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## ECONOMIC SECURITY AND NATIONAL COMPETITIVENESS

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**Annotation.** Unlike other sciences, economic science is closely related to social, political processes, with the market economic development not only in individual countries but also in the world. Globalization and social change have influenced not only economic understanding, but also the concept of economic theory. However, not all issues have been disclosed. The concept of economic security in the world emerged in relatively recent twentieth century. Economic security concept was introduced by the US President T. Roosevelt in 1934, by creating a federal committee for economic security. Since then, the term economic security and economic security issues have been under consideration at the various levels of government. Moreover, in order to investigate the manifestations of the economic security in Lithuania, it is necessary to analyze the legislation that reveals the legal provisions relating to economic security concept. Every country's ability to self-develop is the ability to independently implement and defend national interests and creating a favorable environment for investment and innovation, to develop intellectual potential. The economy, which constantly evolving, able to withstand internal and external threats. Economic processes, which are reliability and efficiency, allow processes to mitigate the destabilizing effects. The aim of research is to disclosure the manifestations of the economic security in the Lithuanian law system and impact to the country's competitiveness. The object of the research is the country's economic security. The research methods applied: document analysis method- applied to obtain information using qualitative analysis investigating concepts, programs, strategic documents, current legislation, scientific publications, ruling of the Constitutional Court of the Republic of Lithuania. Statistical data analysis method- applied to disclosure economic security importance in shaping the country's competitiveness. The logical analytic method- used to analyze the information collected on the basis of the formation of the intermediate and final conclusions.

According to the study obtained data, formulated the following conclusions, that economic security, as a phenomenon is examined in both the legal and economic science. Based on analysis of law regulation, it's no uniform and clear definition of economy security. On the contrary, the legislature divulges various conceptions, which meaning is closely related to economy security. It may influence logical contradictions of legal provisions, ambiguities, and flawed law regulation.

Each country's well-being first correlated with income, which is distributed per capita, another important factor - the employment / unemployment prospects. Expanded further evaluation includes the social, environmental and other non-economic objectives - security, stability, and life expectancy. The economic policy has a significant indirect impact on economic security.

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**Keywords:** economic security; state security; competitiveness; the concept of economy security; regional security and stability

## INTRODUCTION

Unlike other sciences, economic science is closely related to social, political processes, with the market economic development not only in individual countries but also in the world. Globalization and social change have influenced not only economic understanding, but also the concept of economic theory. However, not all issues have been disclosed. The concept of economic security in the world emerged in relatively recent twentieth century. Economic security concept was introduced by the US president T. Roosevelt in 1934, by creating a federal committee for economic security. Since then, the term economic security and economic security issues have been under consideration at the various levels of government. Moreover, in order to investigate the manifestations of the economic security in Lithuania, it is necessary to analyze the legislation that reveals the legal provisions relating to economic security concept.

Every country's ability to self-develop is the ability to independently implement and defend national interests and creating a favorable environment for investment and innovation, to develop intellectual potential. The economy, which constantly evolving, able to withstand internal and external threats. economic processes, which are reliability and efficiency, allow processes to mitigate the destabilizing effects.

**The aim of research** is – to disclosure the manifestations of the economic security in the Lithuanian law system and impact to the country's competitiveness.

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**Objectives:** To divulge various concepts of economy security in the scientific literature; To uncover the manifestations of economy security in the Lithuanian law regulation; To disclose external and internal risk factors of economic security; to analyze economic security

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and competitiveness; To formulate the conclusions and recommendations based on obtained data.

## **THE CONCEPT OF A STATE ECONOMIC SECURITY**

Every year, the US Administration publishes the document "The National Growth Strategy"<sup>1</sup>. This document is the declaration of development at policy direction, which sets out the country's opportunities and challenges. Economic security objects may be: the state, society, citizens, enterprises, institutions and organizations, territory or individual objects. The main subject of the economic security is the state, which carries out its functions in the economic security of the legislative, executive and judicial assistance. National economic interests, their priorities play the key role in the economic security system. In order to determine the national economic interests, it is necessary to carry out an analysis of the current economic situation, identify trends, as well as perform a number of other actions. Moreover, it is essential to develop economic indicators that reflect the state of socio-economic development. Economic security is evaluated according to the certain criteria - activity indicators. The most important is the structure of GDP, the pace of industrial development and investment growth rate; natural resources, the country's industrial and scientific-technical potential; efficient use of resources; economic competitiveness in domestic and foreign markets; inflation; unemployment rate; quality of life, income inequality, material goods and the degree of accessibility of public services; the budget deficit and public debt; energy dependence; integration into the world economy. However, analyzing the economy security is important to emphasize the thresholds (boundary) of indicators. Exceeding that limits may cause a threat to the economy security. In addition to setting limits, more important aspect is to disclose the concept of state economic security, which helps to identify the economy threats.

