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### THE ESSENCE AND PECULIARITIES OF COUNTERING ECONOMIC THREATS IN THE SPHERE OF FUNCTIONING OF SECURITY FORCES

*The article highlights the issue of studying the essence and peculiarities of countering economic threats in the sphere of functioning of security forces. The terminology of the concept of economic security is considered. The main directions of combating economic crime are substantiated. The issues of reforming law enforcement agencies in the field of combating economic crime and the abolition of the Bureau of Economic Security are studied. The main measures to counteract economic threats in the sphere of functioning of the state security forces are formed. The directions of further scientific research are provided, which are the development of promising mechanisms that will combine operational and investigative measures with preventive ones.*

**Keywords:** economic security, economic threats, economic crime, security forces, public administration.

**Statement of the problem.** Today, Ukraine is a young European country which strives to become a modern and developed social and legal state. Unfortunately, the large-scale invasion of Russia in 2022 and the hybrid armed aggression of 2014 have become obstacles to further economic development. Therefore, the threats to the economic security of the state, namely the shadow economy, the growth of the criminal sector in the economic sphere, the high level of corruption in the administrative apparatus of the government, etc. have been supplemented by threats to sovereignty, territorial integrity and independence.

During the period of Ukraine's independence, most structural changes in public administration were haphazard and spontaneous, and there was virtually no evidence-based structural adjustment of the economy. During this period, Ukraine lost a significant part of its production potential, and almost half of its economy went into the shadows. The crisis in public finances, chronic budget underperformance, and the country's threatening external debt obligations require fundamental changes in fiscal policy.

In order to combat economic threats, the government is developing and implementing reforms in the political, economic, social, scientific,

technological and other spheres of state life. However, a major obstacle to this is the threatening state of corruption. This is explained by the fact that, despite the sufficient number of law enforcement agencies of the state, which are responsible for ensuring the economic security of Ukraine, effective and efficient regulatory, legal, organisational and administrative state mechanisms for their activities to counter threats to economic security have not yet been created.

#### **Analysis of recent research and publications.**

In recent years, a significant scientific contribution to the development of public administration problems to improve the State's activities to ensure economic security has been made by well-known scholars: S. Bielai, V. Bilous, I. Yevtushenko, O. Korystin, M. Melnyk, S. Osypenko, S. Pysarevskyi, A. Skrypyk, A. Smyrnov, V. Tatsii, and others. The theoretical provisions developed by them on the activities of law enforcement agencies of the State to ensure economic security can be used to clarify the essence of the regulatory, legal, organisational and managerial mechanisms of their activities to counter threats to economic security. Scientists have revealed the problems of regulatory and legal support for ensuring economic security, highlighted the issues of the essence of economic crimes, prevention

of economic crime, coordination of security forces and their interaction in matters of ensuring economic security, etc. However, despite the wide range of studies on various aspects of the activities of security forces in ensuring economic security, many issues in this area require more detailed analysis, in particular, the issue of countering economic threats in the field of functioning of the state security forces.

**The purpose of the article** is to provide a theoretical substantiation of the fundamental principles of ensuring economic security by counteracting economic threats in the sphere of functioning of the State's security forces.

**Summary of the main material.** Studying the issue of economic security, it can be concluded that economic security is the protection of national interests in the economic sphere from real and potential internal threats, primarily from economic losses. According to a generally accepted definition, economic security is a system that ensures the sustainability of the national economy, preservation of its integrity and ability to develop itself despite adverse external and internal threats. The state of economic security is assessed by a system of indicators that determine favourable conditions for the functioning of the economic system [1].

According to the theory of management, the means of ensuring economic security include specific measures developed and implemented by the state, authorities, power structures, business entities and public authorities. In addition, the public is also involved in the implementation of economic security programmes. First of all, economic security implies a certain protection of the economy from internal and external dangers, which allows it to provide adequate living conditions and personal development, socio-economic and military-political stability of the country [2].

Analysing the negative processes in the economic sphere, economic security risks can be classified as: growth and increased criminalisation of the "shadow" sector of the economy; increased corruption and organised crime, as well as penetration into key sectors of the economy; inefficient management of the state tax system; prevalence of collective tax evasion; inefficiency of the legislative and judicial systems; lack of coordination of law enforcement agencies in the fight against economic crime.

The team of authors determines [3] that the public authorities in the field of economic security today should: ensure conditions for sustainable economic growth and increase the competitiveness

of the national economy; accelerate the gradual implementation of economic structural and institutional reforms, improve the investment climate and increase the efficiency of the investment process; improve antitrust policy and create an effective mechanism for state regulation of natural monopolies; overcome the "shadow economy" by conducting [3].

