

## STRUCTURAL MODELLING THE SYSTEM OF ENSURING THE ECONOMIC SECURITY OF THE COMPLEX TERRITORIAL SOCIO-ECONOMIC SYSTEM OF THE EURASEC<sup>1</sup>

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**Abstract:** *The article reveals the essence of the EurAsEC as the object of institutional provision. The structural modelling the system ensuring the economic security of the complex territorial socio-economic system of the EurAsEC is grounded. Directions of building the institutional system to ensure the economic security of the complex territorial socio-economic systems of the EurAsEC are proposed. The prospects of EurAsEC development are defined, the new guidelines of the ways and means of forming fundamentally new model of the EurAsEC economic security are developed, taking into account the world trends of globalization, integration processes and political group alliances.*

**Keywords:** *institutionalization, economic security, methodological basics, complex territorial socio-economic system, institutional provision. JEL: F4, F5.*

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## 1. INTRODUCTION

The Treaty on the Eurasian Economic Union in May 2014 was the beginning of practical implementation of a possible platform for the Eurasian nations, their geopolitical and cultural interaction. Foundation of the Eurasian Economic Community was preceded by the formation of free trade area, Customs Union between Russia, Kazakhstan and Belarus, and its transformation into a Common Economic Space. It took a very short period of time for the economic relations between these three countries to have passed through the successive stages of the integration process. It took quite a longer period of time for the countries of the European Union to pass through similar integration process. Such rapid integration process between Russia, Kazakhstan and Belarus is quite natural and logical due to the special centuries-old historical experience of cooperation. The Eurasian Economic Community was launched on 1 January 2015 that has led to the transition to fundamentally new interactive level between its members.

The goal of the Eurasian Economic Community is the ensuring of the conditions for successful socio-economic development of the countries within its membership, based on the integration of financial, scientific and technical, production and human resources. Its establishment is intended to enhance the ability of the common market, to give greater stability and to make contribution to the steady economic growth of participating countries in order to improve the welfare of their citizens. The EurAsEC will acquire the overall development strategy and its implementation tools by means of common, commercial, industrial, structural and technical policy. In order to do this, the supranational institutions will be endowed with the necessary resources [1].

Theoretical and methodological basics for the transformation of the system of economic security are established by representatives of classical institutionalism (T. Veblen [2]) and neoinstitutionalism (R. Coase [3], D. North [4, 5], A. Williamson [6] and others).

At the end of the twentieth century in the post-socialist countries there was a need to develop new guidelines ways and means of forming fundamentally new model of national economic security. These problems are reflected in the works of Russian scientists such as: L. Abalkin [7], A. Arkhipov [8], A. Gorodetsky [9], A. Oleynik [10], V. Senchagov [11] and others.

The review of scientific researches and development of economic security issues suggests that it is too early to talk about the creation of conceptually sound theoretical and methodological basics of institutionalism. The choice

of the present research topic is stipulated by the fact that the system of economic security provision, that is really able to protect the interests of the EurAsEC system from possible threats of the complex territorial economic and social system of the EurAsEC, does not imply complex security character.

**The purpose and objectives of the research.** The purpose of the research is to develop theoretical and methodological institutional basis to ensure the economic security of the complex territorial socio-economic system of the EurAsEC defining the institutional modernization priorities.

It is necessity to solve the following objectives in order to achieve the mentioned goal:

- to reveal the essence of the EurAsEC as an object of institutional provision;
- to justify the structural construction of the system of ensuring the economic security of the EurAsEC as a complex territorial socio-economic system.

**The object** of this research is a number of economic relations that arises in the process of ensuring the economic security of the complex territorial socio-economic system of the EurAsEC, and **its subject** is the priority of the institutionalization of the economic security system within the complex territorial socio-economic EurAsEC system.

**Research methods.** The methodological basis of the research is the dialectical method of scientific cognition, the systematic and institutional approach to improve the system of economic security. Dialectical, systematic and structural methods were used while carrying out the analysis of the approaches to understand the essence of economic security and its components.

## 2. RESULTS.

### 2.1 The essence of the EurAsEC as an object of institutional support.

The complex territorial socio-economic system, as an international institution, is a poly systemic phenomenon, capable of increasing natural growth and reproducing the force of numerous normative-legal acts of higher power (laws). Organization of international institutions, on the basis of which the economic system of principles is capable of guaranteeing the implementation of the current and predictive purposes is formed. The complex territorial socio-economic system in modern theoretical science can make a claim for methodology's objectiveness in case it is built on the basis

of consistency including everything rational; the latter was one of the characteristics of the methodology's former stages of evolutionary development.