Examining the economic security it is necessary to distinguish several levels. Babachinaitė G.<sup>2</sup> specified the three levels of security concepts: individual, national and international. Individuals and various social groups of the population have an impact on the security of military, political, economic and other social factors as well as environmental

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<sup>1</sup> "Nacionalinio saugumo strategija". JAV Stehr N., Grundmann R. The Power of Scientific Knowledge .From Research to Public Policy. (Cambridge University Press, 2012), p. 30.

<sup>2</sup> Babachinaitė G. (2006) Jurisprudencija, 1 2006 (79); 25–30 Saugumo jausmo ir nusikaltimų baimės raida Lietuvoje. Prof. dr. Genovaitė Babachinaitė

protection and quality factors. Šimašius R.<sup>3</sup> distinguishes two levels: the individual and the state. Meanwhile Čepaitienė N.<sup>4</sup> argues, that the idea of the security's concept has experienced major transformations, beginning with its use of the narrowest sense of military security, had developed the sense of the 8th - 9th decades to include a wider range of issues, it deepening, shifting the focus from international or global security issues to human security and individual level (highlighting intermediate regional security and social security). Grebliauskas A.<sup>5</sup> argues that the main actors in the system of economic security are the government and business. Businessmen, caring for their business systems economic security, together strengthens the of the country's economic security.

According to Šimašius R., emerging a fundamental difference between the two camps in the social sciences. Both camps differently interpreted the object - a holistic (in this case, a holistic concept is based on the concept of national sovereignty) and individualistic. The holistic concept of security examines the state, individualistic - individual prism. This methodological division leads to a different treatment of both aspects: economic threats and economic security. According to Šimašius R. holistic view is based on the assumption, that economic security is the security of the state from other states or other forms of threats. Individualistic camp representatives, say, that economic security must ensure protection the interests of people, from economic threats.

Presuppose conclusion, that holistic and individualistic approach are distinguished by two distinct aspects: 1) whose security is taken care of (individual or state); 2) which kind of methodology are appropriate to analyze the security issues.

Foreign researchers examined different levels of economic security. B. Buzan<sup>6</sup> notes that it is appropriate to elaborate the idea of economic security at different levels: individual, organizational, class, national and international systems, thus creating a coherent economic policy measures would lead to the whole state economic power in the international system.

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<sup>3</sup> Šimašius R (2006) Šimašius R., Vilpišauskas R. Ekonominio saugumo samprata ir politikos principai Lietuvoje // vddb.library.lt/fedora/get/LT-eLABa-0001:J.../DS.002.0.01.ARTIC

<sup>4</sup> Čepaitienė N. (2007) EconomicSecurity: a Regionai Public Goods Approach» by Neringa Čepaitienė; Violeta Pukelienė. Source: ManagementofOrganizations: SystematicResearch (Organizacijų Vadyba: Sisteminiai Tyrimai), issue: 41 / 2007, pages: 113-125, on www.ceeol.com.

<sup>5</sup> Grebliauskas A., Miliauskas G. Valstybės valdymo makro strategijos formavimas// Organizacijų vadyba: sisteminiai tyrimai. ISSN 1392-1142. 2008 m. Nr. 47

<sup>6</sup> Buzan B. (1998) Įmonės, valstybės ir baimė: tarptautinio saugumo studijos po šaltojo karo / 2 – asis leidimas. – Vilnius: Eugrimas, 1997. – p. 469. – ISBN 9986-752-22-1

Meanwhile, Huber et al. (2010) examines the economic security at all levels. According to Huber et al, “economic security could be considered as a preparation state of the economy for ensuring decent conditions for living and developing the personality, the social-economic stability and the political military capability of the society and the country in order to eliminate internal and external threats. Generally, there is no finalized and accepted definition of the concept for economic security, because of its multilateral and multidimensional features.”

Sviderske T.<sup>7</sup> in her doctoral research paper indicates that economic security should be understood as:

- 1) an essential factor of national security, that is, one ensuring resources and the dynamic balance of the other components of this system (national security);
- 2) one dimension of national, regional and global security, which is an aim of every individual, community, country, etc.;
- 3) a priority objective of governments, regional and international organizations pursuing to ensure and guarantee global human security;
- 4) a state of the national economy, seen as a source and basis for eliminating poverty, famine, social and economic inequalities both between individuals and between regions of a country.

According to Sviderske T, most of the definitions of economic security provided by researchers from various countries (Ratha, De Prabal, Mohapatra 2011; Schroeder 2008; Quer, Claver, Rienda 2007) may be classified into the three categories:

1. Definitions that identify economic security with its objectives;
2. Definitions that identify economic security with a state of the economy, which implies several favorable consequences;
3. Definitions that consider economic security as an element of production stability.

In view of the above mentioned discussion, the economic security of the object in this article will explore the economic security of the state level- the object of analysis are the state. It is appropriate to further explore how scientists define economic security, because economic security investigations are complex and require an interdisciplinary approach.

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<sup>7</sup> Sviderske T. Tatjana Sviderskė „Šalies rizikos vertinimas ekonominio saugumo ir tvarumo kontekste“ Daktaro disertacija Socialiniai mokslai, Ekonomika (04S) 2014 12 29.

