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Poltava State Agrarian Academy

**SECURITY OF THE XXI CENTURY:  
NATIONAL AND GEOPOLITICAL ASPECTS**

Collective monograph

In edition I. Markina, Doctor of Sciences (Economics), Professor



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## PREFACE

In the early 21st century, the world faces with cardinal transformations accompanied by changes in geopolitical configurations, integration processes and other changes that affect the state of national and geopolitical security. The events of the last decade have revealed an exacerbation of the problems of global security and the ambiguous impact of the processes of globalization on the development of different countries. Under the circumstances, the rivalry between the leading countries for redistribution of spheres of influence is stirring up and the threat of the use of force methods in sorting out differences between them is increasing. The global escalation of terrorism has become real, the flow of illegal migration and the probability of the emergence of new nuclear states are steadily increasing, and international organized crime is becoming a threat. In addition, in many countries there is an exacerbation of socio-political and socio-economic problems that are transforming into armed conflicts, the escalation of which is a real threat to international peace and stability. These and other factors have led to the fact that the potential of threats to global and national security has reached a level where, without developing a system state policy to protect national interests and appropriate mechanisms of its implementation, there may be a question of the existence of individual countries as sovereign states.

The threat of danger is an immanent, integral component of the process of civilization advancement, which has its stages, parameters and specific nature. Obviously, the problem of security in general, and national one in particular, should be objectively considered in terms of its role participation in the development process, that is, to set it up as both destructive and constructive functions (as regards the latter, it is necessary to emphasize the undeniable fact that the phenomenon of safety is based on counteraction to the phenomena of danger, the necessity of protection from which exactly stimulates the process of accelerating the search for effective mechanisms of counteraction).

The formation of new integration economic relations in Ukraine and the intensification of competition objectively force managers of all levels to change radically the spectrum of views on the processes of formation and implementation of the security management system in unstable external environment that is hard to predict. Today, the main task is to adapt not to changes in market conditions of operation, but to the speed of these changes. In this regard, there is a need to develop effective security management mechanisms that are capable of responding adequately and in due time to changes both in the internal and external environment. Therefore, this problem is being paid more attention in theoretical research works of scientists and practical activity of business entities.

Taking into account the fact that the traditional means of national and geopolitical security as a mechanism in its various models, forms, systems have reached their limits, since they do not contribute to solving the problems of globalization of the

civilization development, there is an objective need to form a paradigm of security management in the 21st century, which aims to confront destruction processes; to harmonize activities of socio-economic systems: society, organization, the state, the world. The joint monograph “The Security of the 21st Century: National and Geopolitical Aspects” is devoted to these and other problems. The progress in the development of the theory of security management on the basis of the analysis of theoretical and methodological works of scientists and the experience of skilled workers presented in the joint monograph creates opportunities for the practical use of the accumulated experience, and their implementation should become the basis for choosing the focus for further research aimed at improving the security management system at the national and international levels. In the joint monograph, considerable attention is paid to solving practical problems connected with the formation of the organizational and legal mechanism of organization of the security system in terms of globalization by developing methods, principles, levers and tools of management taking into account modern scientific approaches.

In the monograph, the research results and scientific viewpoints of the authors of different countries are presented in connection with the following aspects of security management: national security, food, environmental and biological security, economic and financial security, social security, personnel and education security, technological and energy security, information and cyber security, geopolitical security.

The authors have performed a very wide range of tasks – from the formation of conceptual principles of security management at the micro, macro and world levels to the applied aspects of management of individual components of national security.

The monograph “The Security of the 21st Century: National and Geopolitical Aspects” consists of five parts and 70 subparts, each of which is a logical consideration of the common problem.

The structure of the monograph, namely the presence of particular parts, helps to focus on the conceptual issues of the formation and development of national, economic, financial, social, food, environmental, biological, personnel, educational, technological, energy, information, geopolitical security, and problems of the maintenance of the practical process of application of the developed cases.

The joint monograph is prepared in the context of three research topics: “National security management in terms of globalization challenges: macro, micro, regional and industry levels” (State registration number 0118U005209); “Macroeconomic planning and management of the higher education system of Ukraine: philosophy and methodology” (State registration number 117U002531); “Business security: national and global aspects” (Protocol 2-19 of January 30, 2019, Information Systems Management University, Latvia), which emphasizes not only scientific but also practical focus.