The EurAsEC as an object of institutional provision for the new alliance between participating countries is opposed to the ideas of neoclassical liberalism, which generates new ideas in understanding the economy and its security, for the effective functioning, overcoming and creating the institutional foundations for democratic development. New institutional development is aimed at reformation of control concepts over the economy and protection from the effects of market monopolization. In this case, institutionalism is opposed to economic liberalism in the search for new forms of complex territorial socio-economic system and new content of economic democracy. The key position of institutionalism in the EurAsEC is to create a reliable mechanism which is able to provide stability and security of development.

In May 2014 in Astana, the capital of the Republic of Kazakhstan, the historic event happened – the presidents of Russia, Kazakhstan and Belarus signed the strategic agreement – the Treaty on the Eurasian Economic Union. This treaty was the beginning of the practical implementation of possible platform of the Eurasian nations, their geopolitical and cultural interaction. Thus, it should be noted that the creation of the Eurasian Economic Community was preceded by the formation of the free trade area, Customs Union between Russia, Kazakhstan and Belarus, and its transformation into a Common Economic Space. It took a very short period of time for the economic relations between these three countries to have passed through the successive stages of the integration process [12]. It took quite a longer period of time for the countries of the European Union to pass through similar integration process [13]. Such rapid integration process between Russia, Kazakhstan and Belarus is quite natural and logical due to the special centuries-old historical experience of cooperation.

It is defined among the supranational structures of the EurAsEC: the Commission on Economy, the Commission on Raw Materials, the Economic and Scientific and Technical Cooperation Fund, which is formed by contributions from the member countries of the EAEC, International Investment Bank of the EAEC, International Arbitration of the EAEC, the Commission on a unit of account adoption, the Commission on Ecology.

The EurAsEC Trade Union had its institutional structure already, which made it ready to enter the next phase of integration, i.e. the economic union,

including the following institutions: Interstate Council, Integration Committee, the Secretariat, the Interparliamentary Assembly, the Community Court. It is also possible to point out the unofficial structure, the Eurasian Development Bank, which has the means of Anti-crisis Fund. At this point the EurAsEC connection with the European Union, which served as a prototype model of the EurAsEC, should be noted. However, the speed of integration in the EurAsEC model has a significant difference. In the future the creation of the Eurasian Economic Community model should lead to the common economic policy in all present and future participating countries. Armenia and Kyrgyzstan are potential candidates for membership in the EurAsEC. The model of the EurAsEC is a kind of a way out of "raw materials trap," it is a bonus to export the goods on more profitable terms. Of course, there are also disadvantages of creating these partnerships, but they are insignificant.

Prerequisites are being created for the introduction of the common currency on the territory of the EurAsEC. This should strengthen the integration of mutual trade, the infusion of investments, and reduce the transaction costs and the foreign exchange risks. This supranational currency will not be the national currency of any of the participating countries. Accordingly, there will be the problem of creating the emission center [1].

Future prospects of the EurAsEC development lie in increasing the trade turnover, creating the common plan of activities, using the common financial and institutional instruments, developing the unified international foreign economic policy, common tariffs, prices, environmental security, forming the common customs borders of the EurAsEC participating countries, the economic security of the territorial socio-economic EurAsEC system, forming the common financial markets, etc.

Alongside this, the key priorities of the EurAsEC international policy depend on the policy of the regulatory body on the basis of political and economic positions of the representatives of fundamental science. Truly scientific hypothesis cannot be rigidly ranked, so it should not return to the past, accordingly, it should be open to review its earlier findings in the context of the data obtained or the new EurAsEC experience acquired, as well as of the object of institutional provision and its economic security.

## **2.2 The structural construction of the system to ensure the economic security of the complex territorial socio-economic system of the EurAsEC.**

Dualism of social reproduction is, on the one hand, in production of economic goods (they satisfy economic needs), and on the other hand - in

identification of risks (it is stipulated by the indefiniteness of economic processes, incomplete information held by economic entities), it updates the problem of management and control of this process in order to increase productivity and to reduce risks. Active actions in these areas allow achieving necessary and sufficient level of national economic security.

There is no unequivocal answer in literature on economics to the natural question: how and who should these problems have to be solved by? The most common point of view is that economic security provision should be accomplished by the system of economic, political, legal and public institutions, including both legal infrastructure and the system of state bodies and special management structures [14]. There is also another opinion that economic security should be provided, first of all, by the efficiency of the EurAsEC economy itself.

Achieving necessary and sufficient level of economic security is possible while using regulators of both economic and institutional character. Undoubtedly, the economy needs to protect itself from threats unilaterally by high labour productivity, product quality and production efficiency.

The certain guarantee of the EurAsEC economic security provision can be the compensation potential, which main function is to react to critical situations, their prevention and elimination, restoring stability and sustainability of the processes of socio-economic development of the country. This means that the economy, having a certain stability potential, with the help of market mechanism, is able to compensate deviations from the optimal conditions arising as the result of internal and external threats.

