UDC 338.47

https://doi.org/10.52058/2708-7530-2024-2(44)-43-57

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**CONCEPTUAL PRINCIPLES OF STATE REGULATION OF THE COUNTRY’S INVESTMENT SECURITY**

**Abstract.** Investing in the financial sector of the economy can lead to a number of consequences, including legislative, institutional and organizational problems that can lead to socio-economic problems such as increased indebtedness, loss of control over the nation’s strategic assets, etc. Definitions of terms such as "security", "investment security", "state security management mechanism" and "sustainable development" are subject to discussion. Macroeconomic, financial, foreign economic, investment, scientific and technological, energy, production, demographic, social and food security are the main components of Ukraine’s economic security. According to experts, ensuring investment security is one of the most important elements of economic stability. The main threats that can negatively affect the state of investment security of the country are given, and requirements that can help reduce these threats are also proposed. The necessary structural elements,
which include the state mechanism for ensuring investment security, are considered. The mechanism for ensuring investment security consists of the complex in organizational, economic, institutional and legal measures that affect the state of the state economy, stimulating domestic and foreign investors to invest in such a way as to guarantee the extended reproduction and protection of national economic interests, as well as timely detection, prevention and liquidation threats to the investment security of the state.

In modern Ukraine, the best investment model is needed, since the current options are unable to ensure the structural restructuring of the country’s economy or solve local problems of overcoming the socio-economic crisis. It is extremely important to understand that failure in the fight for foreign investments, and not for loans from the world’s leading countries or international financial organizations, will lead to the displacement of Ukraine from the world capital markets and, as a result, to the termination of economic reforms. But to prevent this, it is necessary to take into account the investment security of the state.

Investments in fixed and human capital are now one of the most important elements of financial security. Thus, ensuring an adequate level of investment security becomes extremely important. The investment security of the state can be defined as the achievement of the level of investments that allows optimal satisfaction of the current investment needs of the national economy in terms of volume and structure, taking into account the effective use and return of invested funds, the optimal ratio between internal and external investments, foreign investments in the country and abroad, and support of a positive national balance of payments.

The update of the work is represented by the deepening of the theoretical and methodological foundations of the formation for the state investment security mechanism to guarantee the economic stability and development of the state. The subject of the study is the theoretical-methodical and applied principles of formation and practical application of investment strategy tools and investment planning of territorial development.

The authors considered how important it is to develop investment processes in Ukraine, taking into account its investment security. National interests regarding investment security are described. It is emphasized that the creation of the theoretical and methodological foundations of investment security should take place before the definition of general investment principles. The priority areas of investment security research have been determined. The methods of determining its essence and meaning are analyzed; the elements that influence the creation of a state investment strategy are systematized. It is indicated how the components of the state’s investment security are interconnected. A number of measures are proposed to improve the organizational and economic basis of attracting direct foreign investment in the industry of the regions of Ukraine in the post-war period.
Концептуальні засади державного регулювання інвестиційної безпеки країни

Анотація. Інвестування в фінансовий сектор економіки може призвести до низки наслідків, включаючи законодавчі, інституційні та організаційні проблеми, які можуть призвести до соціально-економічних проблем, таких як збільшення боргових зобов’язань, втрата контролю за стратегічними активами нації тощо. Визначення таких термінів, як «безпека», «інвестиційна безпека», «механізм державного управління безпекою» та «сталий розвиток», є предметом обговорення. Макроекономічна, фінансова, зовнішньоекономічна, інвестиційна, науково-технологічна, енергетична, виробнича, демографічна, соціальна та продовольча безпека є основними компонентами економічної безпеки України. На думку експертів, забезпечення інвестиційної безпеки є одним із найважливіших елементів економічної стабільності. Наводяться основні загрози, які можуть негативно вплинути на стан інвестиційної безпеки країни, а також пропонуються вимоги, які можуть допомогти зменшити ці загрози. Розглядаються необхідні структурні елементи, які включають державний механізм забезпечення інвестиційної безпеки. Механізм забезпечення інвестиційної безпеки складається з комплексу організаційних, економічних, інституційних і правових заходів, які впливають на стан
економіки держави, стимулюючи вітчизняних та іноземних інвесторів інвестувати таким чином, щоб гарантувати розширене відтворення та захист національних економічних інтересів, а також своєчасне виявлення, попередження та ліквідацію загроз інвестиційній безпеці держави.

