information support (fig. 2).

Social and economic security provision in Ukraine is considerably defined by the processes of political and social and economic transformations taking place in Ukraine, by budget decentralization in particular. To create socially oriented economy it is necessary to combine standard-setting activity at the state level with the initiative activities of town government bodies and self-governing authorities. It should be noted that these days region's contribution into total state indices does not guaranty relevant level of the people social condition.

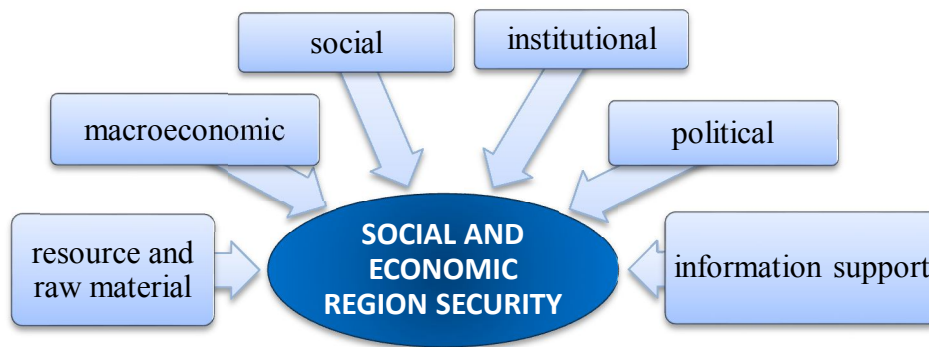


Fig. 2. Factors influencing the level of regional social and economic security

Social and economic security on the regional level is a complex notion which includes other types of security, namely: institutional, resource, financial, energy, investment, innovation, social, ecological, food supply and others. According to data and other components it is useful to create a system of indicators which will enable estimation the condition and dynamics of social and economic security in the region. There is no single scientifically-based system of social and economic security indicators. Indices characterizing social and economic security condition can include macroeconomic, production and social ones.

There are also four elements defining the notion of “social and economic security”: macroeconomic indices correspondent with average parameters of economic development: real production and internal market protection from financial and economic dependence; a share of a shadow economy, first of all criminal one, and consequently a share of entrepreneurs’ non-taxable income; income differentiation corresponding to developed countries and the population level of well-being which disables occurring crucial social conflicts. As for the regional economic system, macroeconomic indices characterize external threats, while independence is relative within unitary system of government.

In terms of a single region, its social and economic security should be viewed with account of all the spheres of its living environment including production development, agrarian sector, availability of energy, resources and scientific and technical potential, labor resources supply etc. Region’s social and economic security ensures such condition of the territory economic condition which makes possible its steady development and at the same time effective integration into the system of national and international economic relations. Realization of social and economic security at the regional level is discourages by a number of unsolved problems. Thus, regions’ social and economic security is threatened not only by many issues dependence, lack of proper regulations with the central governmental bodies, destruction of scientific and technical potential, shadowing of the economy, lack of environment protection system, increase in economic crime, low professional competence of regional authorities managerial staff, but mainly lack of priorities in their social and economic development. Major priority in this case should be financial supply of the region’s social and economic development.

Ukraine is now coming through a period of not sufficient number of effective economic interrelations, while regional policy currently requires principally new regional strategy and tactics. Model of contemporary and future regional economy should define new effective structures and regulating mechanisms both in terms of every economic region and between them, creating a unified actively functioning body. Together with implementing policy of highly technological export stimulating, outrun expansion of internal market, avoiding of national economy critical dependence upon global markets conditions should be ensured. Effective land reform would practically ensure agrarian complex priority development as a foundation of the state food supply security.

Difficulty of such managerial process as region’s social and economic security provision require additional attention from the state. In terms of economy transformation and creating truly economically and politically independent Ukrainian state, it is necessary to develop modern regional policy based on principles of local self-governing under the rule of the government legislation, which ensure natural combining of the state, regional and local interests, contributes to maximally full usage of each of the regions and place internal potential. The better the managerial and management system performs in every region, the fuller its potential and natural and climatic conditions are used for highly effective development of its inherent commodity production and markets; the fuller and more intense become interregional market in the processes of specialization deepening and developing integration, the more economically and socially strong the state becomes, the better the people life is.