Such compensation potential stipulates the special material inventories and reserves of production and non-production character, as well as the availability of a fast responsive resource delivery system to the location of critical conditions of development; additional capacities, technical resources for large-scale restoration works, support of reserve possibilities of social help and adaptation of the population; financial resources, meant for achieving the pre-crisis state of the economy, insurance systems, government and international support possibilities, the functioning of charity funds, the formation of compensation direction and mobility of health care arrangements, and the possibility of flexible personnel retraining.

However, the achieved state of economic security cannot be assumed to be constant, so periodic updating, based on the set of states of unstable balance between the strategic and system-destructive processes is the basis for the stability of the economic system as a sign of its economic security.

Therefore, the state of economic security of the complex territorial socio-economic system of the EurAsEC can be represented in the following versions:

- The restoration of the former safe state of the national economy;
- The formation of a new state of economic security;
- The destruction of the economic system.

In spite of the above mentioned facts, economic security is a bifurcate phenomenon. Synergistic laws confirm that the system is close to the border separating the orderly behavior from the chaotic one, and which has evolved several bifurcation points.

On the basis thereof, accurate and correct management is necessary for the survival of the economic system and of ensuring its effective functioning. These theoretical principles are of paramount importance in justifying the need for domestic regulation in order to maintain stability and to prevent the onset of chaos in the existing economic system. The need for the process of institutional system of provision of economic security of the EurAsEC territorial social economic system has been clearly identified.

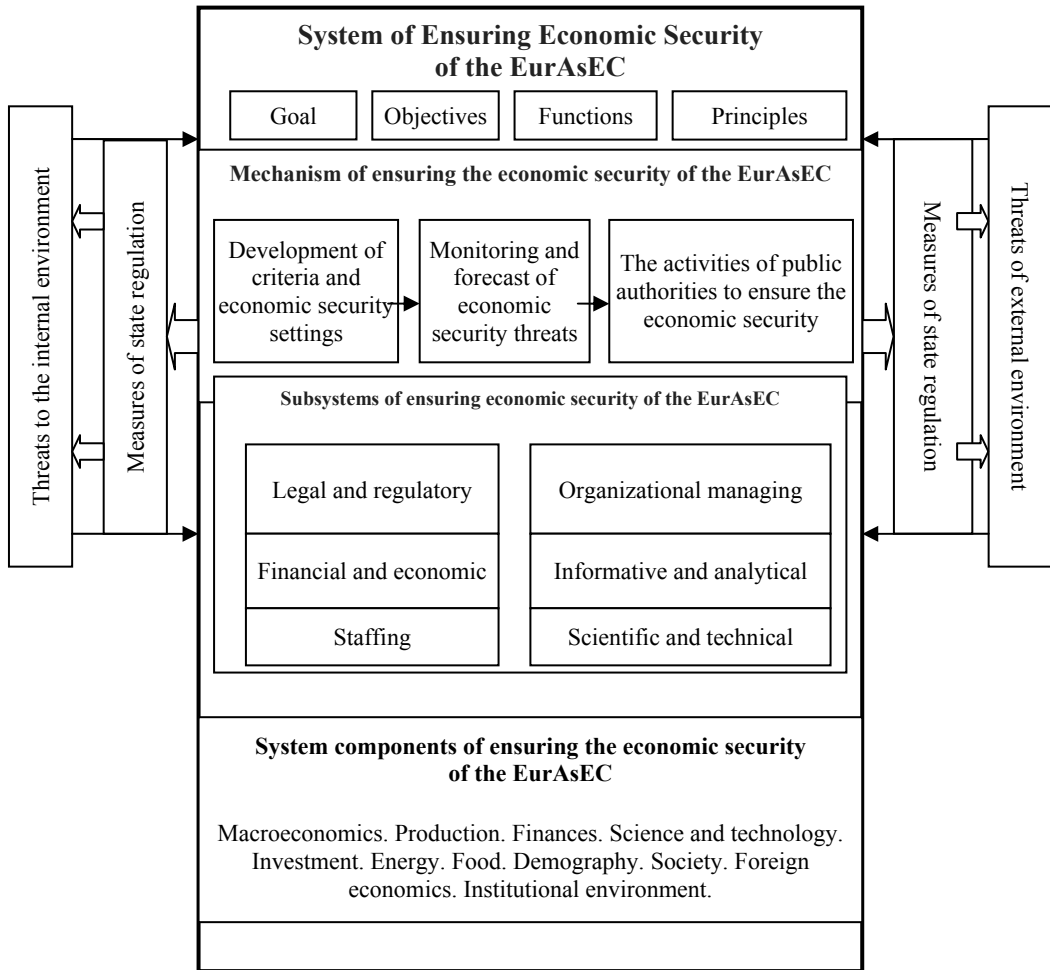
Theoretical generalizations concerning the essence of the economic security as the category of multifactor and multilevel polysystemic formation in the process of social reproduction, the results of the research of the complex of threats to economic security must be the basis for the system of ensuring the economic security of the complex territorial socio-economic system of the EurAsEC.

