

Problems of Ensuring Economic Security in the Context of Deepening Globalization and Digitalization

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ABSTRACT

The article discusses the problems of the development of economies of the world in the XXI century (in the current century), taking into account the impact of the achievement of science and technology, as well as unforeseen circumstances. The factors affecting the economic security of states are analyzed, depending on the level of development of their economies, indicators and criteria for their determination are given. A broad analysis of the works of foreign scientists and researchers on this issue in the context of deepening globalization and digitalization is given. As a result of a general analysis, the authors give specific recommendations for solving this problem.

Keywords: globalization, economic security, economic threat, growth of external debt, indicators of economic security, level of economic security of the state, threshold values of economic security

1. INTRODUCTION

In the context of globalization of the world economy, the problems of ensuring economic security of the state are becoming increasingly important. The economic security of the state means the protection of all levels of the country's economy from dangerous actions, which can be both a consequence of the conscious influence of any factor, and a spontaneous influx of market forces [1, 2015].

In the context of the complication of economic ties between individual states, the intensification of globalization and integration, economic threats are increasing, which in turn requires the development of a short-term and strategically effective concept to ensure economic security at all levels of the economy.

For this purpose, a system of indicators is used - quantitative characteristics of socio-economic phenomena and processes, the measurement and comparison of which allows us to identify the dynamics of economic security [2, 2011].

Based on a system of indicators characterizing the state of economic security, i.e. indicators and evaluation criteria, the current and future state of economic security of the state and regions are forecasted.

Currently, each state has developed a system of indicators to determine the level of economic security of the country. But there is no single common approach to determining the state of economic security. Many authors noted that the system of indicators characterizing the state of economic security of a country can be different [3, 2001. 4, 2009. 5, 1991].

The global chaos of the COVID-19 virus pandemic has once again proved that besides the generally recognized external threats [6], there are also unforeseen ones. Therefore, determining the level of economic security of states, regions or business entities requires constant analysis of the system of indicators and the level of its indicators.

An analysis of these sources of the Central Bank of the republic shows that in recent years there has been an increase in the external debt of the state (Figure 1).

2. THE MAIN FINDINGS AND RESULTS

2.1. Problem Statement

In 1934, for the first time, US President Roosevelt created a special committee on economic security whose tasks were to develop measures to exit the Great Depression. After the collapse of the Union and the transition to a market economy, the national republics faced the problem of protecting national and economic security.

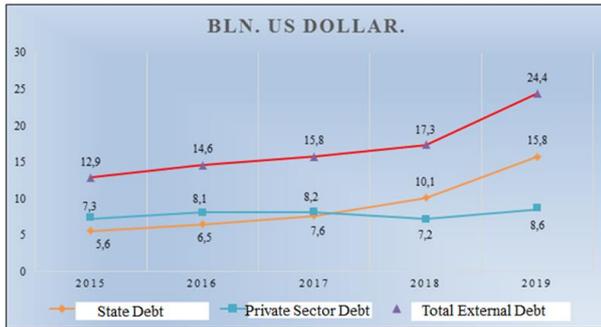


Figure 1 Dynamics of the external debt of Uzbekistan for 2015-2019

Since Uzbekistan, by the standards of the World Bank, is a country with a low average income, this requires a very careful attitude to external debt. According to the World Bank, among low-income countries, the average GNP per capita and the percentage of external debt from GNP are \$ 2259 and 29%, respectively. In Uzbekistan, per capita GDP is lower (\$2008) and the percentage of external debt from GDP exceeds (34%) the average world level of low-income countries.

According to many researchers, this indicator is one of the important indicators of the economic security of the state. The criteria for the external debt of states are different [7, 2009. 16, 2018].

Large external government debt and an increase in corporate debt, excessive import dependence, overloading of export of commodities are external threats to the country's economy. The duration and growth of these indicators, as well as the expansion of the range of interaction of the above threats, lead to the lag of the state from developed countries in the economic growth rates, competitiveness and welfare of citizens.

Therefore, the definition of criteria for indicators characterizing the economic security of a country requires careful scientific research.

2.2. Research Questions

Currently, to assess globalization from the perspective of determining a strategy for further development, an analysis of the impact of this process on the state of the country's economy and its security is required. Within the framework of the new global space, the security of the global economy can be achieved if the dangers of certain parts of this whole increase. But practice proves the opposite - not everyone benefits from globalization, but only those states that direct the benefits of this process in the right direction. This is manifested in the widening of the gap between incomes (GDP per capita) of the five richest countries and the five poorest (74: 1 in 1997; 120: 1 in 2018).

