

ECONOMICS

THE IMPACT OF EUROPEAN INTEGRATION ON THE ECONOMIC SECURITY OF BUSINESS IN UKRAINE

Olena Bogma,

Dr. Sc. (Economics), Professor,

Hanna Silakova,

Ph.D. (Economics), Associate Professor,

State University of Trade and Economics, Ukraine,

Oksana Vialets,

Ph.D. (Economics), Associate Professor,

Institute of Post-Diploma Training of

National University of Food Technologies, Ukraine

Annotation. *The article substantiates the relevance of studying the impact of European integration of Ukraine on the level of economic security of domestic enterprises as a central link in the country's economic system. The positive and negative consequences of the influence of the European integration process on the economic security of business in Ukraine are systematized. The main scenarios of the impact of the process of European integration of Ukraine on the economic security of its business are determined, their content is considered, the directions of positive and negative changes for the economic security of enterprises in the context of certain scenarios are established. The main internal and external factors that hinder the process of European integration of Ukraine have been identified.*

Keywords: *European integration, economic security of an enterprise, threat, business, opportunities, scenario.*

Formulation of the problem. In the current conditions of Ukrainian realities, domestic business operates in conditions of instability and uncertainty, which are exacerbated by the impact of the global covid 19 pandemic, the unstable political situation and a number of negative processes taking place in the national economy. The ongoing war with the Russian Federation and the imposition of martial law in Ukraine have maximized the level of unpredictability and risk in the conduct of business activities of enterprises in Ukraine, complicated the opportunities and worsened the prospects for their development.

The current state of affairs activates and actualizes the European integration of Ukraine, which will have decisive geopolitical and economic consequences both for Ukraine as a whole and for domestic business. In particular, it affects the possibilities of ensuring and strengthening economic security, which is a prerequisite for the existence of any enterprise. The above is connected with the fact that it is the ability of the enterprise to identify threats in a timely manner, prevent the consequences of their adverse effects, minimize the negative impact or adapt to it directly depends on the possibility of the

further existence of the enterprise, efficiency and success of its activities, which, in turn, is associated with ensuring the necessary and sufficient level of economic security.

Economic security is a state of security of the economic system and economic processes of the enterprise, which provides the ability to prevent the occurrence, minimize and overcome the consequences of internal and external threats, the ability to maximize effectively realize priority economic interests in the conditions of variability of the external business environment, using the available resource potential and sustainability reserves self-improvement [1, p. 74].

In such conditions, the study of the impact of European integration both on the level of economic security of Ukraine, and, in particular, on the level of economic security of domestic enterprises, as the central link of the country's economic system, is updated, especially given the desire domestic business to expand its presence and obtain the status of active participants in the European and international markets.

Let us note that, on the one hand, the ongoing war with Russia dealt a crushing blow to the domestic economy, on the other hand, it prompted the European Union to intensify geopolitical steps and significantly accelerated the process of European integration. In particular, Ukraine has already received candidate status, which officially launches the process of obtaining Ukraine's EU membership.

The next step should be the adoption by the European Commission of a positive report on Ukraine and the start of the negotiation procedure, preferably no later than 2023. In such conditions, the strategic goal of Ukraine is to complete negotiations on accession to the EU in 2027-2028 and expect to receive full membership in 2029, when new elections to the European Parliament and the formation of a new composition of the European Commission will take place [5].

Preparation for membership will include the completion of a comprehensive transformation in all areas, which will create conditions for Ukraine to live according to the principles of the European Union and its laws aimed at protecting every citizen and business, opens up opportunities for obtaining financial assistance for the purpose transformation of society, legal system and economy on the way to EU membership [7]. Based on this, we can conclude that Ukraine's entry into European economic and security structures opens up new opportunities for domestic enterprises and strengthens their position in the international market. This accordingly affects the economic security of domestic business in the direction of its strengthening.

Thus, the relevance of the study is due to the emergence, under the influence of the European integration of Ukraine, of opportunities to strengthen the level of economic security of domestic business on the basis of the formation of new economic ties instead of the lost ones (against the background of negative changes parameters of the external environment for the functioning of enterprises, a drop in the volume of activities to its complete halt, a break in supply chains and infrastructure, a crisis in effective demand, an increase in the magnitude and number of risks); increasing the competitiveness of domestic business; mutually beneficial economic partnership; large-scale renewal and modernization of the country's economy.

