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THE ROLE OF POLICE IN ENSURING ECONOMIC SECURITY AND THE POTENTIAL TO ENHANCE THIS ROLE

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ABSTRACT

The police play a crucial role in ensuring Mongolia's economic security and the stability of the financial sector, particularly in effectively combating serious economic crimes like money laundering.
To assess the current state of police involvement in economic security and anti-money laundering efforts, the SWOT-AHP analysis method was utilized. This analysis aimed to evaluate the present situation, future economic security, and potential for increased police participation in combating money laundering.
Internally, the police organization's strengths include specialized teams, internal cooperation, and a structure to track illicit financial flows. However, weaknesses such as insufficient human resources, weak technology and innovation, and inadequate data supply for monitoring money flow were identified.
Externally, favorable conditions like a strong legal framework, international financial support, and opportunities for knowledge exchange were noted. Conversely, challenges such as low public awareness, international crime networks, and political and economic influences were identified as potential obstacles.
Overall, enhancing police capabilities and addressing weaknesses will be crucial in ensuring economic security and combating money laundering effectively.

Introduction.

The significance of the police organization's role and responsibilities in safeguarding Mongolia's economic security cannot be overstated.

Money laundering stands out as a significant criminal activity that poses a threat to economic security, often linked to organized crime, corruption, and terrorist financing. Essentially, money laundering adversely affects economic security, destabilizes the financial system, hampers economic progress, fosters corruption, and facilitates the funding of various criminal activities.

Hence, enhancing police involvement in safeguarding economic security and combating money laundering is crucial for the country's development and stability, necessitating thorough study and implementation.

Research Methodology.

The SWOT-AHP analysis method was utilized to assess the current status of the police's role in ensuring economic security and combating money laundering, as well as to explore the potential for increased police involvement in these areas.

This analysis aims to identify both internal and external factors influencing the participation of the police in safeguarding Mongolia's economic security and combating money laundering. Through a qualitative evaluation of these factors, the analysis will determine the extent to which police strengths contribute to economic security, how they can mitigate threats, the extent of underutilized opportunities, and the potential risks posed by weaknesses.

By leveraging strengths and addressing weaknesses, the police organization can turn threats to economic security into opportunities for improvement.

The SWOT analysis method is used to define the impact indicators of internal and external factors in a qualitative manner.

The Analytical Hierarchy Process (AHP) is employed to convert qualitative indicators into numerical values for comparison and ranking based on their importance in decision-making.

Experts and researchers will evaluate these indicators based on their significance, assigning values on a scale of 1, 3, 5, 7, 9 to determine their relative importance in the analysis.

The assessment process considers the compatibility index (CI) and compatibility ratio (CR) to ensure the validity of the evaluation. A CR value below 0.1 indicates a reliable assessment.

The impact of each factor on the sector is expressed as a percentage based on the assessment matrix, with the priority vector (PV) representing the effect of the factor. The SWOT matrix evaluates the present and future state of a sector or activity using the factor impact vector (PV).

Results of SWOT-AHP Analysis Development:

A professional team with over 17 years of experience in the field selected the indicators of 6 internal and 6 external main factors influencing the current state of Police activities in economic security and anti-money laundering efforts. The analysis matrix is presented in Table

Table 1. SWOT-AHP analysis matrix

Internal factors										External factors									
Advantages (S)					Disadvantages (W)					Favorable conditions (O)					Unfavorable conditions (T)				
I. Professional team, colleagues					IV. Shortage in human resources					I. Existence of legal framework					IV. Low public awareness				
1	3	5	7	9	1	3	5	7	9	1	3	5	7	9	1	3	5	7	9
II. Good internal cooperation					V. Weak technology and innovation					II. International financial support					V. International criminal network				
1	3	5	7	9	1	3	5	7	9	1	3	5	7	9	1	3	5	7	9
III. Existence of a structure for tracking, monitoring and intercepting illicit financial flows					VI. Weak supply and accumulation of information on control of money flow					III. Possibility of international exchange of information and experience					VI. Political influence and economic crisis				
1	3	5	7	9	1	3	5	7	9	1	3	5	7	9	1	3	5	7	9

The table above outlines the advantages and weaknesses of internal factors in combating illegal financial flows. Advantages include a professional team, strong internal collaboration, and a structured approach to tracking and monitoring financial activities. However, weaknesses such as a lack of human resources, outdated technology, and insufficient information on money flow control are also noted.