A. Grebliauskas characterized country's economic security as a state and its entities ability (the political will and ability) to keep the economy facilities – systems in a balance, that is necessary and sufficient condition to develop the state and its entities evolution.

B. Kupstaitytė<sup>8</sup> considers, that economic security is an integral part of national security.

Lithuanian National Security Strategy sets out the provision, that the Lithuanian security among other aspects perceived as "operators and economic security assurance" and the economic security concepts of discourse, mentioned above, this scientific topic will follow the provision, that economic security is primarily a state economic security certainty.

Analysis of the concept of economic security deploy, that in all cases aspects are assessed through economic development and stability. Therefore, this approach allows to define the economic security of the state of the economy and the public when ensuring protection of national interests, the country's development in general, sufficient defense potential.

## **MANIFESTATION OF THE ECONOMIC SECURITY IN LITHUANIAN LAW REGULATION**

This study will investigate the legislation, that sets out the essential national security provisions: Constitution of the Republic of Lithuania,<sup>9</sup> Republic of Lithuania “Law on the basics of national security”<sup>10</sup>, Lithuanian “National security strategy”<sup>11</sup>. The legal system has a systematic nature, so analyzing the object of investigation, it is important to assess the hierarchical nature of legislation.

The Constitution is an act of the supreme legal force. The Constitution reflects a social contract—“a democratically accepted obligation by all the citizens of the Republic of Lithuania to the current and future generations to live according to the fundamental rules entrenched in the Constitution and to obey them in order to ensure the legitimacy of the governing power. Justice, an open and harmonious civil society, a state under the rule of law would never be possible if whole state power becomes concentrated in a certain single institution of state power. The Constitution consolidates the organization of the institutions

<sup>8</sup> Kupstaitytė B. Hov modelio pritaikomumas tiriant ekonominės diplomatijos priemones ekonominiam saugumui užtikrinti. Brigita Kupstaitytė Politikos mokslų almanachas), issue: 16 / 2014, pages: 7-27, (17:29)

<sup>9</sup> <http://www3.lrs.lt/home/Konstitucija/Constitution.htm>[accessed 2015-11-02].

<sup>10</sup> Republic of Lithuania “Law on the basics of national security” 19 December 1996 No VIII-49 (As last amended on 12 November 2009 – No XI-480) Vilnius. [accessed 2015-11-02]

<sup>11</sup> [https://www.bbn.gov.pl/ftp/dok/07/LTU\\_National\\_Security\\_Strategy\\_2012.pdf](https://www.bbn.gov.pl/ftp/dok/07/LTU_National_Security_Strategy_2012.pdf)[accessed 2015-11-02]

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executing state power and procedure of their formation, which ensures a balance between the institutions of state power, the counterbalance of the power of certain state institutions to the power of other state institutions, the harmonious activity of all the institutions executing state power and execution of their constitutional duty to serve the people, the solution by the Constitutional Court of disputes related to the power vested by the Constitution in the institutions of state power, the formation of all the institutions executing state power, the Seimas, the President of the Republic, the Government, the Judiciary, as well as other state institutions only from the citizens, who without reservations obey the Constitution adopted by the Nation and who, while in office, unconditionally follow the Constitution, law, the interests of the Nation and the State of Lithuania”<sup>12</sup>.

Constitution of the Republic of Lithuania article 6 regulate: “The Constitution shall be an integral and directly applicable act.”<sup>13</sup> That’s presupposing to disclosure the Constitutional meaning not only by verbal expression of body, but also to grasp the spirit, essence of constitutional principles. The Constitutional court of Lithuania has held more than once that: “The Constitution as a legal reality is comprised of various provisions, the constitutional norms and the constitutional principles, which are directly consolidated in various formulations of the Constitution or derived from them. Some constitutional principles are entrenched in constitutional norms formulated *expressis verbis*, others, although not entrenched therein *expressis verbis*, are reflected in them and are derived from the constitutional norms, as well as from other constitutional principles reflected in these norms, from the entirety of the constitutional legal regulation, from the meaning of the Constitution as the act which consolidates and protects the system of major values of the state community. The constitutional principles reveal not only the letter, but also the spirit of the Constitution—the values and objectives entrenched in the Constitution by the Nation which chose certain textual form and verbal expression of its provisions, which defined certain norms of the Constitution, and which explicitly or implicitly, established certain constitutional legal regulation”<sup>14</sup>.