The American economist D. Sachs, having analyzed the positive and negative aspects of globalization, notes the inconsistency and incompleteness of this process. In his

opinion, a combination of globalization with sufficient investment in the public sector is necessary [17].

Therefore, in conditions of unstable development of the economies of the countries of the world, interaction between them intensifying during the period of globalization, states are trying to be more careful in ensuring economic security.

In preparation for joining the Eurasian Economic Union (EAEU) and digitalizing the economy of Uzbekistan, to ensure economic security, the most important task is to determine the list of indicators characterizing the state of the economy and the security criteria of the subject. The solution of these issues requires the study of foreign and domestic indicators, as well as the procedure for determining their criteria.

According to A.I. Popov, the threshold values of economic security are quantitative indicators or parameters characterizing the acceptable level of development security, beyond which there are dangers, accompanied by the loss of control by states in any field.

To develop indicators and threshold values, it is necessary, according to the theory of social sustainability, to assess the socio-economic situation not by a single indicator, but by their combination, since due to a critical deviation of one or two parameters from the maximum permissible values, the current situation is not always correctly estimated situation as a whole [18, 2008].

We believe that we can agree with the author's opinion on the need to develop indicators and threshold values according to the theory of social sustainability, to assess the socio-economic situation not by a single indicator, but by their combination. Therefore, indicators and threshold values of economic security for individual countries may be different.

But we believe that indicators of economic security are not only a quantitative indicator, it is also a qualitative indicator. Since, if the indicator of external debt has increased quantitatively, but in relation to GDP, it should not be negative, its quality ensures repayment of the debt without affecting the state budget or the budget of the private sector.

2.3. Purpose of the Study

The goal is to analyze international experience in determining the structure of indicators and criteria, as well as threshold values of economic security. Based on the analysis, draw an appropriate conclusion and prepare recommendations for improving the procedure for determining these indicators in the context of the digitalization of the economy.

3. MATERIALS AND METHODS

To analyze the state of the economy from the point of view of economic security, one of the important links in the methodological tools of research is the diagnosis of its

state. Analysis for the purpose of diagnosing economic security makes it possible to assess quantitative and qualitative values of the degree of manifestation of threats to the economic security of the subject.

We agree with the opinion of researchers [9, 2019. 25], who studied the state of economic security, that the most acceptable methods of such diagnostics are indicative and empirical analysis.

Based on the results of the analysis using these diagnostic methods for indicators of economic security, threats are identified, their level is assessed, and a set of measures is developed to stabilize the situation in the subject's economy.

In their studies, many scientists proposed their options for indicators of economic security, criteria characterizing the composition, depth and territorial framework for the implementation of threats to economic security and its level [1, 2005. 4, 2009. 8, 2016. 25].

Economic security indicators are a quantitative expression of the characteristics of certain properties of an economic object or process. As a rule, most indicators of economic security act as initial data for calculating indicators of economic security [23, 2001].

We also believe that the level of economic security is a conditional indicator giving an integral characteristic of the degree to which economic security requirements have been achieved. But in order to assess the current situation of the economy for security purposes, it is necessary to determine an acceptable criterion characterizing its condition.

4. DISCUSSION

Threats to economic security may arise as a result of deliberate actions of entities or force majeure circumstances, i.e. due to natural disasters. Sources of threats to economic security, in the process of study, scientists are divided into external or internal.

A threat to economic security is understood as “the state of the economy, when the state, due to internal and external factors, loses control over production and circulation, leaves the basic economic and legal levers of influence on them” [26].

Some authors define a threat to economic security “... as a kind of damage, the integral indicator of which will be expressed by the degree of reduction of the country's economic potential over a certain period of time” [27, 1999, 28, 2001. 29, 2018, 30, 2002].

NN Shatunova believes that the analysis of threats to economic security involves a clear distinction between overlapping but not coincident groups of threats: threats to the stability of the economic system and threats to national security that are of an economic nature [31, 2008].

According to S.E. Mityakov, internal threats are a lack of ability to develop and self-preserve, insufficient innovation activity of the population, inefficiency of the system of state regulation and management of the economy, incompetence of stakeholders in the search for the most

compromise and conflict-free way of development of modern society.

