

THE ECONOMIC SECURITY OF THE CITY IN THE STRATEGIC MANAGEMENT SYSTEM

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The Economic Security of the City in the Strategic Management System

The article investigates the problem of economic security of the city in the strategic management system. The article describes the process of ensuring the economic security of the city. The organizational approach was approved using the example of Kharkiv city. The list of threats to the economic security of the city and their urgency is justified by combining such methods as expert surveys, SWOT-analysis and the hierarchy analysis method. There proposed a methodical approach to assessing the economic security of the city based on a hierarchically built system of indices (integral, complex and partial), which allowed determining the level of economic security of the city and imbalances in the development of its functional components. It is proposed to work out scenarios for ensuring the economic security of the city by combining the cognitive modeling and the scenario approach, which makes it possible to determine directions of the implementation of the strategy for ensuring the economic security of the city and choose leverages of state regulation. There presented a mechanism for ensuring the economic security of the city, which includes the following elements: an action plan to implement the strategy for ensuring the economic security of the city; institutional and organizational support; programming and project planning; scientific and methodological support; financial support. The obtained results reveal, deepen and establish conceptual foundations for ensuring the economic security of the city.

Keywords: management, economic security, public administration, threat to the economic security, process of ensuring the economic security of the city, assessment of the economic security, modeling, SWOT-analysis, method of hierarchy analysis, cognitive modeling.

Fig.: 1. **Tbl.:** 1. **Bibl.:** 27.

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Губарева І. О., Хаустова В. Є., Тищенко В. Ф. Забезпечення економічної безпеки міста в системі стратегічного менеджменту

Стаття присвячена дослідженню проблеми забезпечення економічної безпеки міста в системі стратегічного менеджменту. Економічна безпека різного рівня ієрархії являє собою складну, багатофакторну та багаторівневу інституціональну систему. В статті наведено організацію процесу забезпечення економічної безпеки міста, який включає такі етапи: формулювання мети процесу забезпечення економічної безпеки міста; оцінку стану економічної безпеки міста; визначення переліку загроз економічній безпеці міста; діагностування рівня економічної безпеки міста; моделювання сценаріїв убезпечення економічної безпеки міста; розробку заходів, засобів і механізмів реалізації системи забезпечення економічної безпеки міста; моніторинг і контроль забезпечення економічної безпеки міста. Організаційний підхід апробовано на прикладі міста Харкова. Обґрунтовано перелік загроз економічній безпеці міста та їх актуальність шляхом поєднання таких методів, як: експертні опитування, SWOT-аналіз і метод аналізу ієрархій. Запропоновано методичний підхід оцінювання рівня економічної безпеки міста, який базується на ієрархічно побудованій системі показників (інтегрального, комплексних і часткових), що дозволило визначити рівень економічної безпеки міста та диспропорції розвитку функціональних складових. Моделювання сценаріїв убезпечення економіки міста пропонується здійснювати шляхом поєднання когнітивного моделювання та сценарного підходу, що дало можливість визначити напрями реалізації стратегії забезпечення економіч-

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Губарева И. О., Хаустова В. Е., Тищенко В. Ф. Обеспечение экономической безопасности города в системе стратегического менеджмента

Статья посвящена исследованию проблемы обеспечения экономической безопасности города в системе стратегического менеджмента. Экономическая безопасность разного уровня иерархии представляет собой сложную, многофакторную и многоуровневую институциональную систему. В статье приведена организация процесса обеспечения экономической безопасности города, включающего следующие этапы: формулировку цели процесса обеспечения экономической безопасности города; оценку состояния экономической безопасности города; определение перечня угроз экономической безопасности города; диагностирование уровня экономической безопасности города; моделирование сценариев безопасности экономики города; формирование стратегии и тактики обеспечения экономической безопасности города; разработку мер, средств и механизмов реализации системы обеспечения экономической безопасности города; мониторинг и контроль обеспечения экономической безопасности города. Организационный подход апробирован на примере города Харькова. Обоснованы перечень угроз экономической безопасности города и их актуальность путем сочетания таких методов, как: экспертные опросы, SWOT-анализ и метод анализа иерархий. Предложен методический подход оценки уровня экономической безопасности города, который базируется на иерархически построенной системе показателей (интегрального, комплексных и частичных), что позволило определить уровень экономической безопасности города и диспропорции развития функциональных составляющих. Моделирование сценариев обеспе-

ної безпеки міста та здійснити вибір важелів державного регулювання. Наведено механізм забезпечення економічної безпеки міста, який включає такі елементи: план заходів із реалізації стратегії забезпечення економічної безпеки міста; інституціонально-організаційне забезпечення; програмування та проектування; науково-методичне забезпечення; фінансове забезпечення.