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<sup>12</sup> [www.lrkt.lt/data/public/uploads/2015/08/2004-05-25\\_n\\_ruling.doc](http://www.lrkt.lt/data/public/uploads/2015/08/2004-05-25_n_ruling.doc) [accessed 2015-11-02]

<sup>13</sup> <http://www3.lrs.lt/home/Konstitucija/Constitution.htm> [accessed 2015-11-02]

<sup>14</sup> [www.lrkt.lt/en/court-acts/search/170/ta1028/content](http://www.lrkt.lt/en/court-acts/search/170/ta1028/content) [accessed 2015-11-02]

[www.lrkt.lt/en/court-acts/search/170/ta860/content](http://www.lrkt.lt/en/court-acts/search/170/ta860/content) [accessed 2015-11-02]

[www.lrkt.lt/en/court-acts/search/170/ta1046/content](http://www.lrkt.lt/en/court-acts/search/170/ta1046/content) [accessed 2015-11-02]



Constitution provides the bases of relationships between a person and the state, the formation and functioning of public government and also the national economy. Constitutions article 94 establish the concept “State security”; article 135 establish concept “national security”, but the direct concept of "economic security" is not disclosure in the Constitution, but, as mentioned previously there, it is clear from the context of the interpretation of the constitution deeper meaning. Constitutions Chapter IV establishes foundations of national economy and labour. According to article 46: “Lithuania’s economy shall be based on the right of private ownership, freedom of individual economic activity and initiative. The State shall support economic efforts and initiative that are useful to society. The State shall regulate economic activity so that it serves the general welfare of the Nation. The law shall prohibit monopolization of production and the market and shall protect freedom of fair competition. The State shall defend the interests of the consumer.”<sup>15</sup> According the article 47: “The underground, internal waters, forests, parks, roads, historical, archaeological and cultural objects of State importance shall belong by the right of exclusive ownership to the Republic of Lithuania. The Republic of Lithuania shall have the exclusive rights to the airspace over its territory, its continental shelf and the economic zone in the Baltic Sea. In the Republic of Lithuania foreign entities may acquire ownership of land, internal waters and forests according to a constitutional law. Plots of land may belong to a foreign state by right of ownership for the establishment of its diplomatic missions and consular posts according to the procedure and conditions established by law.”<sup>16</sup> In interpreting the meaning of the provision of Article 46 of the Constitution, mentioned, that “the law shall protect freedom of fair competition also means the obligation for the legislature to establish by law such legal regulation so that production and the market would not be monopolized, that freedom of fair competition would be ensured and measures would be provided for its protection.”<sup>17</sup> Authors also would like to mention Constituent Part of the Constitution of the Republic of Lithuania- “Constitutional act of the Republic of Lithuania on the non-alignment of the Republic of Lithuania to post-soviet eastern unions”.<sup>18</sup> According to this act: “To develop mutually advantageous relations with each state which was formerly a component of the USSR, but to

<sup>15</sup> <http://www3.lrs.lt/home/Konstitucija/Constitution.htm> [accessed 2015-11-02]

<sup>16</sup> <http://www3.lrs.lt/home/Konstitucija/Constitution.htm> [accessed 2015-11-02]

<sup>17</sup> <http://www.lrkt.lt/en/court-acts/search/170/ta1241/content> [accessed 2015-11-02]

<sup>18</sup> “Constitutional act of the Republic of Lithuania on the non-alignment of the Republic of Lithuania to post-soviet eastern unions”, chairman of the supreme council of the Republic of Lithuania, Vytautas Landsbergis, Vilnius, 8 June 1992, No. I-2622 [accessed 2015-11-02]



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never join in any form any new political, military, economic or other unions or commonwealths of states formed on the basis of the former USSR.” This act are mentioned like the key norm, which directly regulating the issues of national security: “provisions of the Constitutional Act of 8 June 1992, which is a constituent part of the Constitution, prohibiting to ever and in any form to join any new political, military, economic or any other unions of states or commonwealths formed on the basis of the former USSR”<sup>19</sup>.

Systematic legal analysis of those provisions, presupposes the conclusion, that the Constitution establishes the basic institutional framework, which is directly related to Lithuania's national security. According to Republic of Lithuania “Law on the basics of national security” article No 3, “. The Seimas, the President of the Republic, the Government and other state institutions shall develop Lithuania’s national security system in compliance with the Basics of National Security laid down by this Law”<sup>20</sup>. Fundamental principles of the economic system are based on private economic initiative principles, fair market competition, openness, fairness, consistency and usefulness to society. It is important to emphasize, that economic activities may be restricted only by law and provided the restrictions are necessary for the safeguarding of national security, spare natural resources and reduce negative impact on the environment.

Those provisions are particularized in Republic of Lithuania “Law on the basics of national security” and Lithuanian “National security strategy”.

Republic of Lithuania “Law on the basics of national security” establishes the main sectors of the Lithuanian economy which are of strategic importance to national security: energy; transport; information technologies and telecommunications, other high technologies; finance and credit. It is important to mention that this act distinguishes the geopolitical environment of external and internal potential risks and challenges and potential dangers in the economic field.

In order to reveal the concept of economic security, it is important to note, that 'mentioned legislation does not disclose a clear definition of economic security. Republic of Lithuania “Law on the basics of national security” and Lithuanian “National security strategy” deployed various conceptions, which meaning is closely related to economy

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<sup>19</sup> Republic of Lithuania “Law on the basics of national security” 19 December 1996 No VIII-49 (As last amended on 12 November 2009 – No XI-480) Vilnius. [accessed 2015-11-02]

<sup>20</sup> Republic of Lithuania “Law on the basics of national security” 19 December 1996 No VIII-49 (As last amended on 12 November 2009 – No XI-480) Vilnius. [accessed 2015-11-02]

security: domestic economic stability; economic policy; economic ties; economic and energy dependence; economic and financial crisis; economic instability; uneven economic development; insufficient defense financing; global economic; economic vulnerability; shadow economy. The absence of clear definitions of economic security concepts may presuppose logical contradictions of legal provisions, ambiguities, or influence the occurrence of clandestine law regulation.