The results of the research works presented in the joint monograph have a research and practice value.

The advantage of the joint monograph is the system and logic of the structure, the simplicity and accessibility of the material presentation, the presence of examples and illustrations.

We believe that the monograph will become one more step towards a scientific solution of the problems concerning the formation of an effective system of security management under trying circumstances of globalization.

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## **HEALTH CARE AS AN INTEGRAL ELEMENT OF THE NATIONAL SECURITY**

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Issues of ensuring international and national security as the basis for functioning and developing the processes of the effective public administration have come to the forefront in the beginning of the 21st century. System of the national security is a complex multi-layered socioeconomic system based in accordance with the objective and subjective processes influenced by multiple external and internal factors.

System of the national security is a set of state institutions and non-governmental organizations, which operate in the field of protection human rights and freedoms, basic societal goals against external and internal security threats and also corresponding sub-system of state legislation and non-governmental organizations' normative documents [3, p. 328].

In accordance with the Law of Ukraine "On fundamentals of national security" [1], national security is protection of state sovereignty, territorial integrity, democratic constitutional order and other national interests of Ukraine from real and potential threats. These measures have to ensure the constant state development.

Existing practice shows, that in regard to the ensuring the national and human security, man-made, natural and socio-political sources of a national security threats are viewed. But the issues of human security are much wider and should include the issues of functioning healthcare sector.

Development of the healthcare system directly impacts on the main indicators of life. Thus, the healthcare sector has to be considered as the strategic one, taking into account state economic potential, priorities of the social politics, ensuring the sustainable development and functioning of the State in the conditions of



globalization and integrative processes.

But the problem is that in Ukraine the crisis of healthcare system and social protection of population, and, as a result insecure deterioration in health of the population, spread of drug addiction, alcoholism and social illnesses are not considered under the main real treats to Ukrainian security, society's stability in the social and humanitarian sphere.

Economic security of the State is considered as the main element of the national security of any country. It consists of the industrial, demographic, energy, external economic, innovative and investment, macroeconomic, food, social and financial securities [2].

Demographic and social securities are particularly important in terms of our research. In accordance with [2]:

- Demographic security is defined as protection of the State, society and labour market from demographic threats, that allows Ukrainian sustainable development considering a set of balanced demographic interests of the State, society and personality in response to the constitutional rights of Ukrainian citizens.

- Social security is defined as protection of the State that allows it to ensure proper quality of life, regardless of age, gender, income level, and to contribute to the development of human capital as the most important part of the state economic potential.

Thus, the State's population is the main element of the demographic and social securities, and their main indicator is public health. In this way, we can make the causal chain: health care is one of the fundamental elements in the structure of economic security (as the important element of national and local social infrastructure), which, in turn, forms the national security's system [4, p. 25-27].

In that case it seems interesting the position of L. Shevchenko, Ukrainian researcher, who attributes the security of human development to the State's economic security. This concept is not directly codified in the law, but is viewed as a derivative of the demographic and social securities. He emphasizes that the main spheres of the security of human development are (a) demographic, including vital security; (b) educational security; (c) employment security, including industrial one; (d) security of material well-being.

Interesting one for us is a concept of vital security. Vital security of the society and the State is guaranteed by the ability of the healthcare sector to ensure the realization of human rights to life and health, medical care and health insurance, to eliminate the dangers, which can treat the human life and health, to function sustainably under any unfavorable conditions, and also by the ability of the State to protect the national interests in healthcare sphere from the potential treats [7, p. 139, 145].

Another Ukrainian researcher, V. Pashkov, in his scientific works has viewed the concept of vital security as an integral element of national security. He defines this concept as a security of citizens' life and health and emphasizes that vital security

as an object of legal economic order can be a recipe for the effective functioning of healthcare system. Moreover, he states, that the issue of vital security as an integral element of the national security grows beyond the bounds of legal and operational frameworks and obtain the constitutional and legal political importance. Thus, the main factors of ensuring vital security are (a) guaranteed provision of health care and high-quality medical services; (b) carrying out the efficient preventive activities; (c) state support for the pharmaceutical sector of health care; (d) state support for scientific and innovative activities of health care; (e) effective import control of the drugs and medical items; (f) control of the environmental soundness of the foodstuffs, potable water, air, which is related to establishment single monitoring body [5, p. 308].

