



Activation of the Economic Security of Ukraine in Terms of the European Integration

ANDRII KUBAIENKO¹

¹ Associate Professor, Department of Administrative activities and economic security, Odessa State University of Internal Affairs, Odessa, Ukraine; e-mail: kav1312@ukr.net

ARTICLE INFO

Received March 22, 2017
Revised from April 29, 2018
Accepted May 30 2018
Available online June 15, 2018

JEL classification:

E01; H56; O18; O21; R11.

DOI: 10.14254/1800-5845/2018.14-2.6

Keywords:

Economic security,
index of European integration,
directions development,
consequences of euro-integration,
scenarios of changes.

ABSTRACT

The full-fledged involvement of Ukraine into the European association stipulates the creation and adherence to the terms so to reinforce the economic and commercial relations promoting the gradual integration of the national economy into the European market. The presence of significant regional disproportions in the social and economic growth in Ukraine requires differentiated approaches in working out measures of regional development designated to assist in creating a free trade area and reinforcing the economic and sectoral collaboration of Ukraine and the EU. So, there arises a need of monitoring and estimation of the economic reform progress in the regions of Ukraine in terms of the European Integration processes aimed to establish strong and weak sides, to substantiate priorities and measures of their achievement and an opportunity of their due correction in order to increase the ability of a region to work in the area of the European Integration. In order to implement the purpose of the research, it is reasonable above all to measure the integral value – European Integration Progress Index (Ip). From the most general standpoint, the index is a relative value designated to play the role of a generalised measure of a particular phenomenon formed under the influence of various components that cannot be directly summarised. Then Ip can be defined as a relative value measured in terms of the aggregation of single indexes showing the efficiency of achieving the main goals of the economic integration with the EU at the regional level. Applying the integral approach will make it possible not just to determine and actually assess an achieved progress in making shifts in the trading field and matters, which are related to it, of the economic and sectoral collaboration, but to highly likely forecast its future dynamics as well. Overall regional rating. Odessa Region took the 8th place among all the regions of Ukraine according to the measured European Integration Progress Index (index value – 0.01357) after the western regions of Ukraine, which quite lively build the foreign economic ties with the EU countries in general and cross-border cooperation in particular, and after Kyiv Region, where the majority of national enterprises engaged in the foreign economic activity is traditionally founded.

The given scenarios of changes in the national economy as the result of the European Integration effect may be interesting for study. It is especially important to study the problem of influence on the economic security, health of companies.

INTRODUCTION

One of objective tendencies in the modern economics of Ukraine is the European Integration, i.e. formation and further strengthening of relationships with the European countries at all the levels – transnational, interregional, between particular economic entities. Nowadays, the European Integration is a strategic course of Ukraine, its speed grows. It obliges to pay attention to the effects of the European Integration, in particular, on the stability of the Ukrainian enterprises.

To strengthen the national sovereignty of Ukraine in the realm of foreign policy means to integrally represent the state in the global civilisation space as an active geopolitical entity. It is possible in the event of the dynamic dialogue of Ukraine with other countries, which will be based on adhering to the standard and principles of international law, beneficial cooperation, safety and understanding by our country of the essence of its national interests.

The topical matter is to establish friendly, partnership relations of the EU and Ukraine. The European Union is an active actor in the contemporary geopolitical space. To unite Europe is one of the most significant geopolitical events of XX c. As a result of the extensive and deep integration, the European Union has become a powerful geopolitical centre. The geopolitical future of the European project and its role in the global policy primarily depends on the efficient collaboration with countries and regions that are direct neighbours of the European Union. So, the collaboration of Ukraine and the EU has a great significance for both the sides.

The main task of Ukraine is to go back to the European civilisation space. Such a specific geopolitical position and history of the continuous cooperation with the European countries cause the interest of Ukraine to actively participate in the integration processes within the European continent.

The strategic interests of Ukraine in Europe comprise the necessity of technological modernisation of domestic production, opportunity to master scientific technologies, substitution of the inertial industrial progress for the innovative one. For Ukraine, moving in a direction of the European Integration is a matter of its efficient inclusion into the present system of allocation of functions and roles in the contemporary global economic and political system. The activation of the European Integration processes also means more intensive inclusion of Ukraine to the international collaboration in settling conflicts and resisting new threats to the international security.

The economic security is an integral part of the national safety, its ground and material basis. It organically fits into the national safety system with such its components as provision of the national defence capability, support of the social peace in the society, protection from environmental disasters and so forth. Military security is impossible when economy is weak, and efficient economy is impossible in terms of social conflicts.

1. METHODOLOGY OF RESEARCH

In studying the notion “economic security”, the contemporary basic category is “national security” (introduction of this term to the standard turn is dated 1934 and associated with the adoption of the US Law “National Security”), and more deeply – safety in general. These notions have a specific historical content and are closely interrelated with all the elements of the interaction system “personality – society – state”. On grounds of the modern concept of safety in the scientific literature, the following definition is presented: “Safety is absence of threats, integrity, reliability, i.e.

absence of any threats to a person, society and state.” (Avanasova, 2016 pp. 74-82; Hluschenko and Tuleninova, 2016 p.112-119).

Safety is a state of absence of danger, which is one of the most important needs of entities [2]. This philosophical category, which is not only general scientific, but pretty much specific, clear and exact, is not anything substantive, material, but it serves as an abstract form to express sustainability and resilience of certain entities (objects), their relation to the internal and external environments. The category of economic security is considered from different sides (Ivankiv, 2015 pp. 109-112; European integration, 2011).

Philosophers, legal experts, economists, politicians and scientists – representatives of a specific subject area – differently interpret the complex notion “safety”, trying to adapt it to their domains. In a psychological interpretation, it is a feeling, perception and experience of need to protect basic interests of an entity; in a legal interpretation, it is a system of legal guarantees of safety set by laws, support of living, rights and freedoms of a person or a society; in a philosophical and sociological interpretation, it is a state of growth and terms of living of an entity (object), its structures, when the preservation of their quality distinctness, optimal balance of freedom and necessity is enforced. Approaches to define the notion of safety are based on interpreting safety as an ability to resist a destructive influence or as an absence of threats to values and interests to be protected (Yliashenko, 2015, pp. 162-168; Zubok, 2012 p. 27-38).

The full-fledged involvement of Ukraine into the European association stipulates the creation and adherence to the terms so to reinforce the economic and commercial relations promoting the gradual integration of the national economy into the European market. The presence of significant regional disproportions in the social and economic growth in Ukraine requires differentiated approaches in working out measures of regional development designated to assist in creating a free trade area and reinforcing the economic and sectoral collaboration of Ukraine and the EU. So, there arises a need of monitoring and estimation of the economic reform progress in the regions of Ukraine in terms of the European Integration processes aimed to establish strong and weak sides, to substantiate priorities and measures of their achievement and an opportunity of their due correction in order to increase the ability of a region to work in the area of the European Integration (Contract - legal cooperation Ukraine – EU, 2013).

The modern science offers a great number of tools to establish indicators of a state and dynamics of various processes happening in the life of society. But studies on measuring the progressive shifts in the economic realm of regions in the view of achieving the main goals of the Ukraine-European Union Association Agreement (The Association Agenda, 16.03.2015) are absent now. Considering the great importance of the problem related to the implementation of the main provisions of the Ukraine-European Union Association Agreement (Association Agreement 27.06.2014) and Association Agenda, there is a need to work out methods which make it possible to quantitatively assess the progress in carrying out the relevant economic reforms in the regions of Ukraine (The EU-Ukraine Association Agenda, 16.03.2015).

The main tool of this research shall perform the following tasks:

- to assess a current state and a relative dynamics of the economic reforms of the Ukrainian regions in future in terms of the provisions of the Ukraine-European Union Association Agreement;
- to provide the analytical support of the central government in determining problems that slow-down the implementation of economic reforms at the regional level;
- to provide the analytical support of the local government in identifying factors that influence the progressive shifts for achieving the European Integration goals in comparison with other regions, the activity of which should be increased or minimized.

Ideally, the methods for measuring the European Integration Progress Index shall meet the following requirements (Derij and Zosymenko, 2016, pp. 17-19):

- adequacy: the index computation methods shall be appropriate for the goals and tasks set;
- comparability: opportunity to regularly repeat the index computation and get results that can be used for defining trends;
- index objectiveness: reasonableness of final and intermediate results for the economic interpretation;
- information richness: output data for computation shall be easy to get or be measured by means of easy mathematical operations.