Lithuanian “National security strategy” submits the main state security interest. According to article No 8 - “The primary interests of national security are the interests a failure to defend which would eventually result in a violation of the vital interests of the Republic of Lithuania. The primary interests of the Republic of Lithuania are:

8.1. Viability of NATO and the EU, security, democracy and welfare of all states of the Euro-Atlantic community;

8.2. Democracy, freedom, respect for human rights and fundamental freedoms in the neighboring states,

8.3. Global and regional security and stability;

8.4. Credible national defense capabilities, supported by national defense financing which meets the needs of defense and commitments to allies;

8.5. Economic and energy security;

8.6. Security of the infrastructure of the economic sectors of strategic importance to national security;

8.7. Information security;

8.8. Cyber security;

8.9. Ethnic and cultural identity;

8.10. A region secure from the ecological and public health point of view<sup>21</sup>

As we can see aspects of security such as energy, financial security dealt with within the framework of economic security. However, the formation of internal security policy spelling out its priorities and challenges of economic security is released separately and near threat analysis, crisis prevention and management have formed the Republic of Lithuania tasks of economic and financial security. According to article No. 16.5- “In order to ensure economic and financial security, the Republic of Lithuania will:

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<sup>21</sup> [https://www.bbn.gov.pl/ftp/dok/07/LTU\\_National\\_Security\\_Strategy\\_2012.pdf](https://www.bbn.gov.pl/ftp/dok/07/LTU_National_Security_Strategy_2012.pdf) [accessed 2015-11-02]

- implement a sustainable macroeconomic policy focused on fiscal and monetary stability and prevention of financial and economic crises;
- actively participate in the EU single market and in the EU economic and monetary union;
- by reducing barriers to economic activities, creating conditions for a free and fair competition, aim at creating a favorable environment for businesses development (particularly small- and medium-sized enterprises) and innovations, foreign investment, export diversification;
- implement measures preventing a single investor of the Republic of Lithuania or a foreign country from dominating in strategic economic sectors and the capital of doubtful origin from penetrating the country's enterprises, ensure protection of economic sectors, enterprises and equipment of strategic importance;
- aim at reducing social and economic disparities among the regions of the State and within the regions.

**1 table.** Economic security problems and measures to ensure their relationship (created by the authors)

Macroeconomic policy	EU single market	EU economic and monetary union	Economic activity	Uncertain origin of the capital and the investor predominance	Regional development
Implementing measures					
Financial and monetary stability	Free movement of persons, goods, services and capital	Economic and fiscal policies, coordination	Free and fair competition	Strategic enterprises, equipment protection	Social, economic disparities reduction
The financial and economic crisis prevention	tax harmonization	The single monetary policy	A favorable business environment		
		Euro- the single currency	Foreign investments		
			export diversification		

The analysis of economic security tasks suggests that the country's economic security object is economic system and economic indicators, competitiveness. These factors lead Lithuanian economic evolution compared to EU and global context.

Many factors of the risk has continuing nature, so it's difficult to identify and eliminate completely. This may influence economic security.

**2 table.** External and internal risk factors of economic security

<b>Geopolitical environment of external risk factors, challenges and potential threats in the economic field</b>	<b>Potential internal risks and domestic crises in the economic field</b>
Economic pressure, blockade and other hostile economic shares	Employment, production scale and national product decrease to a critical level
industry's dependence on any one country or group of countries	industry and technological backwardness
Capital investments for political purposes: the national energy and other strategically important branches of economy companies, finance and credit institutions, the most important communications (railway, highways, pipelines, sea ports, airports) ownership or management control of takeover	Economic criminalization; uncontrolled extent of economic crimes
Energy dependence on one country or one group of national resources; easy operation of the power system vulnerability;	The banking-financial system crisis and financial panic
State destabilizing the financial system to foreign debt scale;	Destabilization of the national currency, the Bank of Lithuania exchange reserves drop below a critical threshold
Stabilizing intervention in the Lithuanian financial-banking system and its devastating effects	State financial capacities in excess of domestic debt

Competitive performance can result in threats to economic security, it is important to examine the possibilities of occurrence of such threats and their impact on the country's competitiveness.