Returning to the idea that the support system is an important and integral structural element of the economic security system, let us consider its basic elements. Proceeding from the previously proposed conceptual scheme to ensure the economic security of the country [15], we propose to introduce a conceptual framework to ensure the economic security of the complex territorial EurAsEC socio-economic system ( Fig. 1).

The system to ensure the economic security of the complex territorial socio-economic EurAsEC system can be defined as a system of measures, forms and tools with the help of which the member states of the EurAsEC, implement regulating effect on the functioning process of the economy at the meso- and macro levels of mega-economic space, aimed at neutralizing the threats and minimizing the damage. From the perspective of systematic methodology, the complex of separate elements (goal, objectives, principles,

functions, mechanisms and subsystems), which in cooperation create the common system to ensure the economic system of the complex territorial socio-economic system of the EurAsEC can be of paramount importance.

**Figure 1: Conceptual diagram of the system ensuring the economic security of the complex territorial socio-economic system of the EurAsEC.**



Source: compiled by the authors based on materials [15]

Taking into account the basic economic security objectives that were proposed earlier [16], the purpose of the functioning of the system of ensuring the economic security of the complex territorial socio-economic EurAsEC system is the formation and maintenance of the opportunity of economies of its members to a continuous and qualitative reproduction, when its independence, stability, development and adaptation is ensured



within the conditions of uncertainty, risk, and threats' actions of internal and external character.

Spheres, branches, regions and socio-economic phenomena and processes, existing or potential threats for normal functioning of the economy and social stability in the society of the economic systems of the national economies within the mentioned systems are the objects of the system of ensuring the economic security of the complex territorial socio-economic EurAsEC system. The main objects of regulation of the territorial socio-economic system of the EurAsEC are the economic cycles, the structure of social production, employment, currency, balance of payments, competitive conditions, social relationships, environment, and foreign economic relations.

The regulation of national economies today should be viewed and evaluated from the standpoint of its efficiency and ability to promptly neutralize the threats, to enhance the level of economic security of the countries included in the territorial socio-economic system of the EurAsEC.

The objectives for the functioning of the system of ensuring the national economies of complex territorial EurAsEC socio-economic system are interconnected. Creation of favourable conditions in the EurAsEC for sustainable economic growth makes contribution to improvement of the level and quality of life of the population. Changing the quality of economic growth and increasing its innovativeness opens up the possibilities for ensuring the competitiveness of the complex territorial socio-economic system of the Eurasian Economic Community, strengthening its positions in the world markets, and protection against external threats. Consequently, the economic growth and quality of life, economic competitiveness are not only the priority objectives of development and regulation in the EurAsEC, but also the means of achieving its economic security.

It is well known that any activity, including the ensuring of the economic security of the country should be implemented being based on the system principles. In our previous researches [17] we understood the set of basic regulations and requirements on which the formation is based and implementation of the measures of the economic policy to ensure the economic security as a principle of ensuring the economic security.

The fundamental principles of effective functioning and regulation of ensuring the economic security of the territorial socio-economic system of the EurAsEC are:

1. Fulfillment of the institutional capabilities of the participating countries within their economic potential. Having great potential, they do not always implement effective regulation of social and economic processes. Irrational use of the economic potential (resources, technology, and human potential) generates risks and threats (internal and external), bringing significant losses to the national economy. There is a contradiction between economic potential, which determines the place of the participating country in the global economy and the institutional capabilities of government regulation, which has a negative impact on the geopolitical situation of the country and its safe development. Thus, being based on the economic policy measures, institutional capabilities of government regulation should be directed to the mobilization of available resources and their effective use, at the same time creating the conditions for the expansion of the economic potential of the participating countries.
2. The choice of activity priorities depends on whether the threats are internal or external. Economic security, being an integral part of economic system, is evolving and changing with it. The experience of the former socialist countries development shows that the economic security of the command-administrative system is aimed at the neutralizing of, primarily, external threats. The experience of industrialized countries shows the direction of the regulatory emphasis on conflict solution and neutralization of internal threats, improving the social and economic stability of these countries.
3. Fulfillment of actions and control measures of the institutional environment of the participating countries. During the systematic study of bureaucracy it was determined that it is the most effective system of state regulation, and at the same time it can become a threat to the basic elements of market freedom. Therefore, in highly developed countries the presence of institutionally constraining leverage limits voluntarism, increases predictability and transparency of the public administration as a whole. And this is achieved through a variety of legislative measures.

