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## **DIRECTIONS OF STATE POLICY IMPROVEMENT IN THE SPHERE OF ENSURING ECONOMIC SECURITY OF UKRAINE**

*The article evaluates the effectiveness of state policy in the sphere of ensuring the economic security of Ukraine according to its main components. The problems and contradictions of the formation and implementation of state policy in the sphere of ensuring the economic security of Ukraine in modern conditions are identified. The main areas of improvement of the state policy in the sphere of ensuring the economic security of Ukraine have been determined.*

**Keywords:** *state administration, mechanisms of state administration, state policy, economic security, state policy in the sphere of ensuring economic security.*

Problem setting. According to the Constitution of Ukraine, ensuring the economic security of the country is one of the most important functions of the state, the business of the entire Ukrainian people [4].

And according to Article 3 of the Law of Ukraine "On National Security", one of the main directions of its provision is the sustainable development of the national economy to ensure the growth of the level and quality of life of the population [3].

That is why urgent tasks for state administration and local self-government bodies in modern conditions are to ensure the economic security of Ukraine by achieving macroeconomic stability of the state's development, increasing the stability of the financial sector, restoring the economic activity of business entities, increasing the

consumer activity of households and improving their consumer expectations.

Recent research and publications analysis. Scientists such as Bohdan T., Zhalilo Y., Maistro S., Svyridenko Y. and others devoted their publications to the study of the foundations of the formation and implementation of state policy in the sphere of ensuring the economic security of Ukraine [1; 5; 6; 8].

However, many issues related to the improvement of state policy in the sphere of ensuring the economic security of Ukraine in modern conditions remain insufficiently researched.

Paper objective. The purpose of the article is to determine directions for improving state policy in the sphere of ensuring the economic security of Ukraine in modern conditions.

Paper main body. Ensuring sustainable socio-economic development of Ukraine in the conditions of the modern economic crisis associated with Russian military aggression against Ukraine is inextricably linked with the need to develop new approaches to the formation and implementation of state policy in the sphere of ensuring the economic security of the state.

Analysis of the socio-economic development of Ukraine published by the State Statistics Committee shows that our country is in a deep economic crisis by the end of 2022.

After all, there was the biggest drop in GDP during the years of independence (-29.2%), a decrease in the production of gross industrial products (-38%), significant losses of assets and income from exports, unprecedented energy and demographic crises. At the same time, 13.5 million people were forced to leave their homes, more than 7 million people found themselves below the poverty line, and the poverty level reached 24% of the population [1].

In addition, according to the results of 2022, the excess of budget expenditures over revenues (deficit) amounted to UAH 914,868.0 million. At the same time, 349,295.1 million hryvnias were used as sources of financing the specified deficit. internal financing (38.2%) and UAH 565,573.0 million. external financing (61.8%) [9].

That is, the lion's share of the deficit of the Ukrainian budget according to the results of 2022 was financed at the expense of international financial aid.

And this is far from a complete list of the consequences of the war for the economy of Ukraine at the end of 2022.

That is, the dynamics of changes in most of the above-mentioned macroeconomic indicators, as well as the devaluation of the national currency, indicate a decrease in the level of economic security of Ukraine.

In general, according to the results of 2022, under the conditions of martial law introduced in the country due to Russian military aggression, the economy of Ukraine not only lost a significant share of the potential for creating added value, but also underwent significant structural changes, namely:

- there is a logistical collapse of the national economy due to the blockade of seaports, suspension of air traffic, suspension of road and rail traffic in the territory of hostilities and temporarily occupied territories;

- millions of Ukrainians left abroad and moved to the west of the country, and there are also millions of people in cities where hostilities continue and in temporarily occupied territories. That is, the number of economically active population involved in the creation of added value has significantly decreased;

- there are significant obstacles to conducting business activities due to: a decrease in the possibilities of production of products and provision of services due to a lack of human and material resources; physical impossibility of conducting business activities due to hostilities; a sharp decrease in the demand for products and services due to the outflow of the population; Complications of product export due to logistical problems [10].

As a consequence of the above, the key problems of Ukraine's economy in the conditions of martial law became the destruction of economic structure due to the disruption of value-added chains and logistical problems, as well as a significant change in the structure of supply and demand (production) due to the outflow (loss) of personnel and the loss of supply and sales markets.

That is, the economic development of Ukraine in modern conditions is characterized by negative trends, which requires an appropriate response from state authorities and local self-government at all levels in order to ensure the appropriate level of economic security of the country.

According to the Methodological recommendations for calculating the level of economic security of Ukraine, economic security is the state of the national economy, which makes it possible to maintain resistance to internal and external threats, ensure high competitiveness in the global economic environment, and characterizes the ability of the national economy for sustainable and balanced growth. And its components are: production, demographic, energy, foreign economic, investment and innovation, macroeconomic, food, social, financial security (which, in turn, contains such components as banking security, security of the non-banking financial market, debt security, budget security, currency security, monetary security) [7].

