

Security factors in the cross-border region

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Abstract. The relevance of the article is due to the problems of uneven socio-economic development of cross-border regions. The purpose of the study is to propose a way to assess the economic security of a region. Research objectives: (a) to conduct a study of the substantive aspects of the basic concepts; (b) to formulate a hypothesis of identifying factors determining economic security at the regional level; (c) to offer a comprehensive indicator of assessing the economic security of a region. The article provides a comprehensive indicator that allows to assess the state, the trend of economic development and the economic security of a particular region. The proposed models make it possible to assess the mutual influence of factors involved in the formation of values and public goods on an indicator characterizing not only the complexity of using the resource potential, but also the likelihood of risks of such interaction. A systematic approach to the assessment makes it possible to obtain an effective indicator. The results of the study include a tool to justify plans for the strategic development of a region, the implementation of which should ensure its economic security.

Keywords: cross-border region, economic security, factors, economy

1. Introduction

The current state of the country's economy determines the level of socio-economic potential of cross-border regions as structural elements. At a certain stage, the socio-economic and political orientation of the state influences the development strategy of a particular region, which is directly dependent on the availability of resources, the structure of the economy, the level of development of various sectors of the economy [1]. In the context of the process of globalization, the ongoing economic crisis, structural changes in the economy, the issues of economic security of a particular region, ensuring the national economic security of the whole country, are of particular relevance [2]. Uneven regional socio-economic development leads to structural imbalances and undermines the foundations of economic security [3]. Therefore, we must clearly understand the factors of regional economic security and have scientifically based approaches to choosing a complex indicator characterizing the economic security of a particular region. The purpose of the study is to propose a way to assess the economic security of a region.

2. Materials and Methods

The use of the dialectical method allowed to study objects, patterns and phenomena in their development and interconnection. The study was conducted in the two complementary directions. Namely, in the movement from the general to the particular, and from the particular to the general. National economic

security was adopted as a common deductive principle, the economic security of a particular region was adopted as a private. Using techniques of logic and methods of economic and mathematical modeling, a complex indicator was obtained, allowing to assess the state and relevant trends in the economic development and economic security of a particular region.

3. Results and Discussion

In the context of the ongoing crisis, regional financial and credit policies aimed at ensuring economic security are of great interest. The lack of investment incentives leads to an extremely dangerous socio-economic situation: a decrease in the level of budget revenues at all levels, lack of jobs, an outflow of the working-age population, an increase in social tensions, etc. In the context of a decrease in the volume of investments in fixed capital, the tendency of a decline in real money incomes and average monthly wages is observed, which stops the possibilities of consumer consumption of goods and characterize the public welfare of the region [4]. It becomes obvious that the building of a system of economic security should proceed from the economic security of individuals and their households. With this approach, regional economic security is a link between individual economic security and national economic security, because the conditions for business, infrastructure and human capital, in relation to specific parameters of development are provided at the regional level.

The study of the essential characteristics of economic security at the regional level allows one to identify the main factors that ensure it and justify the basic principles of their allocation. The importance of the principle, as the basic starting point, lies in the fact that, acting as a result of empirical studies of reality, the principle should reflect the objective essential regularities of national security in the context of the features of the economic development of a particular region. If the economic security of individuals is a conceptual basis of national security, then one of the basic principles for identifying factors of regional economic security is the well-being of citizens, which forms the state of the whole society, in turn. We will turn to the concept of a factor from two positions: at the stage of substantiation, in the context of the economic security of a region, we will consider it as a condition of an antecedent or a cause; at the impact assessment stage is viewed as a hidden variable.

The reproduction of values and public goods is ensured by the availability of the resource potential of a region (natural, material, labor, financial). Therefore, they can be considered factors of economic security at the regional level. However, for the organization of their interaction, the administrative resource is necessary. It should create favorable conditions in real time, prioritize the development and use of the limited resources. Also, the administrative resource should contribute to the economic development of a region, predicting changes in the needs of society and changes in the influence of the external environment.