Analysis of Recent Research and Publications. The role of European integration in ensuring the economic security of the countries of Europe and Ukraine is studied by such domestic and foreign scientists as: I. Babets, I. Bezzuyu, I. Bulakh, I. Wallerstein, Z. Gbur, L. Kormich, T. Levitt, K. Ohmae, A. Stavitsky, L. Tushinskaya, F. Fukuyama, O. Shimanskaya and others. The issues of formation and strengthening of the level of economic security of domestic enterprises in the conditions of European integration, economic risks and business opportunities arising in connection with the process of implementing the European aspirations of Ukraine are devoted to the study of such domestic scientists-economists, like T. Adamenko, A. Vergun, V. Volkovskaya, A. Glushchenko, S. Ilyashenko, A. Kozachenko, A. Orlik, P. Polyakov, D. Tulenina, L. Yaremko, etc.

The analysis of these and other publications proves that there is a need for additional research to identify the impact of the European integration of Ukraine on the level of economic security of domestic business, opportunities and threats to the economic security of domestic businesses objects in the conditions of the formation of the European economy in Ukraine.

Formulation of the problem. Despite the theoretical and practical significance of the conducted scientific research in the field of development and formation of the modern concept of economic security of enterprises in the conditions of the European integration of Ukraine, there are still debatable issues of further development and strengthening or, conversely, worsening the economic security of enterprises in Ukraine under the influence of European integration.

In this regard, the purpose of this article is to systematize the positive and negative consequences of the impact of the European integration process on the economic security of business in Ukraine.

Research results. In general, European integration is the formation and further strengthening of ties with European countries at all levels - interstate, interregional, between individual economic entities, which are of a complex nature - economic, political, social, cultural, etc. [3, c.113]. The European integration of Ukraine is very important for the formation of an effective mega-economic space for the stabilization of the European economy [2, p. 101], improving the position of our country in the world economic system and ensuring its sustainable economic development. Therefore, the impact of the implementation of the European integration strategy of Ukraine on the economic security of domestic enterprises lies in the qualitative changes in the areas of activity and the formation of a set of possible positive consequences of its formation, strengthening and development.

Thus, European integration generates new opportunities for domestic business as an active participant in global economic activity and can be considered as one of the most powerful drivers of growth in the level of economic security of an enterprise due to:

- the emergence of new knowledge and opportunities to create new products and quickly bring them to the market;
- overcoming technological backwardness on the basis of access, rapid dissemination, introduction of new technologies and their unification through close international

cooperation and exchange of scientific research, which, in particular, leads to an increase in product quality and reduces production costs and transportation of products, increases the level of competitiveness of domestic producers, etc.;

- strengthening the position of domestic business in the domestic and foreign markets due to the growth of product quality;

- the opening of new markets and the growth of trade flows: the volume of exports of goods and services, in particular, due to the abolition (reduction) of customs tariffs, duty-free quotas and non-tariff restrictions, the costs of foreign economic activity are correspondingly reduced;

- increasing the efficiency of movement and the emergence of new favorable opportunities and simplifying access to raising capital (long cheap money), in particular, attracting foreign investment, grant assistance, regional development funds of the European Union;

- improving the business and investment climate for domestic businesses;

- harmonization of national and international standards of production and product quality, which can help expand the access of domestic enterprises to the markets of third countries;

- strengthening the competitive advantages of domestic business through the implementation of international, in particular, science-intensive high-tech projects;

- development of innovative and financial infrastructure;

- creation of opportunities for information and technological interchange between enterprises in science-intensive industries, which in particular will contribute to an increase in the output of products with a higher added value;

- improving the quality of functioning of institutions in the financial, budgetary, banking, investment areas and corporate governance;

- carrying out large-scale political, economic, social and institutional reforms and modernization of the economy, modernization of enterprises, macro-financial stabilization;

- participation in programs to support small and medium-sized businesses;

- improving the quality and standard of living and the growth of the purchasing power of the population, which will be reflected in the growth in demand for goods and services of domestic enterprises.

It should also be borne in mind that as part of supporting the European integration course of Ukraine, and in order to support our country in the conditions of a large-scale war, the European Union will not impose import duties on Ukrainian goods for a year, which will allow domestic businesses to save tens of millions of dollars.