Economic policy should be aimed at strengthening regional business enteritis financial condition and increasing their autonomy. Among the most important general factors in this context is reforming taxation system, improving investment climate in the country’s regions, in particular, by ensuring effective protection of property rights, improving regulatory and corporate legislation, monopoly limitation, development of financial and stock markets. In terms of economic crises it is important to pay special attention to regional social and economic security which is directly dependent on regional policy, and these

days too little attention is paid to separate regions' specific aspects.

To ensure the state economic security created by means of regional social and economic security purposeful actions are required, aimed at single national market formation, development of transport and other infrastructure of using flexible organization forms, domestic producer support, which additionally exclude impact of some internal threats to the country economic security. Altogether with implementing the policy of slump crisis surmounting, Ukraine has to define a new scientifically-based strategy of a region's social and economic security. It is referred to state support of economic dynamic development of all the business entities at the territory, ensuring guaranteed national interests protection, implementing socially directed policy, maximally effective usage of resource base and providing steady development of the region's social and economic system development. The state principal objective in the context of social and economic security provision is developing such economic, political and legal environment and institutional infrastructure to stimulate the most flourishing enterprises investment processes, production of the perspective competitive commodities.

Regions' social and economic security provision should become the most important state function in terms of national policy, but it is possible to resist some of its threats at the local level. It is necessary to develop a general model of a region's social and economic security considering its systemic nature. This will enable ensuring functioning of such important business entity as a region. To estimate ability of a regional economic system to resist the threats, in is necessary to analyze the structure of threats to region's social and economic security, sources of threats occurring, and threats negative impact. Sources of danger are conditions and factors which under certain conditions reveal hostile intentions, harmful features having destructive nature. Danger defining notion is "action affordance".

In the system of social and economic region's provision the key place belongs to aims and objectives of providing social and economic security. Any social and economic system is a complex one and possesses such a feature as aim of functioning. The aim of Ukrainian state is ensuring social balance, economic stability and development, and this statement has a status of constitutional norm.

One of the principal aims of region's social and economic provision is regional interests protection, main of which include full usage of the territory potential, shortening the period of time for obtaining transformational results by the process immediate participants, development of interterritorial connections including international, creating more effective business entities. Today it is very important for Ukraine to find optimal relation between regional economy openness and national interests' protection to provide social and economic security.

Regions transformation into subjects of economic relations in terms of market relations sets new tasks on strengthening region's economic potential, ensuring its competitiveness at internal and external commodities and investment markets, which in turn will lead to region's social and economic security. Regions should independently decide on development and usage of natural resources, trade development, service sphere, infrastructure of regional and local importance, real estate using, and law enforcement support, development special forms of culture, education and health care. At the same time, common military and political, social and economic space should be preserved enabling commodities, raw materials and labor resources free movement all over the country.

Corresponding measures and principles are instruments in the process of the region's social and economic security provision. The most complex and large scale instrument according to the defined concept of the regions social and economic security is social and economic security strategy which includes:

- internal and external threats characteristics;
- defining criterion and parameters of economic conditions corresponding to economic security requirements and meeting vitally important interests;
- mechanism of providing social and economic security on the basis on using legal, economic and administrative measures of influence [11].

At the level of entities managing social and economic security, quality of instruments used for preparing and implementing planned events, is important. At the regional level independence as an element of social and economic security is characterized by self-sufficiency which is ability to ensure and keep the population well-being by means of internal, taking into account region's specialization and making relations with other state entities is an important condition of implementing the social and economic provision security policy. On one hand, regions' social and economic security provision includes integration of regional economy with the economy of the state; on the other hand it involves preserving relative region's independence. Region's self-sufficiency is defined with a wide system of indicators which set the parameters of using resources, knowledge, information, determine specific production organization and economy and society management.