In our opinion, in order to improve the state policy in the field of ensuring economic security, it is also necessary to consider such types of economic security as tax security and insurance security.

Therefore, we propose not only to form and implement the state policy in the sphere of ensuring the economic security of Ukraine according to the specified components, but also to carry out its corresponding improvement in modern conditions precisely in the above directions.

It is expedient to include [5; 6]:

1. Ensuring the stability of the national currency by: preventing sharp exchange rate fluctuations; increasing the transparency of the course creation process; diversification of the international reserves of the National Bank of Ukraine; application of currency risk insurance tools; a decrease in the level of dollarization of monetary circulation and an increase in the share of non-cash payments; ensuring the predictability of exchange rate dynamics and preventing (minimizing) speculative trends in the foreign exchange market.

2. Ensuring an acceptable level of inflation by: reducing interest rates, as a

component of costs for production and provision of services; encouraging competition in the field of retail trade and preventing the monopolization of retail markets; stimulation of types of economic activity related to import substitution; implementing a transparent and controlled tariff policy.

3. Increasing the stability of the banking system and intensifying lending to the real sector of the economy by: increasing the transparency of the banking system (development of credit bureaus, rating agencies, etc.); development of refinancing tools and liquidity management of the banking system on the basis of strengthening the market foundations of the functioning of the interbank credit market; elimination of accumulated imbalances of bank assets and liabilities; creation of a unified state information system for collecting, accumulating and processing data on borrowers' credit histories (State Register of Credit Histories) to reduce the risks of the lending process, especially long-term.

4. Deregulation of business activity by: reduction of permit and registration procedures by transferring their proceedings exclusively to the technical level (declaration, declaration of principle, voluntary confirmation or register, restriction of the list of licensing, etc.); the spread of the practice of electronic provision of administrative services for business through the unification of forms and documents for various state authorities and the legislative consolidation of their list and the amount of fees for the provision of administrative services; implementation of a simplified procedure for electronic registration of a new enterprise; application of the principle of termination of the activity of individual entrepreneurs on the application principle (without passing preliminary checks by the controlling bodies); formation of a stable tax environment, providing predictability of the process of potential tax changes and tax reform; elimination of double (accounting and tax) accounting for the calculation and administration of tax payments, reduction of time and money spent by taxpayers on accounting and reporting.

5. Development of the internal market and stimulation of import substitution by: harmonizing the legislation on the protection of economic competition, intellectual

property rights and judicial practice of examining acts of unfair competition with European legislation; counteracting manifestations of unfair competition and market monopolization; increasing the effectiveness of state policy in the field of economic competition protection; stimulating partnership and strengthening trade and economic ties between production and consumption in order to reduce the intermediary component in the retail price of products.

6. Creation of an attractive investment and innovation environment and stimulation of investment and innovation activities through a system of mutually coordinated actions in the area of monetary and credit, fiscal, organizational and management regulation, in particular: implementation of targeted refinancing mechanisms by the National Bank of Ukraine of commercial banks for the formation of credit resources for investment innovative goals; development of mortgage crediting schemes, microcrediting and lending to industries and spheres of the economy; improvement of the depreciation policy in order to increase the amount of depreciation deductions for the implementation of investment and innovation activities (application of accelerated depreciation to certain branches of the economy (IT sphere) and enterprises that use high-tech equipment, application of bonus depreciation for equipment for research and development activities); stimulation of investment activity by lowering the tax rate on part of the profit that is reinvested in the modernization of fixed assets; provision of tax benefits and introduction of special tax regimes for enterprises conducting R&D; state guarantee of attracting investments in high-tech sectors of the economy (aerospace, implementation of information and communication technologies, bio- and nanotechnologies, creation of modern materials, pharmaceutical products and medical equipment), as well as in the implementation of energy-efficient and energy-saving technologies.

7. Helping exporters and strengthening their competitiveness by: setting up prompt, "automatic" VAT reimbursement to exporters; deregulation of export customs clearance procedures based on WTO methodology and established European practices; active and effective application of the tools of economic diplomacy in the work of relevant ministries and departments in matters of defending national interests abroad; providing support to

export activities of small and medium-sized enterprises, including on the basis of public-private partnership; provision of informational, methodological and practical assistance in the organization of foreign economic activities of Ukrainian enterprises; providing informational and financial support for the participation of Ukrainian companies in international exhibitions, fairs, conducting specialized promotional campaigns in promising markets.

8. Promotion and stimulation of regional economic development through: support for sustainable development of territorial communities; supporting the competitiveness of the economic complex of the regions on foreign and domestic markets; development of cross-border cooperation; development of public-private partnership [5; 6].