The European integration of Ukraine provides a significant level of economic benefits both to the country as a whole and to domestic business, including through the creation of effective mechanisms for economic stability and security.

Thus, enlargement will become an important factor in accelerating the economic development of new EU members, which means the emergence of new business opportunities for Ukraine [6, p. 212].

Along with this, Ukraine's entry into the European economic space can not only give

a favorable impetus to strengthening the economic security of domestic business, but also generate additional threats to the economic security of domestic enterprises due to:

- increased mobility of the population, which generates the risk of a rapid outflow of labor, which increases pressure on the domestic labor market and creates problems for enterprises to access quality labor resources;
- increasing competition in various sectors of the economy, in particular, in the manufacturing sector due to the influx of a significant amount of goods and services from the EU countries, along with this, a high level of competition in the European market may make it difficult for domestic producers to enter new markets;
- growth in the size of production costs of domestic business as a result of the approval of EU norms and standards;
- the slow process of moving European countries into a digital future can complicate the process of digitalization of domestic enterprises;
- growing influence of transnational corporations on the economy of Ukraine;
- increase in the costs of domestic producers for the renewal of fixed assets, skilled workers, innovation due to increased requirements for product quality.

It should also be noted that in addition to the general positive and negative consequences of the impact of the process of European integration of Ukraine on the economic security of its business, it is advisable to consider the impact of this process in the context of three main scenarios (Table 1).

From table. 1, it can be concluded that the impact of the process of European integration of Ukraine on the economic security of domestic business may differ significantly depending on the implementation of the corresponding scenario of European integration, which actualizes the expediency for domestic enterprises conduct a thorough systematic monitoring of the external environment, in particular, in terms of the dynamics of the European integration process and the possibility of expanding the presence in the European market in order to timely adapt the economic security strategy to the ongoing changes.

It should also be noted that the process of European integration of Ukraine and the implementation of pro-European reforms today is hampered by the presence of certain internal factors, among which we should highlight the slowness in economic reforms; lack of noticeable internal results socio-economic transformations; high level of corruption and economic crime; shortage of experienced specialists in European integration, primarily among the political elite and civil servants of Ukraine; a huge gap in the levels of economic development of Ukraine and European countries; a significant difference in the standard of living of the population; inconsistency of legal systems [4, p. 114]; the presence of a significant common border with Russia and Belarus, relative poverty and one of the lowest GDP per capita in Europe (which will be further reduced due to the war); excessive bureaucracy, insufficient efficiency, unreformed and corrupt system government controlled. The main external factors hindering the European course of Ukraine include the ongoing war with the Russian Federation and the lack of a unified position among European countries, the opposition or wait-and-see position of individual

EU member states due to fears or unwillingness to break close ones connections with russia.

Table 1

Main scenarios of the impact of the process of European integration of Ukraine on the economic security of its business.

Scenario	Content	Impact on the economic security of the enterprise
Optimistic	A significant influx of foreign investment for the restoration and improvement of the domestic economy, the opening of new markets and access to new technologies and resources; qualitative and quantitative growth of all sectors of the national economy, GDP growth	Impact on the economic security is positive. Domestic business will have access to investment resources, which will intensify the implementation of new investment projects, will allow attracting significant amounts of investor capital; enterprises, operating in most segments of the domestic economy, receive positive financial results.
Pessimistic	Transnational corporations (TNCs) on the basis of mergers and acquisitions acquire a dominant position in the economy of Ukraine, which leads to the transition of the main sectors of the economy to TNCs; there is a competitive intervention of foreign manufacturers in the Ukrainian market, at the same time access Ukrainian producers to foreign markets is limited by the quota mechanism; stagnation of certain segments of the economy due to the dominance of foreign manufacturers; increase in prices for goods as a result of equalization of prices in the Ukrainian and foreign markets; exodus of qualified people specialists and shortage of qualified personnel in the domestic labor market; use of Ukraine as a raw materials appendage (use of Ukraine's resources by the EU countries for their own purposes).	The impact on economic security is negative. The most attractive segments of the domestic economy will fall under the influence of international TNCs, which will force out the stagnation of domestic enterprises, while their dependence on international TNCs will increase; a consequence of competitive intervention for most domestic enterprises will be falling income and loss of part of the domestic market; along with this, tariff quotas in foreign markets will lead to a reduction in exports and limit the income of domestic enterprises from export operations; enterprises, working in certain sectors of the domestic economy, will feel the improvement however, most domestic businesses will face a drop in demand for their products and increased competition; due to the difference between prices in the domestic and foreign markets, domestic enterprises will seek to export certain types of raw materials and products, which will lead to a shortage or lack of resources of certain types for national producers; personnel shortage for domestic business.
Neutral	Significant changes in the Ukrainian economy due to institutional factors and restrictions, despite access to new resources and opportunities, will not occur. cases of successful entry of domestic business to foreign markets and successful partnerships with foreign companies will remain isolated.	Impact on economic security is negative. The preservation of the unfavorable situation that has developed today in the domestic economy will lead to the impossibility of strengthening economic security for the majority of domestic enterprises through the use of the advantages of the European integration strategy of Ukraine.