У сучасній Україні потрібна найкраща інвестиційна модель, оскільки поточні варіанти не в змозі забезпечити структурну перебудову економіки країни або вирішити локальні проблеми подолання соціально-економічної кризи. Вкрай важливо розуміти, що невдача в боротьбі за іноземні інвестиції, а не за кредити провідних держав світу чи міжнародних фінансових організацій, призведе до витіснення України з світових ринків капіталів і, як наслідок, до припинення економічних реформ. Та для запобігання цьому необхідно враховувати інвестиційну безпеку держави.

Інвестиції в основний і людський капітал зараз є одним із найважливіших елементів фінансової безпеки. Таким чином, забезпечення належного рівня інвестиційної безпеки стає надзвичайно важливим. Інвестиційну безпеку держави можна визначити як досягнення рівня інвестицій, що дозволяє оптимально задовольняти поточні інвестиційні потреби національної економіки за обсягом і структурою, з урахуванням ефективного використання та повернення інвестованих коштів, оптимального співвідношення між внутрішніми та зовнішніми інвестиціями, іноземними інвестиціями в країну та за рубіж, і підтримки позитивного національного платіжного балансу.

Актуалізація роботи представлена поглибленням теоретико-методичних засад формування державного механізму забезпечення інвестиційної безпеки для гарантування економічної стабільності та розвитку держави. Предметом дослідження є теоретико-методичні та прикладні засади формування та практичного застосування інструментарію інвестиційної стратегії та інвестиційного проектування розвитку територій.

Автори обґрунтовали, наскільки важливо розвивати інвестиційні процеси в Україні, враховуючи її інвестиційну безпеку. Описуються національні інтереси щодо інвестиційної безпеки. Наголошується на тому, що створення теоретико-методологічних основ інвестиційної безпеки має відбуватися перед визначенням загальних інвестиційних принципів. Визначено пріоритетні напрямки дослідження інвестиційної безпеки. Проаналізовано методи визначення її сутності та значення, систематизовано елементи, які впливають на створення державної інвестиційної стратегії. Зазначено, як складові інвестиційної безпеки держави пов’язані між собою. Запропоновано низку заходів, щоб покращити організаційно-економічні засади залучення прямих іноземних інвестицій у промисловість регіонів України в післявоєнний період.
Ключові слова: інвестиції, інвестиційна безпека, інвестиційні процеси, державна інвестиційна стратегія, пряме іноземні інвестиції, інвестиційна модель.

Problem setting. Today, investments are the powerful basis for the development of enterprises, individual industries, sectors of the economy, and the country as a whole. The ability to attract and implement investments depends on the prosperity or decline of production, broad opportunities for solving social and environmental problems, the current level and potential dynamism of physical, financial and human capital. At the current stage of the world economy development, an important and urgent issue is the development of investment activities, the attraction and use of foreign investments. Almost all countries of the world direct their efforts to increase the investment attractiveness of foreign investments and increase their volume in the national economy [1].

It is very important for the economy of Ukraine to attract foreign investments, as one of the most effective mechanisms for the development and operation of domestic enterprises. The need to attract foreign investments is foreseen by the decrease in investment activity of domestic enterprises, the need for technical and technological modernization of both production and the entire market infrastructure, and the need to introduce new management methods into all spheres of the economic mechanism. And therefore, since the issue of foreign investment is important for the economic development of our country, the need to study and research the main types and forms of foreign investment is very urgent.

For the sustainable socio-economic development of the regions of Ukraine, it is necessary to attract a sufficient amount of funds from both internal and external sources. Involved investments make it possible to create new jobs, and as a result, the volume of tax deductions increases, which favourably affects the formation of additional sources of funding for social and economic development; and also improve the quality of physical and "soft" (changeable) infrastructure; stimulate the development of entrepreneurial activity in a certain territory and diversify its industry structure, reduce risks associated with the cyclicality of industry development [2].

Since the attraction of investment resources to the region can significantly positively affect the change in its economic situation, modify its production structure, cause changes in labour and capital markets, it should be given key attention in the activities of state authorities and local government and self-government institutions.