In order to implement the purpose of the research, it is reasonable above all to measure the integral value – European Integration Progress Index (I_p). From the most general standpoint, the index is a relative value designated to play the role of a generalised measure of a particular phenomenon formed under the influence of various components that cannot be directly summarised. Then I_p can be defined as a relative value measured in terms of the aggregation of single indexes showing the efficiency of achieving the main goals of the economic integration with the EU at the regional level. Applying the integral approach will make it possible not just to determine and actually assess an achieved progress in making shifts in the trading field and matters, which are related to it, of the economic and sectoral collaboration, but to highly likely forecast its future dynamics as well. Most often, the integral index is built in an additive form. Its sense is to determine this integral index by summarising its actual values of the absolute measures.

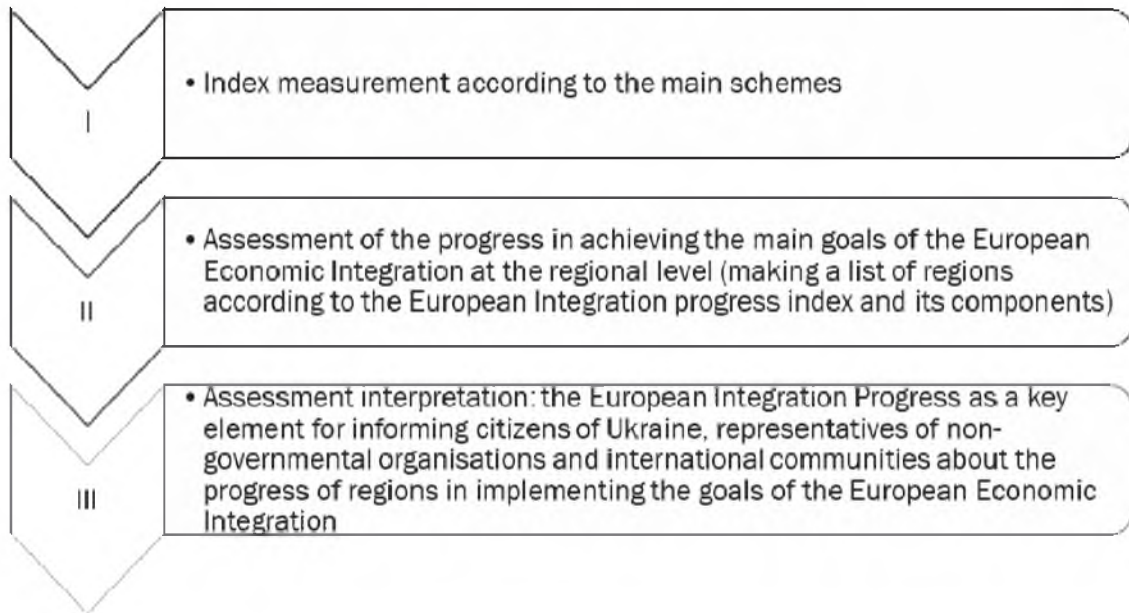
But, by applying the sum method, it is necessary to remember about its main disadvantages. In particular, the measuring scale high limit will have more than 1 limit that will make it impossible to fix a benchmark index. Furthermore, this method of measurement stipulates that inserting all the indexes selected for I_p to be measured should be deemed as coequal. It is also necessary to consider such a fact when one of indexes affecting the regional European Integration progress gets a zero value while using such mathematical formulae as product, geometrical mean, weighted geometrical mean will result in getting a zero value of the integral index (Korobov, 2016 pp. 22-26; Pryimak, 2009).

From the above, it is necessary to stop with the method of I_p measurement that:

- makes it possible to come to the scale with the range of -1 to 1 or 0 to 1 as it limits the maximum level of the European Integration Progress of the region for a certain period, which enables its using as a benchmark for determining positions of one region in comparison with other regions of Ukraine. From this perspective, such methods as geometrical mean, weighted geometrical mean are included as the integral index will get a value lower than 0.5 or lower than -0.5. In fact, measuring by the geometrical mean method becomes impossible if a value of standardised partial coefficients fluctuates in the interval [-1; 1];
- stipulates the opportunity to use weighting factors that show an action of each components, which represents progress in achieving the main goals of the economic integration with the EU at the regional level;
- makes it possible to measure I_p even if one of its component indices gets a zero value.

From the above, we deem as most reasonable to use the weighted geometrical mean for measuring the European Integration Progress Index. In building the index, such a structural and logical scheme is offered (Figure 1 - Korobov, 2016, pp. 22-26; Pogorelov and Adamenko, 2015, pp. 173-181).

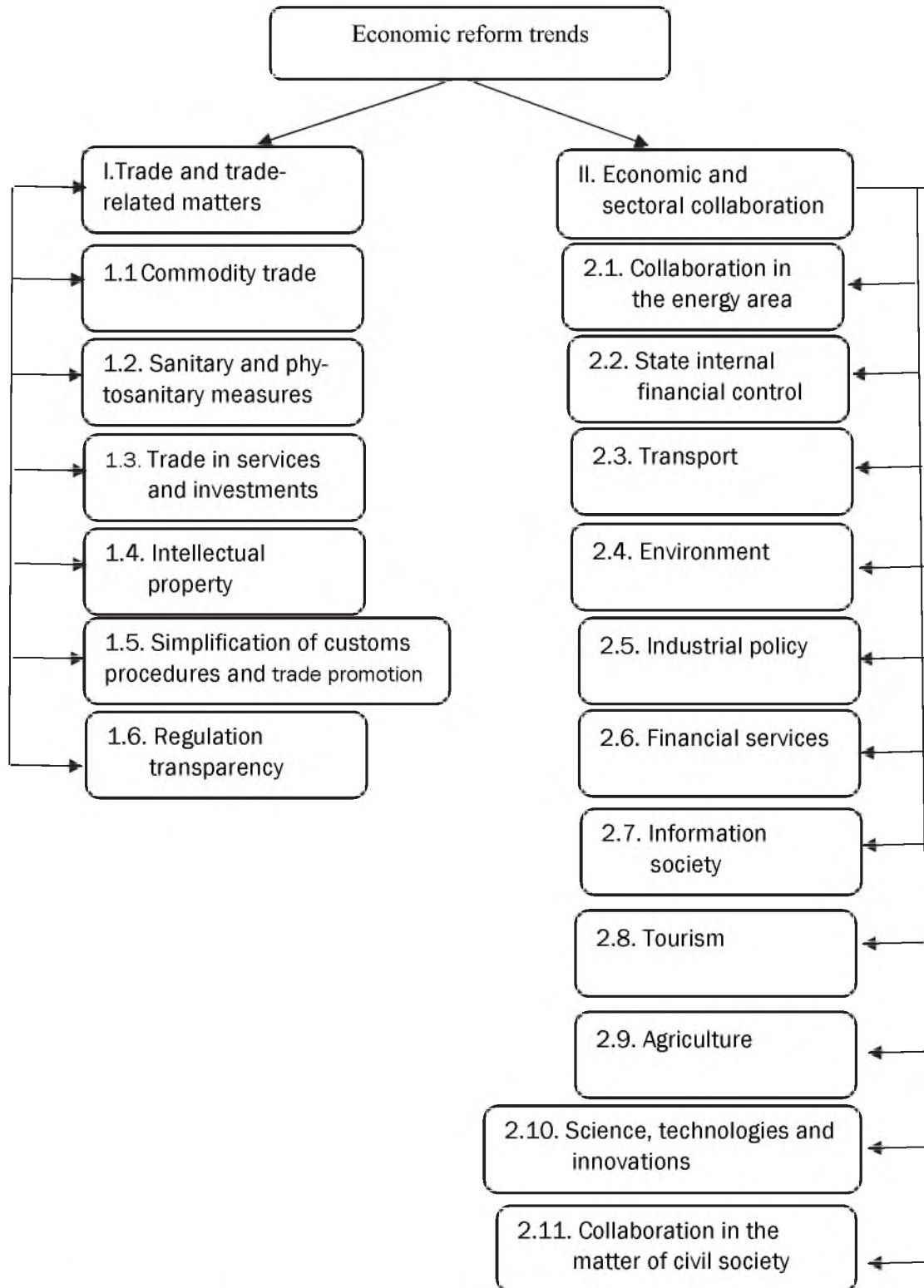
Figure 1. Structural and logical scheme on building and using the European Integration Index



Source: compiled by the author

As a subject of this research is to assess the state and dynamics of the economic reforms of the regions in the European Integration area in order to establish courses of the activation of economic security facilities, to measure I_p it is necessary to select indicators, which can be divided into two main aspects according to the Ukraine-European Union Association Agreement: I. Trade and trade-related matters; II. Economic and sectoral collaboration. Each of them will include the groups of indicators showing the prioritised trends of the reform (Figure 2 - Koriavets', 2017).

