

MODELING OF REGIONAL STRATEGY OF FINANCIAL SECURITY MANAGEMENT IN THE CONTEXT OF DIGITALIZATION AND MIGRATION RISKS

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Abstract

One of the characteristic features of the modern world is the actualization of security issues at various levels of management - from the global level to the level of an individual. The protection of financial interests of all economic entities in all financial relations, the capability of a financial system to resist external and internal threats, as well as to support the sustainable development of the country, play a crucial role in the national defense. The high level of financial security at the national level can be achieved by ensuring an appropriate level of financial security at the level of individual regions. Therefore, the formation of a regional financial security strategy is an element of the national security system. Modeling of regional strategy implies analysis of the factors that directly or indirectly affect the financial security of the region. Effectiveness of the modeling of the regional strategy largely depends on the ability during the process of strategy formation to take into account all factors of financial security, which may differ significantly from one region to another. In the current realities of Ukraine, special attention is drawn to such factors as migration processes taking place in the country and the process of digitalization, which penetrates all spheres of public life, especially in economic activities and public administration. The aim of the study is to develop methodological approaches to modeling financial security strategy taking into account the impact of digitalization and migration processes at the regional level.

The data for the research, which characterize 24 regions of Ukraine and the city of Kyiv for the period from 2015 to 2019, were obtained from the State Statistics Service of Ukraine. Involved data allowed to conduct a taxonomic analysis taking into account the indicators that reflect the impact of digitalization and migration risks on the financial security of a particular region. It has helped to separate three levels of migration security and digitalization such as high level, moderate level, and low level.

The use of taxonomic analysis of regions in the process of modeling the regional financial security strategy has identified three clusters, which include the relevant regions with specific levels of migration security and digitalization. The analysis shows that the first cluster includes only one region with high levels of migration security and digitalization, two regions belong to the third cluster with low ones, and the others belong to the second cluster including two subclusters with moderate levels of migration security or digitalization. For each cluster, recommendations were developed to increase the level of financial security by influencing the process of digitalization of the region and eliminating regional migration risks. The development of indicators that characterize the impact of digitalization and migration risks on the financial security of a region is the subject of further research.

Analysis of the process of digitalization and migration risks of the regions shows them as the factors of the economic development and financial security of the regions. Clustering of regions using taxonomic analysis during the process of modeling of a regional strategy is appropriate and allows to assign a region to the cluster characterized by the



appropriate level of migration security and digitalization, as well as formulate recommendations on financial security measures for the cluster.

Key words: *Financial security, Migration, Digitalization, Regional, Taxonomic analysis.*