External factors that can support anti-money laundering efforts include a robust legal and regulatory framework, international financial assistance, and opportunities for sharing global expertise. Conversely, challenges like limited public awareness, the presence of international crime networks, political interference, and economic downturns can hinder efforts to combat illegal financial activities.

Evaluating signs of both internal and external factors that impact the police's efforts in maintaining economic security and fighting against money laundering.

The indicators for internal and external factors mentioned above were assessed by knowledgeable experts, and the evaluation matrix was computed using the formula below to establish the compatibility ratio of internal and external factors, as depicted in Table 2.

Factor assessment matrix $(A) = \begin{pmatrix} 1 & a_{1,2} & ... & a_{1,n} \\ a_{2,1} & 1 & ... & a_{2,n} \\ ... & ... & ... & ... \\ a_{n,1} & a_{n,2} & ... & 1 \end{pmatrix}$

Remarked: $CR = \frac{CI}{RI}$; $CI = \frac{L_{max}-n}{n-1}$; $L_{max} = \sum_i \left(\frac{PA_i}{PV_i}\right)$; $PV_i = \sum_i \left(\frac{a_{i,j}}{\sum_j a_{i,j}}\right)$; $PA_i = \sum_j (a_{i,j} \cdot PV_j)$; $(i = 1 \div n)$; Calculated by formula.

Table 2.1 Internal factor assessment matrix

Internal factor assessment matrix								
PV	0.1356	0.1653	0.1789	0.1653	0.1527	0.2021			
№	I	II	III	IV	V	VI	PV	PA	PA/PV
I	1	0.8	0.9	0.8	0.7	0.7	0.1356	0.8157	6.0132
II	1.24	1	0.9	1.0	1.1	0.8	0.1653	0.9951	6.0181
III	1.11	1.12	1	1.1	1.3	1	0.1789	1.0763	6.0178
IV	1.24	1.00	0.9	1	1.1	0.8	0.1653	0.9951	6.0181
V	1.41	0.88	0.8	1	1	0.7	0.1527	0.9188	6.0185
VI	1.41	1.24	1.1	1.2	1.4	1	0.2021	1.2165	6.0180
SUM	7.41	6.05	5.58	6.05	6.66	4.94	1	Lmax=	6.0173
								CI=	0.0035
								CR=	0.0028

Table 2.2 External Factors Assessment Matrix

External Factors Assessment Matrix								
PV	0.1580	0.1557	0.1915	0.1382	0.1862	0.1704			
№	I	II	III	IV	V	VI	PV	PA	PA/PV
I	1	0.83	1.13	0.67	1.08	1.0	0.1580	0.9603	6.0795
II	1.20	1	0.74	1.25	0.77	0.9	0.1557	0.9513	6.1118
III	0.89	1.35	1	1.69	1.04	1.2	0.1915	1.1688	6.1020
IV	1.5	0.8	0.59	1	0.62	0.7	0.1382	0.8463	6.1218
V	0.92	1.30	0.96	1.63	1	1.1	0.1862	1.1361	6.1030
VI	1.04	1.15	0.85	1.44	0.88	1	0.1704	1.0408	6.1067
SUM	6.56	6.43	5.27	7.67	5.39	5.83	1	Lmax=	6.1041
								CI=	0.0208
								CR=	0.0168

It is considered that the selection of factors is optimal if the factor compatibility ratio assessment (CR) is 0.1 [Purev B, Bakey A, Nyambat L 2011].

In comparison to the findings of these researchers, our study revealed that the correlation coefficient for internal factors was CR=0.0028 and for external factors was CR=0.0168, indicating an optimal selection of factors.

As depicted in Table 2.1, the weight of the factor "professional team and colleagues" is 0.136 or 13.6%, "good internal cooperation" is 0.165 or 16.5%, and "structure for tracking, controlling, and intercepting illicit financial flows" is 0.179 or 17.9% in terms of internal factor advantages.