And external threats are significant fluctuations in the exchange rate of the Russian currency, dependence on imports of high-tech goods, the predominance of the raw material component of the country's exports, capital outflows, the growth of corporate debt, the introduction of new sanctions for the country's economy [27, 1999 32, 1997].

Summarizing the above views, we can say that the main reasons for the emergence of internal threats can be deliberate or unconscious actions of people, government and management or stakeholders. External threats arise during the organization of foreign economic activity, various sanctions adopted against states or discriminatory actions of foreign states, as well as due to unforeseen circumstances. Any threat in the event of its manifestation has a negative impact on certain economic indicators and, subsequently, on the economic security of the country.

Therefore, in our opinion, it is first necessary to determine the types of threats to the country's economy. Threats should be divided into general and specific for each country (Figure 2). Specific threats are appropriate for individual countries, while general ones concern everyone. In the conditions of unstable development of the economies of the countries of the world, interaction between them during the period of globalization, the impact of unexpected financial crises and epidemics, states are trying to be more careful about ensuring

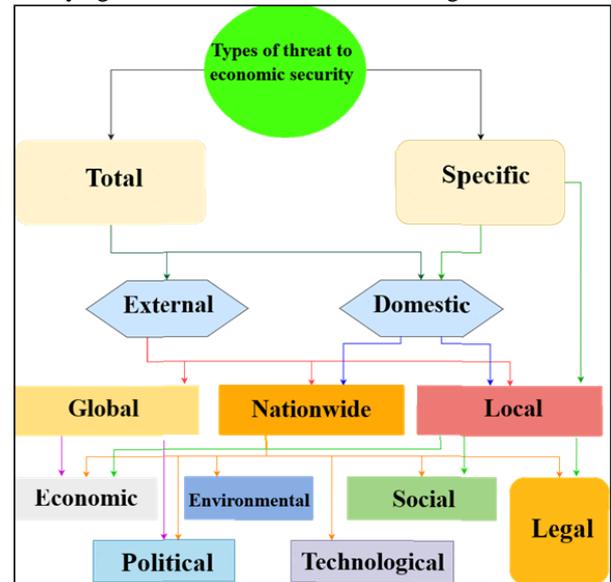


Figure 2 Classification of types of threats to economic security

M. Kahler believes that globalization has “undermined” the traditional definition of economic security, which has focused on economic vulnerability for other states. At the same time, globalization has caused a redefinition of economic security in the light of the risks associated with cross-border networks of non-state actors, as well as the economic variability of the new environment He believes

that regional and national governments can complement each other. [34, 2004].

Different scientists offer different criteria. So, for example, N.M. Mukhitov believes that for economic security, it is not the indicators themselves that matter, but their threshold values. He proposes to evaluate the threshold level of unemployment, the income gap between the most and least well-off groups of the population, inflation as the main indicators. [35, 2006].

The factors of ensuring the economic security of the country, first of all, are the use of modern technologies of the new generation, the possibility of increasing the financial potential for investment and consumption, the wide development of public-private partnerships, high labor productivity, high-quality products, and high professionalism of human resources.

In Nordic countries, the NORDSTAT technique is used [35, 2006]. When selecting indicators in the NORDSTAT database, they are divided into three subgroups in accordance with the degree of their adequacy for comparisons between countries:

- simple class A indicators that can be easily calculated and directly compared between different countries. These include indicators of the population, the number of objects, unfinished and completed construction, the number of places in educational and medical institutions, hospitals, etc.

- class indicators of class B, which are relatively easy to compare, but they require a preliminary analysis of the calculation procedure and its subsequent adjustment in order to prevent inadequate comparisons. These indicators include indicators of statistics on unemployment, environmental quality.

Class C indicators not directly comparable. They are calculated according to specific methods for each country, and therefore require detailed consideration for an adequate comparative analysis between different countries. These indicators include indicators of the payment of social benefits, characteristics of population incomes and poverty.

The Kingdom of England uses a technique specifically developed by the Department of Transportation, Local Government, and Regional Development (DTLR).

In Sweden, Finland, and a number of other developed countries, monitoring systems are also used in this class to determine indicators of economic security.

Monitoring the problem of economic security for many countries is not decisive. The main goal of these countries is to maintain sovereignty and stable economic growth.

Research interest in this topic is more likely for Russian authors and scientists of the CIS countries. Therefore, we consider it appropriate to analyze the opinion of scientists and researchers of post-Soviet countries.