Ключові слова: менеджмент, економічна безпека, публічне адміністрування, загрози, форсайт, SWOT-аналіз.

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нія безпеки економіки міста пропонується здійснювати шляхом поєднання когнітивного моделювання та сценарного підходу, що дає можливість визначати напрямки реалізації стратегії забезпечення економічної безпеки міста і здійснювати вибір рычагів державного регулювання. Приведено механізм забезпечення економічної безпеки міста, який включає наступні елементи: план заходів по реалізації стратегії забезпечення економічної безпеки міста; інституціонально-організаційне забезпечення; програмування і проектування; науково-методичне забезпечення; фінансове забезпечення.

Ключевые слова: менеджмент, экономическая безопасность, публичное администрирование, угрозы, форсайт, SWOT-анализ.

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Statement of the problem. Economic security is a universal category that reflects the level of protection of social and economic relations from external and internal threats at all levels, from the global to individual one. Under current economic conditions of the national economy development, there arises special scientific interest in forming the economic security of the city in the national security system. In Ukraine the success of the initiated reforms of decentralization, expansion of powers and financial resources of communities and ensuring their economic security depends primarily on the capacity of cities to maintain stable economic dynamics under the influence of negative macroeconomic factors.

Analysis of main publications on the problem. Such academic economists as D. Bigo [1; 2], B. Buzan [3], Z. Varnaliy, A. Vlasyuk [4], M. Kyzym [5], V. Lipkan [6], V. Muntiyani, A. Otsepek [7], K. Syenchagov [8], J. Solano [9], V. Franchuk and others consider in their works approaches to forming a system of economic security at the national, regional level and at the level of enterprise, but, despite the numerous studies and high significance of their scientific achievements, the problem of ensuring the economic security of the city has not been completely resolved yet.

The aim of the article is development of recommendations on improving the management of economic security of the city.

The main results. Formation of the economic security of the city and the system for its ensuring is individual and

significantly differs from ensuring the economic security of the country, region, enterprise.

Organization of the process of ensuring the economic security of the city in strategic management implies the following sequence: formulating the objective of the process of ensuring the economic security of the city → assessing the state of economic security of the city → compiling a list of threats to the economic security of the city → diagnosing the level of economic security of the city → modeling scenarios for ensuring the economic security of the city → forming the strategy and tactics for ensuring the economic security → developing measures, means and mechanisms to implement the system for ensuring the economic security of the city → monitoring and controlling the process of ensuring the economic security of the city.

The process of ensuring economic security of the city involves eight stages, at which a number of problems or tasks will be solved. Establishing foundations of the technology for ensuring the economic security of cities, which is being gradually formed and implemented through the process by methods, means, measures and instruments for ensuring the economic security, acquires particular importance in forming the system of economic security of the city and determines its practical application in Ukraine [10, p. 222; 11, p. 47]. Table 1 outlines the main stages of ensuring the economic security of cities.

Let us present the organization of the process of ensuring the economic security of the city using the example of Kharkiv city.

Table 1

The organizational approach to ensuring the economic security of the city

Stage	Problem (task)	Research method
Formulating the objective of the process of ensuring the economic security of the city	To justify the methodology for scientific research of the problem of ensuring the economic security of the city	Generalization, the theory of logic
Assessing the state of economic security of the city	To assess the level of formation of the economic security of the city	Comparison, analysis and synthesis, grouping
Compiling a list of threats to the economic security of the city	To determine critical factors in forming the economic security of Ukraine	Grouping, comparison, analysis and synthesis, generalization, cognitive map, SWOT-analysis
	To justify the list of threats to the economic security of the city and their urgency	Classification, the method of hierarchy analysis, expert estimations
Diagnosing the level of economic security of the city	To develop methodological support to assess the level of formation of the economic security of the city	Comparison, analysis and synthesis, grouping, generalization, correlation analysis, taxonomic analysis, cluster analysis, scaling
Modeling scenarios for ensuring the economic security of the city	To develop scenarios for ensuring the economic security of the city	The scenario approach, cognitive modeling, simulation, abstraction, idealization, formalization
Forming a strategy for ensuring the economic security of the city	To form a strategy for ensuring the economic security of the city	The program and purpose-oriented approach, system approach, generalization
Developing measures, means and mechanisms to implement the system for ensuring the economic security of the city	To form a set of strategic plans, tasks, measures, implementation mechanisms aimed at minimizing threats to economic interests and achieving the desired level of economic security of the city	Generalization, targeted programming
Monitoring and controlling the process of ensuring the economic security of the city	To assess the constructiveness and orientation of measures on ensuring economic security of the city	Comparison, analysis and synthesis, grouping, generalizing, targeted programming, expert estimations, taxonomic analysis

