

BASIC MEASURES AND INDICATORS FOR ASSESSMENT OF ECONOMIC SECURITY

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Introduction. The term "security" itself is a broad concept, which has a rather large breadth of understanding, however, it is understood that it largely ensures the interests of the individual, society and the state. In this context, economic security (in the case of any country is the important pillar) ensures the advancement of the social, political and economic transition of the given country, as well as neutralizes the external and internal challenges that threaten the interests of the given country as much as possible. Economic security is a multifunctional system responsible for the sustainable development of all sectors of the economy, productivity growth, external and internal investments, sustainable economic growth, high standard of living for the population.

Methodology. The methodological basis of the scientific article are both general methods - logical, analytical, as well as special methods, such as system-structural, interpretation. Mentioned methods were applied to disclose the main provisions and the role of economic security as a guarantor of sustainable development of the economy. The main focus is the theoretical and practical essence of economic security that implies a system of state administration that pays great attention to the developing national economy, ensuring the minimum economic interests of the individual, society and the state, the realization and satisfaction of demands, even under the influence of negative factors.

Literature review. At the current stage of economic development, ensuring economic security for all countries has become a very important issue, the solution of which is directly proportional to ensuring the normal functioning of the state and society. It is undeniable that the national economy is of cornerstone importance for ensuring the internal and external security of any country, as economic activity is aimed at meeting the material and spiritual needs of the society. [Raisenberg, 2005, 241]. From what has been said, it can be assumed that economic independence requires full state control over the use of national wealth, as well as the formation of competitive advantages by the state in order to ensure equal participation in international economic relations. The stability of the national economy implies ensuring the reliability of all elements of the economy, protecting the rights of business entities, and neutralizing the negative impact of possible non-constructive elements. Ensuring the desired results of the above-

mentioned components is an important pledge and prerequisite, which is the basis of ensuring the country's economic security. Only in the presence of such factors can one resist internal and external threats and stop the existence of negatively influencing factors. For example: According to V. Senchagov, economic security is the state of the economy and institutions of government, in which guaranteed protection of national interests, complete social development of the country, sufficient defense capability even in the most unfavorable conditions of the development of internal and external processes are ensured [Ursul, 1998, 34]. And here is D. Ursula views economic security as a set of external and internal conditions that ensure the sustainable development of society and the improvement of the quality of life of its members. [Ursul, 1998, 34]. From the given comments, it can be concluded that they have certain commonalities, particularly in terms of prevention and neutralization of the negative impact of external and internal threats. In this context, it can be argued that economic security is the protection of the national economy from internal and external negative interventions. It is undeniable that ensuring economic independence, economic stability and growth-based economic security is one of the most important and basic conditions for ensuring the normal functioning of the economy, which plays a major role in the political and economic development of the country. The main problems of economic security are:

- identification of internal and external threats, prevention and implementation of appropriate measures to neutralize them,
 - ensuring the country's territorial integrity and sovereignty,
 - implementation of economic policy aimed at ensuring sustainable and developing economic growth,
 - consolidation and development of the country's scientific and industrial potential, creation of opportunities for interaction between science and economy,
 - protection of human and citizen rights and freedoms,
 - ensuring the welfare of the society, increasing the quality of life of the population,
 - increasing the effectiveness of the state administration system, ensuring constructive cooperation between state administration and local self-government levels,
 - ensuring the passage of protection of the country's economic interests in international economic relations,
 - ensuring legality in the country, introducing effective accountability mechanisms, ensuring the equality of all members of society before the law,
 - the formation of mutually beneficial and constructive relations with other states,
 - the strengthening of the state's defense capability and the consolidation, coordination and strengthening of the country's military potential,
 - environmental protection, control over the rational use of the country's natural wealth and resources,

- deepening the process of international economic integration, strengthening and deepening one's own positions in the world economy,
- increasing the competitiveness of the economy, protecting the interests of domestic producers in foreign markets and creating wide opportunities,
- ensuring the country's financial independence, curbing the growth of debt obligations, developing the organizational and legal foundations of economic activity, improving the business environment and limiting administrative interventions, etc. [Manaseryan, 2009, 105].