Agreeing with the above promising measures, we would like to add that in modern scientific developments there are certain studies that define the concept of projects, programmes of legal and information infrastructure, as well as a system of conditions, criteria and indicators of organisational forms and mechanisms for protecting the national economy from various threats, but a common drawback of almost all approaches is the lack of analysis of economic security related to the system of national interests [4]. The latter record and reflect what is common to different economic actors and is the subject of economic security. The issue of the economic potential and economic power of the state is linked through this category of national interest to such issues as the state of the national gene pool, the prerequisites for socio-cultural prosperity and the strength of its economic and political positions in the international arena [5].

The scale of economic crime in Ukraine today is such that this problem cannot be ignored when formulating more or less serious programmes of socio-economic development of the country as a whole or its individual regions. Without considering the factors that cause crime and their impact on the implementation of specific socio-economic projects, the latter are doomed to failure [6].

Financial crime refers to a set of offenses directly related to the violation of relations regarding the formation, distribution, redistribution and use of financial resources of a business entity. Financial crime is extremely diverse and complex. Depending on the circumstances, different factors are of practical importance, and accordingly there may be different options for their classification. Thus, depending on the level of financial relations that are the object of encroachment, crimes that encroach on the national financial system (national and local finances) and crimes that encroach on the finances of individual economic entities (entrepreneurial) are distinguished [7].

According to management theory, the choice of the quality of measures to protect economic security should be based on specific measures developed and implemented by social individuals and communities created and implemented by them in the form of the

state, its bodies, authorities and management, corporate structures, public and political organizations. Timeliness, sufficient completeness of detection and operational analysis of the situation in the complex, which causes danger, efficiency and rationality of the selected protective measures, the obligation of organizational and managerial decisions regarding the implementation of these measures create a single compensatory and countermeasure mechanism that creates a state of security [8].

The analysis of negative processes in the economic sphere [9, 10] shows that the factors that threaten economic security include the growth of the "shadow" economy and the strengthening of criminalization, the spread of corruption and organized crime, their penetration into key sectors of the economy, inefficient management of the public sector and tax system, large-scale tax evasion, lack of legislation and judicial system adequate to the criminogenic situation, economic crime and lack of coordinated actions law enforcement agencies to strengthen the fight against it.

The study of the subject of state activity in the field of economic security establishes that the main directions should be: identification and monitoring of factors that undermine the stability of socio-economic systems in the short and long term; development and implementation of the economic policy of institutional transformations, which is aimed at eliminating or mitigating the harmful effects of threatening factors, localization of the threats themselves and their further elimination.

A serious threat is the growth of the "shadow" economy and the strengthening of its criminalization. According to estimates of independent analysts, shadow economic activity in Ukraine accounts for 50–60 % of the total volume of the country's gross domestic product. The presence of such a volume of shadow sectors is one of the reasons for the sharp decline in production, mass bankruptcy of enterprises and industries, which ultimately leads to the presence of economic crime and corruption, as well as a sharp decrease in the standard of living of the population.

Analysis of the situation in the field of anti-corruption shows that the criminalization of power is closely related to the expansion and development of organized criminal activity in the economic sphere of society. Domestic criminals go far beyond the borders of Ukraine and come into contact with both criminal and legal economic organizations in different countries.

In view of the above, the main directions of combating economic crime should include: adoption of new and amendments to outdated laws and regulations in the field of economy, social

sphere, criminal law and criminal procedural legislation; solving social and economic problems of society in order to reduce the number of people involved in illegal activities; destruction of criminal groups, deprivation of the economic basis of their activity and creation of conditions that make their further functioning in the economic sphere impossible; to use all possibilities of operative investigative activity and pre-trial investigation of criminal justice units to fully expose participants in criminal activity and bring them to criminal responsibility; to improve the structure of special units for combating economic crime, to form ways of coordination in their management, to develop measures to maintain high-quality personnel and improve technical equipment; ensure the development of direct relations between law enforcement agencies, develop a system of bilateral and multilateral agreements between states on cooperation in the fight against transnational economic crime.