Figure 2. Trends in the economic development determined in the Ukraine-European Union Association Agreement



Source: compiled by the author

For their description, public statistical indicators, open access information should be chosen:

1.1. Commodity trade. As one of the terms of functioning of the free trade area between Ukraine and the EU is to provide free access for goods of the Ukrainian origin to the European Union countries and vice versa, the following was selected as quantitative indicators of this process:

- export ratio of goods to the EU countries in bulk, %;
- import ratio of goods from the EU countries in bulk, %.

1.2. Sanitary and phytosanitary measures. To the number of indicators that directly represent the economic outcomes of the Ukrainian legislation proximity to the EU legislation in the matter of sanitary and phytosanitary measures, we included the indicators showing a number of entities entitled by the State Veterinary and Phytosanitary Service to export food (dairy products, meat, eggs and egg products, honey and hive products, mayonnaise, mayonnaise sauces and margarine) to the EU countries.

1.3. Trade in services and investments. An important trend of the public policy in the field of initiation of the entrepreneurial activity, trade in services and electronic commerce should be namely simplification of foundation and functioning of companies, branches and representative offices, protection of investors' rights due to the further proximity of the legislation in these areas to the laws, standards and practices of the EU.

The principle indicators of such indexes growing are as follows: share of export of services to the EU countries, %; share of import of services from the EU countries, %; total share of direct investments of non-residents from the EU in a region, %.

1.4. Intellectual property. One of the prioritised trends of the Ukrainian reforms in a climate of the European Integration is to improve the national legislation considering the best world practice. As a result, the intellectual property is to be reorganised into the strategic resource in the system of formation of national wealth and increase of competitiveness of the Ukrainian economy, acceleration of the innovation development and integration of Ukraine in the international economic area. Correspondingly, we suggest including such indicators as a number of applications for an invention, a number of applications for utility models from national applicants to the target statistical indicators representing the effectiveness of mechanisms in achieving the legal protection in the field of intellectual property.

1.5. Simplification of customs procedures and trade promotion. As the reformation of customs affairs is performed on the basis of a new revised version of the Customs Code of Ukraine, which is designed in reliance on the provisions of the International Convention on the Simplification and Harmonisation of Customs Procedures, the Convention on Temporary Admission, the EU Customs Code, human factor remains to be a single factor that may negatively influence customs procedures. Presentation of the similar negative influence implicitly at the regional level may be done by analysing the quantitative indicators of applications of individuals and legal entities in the context of the customs activity zones. Another important task in terms of the progress of Ukraine in the European Integration is to reduce the number of common points between the business and state, what is reasonable to represent as an indicator of a number of inspections of economic entities carried out by the Department of Tax and Customs Audit in relation to a number of economic entities.

1.6. Regulation transparency. The index, which, in our opinion, shows the regulation transparency, is a number of violations abated as anticompetitive practices of the government in the context of a region.

2.1. Collaboration in the energy area. Considering the fact that the main purpose of the collaboration of Ukraine with the EU countries is to increase the security of energy supply, competitiveness and stability; in this bloc, the statistical indicator – disincentive: loss of energy-related materials and petroleum refinery products in the course of distribution, transportation, total volume ratio, is

chosen as a measure of efficiency. Conversely, the collaboration in the energy area is aimed at providing the reasonable energy sources for consumers, so the other selected indicator that has disincentive influence on the index is the level of indebtedness for public utility charges, %.

2.2. State internal financial control. The collaboration in the field of public finance management is aimed at ensuring the development of the budget policy and reliable internal control and external audit systems that are based on the international standards and comply with the basic principles of accountability, transparency, cost effectiveness, efficiency and performance. So, the main feature of the progress in this field should be the reduction of such indicators: illegal and undesig-nated expenditures, shortages (plundering) of funds and valuables, TUAH; volume of lost financial sources, TUAH.

2.3. Transport. As, in particular, the efficient and safe transportations and reinforcement of the principal transport linkages of countries belong to the basic aims of the collaboration in the field of transport, we included into the list of indexes in this bloc of reforms such statistical indicators: export ratio of transport services in the total volume of export of services to the EU countries, %; import ratio of transport services in the total volume of import of services from the EU countries, %.

The quantitative indicator of road traffic accidents on roads and streets of the region versus the overland transport passenger traffic (unit/million passengers/km) is chosen in consideration of the importance to perform the task on increasing the efficiency and safety of transportations.

2.4. Environment. Implementing the long-term goals of the stable development and green economy stipulates the available proper investment support of the greening processes in the Ukrainian regions. So, the share index of capital investments for conservation of natural resources and their rational use in bulk, % is selected as an indicator in this bloc.

2.5. Industrial policy. In the field of industry and entrepreneurship, a prioritised trend of the collaboration of Ukraine and the EU is to improve conditions for the entrepreneurial activity. Thus, positive achievements shall come with the increase of such indicators:

- share of direct foreign investments in the industry in bulk, %;
- export ratio of material resource processing services in the total volume of export of services, %;
- import ratio of material resource processing services in the total volume of export of services, %;
- export share of industrial products in the total volume of export of goods to the EU countries, %;
- import share of industrial products in the total volume of import of goods from the EU countries, %.

Modernisation shifts shall be represented in a gradual reduction of indicators:

- portion of dilapidated and hazardous water supply lines expressed as percentage of the general stretch;
- portion of dilapidated and hazardous heating and steam networks expressed as percentage of the general stretch.

2.6. Financial services. Considering the importance of the financial services development for establishing the constant market environment to assess the efficiency of reforms in this bloc, it is reasonable to use the following indicators:

- export ratio of financial services, in the overall volume of export of services, %;
- portion of enterprises providing financial and insurance services, in the overall number of enterprises, %.

2.7. Information society. The collaboration in this area particularly includes the furtherance of broadband access, improvement of security networks and wide use of computer and information technologies by private parties, business and administrative authorities as a result of the

Internet local resources development and incorporation of online services. So, we selected the following statistical indicators:

- portion of enterprises that used computers, in the overall number of enterprises, %;
- portion of employees used computers, in the overall number of employees, %;
- portion of enterprises had access to the Internet, in the overall number of enterprises used computers, %;
- portion of enterprises had a website or homepage, in the overall number of enterprises with the Internet access, %;
- portion of enterprises carrying out the automated data exchange, in the overall number of enterprises used computers, %;
- portion of the Internet users, in the overall number of population, %;
- portion of mobile communication subscribers, in the total population, %;
- RITS Level Index for the IT invasion of the life of society.

2.8. Tourism. Economic reforms in this bloc should be aimed at promoting and developing the tourism products and markets, infrastructure, human resources and institutional structures, growing the potential capacity in tourism for the purpose of increasing the tourism service quality standards. We included the following to the list of indicators that allow assaying the efficiency of tourism reforms: portion of tourism facilities, in the overall number of economic entities, %; number of tourists served through tourism facilities; export ratio of travelling services, in the overall services export volume, %; import ratio of travelling services, in the overall import services volume, %.

2.9. Agriculture. Reforms in this bloc are aimed at improving the agricultural competitiveness and markets efficiency and transparency, including investment conditions, at sharing the best practices as for policy support mechanisms in the field of agriculture and rural development. The following indicators serve as statistical indicators of the reforms efficiency:

- production of agricultural products per 1 person, UAH;
- labour efficiency in agricultural enterprises for 1 employed, UAH;
- profitability level of the agricultural industry in agricultural enterprises, %;
- portion of small entities and medium-sized enterprises expressed as percentage in the overall number of agricultural enterprises;
- share of direct foreign investments in agriculture in total, %.

2.10. Science, technologies and innovations. The collaboration in this field shall assist Ukraine in supporting the reformation and reorganisation of the academician field management system and research institutions (particularly in developing its potential capacity as regards science and technologies development) for the purpose of furthering the development of competitiveness of economy and society based on knowledge. From this perspective, we selected the following indicators of the reforms efficiency in view of the influence on the creation of a favourable environment for economic entities to develop, cope with and commerce innovations:

- portion of organisations that performed research and scientific and technological works in the overall number of enterprises, %;
- portion of industrial enterprises engaged in the innovation activity as % in the overall number of industrial enterprises;
- share of financing of research and scientific and technological works at the expense of foreign states, %;
- number of new applied engineering procedures at industrial enterprises;
- number of mastered innovative types of products at industrial enterprises;

2.11. Collaboration in the matter of civil society. As reforms in this bloc are aimed at promoting the process of institutional development and consolidation of civil society organisations as a quan-

titative indicator of progressive changes, we chose the indicator of a number of legalised civil organisations in relation to the population size of a region.