Scientific novelty. As a result of our study we achieved new approaches to the formation of a safe economic zone in RA. Particularly, we suggest the to achieve balanced economic development of large and small settlements by providing investment resources, establish inseparable connection and cooperation between universities and employers, make investment procedures significantly easier, including for foreign investors, promote exports and reduce import volumes, as well as pay attention to infrastructural and technological development of RA regions, to promote access of technologies to remote settlements

Analysis. It is noticeable that in the modern stage of globalization, the problems of ensuring economic security have become even more profound, which can mainly be connected with external and internal challenges, therefore, in such a situation, the role of the state is of cornerstone importance in identifying and preventing possible threats. Ensuring the country's economic security in modern conditions is must be based on identifying potential threats and overcoming them through the effective use of existing economic potential. Of course, this process requires a number of steps and measures, which we will point out below. The first and most important step is perhaps the creation of institutions that ensure the country's economic security at the state level, the deepening of integration ties with the world economy, the introduction of scientific and technical cooperation, innovative technologies into the economy, the increase of labor productivity and the deepening of the integration of the domestic economy, which will ensure an increase in the level of competitiveness. It is obvious that the solution of such large-scale problems urgently requires the implementation of institutional reforms, sectoral and structural modernization of the economy, creation of a favorable investment environment, encouragement of priority branches of the economy and creation of opportunities for development. It should be noted that economic security is affected by factors with different degrees of danger. Among them are the low birth rate and high death rate, migration flows, the direct consequence of which is the unfavorable demographic situation. Observing the internal factors that threaten the economic security of RA, we can confidently note the decrease in the number of the population. This can also be considered a threat to RA national security. According to the estimates of various

researchers, the number of emigrants from RA after independence ranges from 600,000 to more than 1,250,000. [[5http://www.aniarc.am/2017/02/02/migration-2015-vs-2016-48-thousand/](http://www.aniarc.am/2017/02/02/migration-2015-vs-2016-48-thousand/)]. Let us reaffirm our claim that the factors listed above directly affect not only the country's economic, but also national security, creating serious challenges for the normal development of the state and society. In this context, it is also important to increase the efficiency of the management system, establish clear rules for the activities of state bodies, optimize their functions and ensure publicity. Similar reforms will allow to solve existing socio-economic multifaceted problems. The security system consists of geospatial security factors. These factors represent a general set of the security system, the components of which are international global security, international regional security and national security. An integral part of national security is the safety of the state, society and person (see Figure 1). In the international arena of economic security, the economic interests of a number of countries obviously conflict or overlap. Due to these circumstances, groups of countries with overlapping interests are emerging. It is noteworthy that partially conflicting interests may arise between these entities, which also cause serious challenges in the global economic security system. Thus, security is a dynamic phenomenon necessary for the survival and development of the system [Shahgeldyan, 2003, 4]:

The activities of the national security bodies are carried out in the following main directions: a) intelligence activity, b) counterintelligence activity, c) military counterintelligence activities, d) state border protection, e) fight against crimes. [Law on national security bodies, 2001, 3-6].

