

# The System for Ensuring the Financial and Economic Security of the State in an Aggressive External Environment

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## Abstract

The main purpose of the study is to analyze the features of ensuring the financial and economic security of the state in an aggressive external environment. The concept of financial and economic security should contain the priority goals and objectives of ensuring security, ways and methods to achieve them, adequately reflecting the role of finance in the socio-economic development of the state. Its content is designed to coordinate nationwide actions in the field of security at the level of individual citizens, business entities, industries, sectors of the economy, as well as at the regional, national and international levels. The methodology includes a number of scientific and theoretical methods of analysis. Based on the results of the study, the key aspects of the system for ensuring the financial and economic security of the state in an aggressive external environment were identified.

## Keywords:

*Security, Financial Security, Economic Security, State,*

## 1. Introduction

The basis for the effective development of the economy, entrepreneurship, manufacturing and services is to ensure financial security as the most important component of the economic security of an enterprise. It is financial and economic security that encourages maintaining the most important financial indicators at a level that will create the prerequisites for the effective functioning of the enterprise.

It is possible to build an effective system of financial security in terms of ensuring compliance with the requirements of the legal framework for the functioning of a business entity and studying the causes of external threats to the financial and economic security of business entities and the state as a whole, which are closely intertwined and interconnected. After all, without a well-functioning taxation system, a bankrupt treasury, an inefficient

banking system, an unbalanced economy, flourishing corruption and a shadow economy, we cannot talk about the financial and economic security of the state. The financial and economic security of the state is a reliable foundation and the most important component of the economic security of the country. It depends on the sufficiency of the financial resources of the state necessary to perform its managerial, economic and social functions. The level of financial and economic security is determined by the ability of the state to neutralize the impact of existing threats on its ability to fulfill appropriate internal and external obligations in a timely manner and in full. Therefore, one of the most important elements of state financial control is monitoring and forecasting the factors that determine the risks and threats to the financial and economic security of the state.

At the same time, the function of the state provides certain social standards and social guarantees, in particular, the minimum wage and pensions at such a level that an able-bodied person has enough of these funds to create and maintain a family, and a pensioner - for a decent old age. All this determines the relevance of the chosen research topic.

The main purpose of the study is to analyze the features of ensuring the financial and economic security of the state in an aggressive external environment. The structure of the article implies a description of the methodology, details of the results of the study and the conclusions drawn.

## 2. Methodology

The article is based on theoretical provisions for ensuring financial and economic security. To solve the tasks set, the following methods of scientific research were used: methods of analysis, synthesis and formalization; system-structural analysis; abstract-logical method - for the implementation of theoretical generalizations and formulating the conclusions of the study.

## 3. Research Results and Discussions

In modern conditions, the aggravation of real threats, the weakening of state regulation and control, the problem of protecting interests, in particular in the financial sector, is being updated. The financial and economic security of the state is the most important priority of the economic policy of the state, and the formation of an innovative type of economy depends on the stability of the domestic economic system, its investment attractiveness and competitiveness. The containment of inflationary processes, the protection of the national currency from external fluctuations, the growth of capitalization of the stock and insurance markets are the output postulates that guarantee a high level of financial and economic security of the state. Taking into account the strengthening of economic globalization, the development of the digital economy, the issue of deepening the relevant scientific research on financial issues is actualized, because the financial security of the state provides for such a state of financial relations that creates favorable conditions and generates sufficient financial resources for expanded reproduction, economic growth, and raising social standards and population level.

The key elements of the system for ensuring the financial and economic security of the state in an aggressive external environment are presented in Table 1.

Table 1: The key elements of the system for ensuring the financial and economic security of the state in an aggressive external environment

<i>N<sup>o</sup></i>	<i>The key elements</i>
1	Objective and comprehensive monitoring of the economy and the financial sector to identify and predict internal and external threats to the interests of financial security objects
2	Calculation of threshold maximum permissible values of financial and socio-economic indicators (indicators), the excess of which can provoke financial instability and a financial crisis
3	Activities of the state to identify and prevent internal and external threats to financial security

Today, a number of threats to the system of ensuring the financial and economic security of the state in an aggressive external environment can be identified (Fig. 1).