At the first stage the main objective of the process of ensuring the economic security of the city is determined. At this stage the methodology for scientific research of the problem of ensuring the economic security of the city is justified as well.

In the European Union the city is considered a driver of a reasonable (based on knowledge and innovation), sustainable (providing for more efficient use of resources, eco-friendly and competitive economy) and inclusive (promoting a high level of employment, which ensures economic, social and territorial cohesion) development [11].

A considerable potential of creativity and innovation, energy conservation, environmental, socio-cultural diversity is concentrated in cities due to high population density. In the EU there is a common vision of the city of the future, which is [12]:

- place of advanced social progress with a high degree of social cohesion, social balance and unhindered access of all strata of society to social, health and educational services;
- platform for democracy, cultural dialogue and diversity;
- place of green, ecological and restored environment;
- place of attraction and driver of economic growth.

Forming the objective of the process of ensuring the economic security of the city is performed according to a chosen concept of the city development.

The basic concepts of the city development include the following:

- «smart city» – a low-carbon and non-waste city with reasonable information flows [13];
- «green city» – an ecologically clean, climate-resilient and compact city [14];
- «inclusive city» – support for physical and economic regeneration of urban population to overcome poverty and build a just society [15].

Now the concept of “smart city” is dominating, while the others are considered components of the first.

Defining the strategic priorities and operational objectives of ensuring the economic security of the city should be coordinated with the strategic priorities of the city development and is proposed to be implemented using foresight. By «foresight» there meant a process of systematic definition of new strategic research directions and technological achievements, which in the long run will have a major impact on economic and social development of the country [16, p. 76].

Foresight of cities is a scientific idea of the future of cities. This method has been used by many cities (Krakow, Birmingham, London, New York, etc.) around the world to identify future trends and directions of their development. Foresight of cities is very closely connected with the science of Urban Studies, which examines the latest trends and strategies for development of cities, is highly advanced and popular in many countries of the world and gradually but very slowly is gaining popularity in Ukraine [17, p. 63].

The modern processes of urbanization, globalization, and global challenges require from the academic community to develop new concepts of development of cities, which would solve the current global and local problems and be aimed at ensuring the economic security of the city.

Fundamentals of foresighting the development of most European cities of the future are laid out in the initiatives of European Innovation Partnership on Smart Cities and Communities, which unites cities, industries and citizens and contributes to improving urban life due to more integrated solutions [18; 19].

Strategic priorities and operational objectives of ensuring the economic security of the city should be consistent with the strategic priorities of the city development. According to the Strategic and Operational Plans of Partnership, the strategic priorities and operational objectives of the transformation of European cities are:

Strategic Priority 1. Sustainable urban mobility implies significant changes in transport systems in Europe and in the mobile behavior of population and enterprises in urban areas.

Operational objectives:

- 1.1. Improved integration and management of collective urban transport for seamless multimodal mobility (door to door);
- 1.2. Electrification of public transport;
- 1.3. Clean, efficient urban logistics and goods distribution;
- 1.4. Intellectualization of urban transport;
- 1.5. Promotion of sustainable integrated planning of mobility;
- 1.6. Promotion of use of environmentally friendly vehicles.

Strategic Priority 2. Improving buildings and development of city districts – reduction of energy consumption, environmental impact of carbon dioxide emissions; combining competitive industries to provide new jobs and economic growth for ensuring social development and welfare of citizens.