Increase in regions' economic self-sufficiency in Ukraine is caused by necessity of taking into account modern global developmental tendencies, among which region's economic interaction is a principal direction [9]. The condition of region's independency and self-sufficiency is requirement to its relations with central authorities on equal ground. Regions' self-sufficiency in the context of the country's security requires state management crucial transformation. According to modern outlook, "sufficient" means meeting the defined needs. Within geopolitical and ethnical space there is economic, military and culture self-sufficiency defined.

Thus, region's social and economic self-sufficiency in the spheres of production and consumption is the main condition of regional markets formation, intraregional and interregional exchanges, which in turn will provide the territories social and economic security. Regions of economically developed countries which provide "normal" and higher level of people's life as a foundation of social balance in the society are self-sufficient.

The main object of region's social and economic security is condition of its social and economic system. The main object, whose security is provided directly according to the Law of Ukraine "On the Fundamentals of Security of Ukraine" [2] is a man, its rights and freedoms.

Consolidating condition of social and economic systemic object existing and development is interests. Interest to particular subject social and economic security is secondary relatively to the interest connected to economic success. Although this secondariness has dialectical nature, as far as basic target of economic activity is obtaining profit. But profitability naturally mainstreams interests as for steadiness and economic management security. Thus, economic effectiveness and social and economic security are in the relations of mutual dependence [11].

Effective activity of the economic system creates both objective conditions and subjective motivational preconditions for forming the interest of regional and state structures in the factors of ensuring economic self-sufficiency and security [11]. At the heart of the formation of the foundations of social and economic security is the process of realizing the interests of various subjects of economic relations. The system of economic interests includes the following levels: national, regional, enterprise, personality. This state of affairs allows us to form one of the criteria for the classification of types of social and economic security – the scale of its provision. In this case, the regional dimension of this process is of paramount importance. It is precisely here on the meso-level that the economic interests are most consistent with the implementation of industrial and social processes.

Let us consider the conditions for the ensuring of regional socio-economic security conceptually in Fig. 3

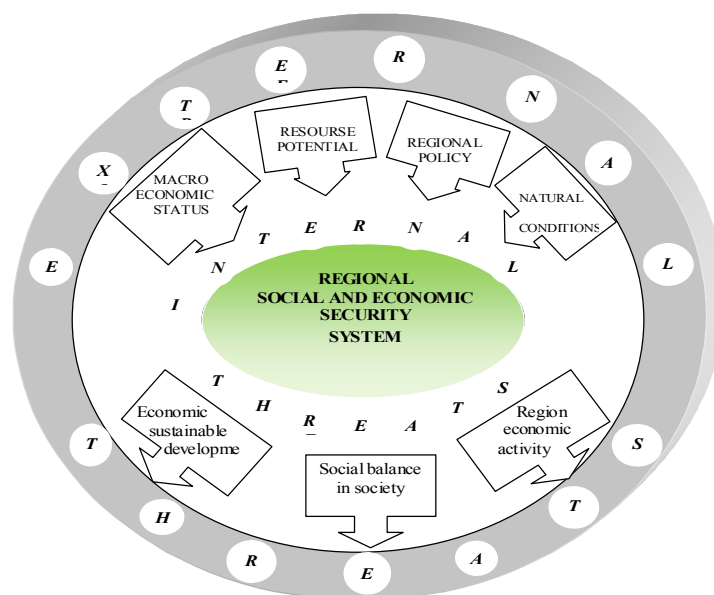


Fig. 3. Conditions of ensuring the socio-economic security of the region.

In general, the functioning of the system of social and economic security in the region is assessed by the pace of development and the opportunity to ensure the self-sufficiency of the territory. The development of the region's economy is one of the main conditions for social and economic security. It can be noted that the social and economic security of the region provides:

- protection of economic interests of the corresponding territory and preservation of economic sovereignty of Ukraine, which ensures independence of the country and foreign policy course;
- realization of economic interests of the person, territories and the state.