So, in general the formula for measuring the European Integration Progress Index takes the following form (1) (Pryimak, 2009; Korobov, 2016, pp. 22-26):

$$I_p = \frac{N_t * wt + N_e * we}{2} \quad (1)$$

I_p – index of the progress in the European Integration of the region;

N_t – indicator characterising the reform trend “Trade and trade-related matters”;

N_e – indicator characterising the reform trend “Economic and sectoral collaboration”;

wt, we – weighting coefficients, levers of directions that are appropriate to be formed by means of Delphi method.

It is clear that the integral index measurement may be only in the event when values of every primary indicator will be equal. To do so, it is necessary to normalise them. Among normalising methods, we chose Min-Max method, which allows avoiding an unfavourable effect of high extreme values and putting all data in one range from 0 to 1. To normalise the indicators-incentives, it is necessary to use formula (2), and for indicators-disincentives – formula (3).

$$y_{ij} = \frac{x_{ij} - x_{i\min}}{x_{i\max} - x_{i\min}} \quad (2)$$

y_{ij} – dimensionless (normalised) value of I statistical indicator in J region;

x_{ij} – value of I statistical indicator in J region;

$x_{i\min}$ and $x_{i\max}$ – minimum and maximum value of I statistical indicator.

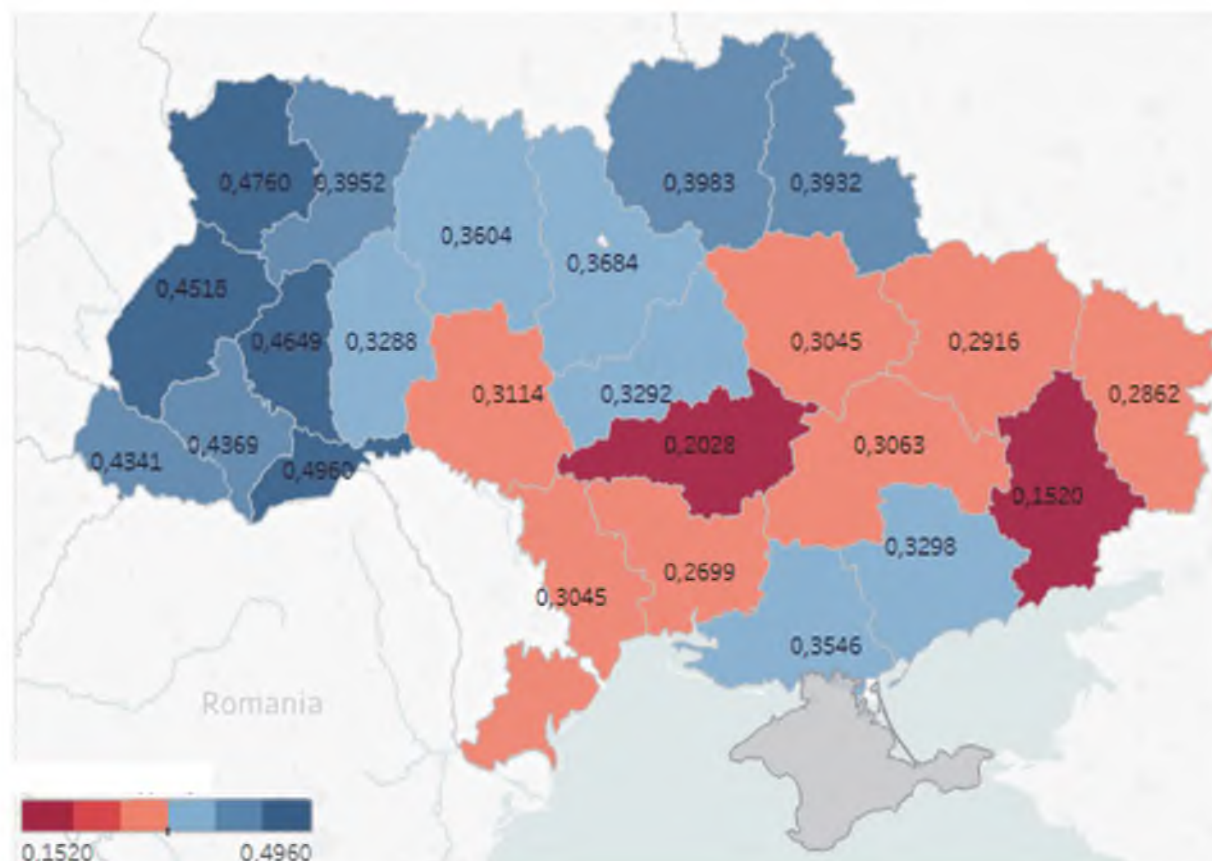
$$y_{ij} = \frac{x_{i\min} - x_{ij}}{x_{i\max} - x_{i\min}} \quad (3)$$

Even if this method somehow complicates the calculation process in real time, it makes it possible to reflect a range of relevant values. Furthermore, Min-Max method makes it possible to convert data better in those cases when statistical data values are close to one another in regions.

2. RETRIEVAL

As a result of the performed measurement and studies, the integral index of the progress in the European Integration is obtained, which consists of two interim indexes of the reform areas, which conversely consist of indexes in each particular bloc of reforms within a relevant area (Koriavets', 2017; Korobov, 2016, pp. 22-26; Kozachenko and Adamenko, 2015, pp. 90-95).

Figure 3. Index of the economic progress in the European Integration of the regions of Ukraine for 2016.



Source: compiled by the author with Koriavets', 2017.

The studies performed within the project “Assistance of V4 countries in assessing the economic reforms of the regions of Ukraine in the conditions of the EU Integration” carried out by the Polish Fund of International and Regional Studies (Chernihiv City), Association of Regional Analytical Centres supported by the International Visegrad Fund (Slovakia), Research Centre of the Slovak Foreign Policy Association (Slovakia), International Centre for Democratic Transition ICDT (Hungary), Polish-Ukrainian Cooperation Foundation PAUCI (Poland), Association of Analytical Centres for an Open Society PASOS (the Czech Republic) and Chernihiv National University of Technology (Koriavets' M. , 2016; Honcharenko, Bohatyrenko, Bakal, Vynokurova, Halimuk and Hejderova, 2017).

Table 1. Index of the economic progress in the European Integration of the regions of Ukraine for 2016.

	<i>Region</i>	<i>Rating</i>		<i>Region</i>	<i>Rating</i>
1	Chernivtsi Region	0,4960	13	Zaporizhia Region	0,3298
2	Volyn Region	0,4760	14	Cherkasy Region	0,3292
3	Ternopil Region	0,4649	15	Khmelnytsk Region	0,3288
4	Lviv Region	0,4518	16	Vinnitsia Region	0,3114

5	Ivano-Frankivsk Region	0,4369	17	Dnipropetrovsk Region	0,3063
6	Zakarpattia Region	0,4341	18	Odessa Region	0,3045
7	Chernihiv Region	0,3983	19	Poltava Region	0,3045
8	Rovno Region	0,3952	20	Kharkiv Region	0,2916
9	Sumy Region	0,3932	21	Lugansk Region	0,2862
10	Kyiv Region	0,3684	22	Mykolaiv Region	0,2699
11	Zhytomyr Region	0,3604	23	Kirovograd Region	0,2028
12	Kherson Region	03546	24	Donetsk Region	0,1520

Source: compiled by the author with Koriavets', 2017.

Overall regional rating. Odessa Region took the 8th place among all the regions of Ukraine according to the measured European Integration Progress Index (index value – 0.01357) after the western regions of Ukraine, which quite lively build the foreign economic ties with the EU countries in general and cross-border cooperation in particular, and after Kyiv Region, where the majority of national enterprises engaged in the foreign economic activity is traditionally founded.

The regional rating upon the indicator characterising the reform aspect “Trade and trade-related matters”. It should be mentioned that Odessa Region has the 11th place under the reform direction “Trade and Trade-Related Matters”, which is lower than the overall rating giving way to the central regions of Ukraine (Vinnytsia, Kirovograd), except the western regions, and to such a powerful economic regional centre of the country as Kharkiv Region. The index value in this direction is 0.05105.

