

ECONOMIC SECURITY OF THE STATE IN TERMS OF DIGITALIZATION

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Due to the growing instability and the number of threats in today's world, the problem of security is extremely relevant nowadays. In these conditions, the state, regions and enterprises are faced with the need for fundamentally new approaches to economic security.

In general, economic security means a qualitative characteristic of the economic system that determines its ability to maintain normal conditions of the efficiency of the system, its development within the goals of the system, and that in cases of various threats (external and internal) the system is able to resist them and restore its efficiency [1].

It's important to stress that the main functional components of economic security are the following ones: financial, investment-innovative, intellectual, employee, technological, political and legal, environmental and informational. The state of economic security of the country involves the creation of the necessary conditions for innovative economic development, provided that one of the components of this process is the digitalization of the economy.

The development of the Internet environment, mobile communications, and online services is a basic tool for shaping the digital economy. Digitalization as a social phenomenon spread in the second half of the twentieth century and has the following characteristics: all types of content go from analog to digital and thus

become mobile and personal; there are transition to simple controlled communication technologies and transition to a network structure of communication put into practice.

The main drivers of technification and digitalization of financial and economic processes are the powerful development of electronic computers and mobile devices, which allows to increase the speed of data processing and gain permanent access to financial services; increasing of investments in the development of fintech innovations; growth of e-commerce; improving the financial inclusion of the population; liberal and stimulating policy of regulatory financial bodies in the field of development of innovative financial technologies, etc. [2].

Nowadays, the financial technologies (fintech) are considered as a dynamically developing segment. Apart from that the main advanced technologies are artificial intelligence, blockchain, Big Data, cloud technologies, Internet of Things (IoT), automation of robotic processes, biometric technologies, virtual reality technologies and more.

The development of digitalization generates both positive and destructive factors that affect the economic security of the state. Thus, the main advantages of digitalization that have a positive impact on the economic security of the state include the use of computer technology as well as usage of software and hardware; introduction of innovations in business processes; operation of large arrays of information data; ensuring information protection; inflow of new investments; increasing of labor productivity; customer focus; speed and efficiency of any operations, etc. [3].

However, along with the development of the digital economy, there are also new threats that can have a destructive impact on the functioning of various economic entities. Thus, one of the key threats to digitalization is the increase in the frequency and escalation of cyber frauds, which has negative consequences for

the stable functioning of financial service providers and their consumers, namely: loss of information, lack of access to it, unauthorized interference in corporate information systems, customer information, etc. [2]. In addition, the fraudulent actions of cybercriminals result in reputational losses to financial institutions and a decline in public confidence in the security and reliability of financial transactions involving both a particular financial institution and the financial system as a whole. In particular, during the pandemic, the number of cybersecurity violations among FinTech companies increased by an average of 17% [4].

Therefore, to ensure the economic security of the state, it is reasonable to constantly monitor the existing threats in the process of digitalization of the economy and define ways for overcoming them, which, in turn, will contribute to the effective socio-economic development of the state.

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