In addition, an important factor in the significant revival of economic activity in Ukraine should be construction (especially considering the scale of modern destruction from enemy strikes), which must be supported by the *eOsel* mass mortgage program, as well as by increasing private investment in Ukraine with the help of war risk insurance. An important task of the state economic policy should also be the integration of war veterans into working life - they should have every opportunity to start their own business, find a job or learn a new profession. For this, it is necessary to carry out a labor reform, which involves the modernization of labor legislation taking into account the modern needs of employees and employers, including through the creation of an effective labor inspection [8].

In general, to solve the existing economic problems of Ukraine in the conditions of Russian military aggression and the introduced martial law in the country at the state level, it is necessary [10]:

- demarcation of the economy for the period of martial law, that is, the introduction of its hybrid model: on the one hand, a planned economy in terms of military needs and military goods, as well as, if necessary, vital goods and services in those places where their supply is limited; on the other hand – an emphasis on the liberalization of business operations in terms of providing for the needs of the population, which is an important element of the stability of society and is extremely important in the conditions of war;

- the maximum possible simplification (liberalization) of state regulation of the economic sphere (liberalization of labor legislation; simplification of market supervision; limitation of state regulation of prices, except for special purpose goods according to a separate list; liberalization of tax legislation; automatic VAT refund through the electronic administration system; cancellation of import duties on raw materials , which is required for the production of Ukrainian goods; simplification of customs control for goods of critical importance to the country, especially military purposes);

- the maximum possible reduction of non-productive state-wide expenditures in the conditions of martial law (primarily due to sectoral benefits and subsidies) and the search for sources of covering the deficit of the State budget, including at the international level;

- ensuring the implementation of the principles of the state anti-corruption policy, strengthening responsibility for economic crimes, market conspiracies and abuse of a monopoly position, especially with regard to goods and services that are essential and critically needed by the country in conditions of war [10].

Precisely for this and with the aim of increasing the effectiveness of state policy in the sphere of ensuring economic security of Ukraine, at the end of November 2021, the Bureau of Economic Security began to function, which is now the only state authority in Ukraine responsible for the fight against economic crimes.

The Bureau of Economic Security takes over part of the powers of other state structures in the fight against economic crimes in Ukraine (previously, such functions were shared between the Security Service of Ukraine, the Tax Police and the National Police).

The Bureau of Economic Security will focus on analytical work: identifying the risk zone in the Ukrainian economy; development of analytical conclusions; proposals for changes in legislation, etc.

The main function of the Bureau is to investigate violations related to: tax evasion; commercial and banking secrets; corruption schemes; privatization; forgery of documents; smuggling; using budget funds for other purposes, etc.

The Bureau of Economic Security received the authority to demand the necessary



documents and information from economic entities, open proceedings in cases of administrative violations and apply fines. At the same time, the Bureau should not so much perform the functions of a punitive body, but, on the contrary, support entrepreneurs and create uniform tax conditions for all market players. And the global goal of the Bureau of Economic Security is to reduce the share of shadow business within the country and increase tax revenues to the state budget [2].

It should be noted that in the conditions of the current economic crisis, stimulating economic activity by reducing the general level of taxation may be ineffective, because it will create an additional burden on the State budget in the context of filling its revenue part. On the other hand, an increase in the general level of taxation will also not contribute to revitalizing economic processes in the real sector of the national economy.

That is why it is important to strengthen the control of the relevant state bodies (including the Bureau of Economic Security) regarding the effective use of funds accumulated in the State Budget of Ukraine for the priority goals of economic development, as well as the implementation of effective structural reforms related to the fight against corruption at all levels. This will make it possible to follow the path of detinization, de-oligarchization, demonopolization, diversification of the national economy and ensuring its competitive development in order to ensure the sustainable development of the country and ensure the appropriate level of social standards and support the standard of living of the population in the conditions of martial law in the country.

Therefore, only a systematic and comprehensive approach to the issue of determining directions for improving the state policy in the sphere of ensuring the economic security of Ukraine based on the above components will allow, in the conditions of existing challenges and threats, to ensure the necessary level of economic security of the state in the modern extremely difficult conditions of the state of war in the country.

Conclusions of the research and perspective of further development in this direction. Thus, the state policy in the sphere of ensuring the economic security of

Ukraine in modern conditions needs significant transformation and further modernization. It is advisable to implement the improvement of the specified state policy according to the relevant components: production, demographic, energy, foreign economic, investment and innovation, macroeconomic, food, social, financial, tax, insurance, etc. It is within the specified directions that it is necessary to develop and implement effective and efficient mechanisms and tools for solving the above-mentioned problems and contradictions in the processes of ensuring the necessary level of economic security of Ukraine in modern conditions.

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