The regional rating upon the indicator characterising the reform aspect “Economic and sectoral collaboration”. Odessa Region has the 6th place with the relevant index value of 0.01428. In general, the lower ratings of the western regions upon the integral index allowed Odessa Region to take the eighth place in the overall rating.

Advantages and obstacles of reforming in the directions “Trade and trade-related matters” and “Economic and sectoral collaboration”. If to elaborate advantages and obstacles to the reforms in the directions “Trade and trade-related matters” and “Economic and sectoral collaboration” specific namely for Odessa Region determining a current state of the relevant reforms in the region, special mention should go to:

Advantages:

- strategic location of Odessa Region (international highways through the territory of the region, extensive network of sea and river ports, presence of the common borders with the EU countries);
- available highly skilled workforce, a considerable proportion of which is implemented at the enterprises engaged in the foreign economic activity;
- maturity of small entities and middle-sized enterprises.

Obstacles:

- underperformance of using the potential capacity of the strategic location of Odessa Region, including the high level of corruptness of the customs affairs;

- considerable proportion of the shadow economy in small entities and middle-sized enterprises;
- relatively insufficient development of the cross-border cooperation with the EU countries;
- relatively low awareness of the general public about the opportunities of the economic and sectoral collaboration with the EU, insufficient quantity and quality of the present competences for carrying out this collaboration;
- absence of a system approach to the development of relations between Odessa Region and the EU countries.

Ratings of the region upon the indicators characterising the reform blocs. Proof of the said advantages and obstacles to the reforms in the selected areas can be found in performing a detailed gradual analysis of certain reform blocs.

The following reform blocs within the reform area “Trade and trade-related matters” are considered:

Reform bloc “Commodity trade”. Having almost the greatest opportunities for developing the international commodity trading, Odessa takes the 18th of 24 possible places with the relevant index value of 0.10416 in this reform bloc. In fact, the ratio of the EU countries in the value exports and imports of Odessa Region is lower than, for instance, in the eastern regions. It should be pointed out that a great number of products of metallurgy and related sectors was exported from Odessa Region to the CIS and other countries in the world during a long period of time; concurrently, light industrial goods are intensively imported to Odessa from China, Turkey. So, the low level of commodity and, correspondingly, geographic diversification of export and import of Odessa Region is noticed.

Reform bloc “Sanitary and phytosanitary measures”. In the meantime, slightly better is the situation of awarding permits to enterprises of Odessa Region for food export, what made it possible for Odessa Region to take the 12th place with the relevant index value of 0.03619 in the bloc “Sanitary and phytosanitary measures”. Indeed, a minor difference in the number of enterprises obtained this permit let Odessa Region be qualitatively different from the other half of regions of Ukraine.

Reform bloc “Trade in services and investments”. The state of service trade, free founding and investments is beneficially different too. In this bloc, Odessa Region has the 14th place with the relevant index value of 0.19459. This indicator could be higher providing a lower development level of the shadow economy in the region.

Reform bloc “Intellectual property”. It is a real breakthrough of Odessa Region. It is the 4th place with the relevant index value of 0.18121 in the bloc “Intellectual property”. And it is not surprising as Odessa Region is a scientific centre of the south of the country. The majority of state-owned classic higher education institutions with a wide network of branches is located right here. Such high values are an absolute guarantee of the improvement of the indicators in the previous reform blocs.

Reform bloc “Simplification of customs procedures and trade promotion”. In this reform bloc “Simplification of customs procedures and trade promotion”, Odessa Region has the 11th place with the relevant index value of 0.90785 due to the relatively high number of inspections of economic entities to their total number: this situation has incidentally been mentioned while finding obstacles to the European Integration reforms in the region.

Reform bloc “Regulation transparency”. In the reform bloc “Regulation transparency”, the region has the 12th place with the relevant index value of 0.75936 due to a large number of violations abated as anticompetitive practices of the government, what counts again in favour of a relatively high level of corruptness of the business activity regulation in the region.

In terms of the reform area “Economic and sectoral collaboration”, the following reform blocs are considered. Reform bloc “Collaboration in the energy area”: Odessa Region has the 10th place with the relevant index value of 0.29779 in the bloc “Collaboration in the energy area”. This place could be different providing a higher level of public utility charges paid by the population. However, the latter depends more on increasing the standard of living of the resident population of the region.

Reform bloc “State internal financial control”. The level of state internal financial control is also low. In this bloc, Odessa Region takes nearly next to the last, 22nd place of the relevant index value of 0.24498. Usually such results dispute the success of any efforts for the European Integration.

Reform bloc “Transport”. In the reform bloc “Transport”, Odessa Region has the first place with the relevant index value of 0.30426 due to the fact that the EU countries are principal partners in the field of transport services trade. First of all, it is so because Odessa Region is “national sea gate”, through which export and import of goods are performed in favour of many other regions of the country.

Reform bloc “Environment”. Unfortunately, having the high recreation potential capacity, the regional rating upon the indicator “Environment” is critical (23rd place). The cause of it is low volumes of investments in the natural environment protection, what is likely associated with a small number of corresponding programs in the region, which could be adopted and supported by the government.

Reform bloc “Industrial policy”. The underrun is noted in the reform bloc “Industrial policy” either – the 22nd place with the relevant index value of 0.06266, what occurred, first of all, because little attention is paid to the export of processing services at sites and a large number of hazardous water supply lines either in Odessa or other localities of the region. But, with a due administrative approach, the status of these realms can be improved.

Reform bloc “Financial services”. The relatively small export and import ratios of financial services to/from the EU countries in the total volume of services export and import were compensated with a relatively large number of financial enterprises, the growth of which is firstly associated with the progress in the residential and non-residential construction works in the region. Consequently, Odessa Region has the 13th place in the rating in the reform bloc “Financial services”.

Reform bloc “Information society”. Considering the fact that in Odessa Region the financial services, IT and other sectors, the operations of which are impossible without using the Internet or cellular communication services became well-developed, Odessa Region comes first with the relevant index value of 0.08342 in the reform bloc “Information society”.

Reform bloc “Tourism”. In the reform bloc “Tourism”, where Odessa Region seemed to be able to take one of leading places, it gives way to all the regions of Western Ukraine, including Kharkiv, Dnipropetrovsk, Vinnytsia regions. The cause of it is an extremely inefficient activity due to a large number of travel companies operating in the territory of Odessa Region in relation to the EU countries – corresponding relative export and import ratios of travelling services are lower than in the aforesaid regions. The majority of tourists coming to the region is students or temporary migrants from the Middle East and Asia. Most often, tourists travel to Turkey and Egypt. In this bloc, Odessa Region takes the 12th place with the relevant index value of 0.06781.

Reform bloc “Agriculture”. Odessa Region is one of leading agricultural regions of Ukraine, its breadbasket, a powerful wine growing and wine making centre, but the volume of foreign investments in this area is relatively low. The indicator of cost effectiveness of agricultural enterprises is also low. The average are indicators of labour efficiency and gross output per unit of workforce. It is highly likely associated with a low level of transparency in carrying out a corresponding activity, and that is why with an incomplete representation of its results in the official statistics. The place of the region in this bloc is 23rd. The relevant index value is 0.05253.

Reform bloc “Science, technologies and innovations”. In the bloc “Science, technologies and innovations”, Odessa Region takes the 23rd place with the relevant index value of 0.01647. It should be pointed out that despite a relatively small number of enterprises engaged in the innovation activity the number of new applied technologies, mastered types of innovative products, etc., the costs of sales of goods of a corresponding activity are of the highest in Ukraine. It evidences that Odessa Regions implements large, but single innovation projects. While measuring the outcomes of this activity, it is actually difficult to only rely on the quantitative indicators.

Reform bloc “Collaboration in the matters of civil society”. In the reform bloc “Collaboration in the matters of civil society”, Odessa Region takes the honourable second place with the relevant index value of 0.58607 and is after Kyiv Region primarily due to a large number of legalised NGO per one person of the present population – about 7 organisations. So, the performance of this activity should be studied.

Recommendations for increasing the rating of the European Integration Progress Index of Odessa Region. The carried out analysis only confirms the general conclusions about the status of the European Integration Progress reforms of Odessa Region, and the presence of certain disproportions and inconsistencies in the region development becomes more evident.