The process of ensuring the economic security of the complex territorial EurAsEC socio-economic system may be carried out due to the improvement of institutional structures with the use of economic and legal mechanisms, increasing the efficiency of existing institutions. This includes: holding institutional changes, which promote coordination of activities of all operating entities; the adoption of common principles of economic and social behavior for all economic entities by means of their

unification and legislative lobbying restrictions; monitoring the compliance with these rules by all the entities; increasing social stability and preventing the growth of social tension; improving the mechanism for resolving conflicts that arise in the sphere of economic relations.

4. Compliance with regulatory measures and variability of regulation of the peculiarities of the business cycle dynamics. Cyclical and economic transformations are connected with the violation of macroeconomic balance, full of internal and external conflicts and threats. Cycles of market conditions have a complex structure which requires the development of criteria of economic security in each phase, as the violation of economic stability happens not only during the crisis conditions, but also in the conditions of economy “overheating”. There should be three states of the economic system outlined depending on the mechanisms development and the character of the balance loss: pre-crisis, crisis and catastrophic. In the pre-crisis state the internal reserves are high, and it predetermines the possibility of its adapting to changes with minimal interference. During the crisis conditions, the profound changes in the economic system may lead to catastrophic consequences, in particular, they could threaten the implementation of national economic interests. And therefore it becomes extremely necessary to increase the level of economic security, which stipulates the reallocation of resources in the complex territorial socio-economic system of the EurAsEC as well.
5. Adequate performance of the regulatory and positive role of the Eurasian Economic Community. It is reasonable to introduce the system’s role differentiation into the regulatory and positive one for the purpose of estimation of the states’ activities aimed at providing the economic security in the complex territorial socio-economic system of the EurAsEC. The regulatory role of the complex territorial socio-economic system of the EurAsEC is what the system needs to do to improve the economic security of the national economies. The positive role reflects the actual performance of the system, aimed at ensuring the economic security of the complex territorial socio-economic system of the EurAsEC. There is usually a gap between the components of the regulatory role of the system, namely, the real parameters of economic life do not coincide with the threshold values of economic security. There is a need for economic and institutional changes that will ensure the contingency of the positive and the regulatory role of the system in

achieving the optimal level of economic security of the complex territorial socio-economic system of the EurAsEC.

The goal and objectives of the system to create the conditions and to strengthen the economic security of the complex territorial socio-economic system of the EurAsEC have to be achieved while the implementation of its functions is being carried out.

1. The aim of the protective function is to create socio-economic resources that are necessary and sufficient to ensure the economic security of the participating countries, to protect them from unreasonable use and destruction, which in turn can cause damage of national economies, as well as the protection of national economies of the participating countries from the external socio-economic interventions.
2. The regulatory function supposes the neutralization of internal and external threats and ensures the economic security via international/supranational (direct) and market (indirect) mechanisms. Each of these mechanisms has its own functions, objects, subjects, methods and instruments. The mechanism of the interstate market/supranational regulation is the objective basis for the neutralization of emerging internal and external threats. With the help of price and competition the economy returns to the balance state. The bearer of individual and group interests is the market mechanism, and intergovernmental institutions represent the economic interests and are designed to coordinate the activities of the subjects at all levels, taking into account their balance of interests. The nature of direct interstate regulation may vary from this one, which completes and enhances the market mechanism to the one that will compensate for its limited capabilities. The main goal of the interstate/supranational (direct) regulation is optimization of the level of the economic security of the participating countries' economies, which in turn is aimed at ensuring the balance between savings and investments, macroeconomic stability, maintaining stable quality of economic growth, the creation of economic and legal conditions of functioning of economic entities of participating countries and ensuring their economic security.
3. A precautionary (or preventive) function of ensuring the economic security of the system is aimed at prevention of critical situations in the socio-economic processes and phenomena. It requires the formulation of a number of activities of social, economic, organizational and technical nature, in order to predict threats and dangers, as well as to improve the

protective function of the participating countries. The basis of the information resources, ensuring the implementation of a precautionary (preventive) economic security function is a set of criteria and performance indicators. This information plays the most crucial role in the diagnosis of the state of the complex territorial socio-economic system of the EurAsEC and opens the possibility of correction of this condition on the basis of the developed program.

4. Social function determines the ability of the system to ensure the economic security of the complex territorial socio-economic system of the EurAsEC to implement the mutual realization of the interests of economic entities and social groups, as well as the ability to fully meet the needs of all members of the complex territorial socio-economic system of the EurAsEC in dangerous conditions. The implementation of this function contributes to the formation of a high standard of living and guarantees the fulfilment of socio-economic standards, rights and freedoms of its citizens.

