

ASSESSMENT OF THE ACTIVITY OF INVESTMENT PROCESSES

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Abstract: *the definitions of the region's investment attractiveness, the region's investment potential and the region's investment risk are given. The regional conditions affecting investment, the structure of the regional economy and the investment activity of the processes in the region are considered.*

Keywords: region, investment activity, investment attractiveness, investment climate.

The key role in the development of the regional economy is played by the ratio between consumption and accumulation, which is one of the most important general economic proportions of social reproduction. Consequently, the main theoretical premise in solving the problem of social reproduction is the possibility and necessity of combining taking into account the features of the first and second approaches, or imparting the main (dominant) one of them. Such a choice is possible only on the basis of a comparative assessment of regional features of the reproduction cycle, taking into account the closed nature of the functioning of the region as an economic system, and determining the investment attractiveness of the region, taking into account the open nature of the regional economic system and significant opportunities to attract external investment resources, including those of foreign origin.

Regarding the assessment of regional peculiarities of the reproduction cycle, the question arises: in what proportion does the differentiation (distribution) of the product obtained (at the regional level – gross value added or gross regional product) between consumption and accumulation occur? Moreover, this issue always remains relevant, regardless of the dominant production relations and forms of ownership. In economics and practice, various views of researchers on the optimal quantitative ratio between consumption and accumulation are presented. So, according to K. Marx, this ratio should be 0,395: 0,605. In turn, John. Keynes inclined to the proportion of 60: 40, because he believed that the driving force of the economy should be just consumption, which later provides an opportunity for accumulation [1, p. 55].

In turn, when determining the investment attractiveness of a region, the issue of determining the investment potential of a region and the investment risk of a region is actualized. In modern conditions, the factors of investment attractiveness that ensure modernization are: significant scale, as well as the rapid and fairly steady expansion of markets – as a result of the transition to new consumption standards with an increase in household incomes (in some cases, import substitution); relatively small volumes and payback periods of investment projects, which ensured a record number of new businesses built from scratch among other industries; an efficient corporate structure, ensured by the rapid formation of large efficient companies, and also by a fairly “early” arrival of foreign producers.

The structure of the regional economy can be represented, in one case, as a complex economic system, and therefore the analysis of structural changes in the regional economy is very relevant, in the other case, as a certain configuration of the corporate structure, determined by the peculiarities of the region's main assets, enterprises, the presence or absence of divisions of integrated business groups or other factors. At the same time, the determining factor in the structuring of the regional economy is the available fixed assets or material factors of production, the quantitative proportions of parts of which in themselves do not have any particular significance: they characterize the quality of development of the regional economic system. By itself, the dynamics, measured in real terms, cannot act as a certain regularity – this can only be as a certain moment of its development, rather a change in the quantitative proportions of the system, rather than a qualitative transformation.

And in this regard, the importance of investments in fixed capital, which can be represented as a certain set of costs directed to the creation and reproduction of fixed assets, increases. Operation, as well as non-exploitation of fixed assets, leads to their physical and moral deterioration, and with them to the real and perceived loss of competitive advantages not only of individual enterprises, but also in their totality of the entire regional economic system. The intensity of renewal of fixed assets on a higher technological basis is

not only caused by the preservation of many existing competitive advantages, but also involves the emergence of new sustainable benefits, which makes the process of reproduction of fixed assets decisive in the formation and maintenance of competitive positions of individual regions.

By their economic nature, investments in terms of finances are a special contract whereby one type of assets (in this case, cash) is transferred from one owner to another in exchange for other assets – a right or a share of property and, therefore, a share of profit. At the same time, as a rule, not only narrowly corporate interests are pursued, coupled with the possibilities of obtaining a certain part of the profits, but also the principles of building a competitive type of reproduction strategy: 1) to invest in areas where the region has real advantages over other subjects ...; 2) to invest in growth points – technological capabilities that allow for enhanced reproduction; 3) to use investment mechanisms to adjust the structure of regional and sectoral complexes”. In order to comply with the principles outlined above, it becomes necessary to analyze the use of fixed assets and obtain a reasonable assessment of their operation. This means that an assessment of the dynamics of fixed capital based on the rate of investment in fixed assets allows one to obtain at least coarse, but very plausible results of a comparative analysis of sources of productivity growth: the number of quantitative increase in capital-labor ratio, on the one hand, and the increase in return on capital gains - technical progress, materialized in capital and other factors of production, on the other hand [2, p. 105].

Using the resulting assessment of the use of fixed assets, it is possible to select industry production and their combinations in the region, taking into account the competitiveness of entrepreneurship (production) and commercial activity (sales) for certain goods and services for both suppliers and consumers, as well as technical upgrades technological potential, reducing its degree of depreciation and approaching the reference level (which can be the best world samples). This ensures the creation, at the expense of own and attracted funds, of the reproductive structure of capital investments, accumulation of the necessary financial resources to ensure a multiplier effect for all participants.