From this perspective, the following lines of activity may be proposed as recommendations for increasing the regional rating of the European Integration Progress Index (Derij Zhand Zosymenko, 2016, pp. 9-17; Kaynak, 2011, pp. 31-49; Tarasiuk, 2013, pp. 19-26):

- Diversification of the international commodity and service trading.
- Pulling travel, agricultural, IT companies activity and so forth out of the shadow.
- Creation of favourable conditions for the innovation activity growth of servicing and manufacturing enterprises.
- Use of NGO efforts to grapple with the inadequate performance of the government, abate governmental financial misconducts.
- Infrastructure renovation for carrying out the entrepreneurial activity, investment in the industrial re-equipment of production, repairs of general service circuits (water supply systems, gas, etc.)
- Running of appropriate environmental practices of business operations.
- Strengthening of the public awareness campaigns as for Ukraine-EU free trade area and the role of all the economic entities, NGOs and government authorities in its implementation.

Study of the European Integration Progress Index of Odessa Region in 2016 (Koriavets', 2017). In 2016, Odessa Region took the 18th place in the national rating, having moved by 7 positions down for two years. The most significant contribution to the worsening of the general situation in the region was made by the reduction of the number of indicators of the trade and economic relations strength.

The stably low institutional support level had also a negative impact on the integral index of the progress in the European Integration. The best regional indicators were a volume of money remittances of individuals from the EU to the region, share of direct investments coming from the region to the economy of the EU countries, number of economic entities gained a right for exporting food livestock products to the EU countries, number of events on the economic matters of implementation of the Association Agreement.

General results. Odessa Region was gradually losing its positions in the rating of the European Integration Progress during 2014-2016 in view of the general growth of the European Integration Progress Index: in 2014 – 11th place (index value – 0.2884), in 2015 – 14th place (0.3214), in 2016 – 18th place (0.3045). The latter shows a low progress of the European Integration in comparison with the speed of a corresponding progress in other regions of Ukraine.

The most significant contribution to the worsening of the general situation in the region was made by the Sub-Index of trade and economic relations strength (7th place in the rating in 2014 and 11th – in 2016) in view of a relatively steadfast position of the sub-index of institutional support of the progress in the European Integration. But it should be pointed out that according to this indicator Odessa Region had almost the lowest rating position (between the 22nd and 23rd) among all the regions. In other words, the general worsening was exclusively caused by lowering the trade and economic relations strength. It is conceivable that, in addition to the really “arithmetic” effect of the stably low level of institutional support, its absence had the greatest impact on the general economic situation, i.e. the first integral index component.

Strength of trade and economic relations.

The best indicators in 2016 were:

1.16. Indicator of money remittances of individuals from the EU to the region” (1st place with the value of 18.37 %),

1.14. Share of direct investments coming from the region to the economy of the EU countries in the general volume of investments made from the region” (2nd place, 94.92 %) and 1.11 concerning the right of export of food livestock products to the EU countries that was obtained by 4 food, beverage and tobacco production enterprises.

The worst indicators in 2016 were:

1.12. Number of approved (entitled) exporters in relation to the overall number of exporters of goods” – the region took the 23rd place.

The region took the 22nd place under the following indicators: “1.1 Export ratio of goods to the EU countries in the total volume of export of goods from the region” (25.33 %), “1.2 Import ratio of goods from the EU countries in the total volume of import of goods to the region” (27.29 %) and “1.6 Annual average speed of growth of import to the region from the EU countries (for the last three years)” (72.17 %).

The region had the small volumes of goods export to the EU countries in relation to the overall volumes. The import volumes were also low amid the relatively moderate speed of the latter growing. It can be explained by the worsening of the general economic situation due to the annexation of Crimea and military conflict in Donbas, which had the devastating consequences for the maritime trade (namely for ferrous export, raw materials import for corresponding industries).

Institutional support. The best indicator of the region in 2016 was “2.7 Number of measures in the economic matters of implementation of the Ukraine-European Union Association Agreement, which were arranged and carried out by the government authorities in relation to the number of positions of public officers of the public administration” (3rd place; number of measures made 13).

The following indicators had a zero value:

2.6. Specific volume of financing in the frame of the EU technical assistance in the region;

2.9. Number of concluded agreements for bilateral cooperation in the matter of developing the rural green tourism between the region and corresponding administrative territorial units of states-members of the EU in relation to the number of the present region population;

2.10. Number of training trips concerning the rural green tourism to the states-members of the EU, which were arranged by the regional public administrations, in relation to the number of the present population;

2.11. Number of trainings, corresponding conferences, round tables, seminars for the rural population with the assistance of the EU experts, which were arranged and carried out by the Regional Public Administration, in relation to the number of the present rural population of the region;

2.13. Number of presentations of the economic and investment potential of the region held at the EU agencies and structures, in relation to the number of enterprises in the region;

2.5. Number of projects as a part of the European neighbourhood instrument and other EU programs available for Ukraine, implemented in the region in relation to the number of population of the region.

Assessment of actions of the regional government authorities on implementing Decree No 847-p of the Committee of Ministers of Ukraine dated 17.09.2014. As for the general assessment of actions of the regional government authorities on implementing “economic” points of Decree No 847-p of the Committee of Ministers of Ukraine dated 17.09.2014 “On implementation of the Ukraine-European Union Association Agreement” in 2014, 2015 and 2016, this activity can generally be assessed as quite average. First of all, there is a lack of any system reflected in the absence of an Action Plan for implementing specific provisions of the Agreement at the local level (the corresponding information has been absent on the website of the Regional Public Administration since 2015). The action plan of the Chief of the Regional Public Administration has recently been published, and plans of social and economic development of the region comprise the particular provisions about the stimulation of the European Integration of Odessa Region by intensifying the trade, developing a relevant transport and another infrastructure, assisting in the cross-border collaboration. But, the said documents do not contain any direct references to the text of the Ukraine-European Union Association Agreement. Correspondingly, it is embodied in quite sporadic efforts in all the directions of collaboration.

The performed analysis shows the insufficient use of the potential of the European Integration of Odessa Region and many existing disproportions in the substantial components of this system process. Among the most important disproportions is the absence of institutional support of the European Integration that negatively influences either SIP, which is quintessence and generalisation of this support, or efficiency according to the true economic components of the Sub-Index of trade and economic relations strength. The second disproportion is financialisation of the economic relationships of Odessa Region and the EU as well as import substitution. Additional asymmetry of the relevant flows is clearly shown through the example of the following indicators: number of remittances from the EU, percentage of cumulative investments of non-residents in the region and so forth. The performed analysis just confirms the general conclusions about the state of the reforms in the area of the Odessa Region Progress in the European Integration. From this perspective, the following lines of activity may be suggested as recommendations for increasing the regional rating according to the European Integration Progress Index.

3. RESULTS AND DISCUSSION

The progress in the integration of Ukraine to the European association goes on. This process cannot be studied in a simplified manner, i.e. in one plane (economic, political or cultural). It is complex in itself, and its consequences have a varied nature. These consequences may have either a positive or negative nature. By applying the method of scenario analysis in the most general terms, the European Integration effects for the economy of Ukraine is generally shown in Figure. 4. (Tarasiuk, 2013, pp. 19-26; Marmazov and Pilyayev, 2013, pp. 36-41; Draskovic, V. and Draskovic, M., 2012, p. 119-136).

Figure 4. Determination of the European Integration effects for the Ukrainian economy



Source: compiled by the author

The influence of the European Integration process on the economic security of Ukraine should be studied by stages. At the first stage, it is necessary to study how the European Integration will influence the national economy, its state and processes, which significantly affect the economic health of national enterprises. For analysing the European Integration influence on the economic security of Ukraine, we should apply the scenario method that makes it possible to determine the most probable scenarios.

The economic security is considered within the protecting approach. So, at the second stage, one should study what threats to the economic security each of the Ukrainian economy changes scenarios has as a result of the European Integration processes. Formation of such scenarios is possible (Table 1 - Three scenarios for the development of Ukraine-EU relations after the elections, 2012; Yermolaiev et al., 2012, pp. 111-117; Elements of the EU strategy for Ukraine (Czech view: Policy statement), 2013 pp. 67-74).

The scenario names definitely show their content. Indeed, the given scenarios do not cover all the possible points, and the given list of scenarios cannot be deemed as closed, in other words, as finally-formed. The given list of scenarios likely shows capabilities of the scenario method to determine changes in the Ukrainian economy due to the European Integration processes.