In general, solving the issue of combating economic crime in Ukraine is of primary importance. Therefore, solving the issue of economic security of Ukraine is a priority task for all branches of government. The identification of threats to Ukraine's economic security has set new requirements for mechanisms for regulating processes in this area. First, a truly scientific analysis and assessment of the situation, the external and internal environment of each process and phenomenon, the decisions made and the analysis of the results achieved in each specific case, both at the macro- and micro-economic level, is necessary. Secondly, the development of the strategy of national economic security and its adoption as a legal basis for the activity of state authorities, together with other legislative acts, will ensure the necessary legal and political protection of the state's economic sovereignty. The issue of improving the management efficiency of law enforcement agencies, which carry out various measures to protect economic security, deserves special attention.

There are 4 centers of state power in Ukraine: the Verkhovna Rada, the President, the Cabinet of Ministers and the National Bank of Ukraine, which determine economic policy and influence the development and protection of the economy, but so far each of them does not have the status of clearly defined powers and is not fully responsible for its decisions and implements them within the framework of a single legally defined economic policy of the state. For a long time, there was a confrontation between various departments of the government, which caused significant damage to

the economy of the state. And this contributed to the further increase in the number of economic crimes, the development of economic crime as the main threat to economic security.

Therefore, the fight against economic crime requires a wider range of effective measures than those currently in use. Therefore, together with the development of the law enforcement system, the process of administrative reform should include the reform of institutions that are directly responsible for the fight against economic crime. However, due to the lack of scientific justification when discussing the issue of reforming state structures for a long time, almost all participants focus only on the need to reduce the number of personnel in the Ministry of Internal Affairs and small structural reforms in other law enforcement agencies. At the same time, modern administrative theory claims that it is inappropriate to reduce reforms only to the reduction of staff and that this is a secondary process. Issues that structurally underlie the effectiveness of the coordinated activity of state bodies are of crucial importance. With regard to countering economic threats in the sphere of functioning of the state security forces, it is appropriate to emphasize that there is an urgent need to define promising measures for mobilizing the efforts of operational and investigative activities and preventive measures in this sphere.

The analysis of the situation in the field of anti-corruption shows that the criminalization of power in the power structures is closely related to the spread and development of organized crime in the economic sphere. The number of dangers and threats in the economic sphere, as well as the number of errors and miscalculations, has reached such a limit, the excess of which can lead to catastrophic consequences, which requires effective and coordinated measures by state authorities. Therefore, it is extremely important to create an effective and rational system of law enforcement agencies to ensure economic security as a well-coordinated and resource-balanced complex of measures to counter internal and external threats.

A positive step in the direction of reforming law enforcement agencies in the field of combating economic crime was the creation of the Bureau of Economic Security, which is the central body of the executive power, which is entrusted with the tasks of combating offenses that interfere with the functioning of the state's economy. Its activities are directed and coordinated by the Cabinet of Ministers. The powers of the Bureau of Economic Security include: identification of risk zones in the

economy by analyzing structured and unstructured data; assessment of risks and threats to the economic security of the state, development of methods of their minimization and elimination; provision of proposals for amendments to normative legal acts on the elimination of prerequisites for the creation of schemes of illegal activity in the economic sphere; ensuring the economic security of the state by preventing, detecting, terminating, and investigating criminal offenses affecting the functioning of the state's economy; collecting and analyzing information about crimes affecting the economic security of the state and determining ways to prevent their occurrence in the future; planning measures in the field of combating criminal offenses assigned by law to its jurisdiction; detection and investigation of offenses related to the receipt and use of international technical assistance; drawing up analytical conclusions and recommendations for state bodies in order to improve the efficiency of their management decisions regarding the regulation of relations in the economic sphere [11].

Currently, the Bureau of Economic Security should pay maximum attention to combating economic crimes in the functional areas of the security forces. The conducted analysis will help to identify the reasons that pose a threat to the state of economic development of the state:

- economic (criminalization of socio-economic relations of the state through the introduction of legalized criminal capital into these sectors, monopolization of the domestic market by criminal capital, reorientation of the economy to the one-sided development of only super-profitable industries and hindering the development of other sectors, deterioration of the international investment image of Ukraine);

- political (development of interconnected processes of criminalization of political crimes and politicization of economic crimes);

- social (more and more people are involved in criminal activities, which increases mistrust of the authorities in solving socio-economic problems and ensuring law and order).

Therefore, based on the above, the main measures to counter economic threats in the sphere of the functioning of the state security forces should be: development and improvement of the legal framework for countering economic threats in the sphere of the functioning of the security forces by adopting new normative legal acts and making changes to outdated legislation; elimination of situations that contribute to the involvement of a significant number of security forces employees in illegal activities, by solving social

and economic problems of society; the elimination of organized crime and the creation of conditions that make it impossible for security forces to be involved in its activities; improvement of activities of bodies and units for combating economic crime; improving the interaction of bodies and units for combating economic crime with state and local self-government bodies in the fight against economic crime.