The threshold values of economic security are limit values, the non-observance of which impedes stable and sustainable development, the normal course of expanded reproduction, leads to the formation of negative, destructive trends in the national economy, makes them vulnerable to external and internal threats and influences [36, 37, 2014, 38, 2011].

Experts at the Institute of Economics of the Russian Academy of Sciences (IE RAS) interpret limit values as such parameter values, violation of which would mean entering the danger zone, disruption of the normal course of the economy, and its insecurity from external negative influences [39, 2009].

criteria impedes the normal development of the economy of the country and the social sphere, and also leads to the formation of destructive trends in production and living standards.

Based on this conclusion, we believe that - “the threshold values of economic security are the minimum acceptable limit for reducing the main indicators characterizing the economic condition and social situation in the country, as well as the costs of maintaining and reproducing the natural and economic potential, exceeding these limits of indicators (indicators) prevents threats economic security of the subject”.

However, it should be borne in mind that the critical value of indicators of economic security does not always mean the complete disintegration of a particular sphere of functioning of society. The level of these indicators indicates the need for an operational decision by an authorized person or body in order to change the situation. Scientists have identified several signs of a transition from a threshold to a crisis state [40, 2015].

An analysis of scientists' research on a system of indicators characterizing the state of economic security reveals the existence of different views on their list.

So, K. B. Gerasimov, G.F. Nesolenov is recommended to take into account the level and quality of life, inflation, unemployment rate, economic growth, budget deficit, public debt, the state of foreign exchange reserves, the activity of the shadow economy and the state of the environment as a system of indicators of economic security [38].

In our opinion, these indicators are insufficient for a full and comprehensive assessment of the state of the economy. In particular, there are no such indicators as internal and external debt, the level of monetization of the economy, the level of expenditures on science, education and health, energy and food security. Since these indicators are basic, they characterize the socio-economic status of countries.

O.M. Dyujilova offers a system of indicators divided into: basic production and financial indicators and basic socio-demographic indicators [41, 2016].

Some authors believe that the criteria for assessing security are indicators characterizing the resource potential and the possibilities for its development, the level of efficiency of the use of resources, capital and labor and its compliance with the level of the most developed countries, the level of internal and external threats, the competitiveness of the economy, the integrity of territories and economic space, sovereignty, independence and the ability to confront threats, social stability and the conditions for the prevention and resolution of social conflicts [42, 2017].

D.V. Butnik suggests that the main indicators characterizing economic security be grouped into 7 blocks

according to the directions of the structure of the economy [43, 2013].

The Institute of Economics of the Russian Academy of Sciences recommends a list of economic security indicators and their threshold values from 36 indicators [39, 2009].

The Strategy for Economic Security of Russia for the period up to 2030 defines a list of 40 indicators of economic security, which can be updated according to the monitoring results [44, 2020].

5. RESULTS

Having studied and analyzed studies in the field of the list of indicators and threshold values of economic security, we believe that each state and region, based on their specific development, should determine their list and criteria. To obtain threshold values of indicators of economic security, it is necessary, first of all, to take into account national interests in the field of economy and especially the development strategy of the country.

We agree with the view that the list of threshold values may include a large number of quantitative indicators that differ significantly in content and calculation methods. At the same time, it is necessary to select a rather limited list of threshold values that can at the same time fully reflect the state of the economy from the standpoint of economic security [36, 2015. 43, 2013. 45, 2020].

6. CONCLUSIONS

The list of indicators of economic security and its threshold values must be determined at a fundamental level. First of all, these are the country's national interests in the field of economics and the improvement of the social status of the population.

For the purpose of scientific and methodological support, it is necessary, first of all, to structure indicators of economic security by:

- the ability of the economy to function in the expanded reproduction mode;
- maintaining state control over strategic resources;
- elimination of the dependence of the economy on imports of the most important types of products;
- maintaining the living conditions of the population above the poverty level;
- the stability of the financial system, the national currency, the proper level of development of the financial and securities markets, the reduction and effective management of external and internal debt, and the provision of conditions for investment activity;
- preservation of a single economic space and interregional economic relations;
- ensuring the necessary state regulation of economic processes.

Threshold values should acquire the status of quantitative parameters approved at the state level.

Having analyzed the world practice of ensuring economic security, we believe that with the involvement of domestic scientists at the state level, it is necessary to develop and approve a long-term concept for ensuring the economic security of the country, regions and economic entities.

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