Table 2. Ukrainian economy changes scenarios as the result of the European Integration effect

<i>Scenario name</i>	<i>Preview</i>
1. Takeover of the national economy by transnational companies	Transnational companies have a leading position in the Ukrainian economy thanks to merge and acquisition operations. The most attractive economy sectors are beyond the government control and pass to the possession of transnational companies on the right of ownership.
2. National economy development	All the segments of the national economy significantly grow qualitatively and quantitatively due to the inflow of investments, new technologies, coming to new markets. GNP increases.
3. Sea of investments	Large volumes of foreign investments have a revitalising effect on the national economy, which allows improving its condition through the openness of new markets and access to new resources.
4. Intervention and allocation	Competitive intervention of foreign manufacturers goes at the Ukrainian market, as a result of which is reduction of the share of national manufacturers. At the same time, the access of the Ukrainian manufacturers to foreign markets is limited to the allocation mechanism application.
5. Specialisation	Just certain segments and sectors of the national economy will be able to gain traction due to the international specialization of labour and available competitive advantages. Stagnation will be in other segments due to the domination of foreign manufacturers.
6. Tariff deficit	Prices of a large number of goods increase due to the price equalization in the Ukrainian and foreign markets. Commodities, prices of which are higher in overseas markets than in the Ukrainian market, are exported, which may cause the commodity shortage in the national market.
7. Agrarian development of the national economy	Serious development due to new technologies and publicity of new markets of the agrarian sector of the Ukrainian economy. Other segments of the national economy grow slowly and gradually stagnate.
8. Skilled personnel deficiency	A large number of skilled professionals leaves the Ukrainian labour market due to the simplified employment abroad, as a result of which national enterprises start feeling the skilled personnel deficiency.
9. No significant change	Serious changes will never happen in the Ukrainian economy on the institutional grounds despite the access to new resources and opportunities. Cases of successful entrance of national companies to the overseas markets and successful partnership with foreign manufacturers stay single.

(source: compiled by the author)

Each scenario provided in Table 3 shall get a qualitative assessment. It is proposed to give it according to the following criteria:

- scenario desirability (on a scale from one to five, where 1 is exceptional undesirability and threat to the national economy, and 5 is a positive nature and desirability of a scenario);
- probability of the scenario implementation (on a three-point quality scale: “high”, “average”, “low”);
- time of the scenario implementation.

The last criterion is chosen due to the fact that it takes some time to see the European Integration effects. So it is reasonable to study two timeframes – medium-term and long-term.

The description of the national economy changes scenarios according to the influence outcomes of the European Integration processes is presented in Table 2.

It is obvious that the scenarios shown in Table 3 cannot be implemented simultaneously. Dividing the scenarios according to the criteria “scenario implementation time” and “probability of the scenario implementation” makes it possible to build a map of scenarios by applying the arc method (Figure. 5).

Table 3. Assessment of the Ukrainian economy changes scenarios as a result of the processes of the European Integration

Scenario name	Scenario desirability	Probability of the scenario implementation	Scenario implementation time
1. Takeover of the national economy by transnational companies	2	Average	Long-term
2. National economy prosperity	5	Low	Long-term
3. Sea of investments	4	Average	Medium-term
4. Intervention and allocation	1	Average	Medium-term
5. Specialisation	3	Average	Long-term
6. Commodity shortage	2	Low	Medium-term
7. Agrarian development of the national economy	2	Average	Long-term
8. Skilled personnel deficiency	1	Low	Medium-term
9. No significant change	2	High	Long-term

Figure 5 represents two timeframes: medium-term and long-term. The arrow type shows the probability of moving from a present time point or scenario to another scenario: a full line shows a high probability of moving; stipples show an average probability; dots show a low probability. The scenarios numeration corresponds to Table 2 and 3.

Figure. 5. Scenario timeframes of the Ukrainian economic development as the result of the European Integration effect

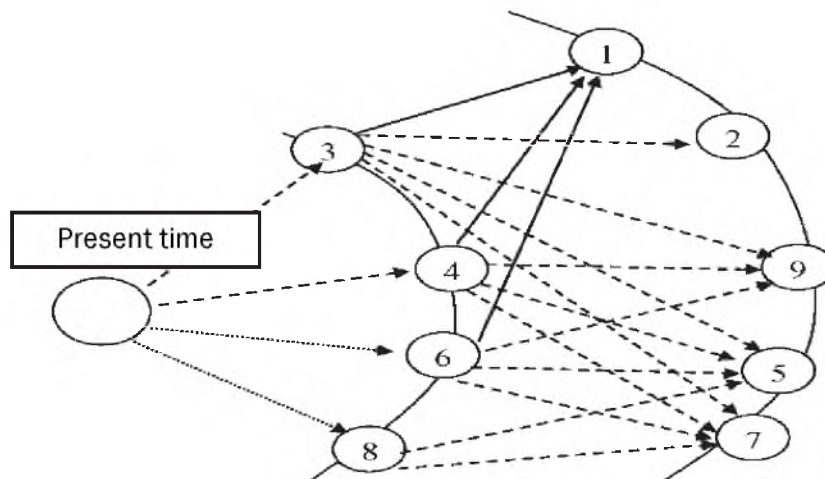


Figure 5 graphically represents the connection of the national economy change scenarios as the result of the European Integration effect. It affords ground for the following conclusions.

- In the medium-term period, just one scenario should be considered of four studied – Sea of investments: it will be favourable for national companies. Other scenarios, though some of them are hardly probable, can bring challenges to national companies, including the economic security assurance.
- In the long-term period, despite the positive consequences for the national economy as a result of the European Integration, the scenario of takeover of the national economy by foreign transnational companies is quite probable. This scenario is ominous for the economic security of enterprises that become uninteresting for transnational companies.
- The scenario of national economy prosperity is only possible providing the prior implementation of the scenario Sea of Investments, which stipulates a large number of foreign investments coming to Ukraine. But foreign investments are always targeted, i.e. funds are contributed to the enterprises selected according to the certain criteria by investors. If an enterprise does not comply with criteria of foreign investors, then it will not get such investments, what negatively affects its economic health.
- Other medium-term scenarios do not make it possible to get on the path of stable development of the national economy and economic security.
- The long-term period has got the scenario uncertainty as the connection between the scenarios with the long-term and medium-term implementation time is very close and completely uncertain at once.
- Among all the scenarios, the scenario of national economy specialisation due to the international specialisation of labour is probable. A kind of this scenario is the Ukrainian economy agrarian development, which is to influence negatively the economic health of enterprises with other types of economic activity, which are not directly or indirectly related to agriculture.
- The scenario of no significant change in the national economy is probable despite all the processes of the European Integration of Ukraine. The framework of this scenario is established nowadays in some ways by the government actions – absence of real reforms, effective fight against corruption and political stability.

The given scenarios of changes in the national economy as the result of the European Integration effect may be interesting for study. It is especially important to study the problem of influence on the economic security, health of companies.

CONCLUSIONS

The carried out research allows us to choose tools that can be applied for measuring the economic reforms progress in the context of the European Integration and determining trends of the national economic security activation in general and separately in the regions. For measuring the integral index (European Integration Progress Index), it is suggested applying the geometrical mean method. The efficiency of the regional progress in the European Integration depends on the efficiency of the reforms in trend I: Trade and trade-related matters, from one side, and on the efficiency of the reforms in trend II: Economic and sectoral collaboration, from the other side. Each of them comprises corresponding groups of indicators showing the prioritised reform areas. For their description, there were some statistical indicators selected, the information of which is public. For trend I, it was possible to make an assessment in 6 groups, among which is as follows: 1.1. Commodity trade; 1.2. Sanitary and phytosanitary measures; 1.3. Trade in services and investments; 1.4. Intellectual property; 1.5. Simplification of customs procedures and trade promotion; 1.6. Regulation transparency. For trend II, the available information allowed distinguishing 11 reform blocs, among which is as follows: 2.1. Collaboration in the energy area; 2.2. State internal financial control; 2.3. Transport; 2.4. Environment; 2.5. Industrial policy; 2.6. Financial services; 2.7. Infor-

mation society; 2.8. Tourism; 2.9. Agriculture; 2.10. Science, technologies and innovations; 2.11. Collaboration in the matter of civil society. The promising area of further studies is comparative analysis of integral indexes of the progress of regions in the European Integration, values of their interim indexes in the main reform areas.

From this perspective, the following conclusions can be made:

- the European Integration is an objective process going at the national economy level, and particular enterprises cannot have a significant influence on it;
- the European Integration as an objective process has got a number of consequences for all the spheres of life in Ukraine;
- the European Integration effects form either opportunities or threats to national companies;
- coping with or neutralising threats to the economic security of national enterprises due to the European Integration opens new opportunities for us, reinforces their positions (also in markets), and threat activities conversely weaken them;
- the European Integration processes for the Ukrainian economy may develop under the given interrelated scenarios as assessed according to the suggested criteria;
- for each of the given scenarios of changes in the national economy as the result of the European Integration effect, the consequences of implementation are determined, which may affect the economic security of Ukraine.