Operational objectives:

- 2.1. Development of scalable design and multicriterion set of tools to support the integration of existing and new buildings;
- 2.2. Development of systems/audit tools for existing and new buildings and districts to certify emissions of CO₂, consumption of energy, gas, water, etc;
- 2.3. Large-scale reconstruction of the network of green urban areas to improve their energy efficiency;
- 2.4. Large-scale construction of new areas and buildings with zero energy use;
- 2.5. Development and implementation of smart materials and solutions for lighting, heating, cooling and electrical

systems in public and private premises as well as the electric transport infrastructure;

2.6. Development and establishment of energy management of the city, region and energy trading system.

Strategic Priority 3. Integrated city infrastructure – connecting infrastructure objects to improve the efficiency and sustainability of the city development.

Operational objectives:

- 3.1. Reduction of expenses on the energy consumption and infrastructure maintenance due to using, for example, effective long-term lighting, movement sensing, solar energy. Multipurpose use of lampposts;
- 3.2. Combination and management of multiple data sources; facilitating the interaction of protocol data between urban domains;
- 3.3. Synergy between the smart grid and broadband infrastructure;
- 3.4. Integrated smart electricity grid (renewable energy + energy storage + heat pumps + energy consumption);
- 3.5. Deployment of mobile ICT in order to control traffic flows;
- 3.6. Use of real-time multi-modal data to personalize trips and improve customer service;
- 3.7. Engagement of the infrastructure, people and devices as well as sensors to address problems of congestions and parking;
- 3.8. Creation of cloud flexible production processes between people (and devices) that support exchange of taxis and cars and offer preferential road use;
- 3.9. Use of waste heat from industrial processes + remote infrastructure heating + local combined heat and power system to reduce CO₂ emissions and save energy;
- 3.10. Connection of key sources of information to systems of the city monitoring (sensors, people, infrastructure) to provide vital needs (transport, energy, water and communications) to build a city resistant to incidents and crises;
- 3.11. Introduction of sensors on bins allows cities to communicate within the system of waste collection and optimization of traffic routing of trucks to minimize the energy consumption and congestions.

Thus there chosen the following strategic priorities of ensuring the economic security of Kharkiv city: social confidence and health of the city population, smart economy and job security, ecological balance and energy efficiency of the city, modern urban area and provision of the city with engineering infrastructure, investment attractiveness of the city and use of the municipal budget, the effectiveness of the city management and building civil society.

At the second stage the state and level of formation of the economic security of the city is assessed. Kharkiv city is an administrative center of Kharkiv region with a population of over 1.4 million residents; modern industrial, scientific, educational, commercial, tourist and cultural center of Eastern Ukraine and a transport and logistics hub of North-Eastern Europe. Among the major regional cities of Ukraine Kharkiv takes a leading position in terms of the following key indicators of socio-economic development: the first place in terms of population; the largest number of universities, the largest number of companies involved in research and development activities and the largest number of scientists;

leading in terms of the volume of freight turnover; the second place in terms of capital and foreign investment; the second place by the volume of retail trade and the volume of services rendered; the third place in terms of the sales volume of industrial production and the volume of housing put into operation [20].

At the third stage the list of problems and threats to the economic security of the city is determined. The identification of socio-economic problems of the city was made by means of an expert survey, in which representatives of non-governmental organizations (NGOs), business, science and education, local authorities were engaged. As a result of the questioning the following major problems of the city are identified: the lack of social support of the population (18.4 %), the state of the engineering infrastructure (11.1 %). Other problems of the city include: the unsatisfactory environmental condition (6.3 %); the insufficiently safe and comfortable living (4 %); the unhealthy lifestyle (3.9 %); the imperfect municipal self-government (3.4 %); the lack of using energy efficient and energy saving technologies (2.4 %); the imperfect architecture (1.9 %); the insufficient investment attractiveness (2.9 %); not always effective municipal fiscal policy (1.9 %); the complexity of administrative services (1.9 %).

Economic security of the city is affected by various factors which are a prerequisite for the emergence of dangers and threats. Today there is no single definition of the concept of «threat» in scientific literature, and there are different approaches to studying threats to economic security. Thus V. A. Predborsky [22, p. 39] understands threat as any intention, possibility to do physical, moral, financial or other harm to public or private interests. O. M. Goncharenko [23] considers threat as the most specific and direct form of danger or a set of conditions and factors that endanger interests of the state, society, business, personality as well as national values and the national way of life. Threats are negative changes in the external political, economic or natural environment, which cause actual or potential harm to the state as a whole, its structural elements and directly to life, political and economic interests of citizens of the country. Threats to economic security, interacting with each other, have different effects on each other and on the level of security in general, so the proper identification of threats should indicate mutual dependence of threats on each other, their place in the overall system of ensuring the economic security of the city. Most scientists [4–6; 8; 21–23] divide threats to economic security into external and internal ones. External threats to the economic security of the city include threats that can not be directly influenced by local authorities, and are caused by the influence of economic, political, social and other global, national, regional factors.

