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**Economics** 

# ECONOMIC ESSENCE, COMPOSITION AND CLASSIFICATION OF ECONOMIC SECURITY

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Economic entity, composition and classification of economic security have been analyzed and scientifically justified, having developed a unique author's classification of economic security. Results can be used in the activities of the organizations in the various spheres of business, as well as in research and educational process.

**Introduction.** Sustainable economic development is important to economic subjects at different levels. Economic security implies such an economy that maintains an adequate level of social development, invulnerability and independence of economic interests in relation to possible external and internal threats and impacts.

Economic security could be achieved if dependence on the dominant economy, as well as the degree of aggravation of the internal political, social and economic situation, the loss of national sovereignty, the significant weakening of military power, a significant reduction in the standard of living and quality of life of the population, or the collapse of the global strategic goals of the country does not exceed the admissible limit.

**The essence of economic security.** Economic security is a complex concept, making it almost impossible to include all of its constituent elements and relationships in one definition. That is why there are many interpretations, each of them neither disproves nor complements the others. Together they give a comprehensive understanding of the phenomenon.

There are three approaches to the definition of security.

The first one is based on the concepts of threats and protection from threats.

Second, avoiding the use of the notion of threat in the definition of security is based on managerial or economic concepts: efficiency, achieving the objectives, its functioning and development.

The third one combines both approaches.

The existing definitions of economic security were reviewed. The conclusion about the predominance of the component protection of the interests of the subject was drawn. A company or a country may be a subject of economic security analysis. Accordingly, in the Russian Federation the most common approach to economic security in the economic literature and regulation is the protection of the companies' interests.

In the Russian Federation the presidential decree dated 29.04.1996 N 608 "State strategy on the economic security of the Russian Federation (substantive provisions)" outlined the definition of economic security.

Economic security ensures the protection of civil rights of the population, improving the living standard guaranteeing social peace and tranquility; an effective solution to internal political, economic and social objectives, on the basis of national interests; active influence on the processes in the world that affect the national interests of Russia [1].

According to the national security concept of the Republic of Belarus, the UN goal of economic security will be the implementation of reforms in the economy, aimed at enhancing its effectiveness, ensuring the growth of GDP while increasing the quality of life of the population; maintaining the diversity of the national economy and the evolution of property relations; maintaining a sustainable balance between government regulation and freedom of economic relations; the expansion of freedoms for the subjects of economic relations of all forms of ownership; the development of competition in the domestic market; stimulation of domestic producers; increase of investment and innovation activity, attracting foreign partners on mutually beneficial terms.

For a more detailed study of the economic value of the security this research looks at different definitions. For example, Rayzberg B., Lazouski H., Starodubtseva E. treat economic security as preventing leakage of confidential information from the firm, including the information on the trade agreements, and economic sabotage [2]. Dolgopolov Y. treats economic security as a component of corporate security, representing the state of the legal, financial and industrial relations, organizational relationships, material and intellectual resources, which are provided with production development and financial and commercial success [3].

Senchagov V. treats economic security as essential qualitative characteristic of the economic system, which determines its ability to maintain living standards of the population, sustainable resources for the development of the national economy, as well as consistent implementation of national interests [4].

Thus, the definition of economic security is comprised of the macroeconomic and microeconomic definitions of economic relations, various objects of economic security, different levels of economic security, as well as factors that affect economic security; defining the importance of economic security for the economic sustainability of various scales and its development.

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On the basis of this analysis it can be concluded that the concept of "economic security" is relatively new for economic management bodies, and the range of approaches is extremely wide. This indicates the relevance of the problem, and secondly, the lack of a clearly developed understanding of the phenomenon of economic security, and thirdly, the shortcomings of the existing legislative framework in this area.

The absence of a generally accepted scientific definition of "economic security" creates uncertainty in the interpretation of the state security function and its failures in the shaping of socio-economic development programs.

**Composition and classification of economic security.** With the existence of different points of view on the essence of this notion, there is no consensus regarding the economic security. In general, there are two main approaches to their definition, namely, system resource, and functional.

So, supporters of the systemic approach consider the enterprise as an interrelated set of subsystems, which provides a number of components of economic security: technology; and resources that represent the material production of the main kinds of resources; financial; social, etc.

Functional approach is most common and it involves providing economic security on the levels such as: technical-technological – conformance level used in the enterprise technologies to modern world analogues; intellectual and human resources – conservation and development of the intellectual potential of the enterprise; information-effective informational and analytical support of the economic activities of a business entity; environmental-compliance with environmental standards, minimizing losses from pollution environment; financial is to achieve the most efficient use of corporate resources; legal support of activity of the enterprise, observance of the current legislation; power-ensuring the physical safety of employees (mainly manual) and the preservation of their property, etc.

It is necessary to remember that the importance of each component of economic security for enterprises of different industries differs significantly, therefore it is necessary to carefully and critically approach the process of identifying them [5].

Based on the above information and studying additional sources can be provided in the following classification (table 1):

Classification sign	Classification group	
By components	1. Techno-industrial safety	
	2. Technological security	
	3. Energy security	
	4. Environmental safety	
	5. Financial credit security	
	6. Mineral resources security	
	7. Food security	
	8. Information security	
The forms of implementation	1. Economic patronage	
	2. Economic cooperation	
	3. Economic confrontation	

Table 1 – Classification of economic security

Based on the information and studying of the additional sources can be presented on the following composition of economic security (table 2):

Table 2 –	Com	position	of	economic	security	
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Classification sign	Composition indication			
1	2			
Level	1. Individual			
	2. Macroeconomic			
	3. The world economic system			
The state	1. Normal			
	2. Pre-crisis			
	3. Crisis			
Problems	1. Problems related to the conservation and maintenance of economic complex of the			
	country;			
	2. Problems relating to the maintenance of economic performance in emergency			
	situations;			
	3. Military-economic problems;			
	4. The economic problems of interaction with the outside world.			

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The end of the table 2

1	2		
Methods for determination	1. Basic macroeconomic indicators and comparing them with thresholds		
of the level	2. Expert assessment Method for ranking territories according to the level of threats		
	3. Assessment of economic growth on main macro-economic indicators and the		
	dynamics of their change		
	4. Methods of applied mathematics and, in particular, multivariate statistical analysis		
Threat	1. External		
	2. Internal		
External factors	1. Macroeconomic		
	2. Market		
	3. Other		
Internal factors	1. Financial		
	2. Production		
	3. Intellectual personnel		
	4. Investment and technological		
	5. Marketing		
	6. Environmental		
	7. Logistics		

It can be argued that the notion of economic security has only two characteristic classifications, due to the homogeneity of the economic categories. On the other hand, economic security has a rich composition of classification, since this category has also subcategories. For example, security levels can be considered, as well as internal and external factors affecting it.

**Conclusion.** Economic security is difficult to analyse, the reason for this is the lack of scientific knowledge and diversity of views on the object of study.

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