The basis of the system of ensuring the economic security of the complex territorial socio-economic system of the EurAsEC should be the efficient mechanism permanent in time and space, which actively perceives the influence of external and internal factors and therefore is constantly changing.

As it was noted by A. Arkhipov, A. Gorodetsky, B. Mikhailov [18, P. 22], “the mechanism to ensure the economic security of the country is a system of organizational, economic and legal measures to prevent economic threats.” Relying on the researches of different sources, we came to the conclusion that the mechanism of ensuring the economic security of the complex territorial socio-economic system of the EurAsEC logically leads to the three main elements (Figure 1.): development of criteria and economic security parameters; monitoring and forecasting economic security threats; the activities of public authorities to ensure the economic security of the participating countries.

The key element of economic security mechanisms is the system of monitoring the factors that determine its internal and external threats. Economic content of such a system is the transition from the separate elements of the monitoring of socio-economic development of the area to create the complex system of monitoring, evaluation, analysis and forecast of the economic security processes that allow to form interlinked, coordinated,

consistent politics to overcome the threats of economic safety of the complex territorial socio-economic system of EurAsEC.

Monitoring an operational information and analytical system for observing safety performance dynamics of the economy is essential to the transient state of the economy, which is characterized by significant inter-branch imbalances and acute lack of resources (especially financial ones), strong mobility and instability of the socio-economic indicators.

The top priority is to provide organizational and information systems to monitor the factors that determine the internal and external threats to the economic interests of each individual, society, state of the complex territorial socio-economic system of the EurAsEC. The basis for the establishment of monitoring systems is the statistical information. In this regard, the demands to the state statistics of the participating countries are increasing, which should provide the operational objective information with deep coverage of observation objects. Currently, the statistical information does not fully comply with the requirements of effective monitoring of the economic security of the complex territorial socio-economic system of the EurAsEC.

The effective functioning of economic security mechanisms to ensure the territorial EurAsEC socio-economic system is possible, the subjects of the availability and cooperation of interconnected structural subsystems are:

1. The regulatory subsystem ensuring the economic security of the complex territorial socio-economic system of the EurAsEC includes the entire set of legal acts regulating the relations related to ensuring the economic security at all levels of management, within its competence.
2. The organizational and management subsystem of economic security of the EurAsEC complex territorial socio-economic system covers the legislative, executive and judicial bodies of state power, whose activities are aimed at the implementation of economic policy to ensure economic security of the complex territorial socio-economic system of the EurAsEC and the protection of the economic interests from the internal and external threats [19]. The functioning of this component of the EurAsEC economic security system is aimed at the formation of international projects and improvement of programming the economies of participating countries, forms of management, production organization and management structure.
3. The financial and economic subsystem of the economic security of the complex territorial EurAsEC socio-economic system provides the

establishment and improvement of the forms of fiscal planning, lending, accounting and control of activities related to the ensuring of the economic security of the complex territorial socio-economic system of the EurAsEC, as well as funding for priority directions of national economic development.

4. The objective of the scientific and technical component of the system to ensure the economic security of the complex territorial socio-economic system of the EurAsEC is to provide the assistance for the transition to an innovative path of development, and the introduction of resource-saving technologies.
5. The system ensuring the economic security of the complex territorial socio-economic system of the EurAsEC includes the personnel subsystem, which provides for specific, repetitive activities, the implementation of the basic functions to ensure the management institutions and their departments with the necessary highly professional contingent.
6. In the course of activities aimed at ensuring the economic security of interstate/ supranational formation - the complex territorial socio-economic system of the EurAsEC, objective, complete, comprehensive information about the country's economic situation and the level of implementation of the priority of interests in the economic sphere is of great importance. Therefore, the main objectives of the information and analytical subsystem in the system of ensuring the economic security of the complex territorial socio-economic system of the EurAsEC are the analysis of the economic state of the EurAsEC, the identification of trends of socio-economic development of regions, the evaluation of economic security threats and background for threats at all levels. The result of comprehensive analysis is the systematized information on the danger degree, the threats background, causes and consequences of their occurrence and development.