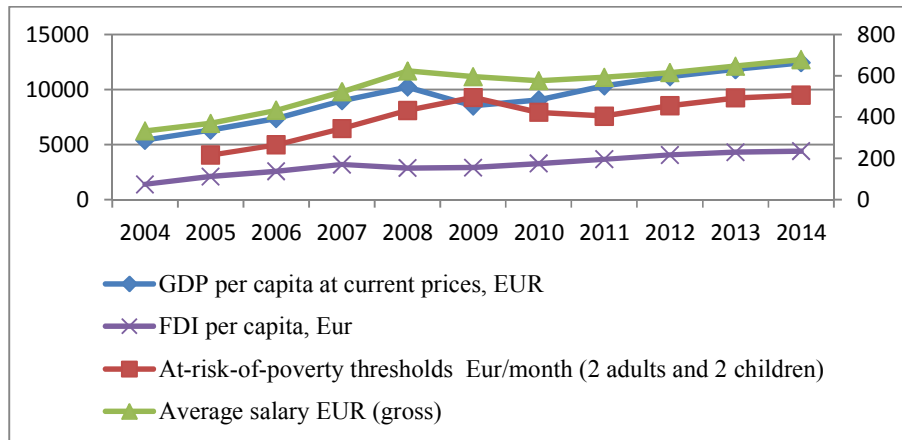
## **ECONOMIC SECURITY AS A GUARANTEE OF THE COUNTRY'S COMPETITIVENESS**

Competitive activity can result threats to economic security, so it is important to disclosure the possibilities of occurrence and their impact to the country's competitiveness. The country's macro-economic policy, public administration, national policies, legal system, public-sector lobbying activities, the legal regulation of lobbying, influences directly competitiveness processes.

To disclose the concept of economic security most commonly used indicative analysis:

- Monitoring key macroeconomic indicators and their comparison with some of the pre-defined critical values;
- Assessment pace of the country economic development according to main indicators of macroeconomic dynamics changes

The authors present an analysis of macroeconomic indicators in Lithuania.



**Figure 1.** Main macroeconomic indicators influencing economic security, changes in the 2004-2014 year. (Source: Department of Statistics)

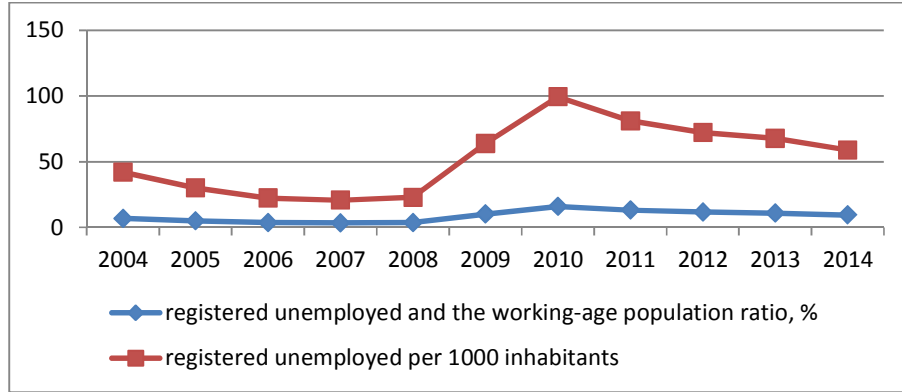
One of the key factors in ensuring economic security is investments in the economy. Foreign direct investment is a driving force of globalization, which create value for the state at such areas: creation of new jobs (reduction in payments to the unemployed; employed people start pay state taxes), public purchase from local enterprises (buying both services and products, the value added tax, fall to the state budget), the company's would pay financial taxes to the state according to turnover. In this context, foreign direct investment benefits the state budget can be very different in different countries, not only because of VAT, profit and labor relations, tax rates, but also because of these tax application procedure. This would increase the GDP. Foreign direct investments positively affect the security of recipient countries, also increasing its competitiveness in the international market. As we can see from figure 1, foreign direct investment in Lithuania has a tendency to gradually increase, although in 2008 noticeable signs of average wages and GDP decline. As can be seen from figure 1 the threshold of poverty (households consisting of two adults and two children up to 14 years) since 2005 year to 2014. Year, increased more than double. However, examining the level of the poverty threshold as a percentage of the total population, presupposes a conclusion, that the level is more or less constant in 2014 year is 20.6%, and in 2004 year it was equal to 20.5%. The level of poverty affects economic security, decreasing the level of poverty strengthening security against social risks, uncertainties random negative factors.

Authors emphasize such reduction measures of the poverty:

- Preservation of existing jobs;
- Unemployed persons (re-) integration into the labor market;

- support (security) network in the country.

The country's socio-economic development (bearing in mind employment, the unemployment rate) directly affects the employment relationship.