The main indicators providing a quantitative and qualitative assessment of the status and reproduction of fixed assets are used:

growth rates of fixed assets – total, incl. on the most important sectors of the economy and industry;

degree of depreciation of fixed assets – total, incl. on the most important sectors of the economy and industry;

coefficient of renewal of fixed assets – total, incl. on the most important sectors of the economy and industry;

the coefficient of disposal of fixed assets - total, incl. in major sectors of the economy and industry.

In addition, such indicators as capital productivity and capital-labor ratio can be used as auxiliary indicators of the use of fixed assets. Capital productivity and capital-labor ratio are factors of productivity growth. Increasing the degree of use of fixed assets is an important source of increasing production and saving capital costs. Capital productivity shows how much production is received from each ruble invested in fixed assets; the better fixed assets are used, the higher the capital productivity ratio, and the capital-labor ratio – the amount of fixed assets accounted for by one average employee.

Reproduction of fixed assets provides the regional economic system with steady growth. In one of the common models of economic growth – the model of R. Solow – the following factors are singled out as the main sources of sustainable growth: increase in the working capacity of the population; capital gains in all its forms; the development of new technologies. But if in the conditions of the functioning of the Ukrainian economy, the first factor is neutralized by negative trends in population reproduction, the second and third factors remain real and in demand, which predetermines the need to intensify investment processes that can offset the negative consequences of the demographic factor. Therefore, the study of the regional investment process implies the justification of the goals and objectives of the regional investment policy, the promotion of regional investment processes. The formation of the infrastructure of the region and economic measures aimed at increasing investment activity in different regions will inevitably have different meanings as instruments of investment policy [3, p. 47].

The problem of increasing investment activity or activity of investment processes is updated in connection with the search and consolidation of certain sources on the territory of a given region (regardless of ownership forms and corporate interests). But in order to find and secure the appropriate investments, real tools are needed that can provide an objective assessment of the use of these investments. Objectively, investment activity is determined by the impact of the following factors: on the one hand, the need to update the production apparatus due to its high degree of physical deterioration, and, on the other hand, structural

adjustment and the transition to sustainable growth in the real economy. Supporters of the reproduction cycle believe that, as indicators of investment activity in the region, one can use, first, the concentration and distribution of investment capital, the intensification of the introduction of new production capacities, the development of direct and portfolio investments, and, secondly, gross investments per square meter kilometer of the region. At the same time, supporters of the theory of investment attractiveness for assessing the activity of investment processes in the region suggest using, first, the indicator of the volume of investments in fixed capital per capita of the region and the annual rate of change in the volume of investments in fixed capital in the region, and second, the coefficient of dependence of the change in income on the change in investment, taking into account all the existing connections of a consistent effect. At the same time, these indicators act as dependent variables in the regression equations, where the independent variables are either investment potential or investment risk. The main purpose of these indicators is to justify and select the most appropriate options for appropriate measures or measures aimed at increasing the activity of investment processes in the region.

In this regard, individual specialists proposed various measures aimed at enhancing investment activities in the region. Among them are the following: first, the creation of financial and innovation groups should be an effective mechanism for enhancing investment activity at the regional level (such groups usually consist of a financial institution (bank), a research institution and an enterprise implementing innovative development; -second, the regional authorities should consider their steps to stimulate business and investment activity, i.e. a system of benefits and preferences, infrastructure development projects, improvement of standards legal basis, increasing the transparency of its activities (primarily in the fiscal sphere and public finances in general), education and training policies, environmental protection, crime, etc., in terms of creating a favorable investment climate in the region, and thirdly, an important condition for the transition to sustainable economic growth in the 4th era of the post-industrial digital revolution and the development of the digital economy is the availability of investment, transforming from private savings, taking into account the strengthening of the resource base of regional commercial banks, pursuing the intensification of the process of mobilizing bank deposits, protecting small depositors, strengthening the banking system from financial turmoil; fourthly, the most important direction of the state industrial policy is the stimulation of the development of infrastructure sectors of the economy, increasing investment in transport systems.

Assessment of the activity of investment processes, and measures to ensure it, are aimed at increasing the level of development of the territory. The industrial development of the region is considered as the degree of saturation of the territory with objects of material production. Unfortunately, the uneven economic growth and the process of spatial polarization (which is based on different degrees of saturation of individual territories) give rise to disproportions not only between the center and the periphery, but also between individual regions, which leads to the disintegration of the economic space of the country. Given that “socio-economic disintegration is a process that characterizes a change in the internal consolidation of the economic space, it is fixed assets and investment processes that are most capable of neutralizing the negative effects of weakening the internal structure of the regional economic space and ensuring that the existing economic space remains countries, and with it steady positive growth trends at all levels and in all ex structural components of the economic system.

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