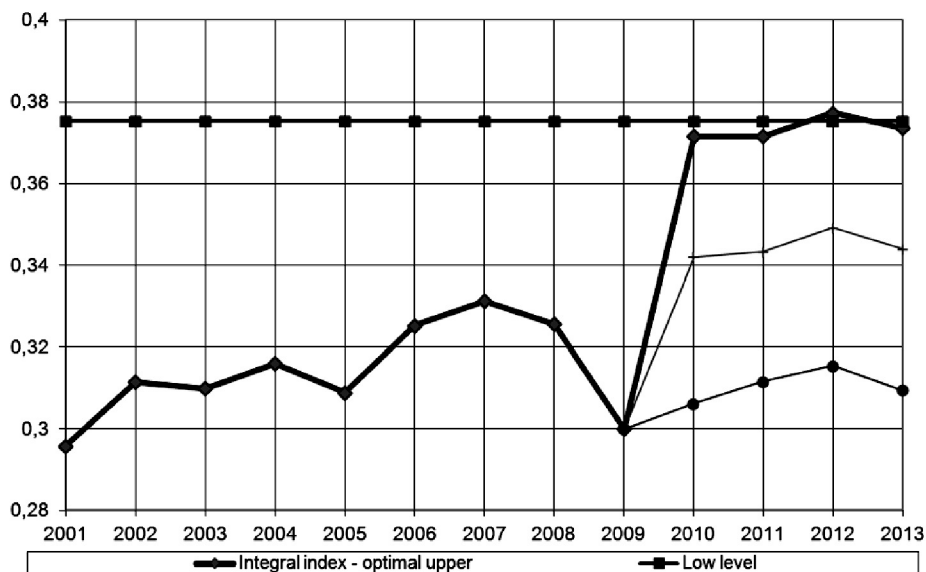
The peculiarity of the complex territorial socio-economic system of the EurAsEC is its analysis as itself, even at the beginning of its existence. Therefore, the main recommendations and proposals can be and should be suggested just now, as ensuring of the institutional economic security of complex territorial socio-economic system of the EurAsEC. To accomplish the controlled impact on the state of the economic security, to develop the priority actions, to ensure the economic security of the participating countries with the necessary information is the determination

of the dependence of the level of economic security and its components from the influence of institutional factors through the integral indexes of the first and second levels with a formalized allocation of the actions of the separate parts and indicators – weighting coefficients.

This proposal was reflected on the example of the Ukraine.

Taking into account the importance of the problems of institutionalization of the system of economic security, the growth of its role and importance in the national security system of the country, simulation of the impact of institutional indicators on the level of economic security of the Ukraine and its components was performed and the summarizing effect of which is shown in Figure 2 [20, p. 17].

**Figure 2: The impact of institutional indicators on the level of economic security of the Ukraine**



Source: [20, p. 18].

The research of the impact of institutional indicators on the level of economic security was carried out according to two scenarios, presumably since the implementation of institutional development since 2010: 1) all institutional indicators are set at the lower optimal values; 2) all institutional indicators are set at the level of upper optimal values [20, p. 18].

The obtained results indicate the most significant effect of the institutionalization of the economy on the level of economic security of the state and stipulate the necessity of the development of appropriate measures.



The calculation of the integral indicators of economic security allows to identify the real level of security and to plan indicatively their desired values using the linear and nonlinear models for medium and long-term prospects. Ranking of influence of institutional factors on the components of economic security are given in table. 1 [20, p. 18].

The institutional factors have the greatest influence on social, macroeconomic and financial components of economic security and the lowest on demographic and food security [20, p. 18].

**Table 1**  
**Ranking of the influence of institutional factors on the components of economic security of the Ukraine**

No.	<i>the Components of economic security</i>	<i>Increased %</i>
1	Social	72,5
2	Macroeconomic	61,0
3	Financial	49,3
4	Foreign trade	14.6
5	Energy	14,0
6	Demographic	8,3
7	Food	3,1
8	Scientific and technological	-
9	Production	-

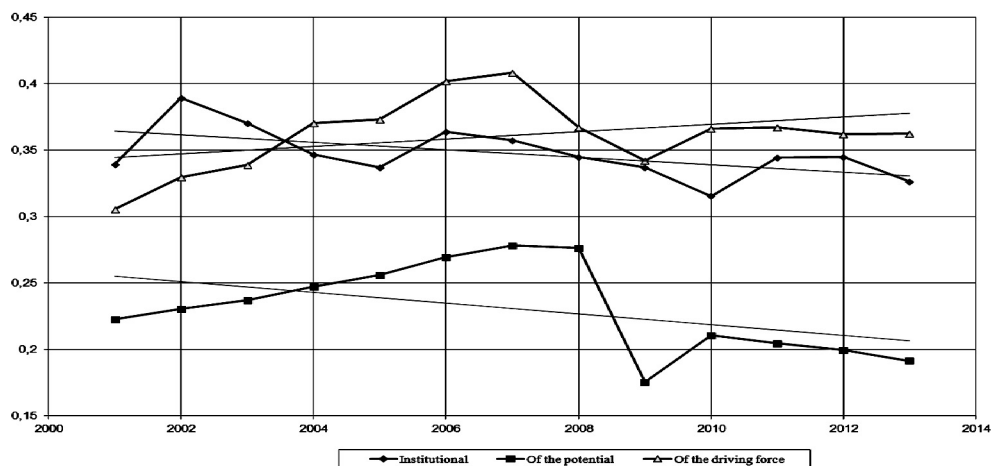
*Source:* Created by the author [20, p. 18].