Internal threats to economic security are caused by inability of the city economy for self-preservation and self-development, weak innovation development, ineffective municipal government.

By the results of the conducted expert survey the components of the economic security of the city were identified, and the SWOT-analysis allowed revealing threats for each component.

To external threats to the economic security of Kharkiv there attributed:

- political ones: the military conflict in the east of the country; the insufficient level of political stability in the country; corruption, which causes inefficient and non-transparent use of public funds;
- economic: the unstable monetary and credit policy; the low purchasing power of the population; the imperfect state deregulation policy;
- social: the low level of social protection of a wide range of population segments; the growing social stratification of the population, a rather high level of hidden unemployment;
- technological: the restriction of the leading innovative countries on the transfer of new technologies to developing countries.

To internal threats to economic security of Kharkiv there attributed the following ones:

- natural resources: the inadequate supply of quality drinking water;
- economic: the high level of physical and moral depreciation of productive assets; the low level of using productive assets in the industry; outdated costly technologies at many enterprises, the low export orientation of the local economy; the insufficient development of small and medium business in the sphere of material production; weak cooperative and cluster ties of small and large businesses; non-operating or unprofitable large state-owned enterprises; the significant reduction in the volume of transportation by rail;
- scientific and technical, innovation: the insufficient level of innovation activity of enterprises; the lack of effective coordination of interaction between science, business and education; the undeveloped innovation infrastructure;
- investment: the low level of investment in the local economy; the lack of well-prepared investment products (land, real property); the unformed base of investment proposals;
- demographic: the steady decline in the population and its aging; the imbalance between the demand for labor force and its supply;
- environmental: the increase of emissions in the atmosphere; the municipal solid waste pollution and the lack of modern waste processing companies;
- infrastructural: the high physical wear of sewage treatment plants, centralized heat and water supply systems; the high level of physical and moral depreciation of the housing stock;
- sociocultural: the inadequate satisfaction of needs of socially vulnerable population groups; the underdeveloped social services market; the lack of social activity of the population; the cooperation of NGOs with local authorities in solving problems of the city is not active enough.

The justification of the list of threats to the economic security of the city and their urgency was carried out by means of the hierarchy analysis method [24]. At the fourth stage the diagnosing of the economic security of the city takes place. An objective assessment of the security of the national economy