V. Pashkov classifies the threats to vital security. Before outlining these threats, we have to emphasize, that development of economic and legal relations in the healthcare field, which are uncontrolled by the State, is itself an indicator of existence of destructive tendencies in the state. Crisis of Ukrainian healthcare sector considerable complicates the solution of the tasks, related to addressing the treats to vital security.

Structure of security threats in the healthcare sector are the following:

- 1) insufficient level of funding available to the healthcare sector and related to this, threat of losing the scientific, human and intellectual capital of the healthcare sector;
- 2) collapse of industrial innovative production and related to this, increasing dependence on imports of drugs, medical items and knowledge-intensive products;
- 3) growth of shadow economy in healthcare sector and related to this, threats of adulterated medicines' turnover increase;
- 4) low efficiency level of state regulation in healthcare sector.

But the most common security threats are the natural hazards and ecological ones. Nevertheless, we have to emphasize, that a list of threats to vital security is wider. Thus, the Law of Ukraine "On fundamentals of national security" distinguishes security threats, involving a broader range, among which we can highlight the following system of threats, relevant to vital security:

I. Threats of inner political issues:

- a) structural and functional imbalance of political system and inability of its separate elements to respond quickly to security threats.

II. Economic threats:

- a) significant decrease of GDP, investment and innovative activity, scientific, technical and technological potential, research activity in the strategically important directions of State's innovative development;
- b) weakening of the system of state regulation and control in the economic sphere;
- c) critical condition of main productive capacities of enterprises of leading industrial spheres (e.g. agribusiness, life-support system and so on);
- d) critical dependency of the national economy on the external markets'

conjecture and low paces of expanding domestic markets;

e) rapid paces of shadow processes of national economy.

III. Social and humanitarian threats:

a) discrepancy between the state economy's reformation programs and results of their realization and defined social priorities;

b) crisis of national healthcare system and social protection of population, and as a result, dangerous declining health, spread of drug addiction, alcoholism and social illnesses;

c) escalation of demographic crisis.

IV. Scientific and technical threats:

a) increasing scientific and technical gap with developed countries;

b) inefficient state innovative policy and stimulation mechanisms of innovative activity;

c) low competitiveness of the national products;

d) underdevelopment of the domestic market of high-technological products and lack of its efficient protection against the international technological expansion.

V. Ecological treats:

a) insurmountable socioeconomic consequences of the Chernobyl disaster;

b) deteriorating ecological conditions of water basins, growing problem of cross-border pollution and decline of water quality;

c) uncontrolled import into Ukraine of the environmentally detrimental technologies, substances, materials, transgenic plants, animals, species and derivations, which are dangerous for people;

d) increasing harmful genetic impact in the populations of living organisms, such as genetically modified organisms and biotechnologies.

VI. Informational threats:

a) media distribution of the cult of violence, cruelty and pornographer.

Indeed, systematization of the security threats directions forms their separate direction, such as vital security, which obliges healthcare system to meet the requirement of the modern society [6].

Thus, we can state, that health care is a key element of the social sphere and is of a great essence for the national economic security as a determining factor of life quality and quality of human capital.

Our research is directed on the analysis of the modern healthcare system and the logic of this study is argued above. In this regard, we have to research the development level of Ukrainian healthcare sector.

National healthcare sector has been functioning in the crisis conditions since 1990s. Following indicators, presented in Table 1, are confirmation of this.

Data of the above presented table confirms our statement that Ukrainian healthcare sector is in crisis: all the indicators show negative trends. Thus, reasonable and rational investment in the healthcare system arises from the need to ensure society's social needs, but also to ensure national economic security.