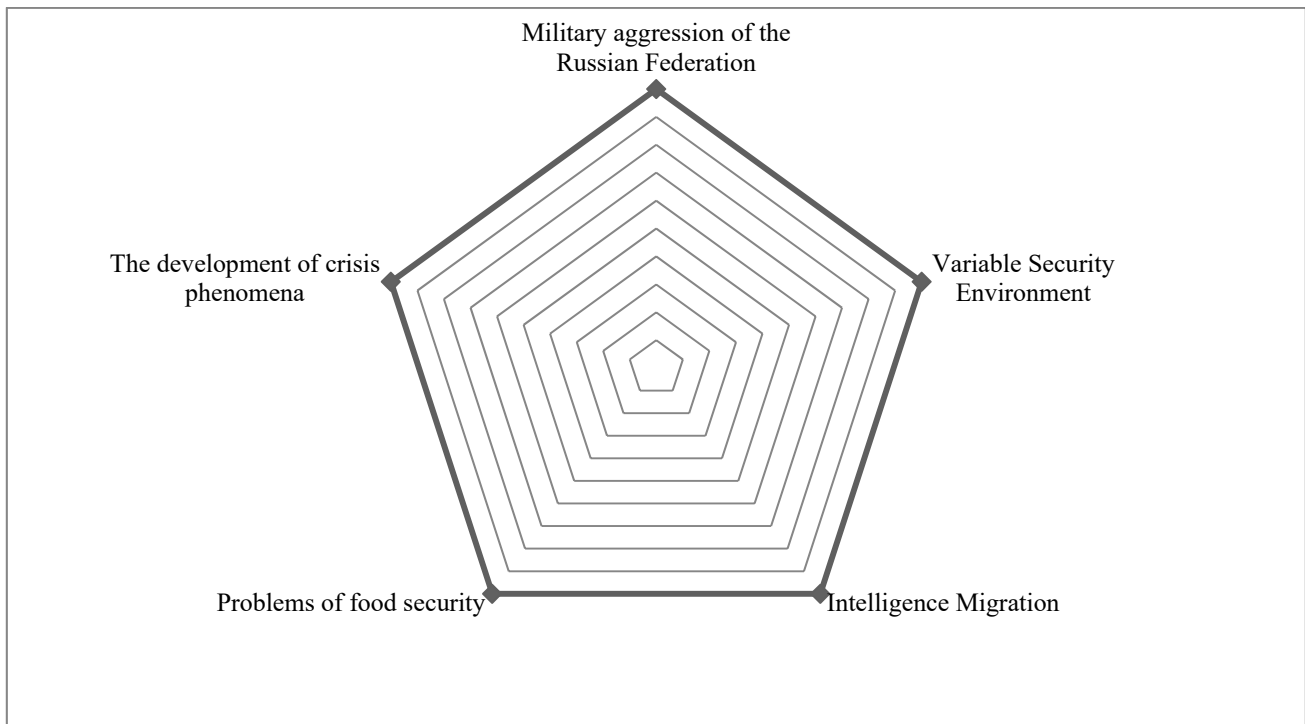


Fig.1. The threats to the system of ensuring the financial and economic security of the state in an aggressive external environment

Financial and economic security is a complex, multi-level system that is formed from subsystems, each of which is characterized by its own structure and development logic.

Conceptually, ensuring financial and economic security involves a combination of improving the welfare of the nation as a whole and of each citizen, in particular, with the growth of the competitiveness of the national economy in the world market and in global economic processes. Consequently, the achievement of macroeconomic stability, sustainable economic growth and the social orientation of economic development are the priority national economic interests and the main vectors of the economic policy strategy [1-5].

Financial and economic security is influenced by a number of internal and external challenges and threats. Therefore, the achievement of financial security involves the clarification and systematization of phenomena and events, the onset or implementation of which, directly or indirectly, may

pose a threat to certain national interests in the financial sector.

Financial and economic security is not only a national problem. It is the defining determinant of the modern global economy, shaped by the deepening and interaction of transnationalization and international regional economic integration. Globalization and transnationalization have become the defining dominants in the development of the world economy at the turn of the millennium.

The key components of the system for ensuring the financial and economic security of the state in an aggressive external environment are shown in Figure 2.