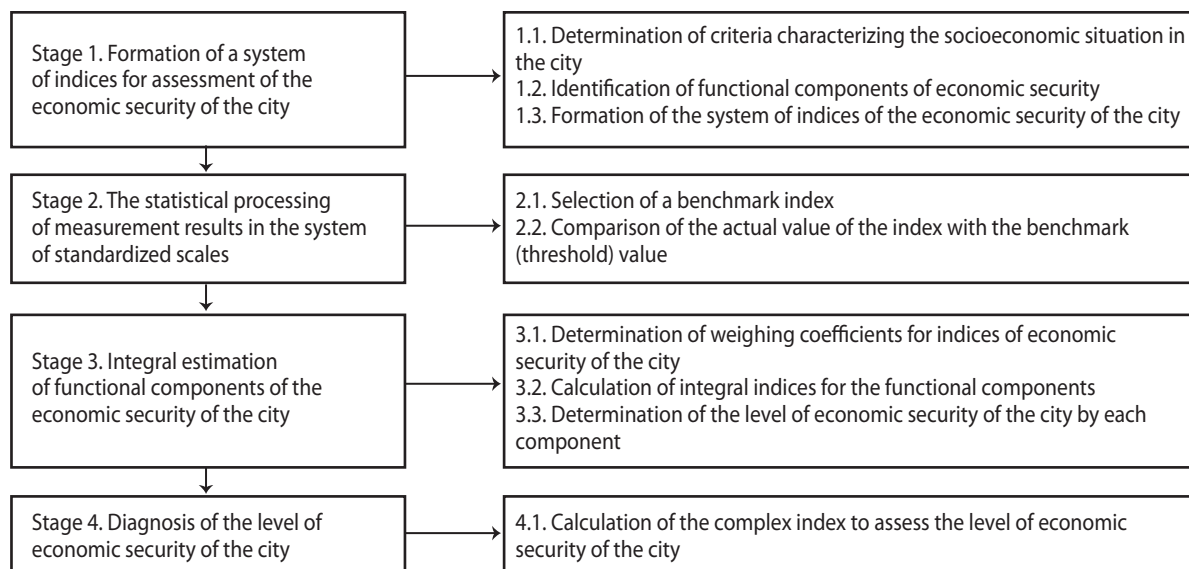


Fig. 1. The sequence of assessing the level of economic security of the city

and creation of an effective approach to its analysis are one of the priority directions of the research today. Approaches to the quantitative assessment of economic security can be conditionally divided into five groups: system, functional, casual, element and process one [25–27]. The application of the system and functional approach is proposed, which made it possible to form a universal algorithm for assessment of the level of economic security by the following stages: (1) formation of a system of indices for assessment of the economic security of the city; (2) the statistical processing of measurement results in the system of standardized scales; (3) integral estimation of functional components of the economic security of the city; (4) diagnosis of the level of economic security of the city. Assessment of the level of the economic security of the city is based on a hierarchically built system of indices (integral, complex and partial), which allows to determine the level and imbalances of the development and can serve as a basis for the formation of the strategy for ensuring the economic security of the city.

The sequence of assessing the level of economic security of the city is shown in Fig. 1.

The interpretation of the level of economic security of the city was presented according to the Harrington's psychophysical scale (by which the received result of the level of economic security of the city can be characterized depending on the ranges obtained in the study of values: [100 – 80] – zone of «stability»; [63 - 79] – zone of «moderate risk»; [37 – 62] – zone of «probable risk»; [20 – 36] – zone of «risk»; [0 – 20] – critical state). The complex integral index of the level of economic security of the city accounted for 0.67, which allows making a conclusion that the economic security of Kharkiv is in the zone of moderate risk.

At the fifth stage there performed the modeling of scenarios for ensuring the economic security of the city based on the combination of the cognitive modeling and the scenario-based approach, which makes it possible to identify areas for the strategy to ensure the economic security of the city and choose leverages of state regulation.

As a result of the study there has been compiled a cognitive map of the impact of destructive factors of external and internal environment on the economic security of the city, which provided for the systematization of knowledge about their relationship and interaction. The developed cognitive map of the impact of destructive factors on the economic security of the city allowed identifying the most influential of them.

It has been proved that possible scenarios for ensuring the security of the national economy have a bifurcational character. In the process of the research there were built the following scenarios for ensuring the security of the economy of Kharkiv city: pessimistic, realistic, optimistic one.

Pessimistic scenario:

- preconditions – negative development of foreign economic and political situation; the conflict in the east of the country; low credit activity of banks; deterioration of the investment climate due to the instability in the country; lack of significant progress in the fight against corruption; lack of rapid and effective reforms in the country; ineffectiveness of deregulation; extension of insolvency in the real sector and among the population; the inefficient tax reform; increase of negative inflation expectations of the population; further devaluation of the hryvnia;
- possibilities – limited external financing; lack of financial resources for the implementation of major investment projects; preferential use of public funds; unfavorable conditions for increasing the number of foreign students; suspension of financing public housing programs; funding education and social programs at the minimum required level;
- results – lack of investment in innovative production; formation of initial conditions for the development of high-tech manufacturing; dominance of retail trade activities of SMEs; growth of the shadow sector; few ineffective measures on energy saving and increasing energy efficiency; decrease in investments in the city infrastructure; continued aging of the engineering

and transport infrastructure; reduction of the volume of foreign investments and foreign trade turnover; low growth rate of the budget revenues of the city; continued outflow of highly skilled professionals to other cities and countries; slowdown in the development of the IT industry; unavailability of housing for people with low and medium level of income; aggravation of social problems; partial implementation of strategic tasks; loss by the city of a substantial amount of its scientific and innovation and investment potential;

- possible actions – solving the current most urgent problems of the city life and activities, maintenance and repairs in the public utility sphere, conservation of major infrastructure projects, active implementation of image measures that do not require significant funding; focusing on organizational and information support of community initiatives, business, etc.