Thus, from the above, it can be noted that the mechanisms for countering economic threats in the field of security forces should include a wider range of measures than those currently in use. To this end, the law enforcement system should be developed by conducting an effective administrative reform of law enforcement agencies created to fight economic crime. The key issue is the effective interaction of law enforcement agencies in ensuring economic security. It is necessary to move from solving small crimes to solving global problems of economic crime, such as corruption in authorities (security forces), organized crime in the economic sphere, and public support for certain types of economic crimes. This means that it is necessary to develop promising mechanisms that combine operative and investigative measures with preventive measures.

Based on the results of the conducted research, it is possible to reach the following conclusions.

1. In the regulatory and legal documents of Ukraine there are proposals for the development of legal and information infrastructure, the factors, criteria and indicators of organizational forms and the mechanism of protection of national security from economic threats are determined, while the main drawback of all the mentioned studies is the lack of a systematic analysis of economic threats in the field of activity security forces.

2. Criminalization of economic activity leads to deformations not only in the economic sphere (economic relations in society), but also in the social sphere (consciousness of citizens). The so-called "shadow economy" negatively affects not only the main components of the national economy, but also the general state of national security. Therefore, the threatening state of economic threats in the sphere of security requires effective countermeasures on the part of the state.

3. In modern conditions, economic crime has acquired organized forms, which are based on socio-economic relations regarding obtaining funds illegally. The current state of economic crime is a threat to the security of the state, which manifests itself in the form of a direct decrease in material values, disruption of the functioning of certain

branches of the economy or the implementation of socio-economic programs, which negatively affects the defense capability of the state.

4. Coordinated actions of bodies and units for combating economic crime to determine and eliminate the causes and conditions for the appearance and spread of economic threats in the field of security forces should become priority measures of the mechanisms for countering economic threats in the field of security forces. Therefore, the directions of further scientific research are the development of promising mechanisms that will combine operative and investigative measures with preventive ones.

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## СУТНІСТЬ ТА ОСОБЛИВОСТІ ПРОТИДІЇ ЕКОНОМІЧНИМ ЗАГРОЗАМ У СФЕРІ ФУНКЦІОНУВАННЯ СИЛ БЕЗПЕКИ

Актуалізовано питання дослідження сутності та особливостей протидії економічним загрозам у сфері функціонування силових структур. Установлено, що у нормативно-правових документах України містяться пропозиції щодо розвитку правової та інформаційної інфраструктури, визначено чинники, критерії та показники організаційних форм і механізму захисту національної безпеки від економічних загроз. При цьому головним недоліком є те, що бракує системного аналізу економічних загроз у практичній діяльності силових структур. Розглянуто термінологічний апарат поняття економічної безпеки. Визначено, що криміналізація господарської діяльності призводить до деформацій не лише в економічній сфері (економічних відносин у суспільстві), а й у соціальній сфері (свідомості громадян). Так звана «тіньова економіка» негативно впливає не тільки на основні складники національної економіки, а й на загальний стан національної безпеки. Тому загрозовий стан економічної безпеки потребує дієвої протидії з боку держави. Обґрунтовано основні напрями протидії економічній злочинності. Доведено, що наразі економічна злочинність набула організованих форм, в основі яких лежать соціально-економічні відносини стосовно незаконного отримання коштів. Сучасний стан економічної злочинності – це загроза безпеці держави, яка проявляється у вигляді прямого зменшення матеріальних цінностей, порушення функціонування окремих галузей економіки чи реалізації соціально-економічних програм.

Розглянуто питання реформування правоохоронних органів у сфері протидії економічній злочинності та створення Бюро економічної безпеки. Сформовано основні засоби протидії економічним загрозам у сфері функціонування силових структур держави. Доведено, що першочерговими заходами механізмів протидії економічним загрозам у сфері діяльності силових структур мають бути скоординовані дії органів та підрозділів по боротьбі з економічною злочинністю з метою визначення й усунення причин та умов виникнення і поширення економічних загроз у сфері діяльності силових структур. Визначено напрям подальших наукових досліджень – розроблення перспективних механізмів, які поєднуюватимуть оперативні-розшукові заходи з профілактичними.

**Ключові слова:** економічна безпека, економічні загрози, економічна злочинність, сили безпеки, державне управління.

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