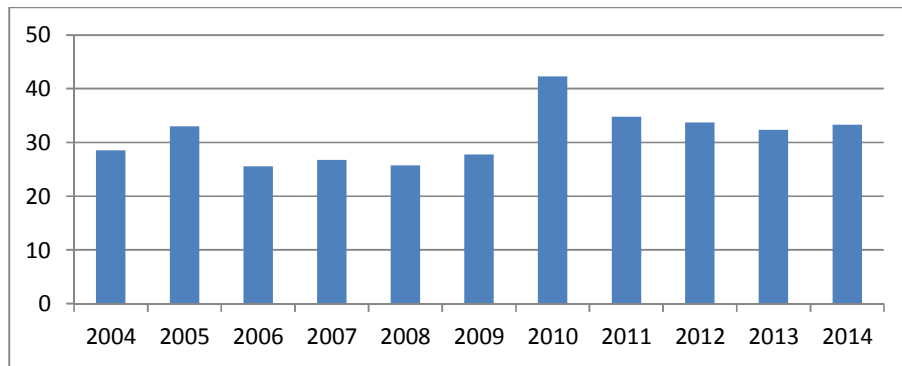


**Figure 2.** Change of registered unemployed in 2004-2014. (Source: Lithuanian Department of Statistics)

2004-2014 year period may be divided into three periods: a) 2004-2008 b) 2009-2010 c) 2011-2014. The first stage involves Lithuania's accession to the EU and the decline in the number of registered unemployed: a) as a thousand inhabitants, b) both in relation to the working-age population. The second period covers the period of crisis, when the number of registered unemployed per 1000 population since 2008 year to 2010 year increased three times. The influence of the global economic crisis has damaged more or less stable labor market situation.

The state has taken measures against manifestations of crisis, stabilized the labor market.

The third period is characterized by decrease in the number of unemployed, although in 2014year, the 2004 years level has not been reached.



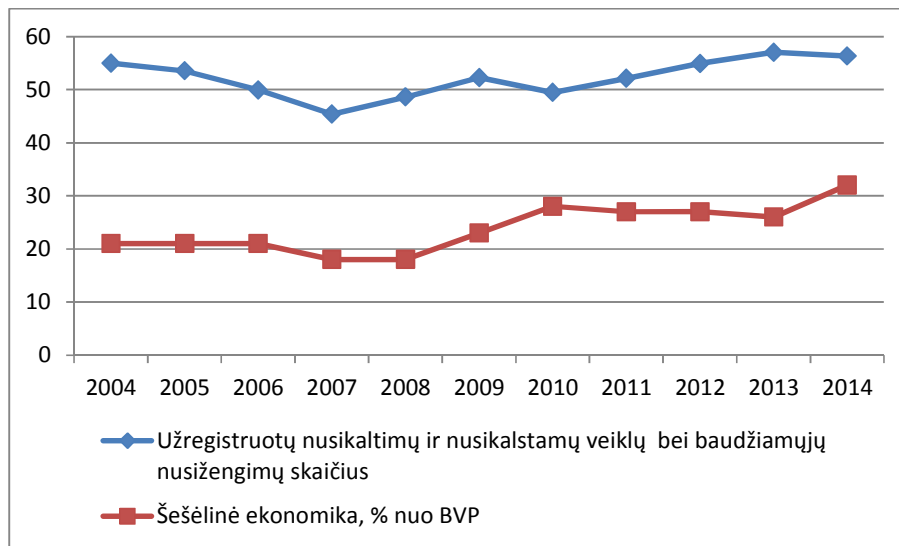
**Figure 3.** Emigrant's part per 1000 population (Source: Lithuanian Department of Statistics)

The country's economic security is greatly influenced by demographic factors.

Lithuania's demographic situation is characterized by the trend of population decline, aging population, low birth rate, increasing mortality rate.

Increasing the working-age, population migration affect threats to economic security. Moved people part per 1000 inhabitants, population peaked in 2010 year. Then the population of 1000 inhabitant had more than 42 unemployed.

The crime rate also affects the country's economic security and competitiveness. During the 2004-2014 year period, recorded crimes per 1000 population has remained stable (55-56 crime), in 2007 year it was the lowest and amounted to 45 crimes (see fig. 3).



**Figure 4.** Recorded crimes per 1,000 populations, the underground economy (Source: Lithuanian Department of Statistics)

The economic crisis did not significantly influence the growth of crime, but we can see noticeable growth of the shadow economy. Shadow economy accounted for 32 percentage of GDP (2014 year).

A statistical analysis allows to draw conclusions on Lithuania vital functions, but do not give a full picture of economic threats in different areas. It is appropriate to establish the country (region) diagnostic methodology to further examine threats to the country's economic security.

## CONCLUSIONS

According to the study obtained data, formulated the following conclusions. Economic security, as a phenomenon is examined in both the legal and economic science. Based on



analysis of law regulation, it's no uniform and clear definition of economy security. On the contrary, the legislature divulges various conceptions, which meaning is closely related to economy security. It may influence logical contradictions of legal provisions, ambiguities, and flawed law regulation.

Each country's well-being first correlated with income, which is distributed per capita, another important factor - the employment / unemployment prospects. Expanded further evaluation includes the social, environmental and other non-economic objectives - security, stability, and life expectancy. The economic policy has a significant indirect impact on economic security.

It is necessary to draw attention, that threat to economic growth can arise from a various of external and internal sources. The country's economic security have a hierarchical (personality, the state, society), multicomponent structure. Economic security is an important component of the country's security. Such perception increases the importance of security in all levels, particularly in the economy sphere emphasizing the risks, uncertainty.

According to the study obtained data, formulated the following recommendations: to improve the legal regulation formulating- a clear definition of the economy security. Considering, importance of the economic security, as a multidisciplinary phenomenon, it's necessary to regulate this process by higher power of law.