Realistic scenario:

- preconditions – gradual improvement of the external economic situation; absence of political upheavals; the freezing of the conflict in the east of the country and its shift to the phase of unarmed confrontation; recovery of credit activity of banks due to the NBU stimulating actions; gradual restoration of confidence of foreign and domestic investors in the country; positive changes in the fight against corruption; weighted deregulation of entrepreneurial activity; restoration of solvency of the real sector and the population; preferential preservation of norms of the current budget and tax legislation; the overcoming of the negative impact of the clumsy administrative machine; moderate inflation expectations of the population; increase in the level of community confidence in the local authorities;
- possibilities – extension of external financing due to cooperation with international development funds, venture capital funds; partial dependence on the state budget; attraction of investments and grants in education and culture; sufficient financial resources for the implementation of investment projects; implementation of housing credit programs in full; elaboration of new programs to support business development;
- results – recovery of investment activity with the priority given to innovative productions; increasing resources and capacities for the development of high-tech manufacturing; implementation of the majority of measures on energy saving and increasing energy efficiency; investment of borrowed funds in the city infrastructure; suspension of the decrease in foreign investments, increase in the foreign trade turnover due to organization of new SMEs; moderate growth rate of budget revenues of the city; reconstruction of engineering and transport infrastructure; gradual shift of small businesses from commerce to production of goods and high-tech services; development of the IT industry of the city mainly in the form of small and medium enterprises; development of small and medium business and creation of conditions for capital accumulation; increase in the number of foreign

students mostly from countries of Asia and Africa; slowdown in migration of skilled personnel; development of tourist and business travel; improvement in comfort of living in the city due to the renewed system of health care, education and culture; reduction of environmental problems of the city; gaining by the city new competitive advantages as a research and innovation center of the country;

- possible actions – implementation of a clear plan regarding independent measures to solve the problems of life and activities of the city and its development; launching major infrastructure projects; active implementation of image projects; informational, organizational and financial support for the most appropriate projects aimed at improving the city's image, increasing its competitiveness in the investment market.

Optimistic scenario:

- preconditions – favorable foreign economic climate; positive resolution of the conflict in the east of the country; intensification of credit banking activity; improvement of the investment climate in the country; reduction in the corruption level; effective deregulation and improvement of the quality of administrative services; improvement of the conditions for activity of SMEs; macroeconomic stabilization in the country; development of the infrastructure designed to support business; the strengthening of the positive international image of Kharkiv city;
- possibilities – expansion of access to funds of technical support and international grants to provide development; prevalence of the own budget revenues over the volumes of transfers; sufficient financial resources for the implementation of large investment and ambitious infrastructure projects; improvement of terms of housing credits for young people and other population groups; attraction of foreign investors to high-tech manufacturing; large investments in the city infrastructure; restoration of the potential of the city as a major transportation hub;
- results – growth in the volume of domestic and foreign investments mainly in high-tech manufacturing and services; creation of new industrial zones on the basis of high-tech manufacturing at new and existing enterprises; prevalence in the sales volumes of own high-tech products and services; expansion of business partnership with scientific and educational institutions of the city; formation of innovation clusters, technology parks, technopolis; development of innovative entrepreneurship and active penetration of SMEs into European markets; rapid development of the IT industry not only in the form of small but medium and large enterprises as well; creation of new quality jobs in the creative sectors of economy for innovation-oriented youth; legalization of "shadow" employment and income; extensive measures aimed at energy saving and increasing energy efficiency; growth in foreign trade turnover; significant increase in budget revenues of the city; the updating of engineering and transport infrastructure; expansion of

the state and municipal housing programs; inflow of foreign students from East, Central and Eastern Europe; improvement of the comfort of living in the city due to the high-quality system of health care, education, culture; improvement of the ecological situation in the city; the city becomes the center of attraction of highly qualified personnel; realization of potential of the city as a center of business, recreation, medical and scientific tourism;

- possible actions – comprehensive solution of problems of the city development; implementation of programs on the reconstruction and updating of the city infrastructure; active implementation of large image, investment projects at the expense of foreign technical and grant assistance (funds), own funds of the community.

At the sixth stage a strategy for ensuring economic security of the city is formed. During the state programming – planning – developing measures there formed a strategy that is subsequently specified and detailed. The formation of the strategy for ensuring the security of the national economy is conducted according to the program-oriented approach.