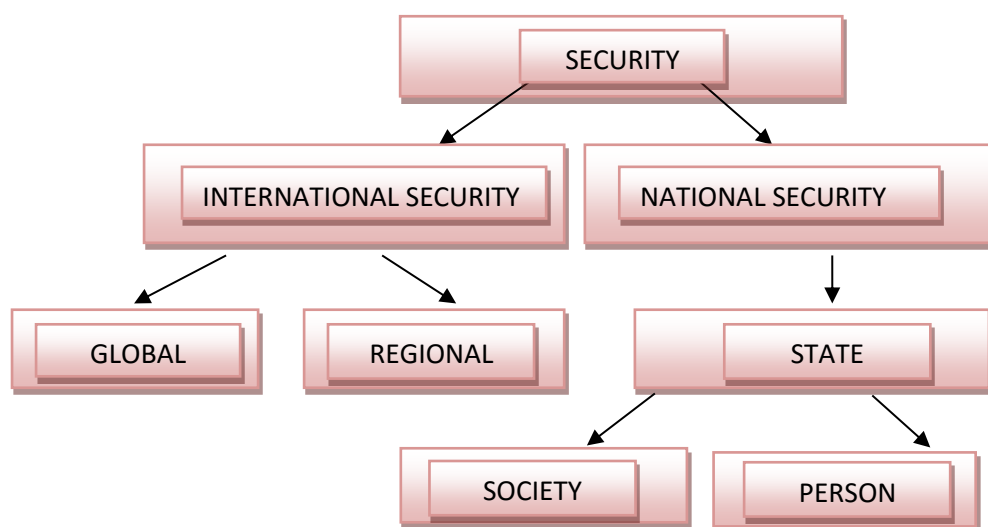


Figure 1: Types of security

One of the factors that negatively affect the economic security of the country is the uneven territorial development and the resulting polarization. In this case, the state is obliged to promote the full and purposeful use of its own economic potential by the administrative territorial units by using appropriate tools. This problem is especially urgent for the Republic of Armenia, because currently there are serious challenges in terms of the development and strengthening of regional economic ties. Inadequate level of regional infrastructure development, as well as limitations related to production factors, certainly have a negative impact on the territorial development of the country. The trend of uneven socio-economic development is significantly emphasized in RA, as economic activity is highly concentrated in the city of Yerevan. It is for this reason that there are pronounced differences in economic structures between the capital and other urban and rural settlements. Decentralization with an extremely limited scope of economic infrastructure leads to internal challenges of social-economic development disparity, which require systemic solutions. It can be stated that the socio-economic problems of the communities of Armenia are probably caused by the small number of the population and the lack of large economic infrastructures caused by it. Today, this problem is a concern of the state administration system, the solution of which is largely due to the enlargement of communities. Community enlargement is theoretically interpreted as a set of procedures or processes aimed at forming economically strong, financially stable communities through community integration. [Young, 1997, 29]. Such an association can provide unified approaches to cooperation, concentration of resources and efforts, which in turn will lead to universal well-being and balanced socio-economic development. Effective use of economic resources of the community can be the driving force for a developing country, which will ensure the integration and purposeful use of unused resources. Thus, we can state that the basis of the progress of every country is the sustainable territorial development, the provision of proportional development of all territories. Infrastructural and technological development of the regions, provision of communication channels, etc., are necessary to solve the mentioned problems. In this case, the problem can be solved through effective state territorial policy. As a result of monitoring, it is necessary to find out the causes of socio-economic disparity, to assess their consequences, to understand the level of decentralization, and then, relying only on studies, to develop appropriate mechanisms in terms of mitigating or neutralizing existing disparities and disparities. Local development of science and scientific education can be considered as an alternative way of balanced economic development. There can be no sustainable economic development without competent human capital. This resource, in the form of human potential, plays a crucial role in the development of the economy of any country. All this indicates that today knowledge should also be considered as an economic product, the quality and quantity of which depends on the future development of the economy, a product whose correct use can bring significant benefits

to the economy, and incorrect use or simply not using it can cause a number of internal and external threats to the country's security system.

Possible risks threatening economic security and the possibilities of their neutralization in RA. Observing the threats to economic security in RA, we can distinguish a number of internal and external factors, among which:

- increase in foreign debt, irregular currency fluctuations, loss of foreign markets,
- decline in production within the country, asymmetry of the commodity market, unemployment, migration, increase in unemployment,
- inflation, outflow of foreign capital, decrease in investment and business activity in the economy, decrease in real income of the population,
- preponderance of imports over exports, etc.

The geographical position, the non-neighborly relations with the neighbors and the unstable political situation of the country can also be added to these challenges. All these have their direct influence on the decline of economic indicators and the increase of the low standard of living of the people. When assessing the country's economic security, it is necessary to take into account the economic strength of its "adversary" and partner countries. From what has been said, it can be concluded that the growth of neighboring Azerbaijan's economy can be an economic threat not only to the national security of Armenia, but also to the economic security. In this context, it is very important to look for solutions so that political, economic, military, scientific-technical, social, environmental and other security, which together constitute the pillar of national security, are proportionately strengthened in the country. It turns out that the totality of external and internal threats is the object of national security, and their neutralization today, more than ever, is a daily requirement for our country. Observing the existing economic security risks in the Russian Federation, it can be noticed that in some respects they coincide with the possible security risks in the Republic of Armenia. The main strategic risks and threats to national security in Russia in the long term are:

- decrease in competitiveness and high dependence of its most important sectors on external economic conditions,
- loss of control over national resources,
- deterioration of the raw material base of industry and energy, uneven development of marzes,
- low stability and security of the national financial system,
- maintaining conditions for corruption and criminalization of economic and financial relations, as well as illegal migration [Prokhozhev, 2006. 83].