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## EKONOMINIS SAUGUMAS IR ŠALIES KONKURENCINGUMAS

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### Santrauka

Kiekvienos šalies gebėjimas savarankiškai vystytis ir pažanga reiškia gebėjimą savarankiškai įgyvendinti ir ginti nacionalinius interesus ir sukurti palankią aplinką investicijoms ir inovacijoms, plėtoti intelektualinį potencialą. Ekonomika kuri nuolat vystosi, gali atlaikyti vidaus ir išorės grėsmes. Ekonominių procesų patikimumas ir efektyvumas leidžia sušvelninti destabilizuojančių procesų poveikį. Straipsnio tikslas – atskleisti ekonominio saugumo apraiškas Lietuvos teisinėje sistemoje ir įtaką šalies konkurencingumui.

Tyrimo objektu pasirinktas šalies ekonominis saugumas. Tyrimo metodai: dokumentų analizės naudotas iš gryninti ekonominio saugumo sampratą bei apraiškas Lietuvoje, analizuojant mokslinę literatūrą, teisės aktus, Lietuvos Respublikos Konstitucinio teismo sprendimus, programinius dokumentus; statistinių duomenų analizė leido atskleisti ekonominio saugumo svarbą formuojant šalies konkurencingumą; loginis- analitinis naudotas remiantis surinkta informacija suformuluoti tarpines ir galutines išvadas.

Ekonominio saugumo objektais gali būti valstybė, visuomenė, piliečiai, įmonės, įstaigos ir organizacijos, teritorijos, atskiri objektai. Pagrindinis ekonominio saugumo subjektas yra valstybė, kuri vykdo savo funkcijas ekonominio saugumo srityje įstatymų leidžiamosios, vykdomosios ir teisminės valdžios pagalba.

Ekonominio saugumo sistemoje pagrindinį vaidmenį atlieka nacionaliniai ekonominiai interesai, jų prioritetai. Norint nustatyti nacionalinius ekonominius interesus, būtina atlikti dabartinės ekonominės situacijos analizę, identifikuoti plėtros tendencijas, taip pat atlikti visą eilę kitų veiksmų. Ypač svarbu sukurti ekonominius rodiklius, kurie atspindėtų valstybės socialinę-ekonominę plėtrą. Ekonominis saugumas yra vertinamas pagal tam tikrus kriterijus - veiklos rodiklius. Svarbiausi yra BVP struktūra, pramonės vystymosi tempai, investicijų augimo dydis; gamtiniai išteklių, šalies gamybinis ir mokslinis-techninis potencialas; efektyvus išteklių naudojimas; ekonomikos konkurencingumas vidaus ir užsienio rinkose; infliacija; nedarbo lygis; gyvenimo kokybė, pajamų nelygybė, materialinių gėrybių ir viešųjų paslaugų prieinamumo laipsnis; biudžeto deficitas ir valstybės skola; energetinė priklausomybė; integraciją į pasaulio ekonomiką. Tačiau ekonominiam saugumui svarbu yra ne rodikliai, o jų ribinės vertės, kurių viršijimas kelia grėsmę ekonominiam saugumui. Be ribinių verčių nustatymo ko gero svarbiau yra išgryninti ekonominio saugumo sąvoką, išskirti grėsmes ekonomikai.

Atlikta mokslininkų diskusijų analizė dėl ekonominio saugumo objekto šiame straipsnyje parodė, kad tikslinga ekonominį saugumą nagrinėti valstybės lygyje, t.y. analizės objektu laikoma valstybė. Taipogi akcentuotina, kad siekiant įvairiapusiškai atskleisti ekonominio saugumo fenomeną, būtinos tarpdisciplininiai mokslo tyrimai, ypač teisės ir ekonomikos mokslo atstovų.

Įstatymų leidėjas tiesiogiai neįtvirtina ekonominio saugumo sąvokos teisės aktuose. Teisės aktuose yra naudojama įvairios sąvokų variacijos, kurios savo turiniu yra artimos ekonominio saugumo konceptui: „ekonominiai ryšiai“, „ekonominis pažeidžiamumas“, „ekonominis gyvenimas“, „ekonominė raida“, „ekonominis nestabilumas“, „finansų krizė“, „šešėlinė ekonomika“, „nepakankamas gynybos finansavimas“, „ekonominiai ryšiai“ ir t.t. Nebuvimas aiškios ekonominio saugumo sąvokos definicijos, gali įtakoti teisinio pobūdžio loginius prieštaravimus, dviprasmybes, sąlygoti teises spragas. Sistemiskai analizuojant Lietuvos teisės aktus, ekonominio saugumo apraiškas galima identifikuoti Lietuvos Respublikos Konstitucijoje, Lietuvos nacionalinio saugumo strategijoje bei LR nacionalinio saugumo pagrindų įstatyme.

**Pagrindinės sąvokos:** ekonominis saugumas; šalies saugumas; konkurencingumas; ekonominio saugumo koncepcija; regioninis saugumas ir stabilumas.

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