The results of analysing every national economy changes scenario as the result of the European Integration effect are interesting either in terms of establishing perspectives of the national economy while coming from one scenario to another one, or in terms of the economic security assurance for national enterprises according to the results of identifying a practically actualised scenario. The areas of further studies of the European Integration influence on the economic security is quantification of this influence, assessment of probable change of certain scenarios, study of triggers of this change and adaptation of economic agents of various levels, either the national economy in general, or particular enterprises before the effects of the European Integration.

According to the results of measurement of the European Integration Progress Index of Odessa Region, the following suggestions are made.

To the Head of the Odessa Public Administration: to initiate the process of designing a regional plan of measures for implementing the Ukraine-European Union Association Agreement, which takes into account the regional specifics and needs, and to insert therein measures targeted at the institutional support of the European Economic Integration, namely: collaboration in the matter of development of the rural green tourism between the region and relevant administrative territorial units of states-members of the EU, training trips concerning the rural green tourism to the states-members of the EU, presentations of the economic and investment potential of the region held at the EU agencies and structures, events for the rural population with the involvement of the EU experts.

To the Department of Economic Policy and Strategic Planning, and Department of Investments, International and Interregional Collaboration of the Odessa Regional Public Administration: to initiate consultations with business representatives about possible directions of diversification of the international commodity and services trading for the purpose of overcoming negative consequences of the worsened general economic situation in the country and destruction of sea export-import channels; to design a system strategy of presentation of the Odessa regional economic potential capacity at the EU structures and at relevant Internet portals.

To the Department of Economic Policy and Strategic Planning of the Odessa Regional Public Administration: to take measures on stimulating the small and medium-sized businesses, inclusively due to the money transfers and collaboration development in the Black Sea region. To the Department of Investments, International and Interregional Collaboration of the Odessa Regional Public Administration: to activate operations on joining the programs financed by the EU, stimulat-

ing the cross-border cooperation in the real sector, holding information campaign in this regard.

To the NGOs of Odessa Region: to place greater focus on fighting against the government inadequate performance as regards adapting an action plan on implementing the Ukraine-European Union Association Agreement at the regional level.

In a climate of the European Integration, the economic security system shall protect from a negative influence of external and internal threats, destabilising factors, and assist in pursuing interests of owners, employees, partners of companies and other parties concerned.

REFERENCES

- Avanasova, N. E. (2016), "Economic security of Ukraine in the system of economic security of the European Union", *Bulletin of the Economy of Transport and Industry*, No. 56, pp. 74-82 (in Ukrainian).
- Contract - legal cooperation Ukraine - EU (2013), The Delegation of Ukraine to the European Union, the Verkhovna Rada of Ukraine, Committee on European Integration, 27.02.2013. Retrieved from: http://comeuroint.rada.gov.ua/komevoint/control/uk/publish/article;jsessionid=653A3AA11F0E0A3ED760591CBC45D1A8?art_id=55176&cat_id=47123. (in Ukrainian).
- Draskovic, V., Draskovic, M. (2012), "Institutional Nihilism as a Basis for Anti-Development Policy", *Montenegrin Journal of Economics*, Vol. 8, No. 1, pp. 119-136.
- Derij, Zh., Zosymenko, T. (2016), "Methodology for Assessing the Progress of Economic Reforms: Regional Dimension of European Integration", *Problemy i perspektyvy ekonomiky ta upravlinnia [Problems and prospects of economy and management]*, Vol. 2, No. 6, pp. 9-17 (in Ukrainian).
- European integration* (2011), Business literature, Moscow (in Russian).
- Elements of the EU strategy for Ukraine (Czech view: Policy statement) (2013), "Institutional Reforms in the EU", *Analytical Quarterly*, No. 4, pp. 67-74, (in Ukrainian).
- Hluschenko, O. O., Tulenina, D. M. (2016), "Influence of Eurointegration on the economic security of domestic enterprises. Scientific herald of Mukachevo State University", *Series Economics*, No. 195, pp. 112-119 Retrieved from: http://nbuv.gov.ua/UJRN/nvmdue_2016_1_20 (in Ukrainian).
- Honcharenko, O. M., Bohatyrenko, A. O., Bakal, K. V., Vynokurova, A. I., Halimuk, B. O., Hejderova, K. T. (2017), *Problems and prospects of European integration of Ukraine*. Retrieved from; <http://jrn1.nau.edu.ua/index.php/IMV/article/viewFile/5915/6665> (in Ukrainian).
- Ivankiv, O. Ya. (2015), "The essence of the system of economic security of the enterprise and the conditions of European integration", *Scientific Herald of the International Humanitarian University Series: Economics and Management*, No. 11, pp. 109-112 (in Ukrainian).
- Kaynak, M. (2011), *Economic Growth Theories*, Gazi Publishing, Ankara (in Turkey).
- Koriavets', M. (2017), *Index of European Integration Economic Advancement in Ukraine, Report. Chernihiv: Polissya Foundation for International and Regional Studies*, Retrieved from: <http://pfirs.org/produkti/book/59-indeks-evointegratsijnogo-ekonomichnogo-postupu-regioniv-ukrajini/3-produkti.html> (in Ukrainian).
- Kozachenko, H., Adamenko, T. (2015), "Economic security of an enterprise: an analysis of existing definitions", *Scientific Herald Poltava University of Economics and Trade*, Vol. 1, No. 69, pp. 90-95 (in Ukrainian).
- Korobov, V. K. (2016), "The Index of Eurointegration Economic Progress of the Regions of Ukraine in the Course of Regional Studies", *Scientific Bulletin of the Kherson State University. Series geographic sciences*, No. 4, pp. 22-26 (in Ukrainian).
- Marmazov, V., Pilyayev, I. (2013), "With a road map on the way to the EU", *Politics and time*, No. 11, pp. 36-41 (in Ukrainian).

- Pogorelov, Yu. S., Adamenko, T. (2015), "Problems of forming a methodological basis of the science of economic security of the enterprise", *New Economy*, Vol. 2, No. 66, pp. 173-181 (in Russian).
- Association Agreements between Ukraine and the EU to prepare and facilitate the implementation of the Association Agreement dated March 16, 2015. [Web-portal of Ukrainian Government]. Retrieved from http://www.kmu.gov.ua/kmu/control/en/publish/article?art_id=248542569&cat_id=248542039.
- Pryimak, V. I. (2009), *Mathematical methods of economic analysis*, Center for Study Literature, Kyev (in Ukrainian).
- Tarasiuk, B. (2013), "Ukraine-EU: Priorities, Problems, Prospects. EU-Ukraine Cooperation", *Analytical Quarterly*, No. 3, pp. 19-26 (in Ukrainian).
- Three scenarios for the development of Ukraine-EU relations after the elections* (2012), Retrieved from: http://iwp.org.ua/img/tri_czenari_ukr.pdf (in Ukrainian).
- The Association Agenda between Ukraine and the EU to prepare and facilitate the implementation of the Association Agreement of 16.03.2015*. Retrieved from: http://www.kmu.gov.ua/control/uk/publish/article%3fshowHidden=1&art_id=243281941&cat_id=223345338&ctime=1266423569791. (in Ukrainian).
- Association Agreement between the European Union its Member States, of the one part, and Ukraine, of the other part* 27.06.2014. Official web portal of Verkhovna Rada Ukraine. Retrieved from http://zakon4.rada.gov.ua/laws/show/984_011/paran2820#n2820. (in Ukrainian).
- Venice Commission to publish conclusions on changes to the Constitution in the part of the system of judicial system* in June 921.05.2013. Retrieved from: http://www.ukrinform.ua/ukr/news/venetsianska_komisiya_oprilyudnit_visnovki_shchodo_zmin_do_konstitutsiii_v_chastini_sistemi_sudoustroyu_u_chervni_182875 (in Ukrainian).
- Yliashenko, E. V. (2015), "Economic security of the enterprise: the content of the concept", *L'AsocTatTon 1901 «SEPIKE»*, No. 11, pp. 162-168 (in Ukrainian).
- Yermolaiev, A. V., Parakhons'kyj, B. O., Yavors'ka, H. M., Reznikova, O. O. [ta in.] (2012), *European project and Ukraine*, NISD, Kiev (in Ukrainian).
- Zubok, M. I. (2012), *Economic security of entrepreneurs: a manual*, Beam, Kiev (in Ukrainian).