Compiled by the authors based on: [3]

Despite this, the path to European integration is a conscious and uncontested strategic choice of the Ukrainian society, which is only strengthened by the horrific trials that our country is going through now. Therefore, the process of building a modern Europe in Ukraine is certainly one of the keys to solving the large-scale transformational problems facing Ukraine and its enterprises now, in particular, in the context of strengthening economic security both at the country level and at the level individual business entities.

Conclusions. Thus, today European integration can be considered as one of the main tools for building an effective open economy in Ukraine and one of the leading drivers for strengthening and increasing the economic security of enterprises, industries, regions and Ukraine as a whole.

The process of European integration today is the chosen strategic course of the national economy. And, despite the fact that joining the European Union can really create considerable problems for domestic business, the benefits received still exceed them. Therefore, favorable changes in the level of economic security of domestic enterprises are directly related to their adaptation and use of the possibilities of European integration.

In turn, this requires fundamental changes in the functioning and conduct of business activities in the domestic and foreign markets, as well as the transformation of the existing strategy for ensuring and strengthening the economic security of both Ukraine as a whole, and domestic business and individual ones enterprises, which is a prospect for further scientific research.

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ANALYSIS OF CONSUMER NEEDS' TRANSFORMATION IN THE CONDITIONS OF DIGITALIZATION

Olha Liakhovych,

Ph.D. of Science in Economics, Associate Professor,

Antonii Zaluzhnyi,

Ph.D. of Science in Economics,

Olha Osadcha,

Doctor of Science in Economics, Professor,

Oksana Zinkevych,

Ph.D. of Science in Economics, Associate Professor,

Iryna Oplachko,

Ph.D. of Science in Economics, Associate Professor,

*The National University of Water and
Environmental Engineering, Rivne, Ukraine*

Annotation. *The article is devoted to the research of consumer needs and features of their transformation in the conditions of digitalization. Analysis of consumer needs showed a significant increase in the structure of the share of intangible needs due to the intensive development of information and communication technologies, virtualization of economic activity, growth of services in economic activity, globalization of the economy, the establishment of network structures.*

Two alternative consumerism's forms in the information-network economy are characterized in the article, namely: McDonaldization as consumption of mass, standardized needs and customization as a phenomenon of creative individualization of demand. This analysis showed the complexity and ambiguity of consumerism's forms in the economic plane, which intensifies the problem of developing new directions of economic policy in the consumer market.

The article describes that "economic man" is replaced by "creative man", with the needs of creative self-realization and development of intellectual capabilities, which is actually represented by prosumers or "consumer producers". A new type of prosumers (DIY-practices, "digital prosumerism", "culture of complicity", fandom communities, freelance, sharing, connected, couch-surfing, etc.) are able to objectively assess the quality of goods, services, and direct contact with manufacturers. The conclusions emphasize that meeting of prosumer's needs by creating goods of individual demand is an alternative to mass production and strengthens competitiveness in the new digital economy.

Keywords: *needs, consumption, digitalization, information, information goods, information services, consumerism, prosumerism.*

Needs are an integral part of economic processes, and the degree of their satisfaction is an indicator of socio-economic development of the country. Of particular importance are the needs in modern theoretical and methodological constructions of socially oriented economy, which is realized through the prism of substantiation of the concept of sustainable economic development. In such conditions, human capital becomes the