Conversely, the specific weight of the human resource shortage factor was 0.165 or 16.5%, technology and innovation weakness factor was 0.153 or 15.4%, and weak supply and accumulation of information on control of money flow factor was 0.202 or 20.2% in terms of weaknesses.

Furthermore, in Table 2.2, the weight of the factor "existence of legal framework" in favorable conditions is 0.158 or 15.8%, and "international financial support" is 0.156 or 19.2%.

Conversely, in unfavorable conditions, the low public awareness factor has a weight of 0.138 or 13.8%, international criminal network factor has a weight of 0.186 or 18.6%, and political influence and economic crisis factor has a weight of 0.174 or 17.04%, with a counter-weight of 0.174 or 17.04%.

Mathematical modeling of the evaluation of factors influencing the present status of police operations in safeguarding economic security and combating money laundering.

The internal and external factor criteria selected above showed the highest score for importance in the assessment. The baseline score for the indicator was set as the performance in 2024, with the near-term goal for 2028, the medium-term forecast for 2032, and the long-term plan for 2036. The average coefficient value compared to the maximum criterion value for this factor is calculated using the formula below, weighted by the importance assessment of the indicator's impact (PV-Priority vector), as shown in Tables 3 and 4.

To determine the average coefficient value compared to the maximum criterion value for this factor, the importance assessment of the indicator's impact (PV-priority vector) is calculated using the following formulas, as displayed in Tables 3 and 4.

The matrix of the coefficient compared to the maximum value

$$(B) = \begin{pmatrix} b_{1,1} & b_{1,2} & b_{1,3} & b_{1,4} \\ b_{2,1} & b_{2,2} & b_{2,3} & b_{2,4} \\ \dots & \dots & \dots & \dots \\ b_{n,1} & b_{n,2} & b_{n,3} & b_{n,4} \end{pmatrix} \text{Remarked}$$

Mean coefficient $\bar{b}_j = \sum_i (b_{i,j} \cdot PV_i); \quad j = 1ч4;$

Overall $\bar{B} = \frac{\sum_j \bar{b}_j}{4},$

Deviations away from the general average $IC(EC) = \bar{b}_j - \bar{B}; \quad j = 1ч4;$ defined by formulas and developed mathematical models

After evaluating the internal factors influencing police activities in economic security and anti-money laundering, we will leverage our strengths and opportunities while addressing our weaknesses and various challenges. By analyzing the data from the base year 2024, we identified areas for improvement and projected an increase in the state level by 2028, 2032, and 2036. We have also determined the specific units that can enhance each factor for better outcomes.

Table 3. The matrix of the current state of internal factors and the coefficient
of comparison to the maximum value

Indicator of factors	Unit	max	2024	2028	2032	2036	PV	2024/max	2028/max	2032/max	2036/max
I. Professional team	Score	9	7	7.5	8	8.5	0.1356	0.7778	0.8333	0.8889	0.9444
II. Domestic cooperation is good	Score	9	6.3	7	7.5	8	0.1653	0.7000	0.7778	0.8333	0.8889
III. It has a system of tracking, controlling and intercepting illegal financial flows	Score	9	7	7.5	8	8.5	0.1789	0.7778	0.8333	0.8889	0.9444
IV. Shortage of human resources	Score	9	6.3	6.8	7.3	7.8	0.1653	0.7000	0.7556	0.8111	0.8667

V. Weak technology and innovation	Score	7	5.5	6	6.5	7	0.1527	0.7857	0.8571	0.9286	1.0000
VI. Weak supply and accumulation of data on money flow	Score	9	5.5	6	6.5	7	0.2021	0.6111	0.6667	0.7222	0.7778
Average			8.7	6.3	6.8	7.3	7.8	Average of the year	0.7196	0.7812	0.8392	0.8972
								IC	-0.0897	-0.0281	0.0299	0.0879

Table 4. The matrix of the current state of external factors and the coefficient of comparison to the maximum value