Within the framework of the mechanism of providing social and economic security at the regional level, special attention should be paid to the development of regional governance institutions and market infrastructure institutions, which form the organic basis of the institutional environment. Institutions of regional management are presented as a set of formal rules and informal constraints, within which market institutions operate (i.e., all types of commercial and non-profit organizations). Particular attention in the process of formation of the institutional environment for the provision of social and economic security should be paid to the development of infrastructure institutions in the region. Institutional structure of the market infrastructure in accordance with the dominant feature of market servicing contains the following aggregated groups of institutions:

- trade and intermediary infrastructure, as a complex of industries and areas of activity that ensure the bringing of goods to the consumer;
- financial and credit infrastructure as an extensive and interconnected network of enterprises serving the process of exchange and movement of money supply;
- information and service infrastructure, which is represented by a set of industries and spheres of the economy, serving the main market activity.

The regional aspect of ensuring Ukraine's social and economic security is related to resources. Creation of necessary and sufficient conditions for a safe regional economy can be made on the basis of increasing the competitiveness of products, supporting and strengthening the scientific and technical, personnel potential, reducing inflation, improving the ecological situation and raising the standard of living of the people of Ukraine. In conditions of limited budget and other resources in the country, it is necessary to use the internal potential of the regions more effectively.

Conclusions. Expansion of economic opportunities of the regions of Ukraine is one of the main factors of the social and economic security of the regions that influence the content and forms of Ukraine's entry into world economic relations, as well as the development of a single market space within the country.

In conditions of market transformation and lack of rigid centralization of the economy, the regions have more organizational opportunities for their development at the expense of development of both domestic and international relations. In addition, in order to achieve a more favorable market position, the region must be competitive, which gives certain specificity to the general objectives of shaping the social and economic security. Therefore, within the framework of the specified preconditions for the provision of social and economic security of the regions of Ukraine it is necessary to radically increase the efficiency of the use of state funds and regulatory policy, provide effective state control over the activities of local authorities, transparency of their use of financial resources, and also improve economic activity at the expense of international relations at the level of regional management; balance of openness of the economy and measures to protect the domestic producer; the optimal level of economic and organizational autonomy of the territory; the effective state of its resource, technological, industrial and other potentials, etc.

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UDK 332.14:351.863 (477.86)

Svitlana Onyshchenko, DSc in Economics, Associate Professor, Associate Professor at the Department of Finance and Banking. **Oleksandra Maslii**, PhD in Economics, Senior Lecturer at the Department of Finance and Banking. Poltava National Technical Yuri Kondratyuk University. **Ukraine Regions Social and Economic Security Provision Preconditions.** System of region's social and economic security is considered. Initial parameters of region's social and economic security based on system approach, its components and features are defined. The main factors influencing the region's social and economic

security include macroeconomic resources, social, institutional, political and informational support ones. The necessity of creation a system of regions' social and economic security indicators according to its separate components is substantiated. A range of unsettled problems which prevent achieving social and economic security at the regional level is specified. It is noted that natural combination of the state, regional and local interests contributes to maximally full usage of each region and place internal potential. Priorities of regional social and economic policy in terms of budget decentralization are defined. The aim of regions of Ukraine social and economic security which consists in ensuring social balance, economic stability and development is substantiated, under which regions' social and economic provision objectives are stated. It is proved that region's economy development is one of the main preconditions for providing regions of Ukraine social and economic security. The necessity of more effective usage of regions internal potential in terms of limited budget and other resources is substantiated. Conditions for regions of Ukraine social and economic security provision under widening regions economic abilities are defined, including competitiveness increase, support and strengthening of scientific and technical, human resources potential, inflation rate shortening, worsening ecological situation, increase in the people of Ukraine standard of living.

Key words: region's social and economic security provision, preconditions, factors, threats, system approach.