Following the goal of further development of systemic-structural approach to the analysis of the state of the economic security it is proposed to consider economic security in accordance with the standard approaches , from a perspective of its components (macroeconomic, industrial, financial, scientific and technological, energetic, foreign trade, social, demographic and food), and with the interaction of the following factors: institutional indicators (reaction), the indicators of the state of the economic system (capacity), and the indicators of “the driving force” (development). Such approach identifies the possibility of modelling and analyzing the systemic relationships between the directions and the spheres of strengthening and the threats to the economic security [20, p.19].

Grouping the appropriate indicators and the application of the used methodological approach to determine the integral indices, and integral threshold values allows to calculate its dynamics for the identification,

analysis and development of proposals aimed at their improvement (Fig. 3) [20, p.19].

Figure 3: Dynamics of the integral indices of the development of the Ukraine



Source: [20, p. 19].

According to the results of the calculations the vector of institutional indicators is between the lower threshold value and the lower optimal value and has a negative dynamics; the state vector of the economic system (capacity) is in the danger zone, which is below the lower threshold value and also has a negative dynamics; the vector of indicators of “driving forces” (development) as a whole has a positive dynamics, in recent years it has the negative one and it is also placed in the danger zone – below lower threshold value [20, p.19].

Almost negative dynamics of the integral indices of “the driving force”, potential and institutional ones indicates the low level of economic security of the Ukraine as a result of ineffective development model, macroeconomic politics and stipulates the necessity of the development of a new model of post-crisis development based on the institutionalization of the economy [20, p.19].

The need for the current surveillance, monitoring, assessment and analysis of socio-economic tendencies to ensure the economic security of the complex territorial socio-economic system of the EurAsEC stipulates the development and implementation of continuous monitoring of the results of the process of implementation of the economic policy of the strengthening of EurAsEC economic security. In this connection it is necessary to pay attention to implementation of such key objectives of economic security

monitoring as: identification of crises in the economy and assessing their impact on the economic security, the definition of priority in directions of socio-economic development. The grounds of special-purpose programs of the development will contribute to formation of the more efficient decisions and measures of economic policies in general.

### 3. CONCLUSIONS

Without highly developed, well-functioning institutions, the process of ensuring the economic security of the complex territorial EurAsEC socio-economic system is impossible: the situation will become destructive – the reproduction of risks and threats will increase, and the efficiency will decrease.

The theoretical and methodological basis of ensuring the economic security is the system of continuous monitoring of the factors that determine its internal and external threats. Economic content of such a system is the transition from the individual elements of the monitoring of socio-economic development of the area towards the creation of the comprehensive system of monitoring, evaluation, analysis and forecast of the economic security processes that allow to form the inter-related, coordinated, consistent politics to overcome the economic security threats in the complex territorial socio-economic EurAsEC system.

It was determined that the establishment of the institutional infrastructure complying with the needs of the development of the EurAsEC, taking into account the use of the capacity of participating countries and providing the protection of their interests, is able to ensure the reproduction of differentiated mechanisms and economic conditions of all acting entities of the territorial socio-economic system. Preferences are already laid in the process of formation of institutional support of the special modes of economic management of the participating countries.

The institutional environment is a kind of protection of the complex territorial socio-economic system of the EurAsEC, which enables it to fully implement its economic potential, to withstand different threats and challenges.

Despite this, the institutionalization of the system of ensuring the economic system in the complex territorial socio-economic EurAsEC system should be understood as the process of creation of institutions, norms and regulations, standards raising the independence, stability and adaptation of economies of participating countries, creating the conditions for economic

growth, improvement of population living standards and competitiveness of the international economic entity of the EurAsEC. The institutionalization of the system of ensuring the economic security of the complex territorial socio-economic system of the EurAsEC must be carried out in the following directions: establishment of institutions increasing the economic potential of economic systems and creating the conditions for its maximum implementation; implementation of institutional measures in order to reduce the risks.

The conceptual approaches of institutional support of supra-national economic security are developed and proposed. Here is the development of formal institutions (regulatory and institutional and organizational support) and informal institutions (the mentality, culture, customs, and norms and behavior), which is an essential condition for the determination of the main priorities and directions of the politics of the EurAsEC participating countries in ensuring the supranational economic security.

Further research should be directed towards creation of the model of ensuring the economic security of the complex territorial socio-economic system of the EurAsEC.

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