Indicator of factors	Unit	max	2024	2028	2032	2036	PV	2024/max	2028/max	2032/max	2036/max
I. Existence of a legal framework	Score	9	6	6.5	7	7.5	0.1580	0.6667	0.7222	0.7778	0.8333
II. International financial support	Score	7	5	5.5	6	6.5	0.1557	0.7143	0.7857	0.8571	0.9286
III. International knowledge and experience can be exchanged	Score	9	7	7.5	8	8.5	0.1915	0.7778	0.8333	0.8889	0.9444
IV. Low public awareness	Score	5	4	4.5	5	5.5	0.1382	0.8000	0.9000	1.0000	1.1000
V International Crime Network	Score	9	6.5	7	7.5	8	0.1862	0.7222	0.7778	0.8333	0.8889
VI. Political influence and economic crisis	Score	9	6	6.5	7	7.5	0.1704	0.6667	0.7222	0.7778	0.8333
Average			5.75	6.25	6.75	7.25	Average of the year	0.7241	0.7883	0.8525	0.9166
							EC	-0.0963	-0.0321	0.0321	0.0963

Table 3 shows that the qualified team and team have a baseline rating of 7 points in 2024, with an impact significance rating of 0.1356. Domestic cooperation has a baseline assessment of 6.3 points for positive factors, with an impact importance rating of 0.1653. The assessment of the importance of impact for factors related to tracking, controlling, and suppressing illegal money flows is 0.1789, with a baseline assessment of 7 points.

The lack of human resources has a baseline assessment of 6.3 points, with an impact importance rating of 0.1653. Weak factors in technology and innovation have a baseline assessment of 5.5 points, with an impact

importance assessment of 0.1527. The data supply and fund formation for money flow control have a baseline rating of 5.5 points for weak factors, with an impact importance assessment of 0.2021.

Matrix of the current state of external factors: Table 4 shows the ratings for various factors in 2024. The legal environment has a baseline rating of 6 points and an impact significance rating of 0.1580. The international financial support factor has a rating of 5 points with an impact significance rating of 0.1557. Factors related to exchanging international knowledge and experience have a baseline assessment of 7 points with an impact significance rating of 0.1915.

However, factors related to low public knowledge have a baseline assessment of 4 points, indicating an unfavorable situation, with an impact significance rating of 0.1382. Political influence and economic crisis have a baseline assessment of 5.6 points with an impact significance rating of 0.1704. The sum of the fundamental impact assessment confirms the accuracy of the analysis with the occurrence of (A)=1.

The benefits and drawbacks of internal factors are represented on the X-axis of mathematical modeling for internal and external factor evaluation, while the positive and negative aspects of external factors are quantified on the U-axis.
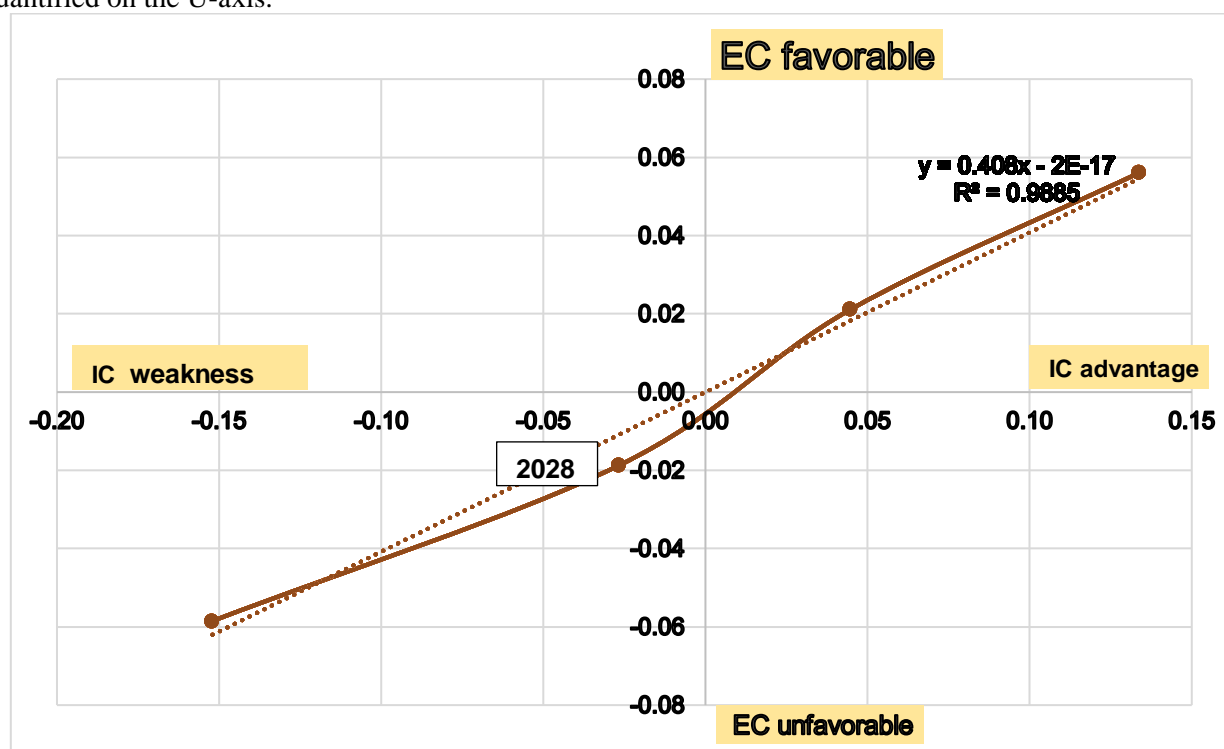
Based on mathematical modeling, it impacts the present status of the police's efforts in safeguarding economic security and fighting money laundering. The current level of external factors is determined by the coordinates (2024 Y: -0.15, -0.06) in that quadrant. Internally, it reflects issues like insufficient human resources, inadequate technology and innovation, poor data availability, and insufficient funding for monitoring money flows.