At the seventh stage the development of measures, means and mechanisms to implement the system for ensuring the economic security of the city is carried out. The mechanism for ensuring the economic security of the city includes the following elements:

- plan of measures on implementation of the strategy for ensuring the economic security of the city, which is developed by the city administration for the period of four years according to the strategy for ensuring the economic security and the strategy for socioeconomic development of the city and approved by the city administration. The plan of measures includes: competitively selected projects aimed at ensuring the economic security of the city; estimated volumes and sources of funding; indices to assess the effectiveness of the implementation of programs and projects for ensuring the economic security of the city.

Institutional and organizational support. The implementation of activities and projects within the strategy of ensuring the economic security of the city is carried out by corresponding structural subdivisions of the city administration. The monitoring of the implementation of the action plan is exercised by the specified by the Head of the City Council subdivision with broad public participation.

Programming and project planning. The implementation of the strategy for ensuring the economic security of the city is carried out through the state and municipal target programs. Executors of the state target program can be enterprises, institutions and organizations irrespective of ownership, which are specified by the state customer to include activities and tasks of the program on a competitive basis. The initiator of developing the city target program can be the local executive authority or local self-government authority.

The program should: solve problems at the level of the city due to attraction of budget funds, coordination of joint actions of local executive authorities and local self-government

authorities, enterprises, institutions and organizations; have a real possibility of obtaining resource support from the local budget funds; meet the priority directions in the development of the region. The draft program is approved by the local self-government authority and included in the list of programs funded from the local budget. The program is carried out through the implementation of its measures and objectives by the executors specified in the program.

Scientific and methodological support. Scientific and methodological support for development and implementation of the strategy for ensuring the economic security of the city is provided by scientific institutions. It includes: scientific rationale of social, economic, environmental, innovative, industrial and other policies for the medium and long-term perspective; development of methodologies for modeling and forecasting the process of ensuring the economic security of the city; the research, analysis and monitoring of issues of global, national, regional and urban development; elaboration and implementation of the system for monitoring and assessing the implementation of the strategy for ensuring the economic security of the city.

Financial support. The financial mechanism for implementation of the strategy implies the concentration of financial resources in priority areas of ensuring the economic security of the city. The main financial instruments for the strategy implementation are: the city budget; targeted funding from the state and regional budgets under the terms of co-financing from the city budget in implementing priority national projects, regional target programs, targeted investment programs and projects; means of the State Regional Development Fund and other public funds for specific programs, projects being implemented in the city; funds of investors, economic entities and associations; funds under agreements of public-private partnerships; funds of international financial institutions; international technical assistance and others. The complex interaction between the elements of the implementation mechanism of the strategy for ensuring the economic security of the city will provide the effectiveness of its introduction.

The strategy for ensuring the economic security of the city is implemented in accordance with the developed road map – a formalized visual presentation of a step-by-step scenario for the strategy implementation. The road map is aimed at information and communication support for the process of control and approval of management decisions on the implementation of the strategy for ensuring the economic security of the city.

At the eighth stage the monitoring and controlling of the process of ensuring the economic security of the city is carried out. The monitoring is conducted on a quarterly basis (the report on the results of the implementation of projects aimed at ensuring the economic security of the city defined by the action plan for the relevant period), annual (the report on the results of the monitoring of the action plan for the relevant period; the report of the responsible executive of the program (Executive Committee of Kharkiv City Council submits according to the established order summary reports and reports on the assessment of efficiency for approval of the Kharkiv City Council, publishes the approved by the Kharkiv

City Council summary reports and reports on the assessment of efficiency on its official website).

Conclusions. The article presents recommendations on improving the process of ensuring the economic security of the city, which includes the following stages: formulating the objective of the process of ensuring the economic security of the city; assessing the economic security of the city; compiling the list of threats to the economic security of the city; diagnosing the economic security of the city; modeling scenarios for ensuring the economic security of the city; formulating the strategy and tactics for ensuring the economic security of the city; developing measures, means and mechanisms to implement the system for ensuring economic security of the city; monitoring and controlling the process of ensuring the economic security of the city. The list of threats to economic security of the city and their urgency are justified by combining such methods as expert surveys, SWOT-analysis and the hierarchy analysis method. There proposed a methodical approach to assessing the economic security of the city based on a hierarchically built system of indices (integral, complex and partial), which allows determining the level and imbalances of the development and can serve as a basis for the formation of economic security of the city. There presented a mechanism for ensuring the economic security of the city, which includes the following elements: an action plan to implement the strategy of ensuring economic security of the city; institutional and organizational support; programming and project planning; scientific and methodological support; financial support.

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