

# THE PROBLEM OF OPTIMIZING THE ROLE OF THE PUBLIC SECTOR IN UKRAINE AS A CONDITION FOR THE ECONOMIC SECURITY

**Pidopryhora L.A.**

Candidate of Economic Sciences, Associate Professor,  
Senior Lecturer at Department of Economic Theory,  
National Pedagogical Dragomanov University

In Ukraine, in transforming the political and economic system, expanded a range of problems associated with the necessity of forming the foundations of economic security. Now Ukraine's economy is in extremely difficult circumstances caused by deep political and economic crisis and military aggression by the Russian Federation. Given the realities of the situation in the national economy, the severity of a problem of economic security, relevant is the research of identifying effective state mechanisms and means of protection of the economy of Ukraine, where an important place, in our view, belongs to the public sector.

Undoubtedly, the social purpose of the state – to create favourable conditions for all economic actors but in crisis to stimulate the speed of achieving results such a state's role should be complemented by the intensification of the public sector, in which it has a direct impact. A negative prospect for the development of high-tech production in Ukraine is a stable downward trend of innovative activity of enterprises in Ukraine. In this regard, there is a need to define priorities for public action to promote increased production of high-tech products in Ukraine. The deterioration of the investment climate in terms of macroeconomic instability and military aggression in Ukraine causes an outflow of foreign direct investment. In these circumstances, the state should not only use different mechanisms to attract private domestic and foreign investment but also make the most powerful investor. Activation of state investment in the economy Ukraine

in conditions of instability is essential for the improvement of investment sphere. The structure of exports of high-tech products of Ukraine is traditionally dominated by aerospace products, electronics, and communications – products of mainly public sector enterprises. Scientific production of the military industry of our country remains competitive in the international market of armaments and military equipment. Promising areas of technological components of the military-industrial complex of Ukraine's economy include aviation and space technology, technology related to the creation of communication systems, radars, precision weapon guidance systems, and management of complex information systems, and intelligence, including space. All these products belong to the public sector. An important role in the state export support is played by specialized financial institutions that are directly involved in the enforcement of state functions to stimulate the development of exports, in particular – insurance, lending, and guarantee exports.

The key priority for the state security and defence is to ensure the country's defence. The state ability to resist to various forms of foreign aggression primarily depends on the development of the Armed Forces. The public sector is fully charged with the role of providing functioning and development of the Armed Forces of Ukraine by funding from the state budget, logistics of products of the military-industrial complex, military training.

In modern conditions of foreign military aggression in Ukraine, growing of the

state role in the economy, in general, and the role of the public sector, in particular, becomes actual. Primarily, this is due to the urgent need for a rapid achievement of such goals as economic growth and security and defence.