Table 1

## Main indicators of Ukrainian healthcare sector for the period 1990-2017

Indicator	Year						Ratio of 2017 to 1990, %	Absolute increase of 2017 to 1990
	1990	2013	2014*	2015*	2016*	2017*		
1. Expenditures on health care in accordance to GDP, %	...	4,2	3,6	3,6	3,2	3,4	-	-
2. Total mortality rate	12,1	14,6	14,7	14,9	14,7	14,5	119,8 (+19,83 %)	2,4
3. Total fertility rate	1,85	1,51	1,50	1,51	1,47	1,37	74,05 (-25,95%)	-0,48
4. Natural population growth	0,5	-3,5	-3,9	-4,2	-4,4	-5,1	-	-
5. Number of health facilities, thousand	3,9	2,2	1,8	1,8	1,7	1,7	43,59 (-56,41%)	-2,2
6. Number of out-patient polyclinic establishments, thousand	6,9	10,8	9,8	10,0	10,2	10,4	150,7 (+50,7%)	3,5
7. Number of independent dental clinics	311	252	198	197	197	197	63,34 (-36,66%)	-114
8. Number of medical facilities, which have dental department	4782	2409	1782	1762	1690	1679	35,11 (-64,89%)	-3103
9. Number of physicians of all specialties:	227	217	186	186	187	186	81,93 (-18,07%)	-41,0
- overall, thousand	44,0	48,0	43,5	43,7	44,0	44,1	100,23 (+0,23%)	0,1
- per 10,000 population								
10. Number of nursing staff:								
- overall, thousand	607	441	379	372	367	360	59,31 (-40,69%)	-247
- per 10,000 population	117,5	97,4	88,6	87,3	86,5	85,4	72,68 (-27,32%)	-32,1

\* Excluding temporarily occupied territories of the Autonomous Republic of Crimea, Sevastopol, Donetsk and Luhansk regions.

Source: calculated on the basis [8].

Development of financial support system in healthcare sector is an integral part of state socioeconomic policy, directed on further development of national healthcare system and national economics by enhancing the quality of national human capital.

In view of foregoing, there is a need to develop and adopt the national doctrine of

social security as an integral element of the national one in order to ensure national vital security. Thus the government together with Ministry of Health of Ukraine has to develop and implement the national strategy for ensuring social security, including vital security. In this, the depth of the modern crisis of healthcare and a lot of threats reflect the necessity to focus attention on the next priorities:

- 1) to form the efficient financial mechanism in healthcare system, based on multi-channel funding;
- 2) to implement market-based mechanism in national healthcare sector;
- 3) to form the rational management system and efficient state regulation of healthcare sector;
- 4) to develop adequate motivation mechanism for medical staff, taking into account the current crisis of medical labour market;
- 5) to develop the rational mechanism of ensuring innovative medical, technical and technological activity focused on the advanced world technologies.

The effective resource allocation in healthcare sector is possible due to implementation of legal contractual arrangements, which could become a trigger for intensification of the series of management strategies, such as decentralization of medical facilities, hence their financial and managerial autonomization; improvement of work efficiency of health service providers; improvement of planning of healthcare sector's development and managing the process of health services provision; and so on.

Over recent years in Ukraine, according to the Ministry of Health of Ukraine, expenditures on health care have increased fourfold, but as we can monitor, without qualitative changes. Thus, today it is necessary to change conceptual approaches to healthcare sector's functioning through implementation of market-based mechanism in order to ensure national economic, social and vital securities.

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## **STATE REGULATION OF MARINE INSURANCE IN UKRAINE AS A NATIONAL SECURITY FACTOR**

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The development of Ukraine as a social and legal state implies proper implementation of the property rights and interests guaranteed by the Constitution of Ukraine, as well as ensuring the country's financial, economic and national security. In modern conditions, the main role among the mechanisms of protection of these rights and interests is played by insurance. In the presence of an efficient organization, this type of activity can ensure the stability and sustainable development of the domestic economy, its protection against various types of risks.

In the conditions of Ukraine's independence, decentralization of the insurance relations system took place, as a result of which the regulation of the main areas of insurance activity is carried out on private legal principles. Under these conditions, the state retains the role of regulator of insurance relations. According to M.V. Golikova the type of insurance, which requires the improvement of the mechanism of organization and regulation is marine insurance [3, p. 124-128].

As noted in the analytical report of the National Institute for Strategic Studies, Ukraine is a maritime state, based on its spatial and geophysical peculiarities, place and role in the global and regional systems of international relations. It gained this status owing to its geographical position with its exit to the ocean, the length of the sea borders and the area of the water area, as well as a significant contribution to the study of the oceans and the development of navigation [9, p. 3].

However, during the years of its state development, Ukraine has practically lost