Externally, unfavorable factors include low public awareness, reliance on international criminal networks, political interference, and economic downturns.

The expected outcomes of enhancing the impact indicators of the factors influencing the research results on the current state of the police organization's activities in economic security and anti-money laundering are as follows:

- By 2028, a 0.5-point increase in the assessment of internal factors and a 0.5-point increase in the evaluation of external factors will lead to a 78.5% overall improvement, reaching a score of 13.1.

- From 2028 to 2032, with a 0.5-point increase in internal factors assessment and a 0.5-point increase in external factors evaluation, the overall evaluation of police activities in combating money laundering will rise by 84.6%, reaching a score of 13.1

- Between 2032 and 2036, with a 0.5-point increase in internal factors assessment and a 0.5-point increase in external factors evaluation, the overall evaluation of police activities in combating money laundering will increase by 90.7%, reaching a score of 15.1. This improvement signifies progress in enhancing

economic security and anti-money laundering efforts in Mongolia, indicating a positive trend in elevating police activities to effectively combat crime.

The following measures are deemed suitable to enhance the role and involvement of the police in safeguarding economic security and combating money laundering.

Conclusions.

Based on the research findings, it is crucial for the police organization to enhance its strengths and address its weaknesses. This can be achieved through initiatives such as enhancing human resource capabilities, leveraging technology and innovation, and improving the money flow control database.

Furthermore, the organization should capitalize on favorable conditions by expanding international cooperation, mitigating unfavorable circumstances, and preparing for potential challenges such as raising public awareness, maintaining independence from political influences, and devising strategies to navigate economic crises.

Emphasis should also be placed on combating international crime networks to safeguard economic security and combat money laundering effectively.

The results of the baseline impact assessment sum (A)=1 in the above study are crucial to validate the accuracy of the analysis.

Based on these findings, the impact of internal and external factors on the current state of the police organization's activities in ensuring Mongolia's economic security and combating money laundering is evaluated for the years 2024-2028 (short term), 2028-2032 (medium term), and 2032-2036 (long term). The overall evaluation of the police organization's activities is projected to increase by 13.1 points in the short term, representing a growth of 78.5%. In the medium term, it is expected to increase by 13.1 points, with a growth of 84.6%, and in the long term, it will increase by 15.1 points, reaching 90.7% or a satisfactory level.

This suggests that the police organization may be able to enhance its efforts in combating money laundering by enhancing its internal capabilities and creating a conducive external environment. By 2036, it is possible that significant progress can be made in ensuring economic security and combating this crime. However, this is a theoretical scenario based on the study findings and may vary depending on real-world circumstances and evolving trends.

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