Considering the current situation of Armenia, we believe that it is possible to find systemic solutions from the point of view of neutralizing the possible risks of economic

security. In this context, we consider it important to emphasize the factor of balanced economic development, which can solve a number of economic and social problems. It should be noted that there is a shortage of highly qualified specialists in many regions of the Republic of Armenia, which in turn hinders the fact that investments in a number of areas are passive. We consider the increase in the number of specialists who have received targeted referrals, the activation of the university-employer interaction, which will balance the supply-demand ratio, as a possible solution to this problem. This issue can greatly consolidate the human potential in the marzes themselves, as a result of which it is possible to have both proportionally developing settlements and economically powerful marzes. An important circumstance is also the full use of RA resources, which certainly implies state support to private companies and individuals. RA stands out for its favorable climatic conditions, therefore the expansion of the production of natural products, the use of land as an expensive resource can greatly ensure the development of the economy and ensure the reduction of unemployment. In this way, it is possible to increase the number of greenhouses, cultivated land, and build processing factories in the RA marzes by pre-calculating the risks related to export. Many products can be produced locally, which will also greatly boost the development of the economy, which in turn is an important component of economic security. In this case, the level of poverty will decrease significantly, the issue of employment of the population will be solved, ensuring a stable standard of living for the latter. There can be no economic security when the country is on the verge of poverty and migration, so the interest of the state in terms of fully using the available resources can solve the above-mentioned problems to a certain extent. In the energy sector, RA also has great resources, which are not fully utilized. Solar energy can also be a boon for the country in lightening the country's energy burden. Looking at Israel's experience in the field of economic development, we need to reaffirm the claim that “spring with a flower” in the case of our country, it is not behind the mountains either.

Conclusion. Thus, we believe that in order to have a safe economic zone in RA, it is necessary to pay attention to the following principles:

- Ensure balanced economic development of large and small settlements by providing investment resources, various educational programs, as a result of which the human resources of especially small and border settlements will become manageable, thus excluding possible emigration.
- To ensure an inseparable connection and cooperation between universities and employers, to promote targeted education, which will make it possible to eliminate the shortage of required specialists in small and economically unstable communities.
- Make investment procedures significantly easier, including for foreign investors.
- Unconditionally use unused, but profitable economic sectors in RA, promoting exports and reducing import volumes.

- To ensure the infrastructural and technological development of RA regions, to promote access of technologies to remote settlements.

By increasing the volume of exports, contribute to the deepening of the process of economic integration in the world economy and the strengthening of one's own positions.

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The research material is broad enough to warrant extensive study, yet we conclude with a few observations that are relevant and emerge from the analysis made in this study. First, let's reaffirm the claim that the main responsibility for ensuring economic security rests with the state as the most important institution of the political system, however, it is indisputable that in the process of ensuring economic security, other institutions also have their most important role and importance: investors, employers, businessmen, people. Of course, as a key institution, it is the responsibility of the state to detect, assess, and develop specific policies and actions that are aimed at preventing and neutralizing possible threats, taking into account the fact that the basis of ensuring economic security is the neutralization and elimination of threats. In this context, it is important to record the importance of healthy and purposeful cooperation of interested parties, maintaining balance in relations, which will ensure the convergence of the interests of social and professional groups with the state's actions, vision, and mechanisms used by it. Overcoming possible conflict situations in this process requires constructive cooperation, compromise, and mutual understanding, because cooperation is the preferred way for any society. As a developing country, ensuring economic security is a very important issue for RA, taking into account the problems facing our country in the region, so in this context, it is important to introduce constructive interaction mechanisms between the state-economic entity-investor and their proper implementation.

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