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Світлана Володимирівна Онищенко,

кандидат економічних наук, доцент, доцент кафедри фінансів та банківської справи. **Олександра Анатоліївна Маслій,** кандидат економічних наук, старший викладач кафедри фінансів та банківської справи. Полтавський національний технічний університет імені Юрія Кондратюка. **Передумови забезпечення соціально-економічної безпеки регіонів України.** Розглядається система соціально-економічної безпеки регіону. Визначені початкові параметри соціально-економічної безпеки регіону на основі системного підходу, його компонентів та особливостей. Основними факторами, що впливають на соціальну та економічну безпеку регіону, є макроекономічні ресурси, соціальна, інституційна, політична та інформаційна підтримка. Обґрунтовано необхідність створення системи показників соціально-економічної безпеки регіонів за окремими її компонентами. Визначено низку не вирішених проблем, які перешкоджають досягненню соціальної та економічної безпеки на регіональному рівні. Відзначено, що природне поєднання державних, регіональних та місцевих інтересів сприяє максимально повному використанню кожного регіону та внутрішнього потенціалу. Визначено пріоритети регіональної соціально-економічної політики з точки зору децентралізації бюджету. Обґрунтовано мету соціально-економічної безпеки регіонів України, яка полягає у забезпеченні соціальної рівноваги, економічної стабільності та розвитку, відповідно до якої викладено цілі соціально-економічного забезпечення регіонів. Доведено, що розвиток економіки регіону є однією з головних передумов забезпечення соціально-економічної безпеки регіонів України. Обґрунтовано необхідність більш ефективного використання внутрішнього потенціалу регіонів з точки зору обмежених бюджетних та інших ресурсів. Визначено умови забезпечення соціально-економічної безпеки регіонів України за економічними можливостями регіонів, що розвиваються, включаючи підвищення конкурентоспроможності, підтримку та зміцнення науково-технічного, кадрового потенціалу, скорочення темпів інфляції, погіршення екологічної ситуації, підвищення рівня життя населення України.

Ключові слова: забезпечення соціальної та економічної безпеки регіону, передумови, фактори, загрози, системний підхід.

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Светлана Владимировна Онищенко,

доктор экономических наук, доцент, доцент кафедры финансов и банковского дела. **Александра Анатолиевна Маслий,** кандидат экономических наук, старший преподаватель кафедры финансов и банковского дела. Полтавский национальный технический университет имени Юрия Кондратюка. **Предусловия обеспечения социально-экономической безопасности регионов Украины.** Рассматривается система социально-экономической безопасности региона. Определены исходные параметры социально-экономической безопасности региона, основанные на системном подходе, его компонентах и особенностях. Основными факторами, влияющими на социально-экономическую безопасность региона, являются макроэкономические ресурсы, социальная, институциональная, политическая и информационная поддержка. Обоснована необходимость создания системы показателей социально-экономической безопасности регионов по отдельным ее компонентам. Определен ряд нерешенных проблем, которые препятствуют достижению социальной и экономической безопасности на региональном уровне. Отмечается, что естественное сочетание государственных, региональных и местных интересов способствует максимально полному использованию каждого региона и определению внутреннего потенциала. Определены приоритеты региональной социально-экономической политики с точки зрения децентрализации бюджета. Обоснована цель социально-экономической безопасности регионов Украины, которая заключается в обеспечении социального равновесия, экономической стабильности и развития, в соответствии с которой излагаются цели социально-экономического обеспечения регионов. Доказано, что развитие экономики региона является одним из основных предусловий для обеспечения социально-экономической безопасности регионов Украины. Обоснована необходимость более эффективного использования внутреннего потенциала регионов с точки зрения ограниченного бюджета и других ресурсов. Определены условия для обеспечения социально-экономической безопасности регионов по расширяющимся регионам, в том числе повышение конкурентоспособности, поддержка и укрепление научно-технического, кадрового потенциала, сокращение инфляции, ухудшение экологической ситуации, повышение уровня жизни населения Украины.

Ключевые слова: обеспечение социально-экономической безопасности региона, предусловия, факторы, угрозы, системный подход.