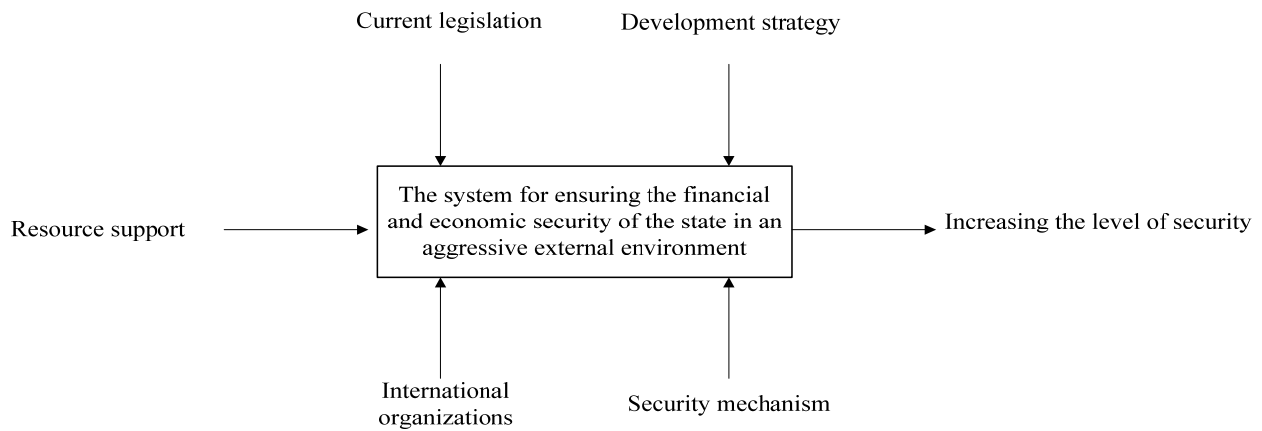


Fig.2. The key components of the system for ensuring the financial and economic security of the state in an aggressive external environment

The mechanism for ensuring the financial and economic security of the state is a system of legal, organizational and institutional support, methods and levers of influence of the subjects of the financial security of the state on its objects in order to timely identify, neutralize, protect threats to national interests in the financial sector.

The concept of financial and economic security of the state establishes the priorities of goals and objectives in this area, the conceptual foundations of its organizational and institutional, support, application of methods and levers of influence of relevant subjects on objects. Its provisions ensure the unity of actions of the relevant state bodies, the consistency of management decisions in this area at the regional, national and international levels [6-10]. The globalization of the economy makes it impossible to regulate the functioning of the market and the system of production in the country at the national level, in isolation from the world economic processes and the state of the international situation. The global financial sector has become almost independent of state control and regulation. There has been a fundamental change in the model of interaction between this sphere and state regulators. For centuries, national financial systems functioned predominantly within the country and were controlled by state institutions. Landmarks of national development in the modern, globalized

world are not within the national economy, but are taken outside of it. Currently, less than 30% of the G7 securities market is controlled by the state or subordinated to state interests. Private capital has more resources than the central banks of some countries, even such as the United States. Not national governments, but private capital, today determines the situation in the global financial market [11-16]. Going beyond state borders, financial flows have been growing rapidly in recent years. So such consequences of financial globalization as the activity of transnational banks, the functioning of offshore zones, the development of online payments, the provision of instantaneous movement of capital is fraught with the destruction of even stable economic systems, changing the political map of the world. Given this, when developing the concept of national financial and economic security of any state, it is necessary to take into account the possible negative consequences of globalization. The achievement of financial and economic security determines, firstly, the improvement of its conceptual, legislative foundations, the development of a strategy that provides for specific, clear, measurable goals and measures aimed at their implementation; development of legal and institutional support.

#### 4. Conclusions

The financial and economic security of the state is a reliable foundation and the most important component of the economic security of the country. It depends on the sufficiency of the financial resources of the state necessary to perform its managerial, economic and social functions. The level of financial and economic security is determined by the ability of the state to neutralize the impact of existing threats on its ability to fulfill appropriate internal and external obligations in a timely manner and in full. Therefore, one of the most important elements of state financial control is monitoring and forecasting factors that determine risks and threats to the financial and economic security of the state. Ensuring the financial security of the state is based on the mechanism of its provision, which is a system of organizational and institutional and legal measures aimed at timely detection, prevention, neutralization and elimination of threats. The system for ensuring financial and economic security should be implemented on the basis of developing an appropriate scientific theory, concept, strategy and tactics, pursuing an adequate financial policy, identifying objects, having the necessary security institutions, identifying and concretizing interests, systematizing threats, using means, methods and methods of ensuring security

Thus, the creation of a full-fledged mechanism for ensuring the financial and economic security of the state involves, firstly, solving a wide range of problems related to the formulation of criteria and principles for ensuring financial security, determining priority national interests in the financial sector, and constantly monitoring factors that threaten the financial security of the country as well as taking measures to prevent and overcome them.

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