The presence of certain resources does not guarantee the creation of a certain set of benefits that fully satisfy the needs of society. Their effective use in various economic conditions and external influence is necessary. A sharp change in the country's economic policy should not fundamentally affect the economic conditions of the subjects of a particular region as suppliers of necessary public goods. In a sense, the permissible possibility of autonomous functioning of an economic system of a regional scale should be ensured, which can be realistically possible in the context of a timely and adequate response of the administrative resource to external threats and challenges.

Therefore, the administrative resource can be called one of the factors of the first order in assessing the economic security of the region. It should be noted that effective administrative management is possible if the region is provided with the necessary material and labor resources, and the natural conditions of the region allow using them in the necessary combination and the necessary proportion. The second no less important factor in the economic security of a region is its natural and climatic conditions, which either expand or limit the possibility of an effective combination of material, labor and financial investments to organize their interaction in the process of creating values.

Such a factor as the region's availability of labor resources can be either one of the main or secondary for individual regions depending on population density, structure, demographic situation and ability to work.

The material resources of a region as a result of location can be a significant factor, since they are limited and if they are sufficient in the long term. It is the progressive development of the economy of the region that can ensure its economic security in the future.

And capital investment remains the most important factor in economic security. Namely, their volume is important, preferably in comparable prices for resources, because these investments are intended to use resources. Investments contribute to expanded reproduction with a classic understanding of the movement of capital – “money-commodity-money”. As the current economic situation in the country shows, it is the issues of reviving and increasing the volume of production of material benefits that become the primary task in the context of economic sanctions. On the one hand, the decline in investment in the development of the economy may be the result of economic sanctions and limited access to international capital markets, on the other hand, the lack of readiness of the administrative resource to creatively respond to external threats and challenges. In addition, the decline in investment in economic development may be one of the reasons for not only the stagnation of the regional economic development, but also its security.

As one of the basic conditions for ensuring economic security, economic development is characterized by the costs of technological innovation in the region. Technological innovations are the end result of the innovation activity of the subjects of the real sector of the economy. This result is embodied in the form of a new or improved product or service introduced on the market, a new or improved process or mode of production (transmission) of services used in practical activities.

The composition of the cost of technological innovation includes not only capital expenditures, but also current ones, which explains the disparity between the level of investment and the amount of innovation. Therefore, consideration of the costs of an innovative nature as one of the fundamental factors ensuring the mandatory growth of indicators characterizing the state and development of the regional economy is somewhat incorrect. In our opinion, these are additional development opportunities or a second order factor.

The use of the methodology of the factor approach and the construction of a model reflecting the dependence of a complex indicator characterizing the economic security of a particular region from its supporting factors requires an expert approach. The expert approach is necessary both at the stage of identifying factors and at the stage of substantiating their priority value, which determines their sequence in the estimation algorithm. This statement is supported by the fact that one of the indicators characterizing the level of social welfare of a particular region is the size of the gross regional product per capita. It can be considered as the resulting factor of the assessment model.

The authors believe that the economic security of individuals is the conceptual basis of national security, and the well-being of citizens is one of the basic principles for identifying factors of regional economic security. Our research supports the works of J. Bentham [5], J. Rawls [6], F. Nietzsche [7], H. Bergson [8], E. S. Averkieva [9]. We also note that this problem was considered as an independent phenomenon, not affecting the issues of economic security [10].

4. Conclusion

As one of the basic conditions for ensuring economic security, the concept of economic development involves assessing the level of growth in the welfare of the population of a region through analyzing the dynamics of a set of indicators. These indicators characterize the growth potential of the gross regional product, the share of the gross regional product per unit of population. Investments in fixed assets and the cost of industrial innovation are one of the main growth drivers of these indicators.

The value of the indicator characterizing the share of the population's provision with values and public goods should have a tendency to grow in comparable prices for the goods being purchased, and this is the tendency which means the economic development of the region.

The particular form of the dependence of the resulting indicator on the indicator is the factors and the type of model are determined by the strength of the influence of a separate factor ensuring the economic security of the regional level. Priority in the study of the influence of certain factors on

economic security is determined by the peculiarities of the functioning and development of a particular region.

The results of the study can be the subject of subsequent scientific discussions and a tool to justify plans for the strategic development of a region, the implementation of which should ensure its economic security.

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