Literature review. For sustainable socio-economic development of the regions in Ukraine it is necessary to attract a sufficient amount of funds from both internal and external sources. For sustainable socio-economic development of the
regions of Ukraine it is necessary to attract a sufficient amount of funds from both internal and external sources. The results of basic research by Ukrainian and foreign scientists clearly indicate that the processes of economic renewal and growth are determined by the size and structure of investments, the quality and speed of their implementation. A wide range of issues related to research in the field of investment activity and attracting foreign investment in order to improve the investment climate are reflected in the works of domestic and foreign scientists and economists.


Scientific research of domestic and foreign scientists O. Baranovsky, T. Bondaruk, M. Vlasov, R. Voloshchuk, K. Glukhov, I. Kalashnikov, E. Karanin, V. Kozhevnikova, O. Kopylyuk, R. Lyubachivska, V. Martynyuk, M. Moroz, O. Muzychky, E. Petushenko, E. Rogatyntyuk, S. Tkalenko and E. Sika cover the problems of ensuring investment security. Their research examines the main elements of a country’s investment security, as well as the risks, threats and dangers that accompany the investment process, as well as a methodological toolkit for assessing its level.

At the same time, despite the long-term research interest in the problems of security studies and a significant number of studies devoted to the analysis and assessment of the components of economic security of the country, it is necessary to determine the current state of investment security, as well as existing and potential threats, as well as methods of minimizing these threats.

**Research goal.** The purpose of the article is to deepen the theoretical and methodological foundations of the state mechanism formation for ensuring investment security to guarantee economic stability and development of the state.

The subject of the study is the theoretical-methodical and applied principles of formation and practical application for investment strategy tools and investment planning of territorial development.

The methodological basis of the work consists of the fundamental provisions of the theory in public administration, the fundamental legislative and normative acts of Ukraine; scientific works of domestic and foreign scientists on issues of state regulation of the health care system.

The information base of the research was made up of legal acts of the Verkhovna Rada of Ukraine, the Cabinet of Ministers of Ukraine, data of the Ministry of Health of Ukraine, the Ministry of Economic Development and Trade
of Ukraine, materials of the State Statistics Service of Ukraine, bibliographic sources, results of own calculations.

Key research findings. In order to ensure investment security and guarantee the national interests of the state, it is necessary to develop an appropriate mechanism for their implementation. The conceptual and methodological study of the theory of ensuring investment security is based on the consideration of the category "mechanism of ensuring economic security" as a systemic phenomenon.

The mechanism for ensuring the country’s economic security in modern conditions is a system of organizational, economic and legal measures to prevent economic threats. It includes the following elements: objective and comprehensive monitoring of the development of the economy and society in order to identify and forecast internal and external threats to economic security; development of threshold, maximum permissible values of socio-economic indicators, non-observance of which leads to instability and social conflicts; state activities to identify and prevent internal and external security threats [3].

The main task of the state at the national level is the formation of measures capable set of persuading potential investors to place their resources in this country. In this context, we can state that the set of political, legal, economic and social factors form and provide support for the investment activities of both domestic and foreign investors. In addition, work in this direction directly affects the socio-economic development of the country and solves a number of social problems, ensures a high level of employment of the population, allows to update and diversify production, introduce the latest technologies, know-how, promotes the development of innovations, etc.

The elements of the mechanism for ensuring investment security (subject, object), as well as inter structural connections ensuring the integrity of the system, its interdependence and functionality, were identified. Authors emphasize the importance of understanding the category "mechanism for ensuring investment security" from the point of view of its object composition, inter-structural connections and target direction. On the one hand, the mechanism for ensuring investment security is based on an improved principle scheme that allows for the presence of three components: national interests (in particular, interests in the investment sphere), threats as factors that create a danger of the realization of interests, and a system of measures aimed at eliminating threats, their prediction and timely warning [4].

Having considered the organizational and economic basis of the mechanism for ensuring investment security, it can be defined as follows: the mechanism for ensuring investment security is a system of organizational, economic, institutional and legal measures of influence on the formation of the state of the economic environment in the state, which stimulates domestic and foreign investors to ensure
such a level of investment economy, which would guarantee its expanded reproduction and protection of national economic interests, as well as timely identification, prevention and elimination of threats to the investment security of the state. The mechanism for ensuring investment security includes: object and subject of management; set of economic interests of subjects; functions, principles and methods of management; management tools (organizational and personnel support; financial support; information and analytical support); criteria and indicators for assessing the level of investment security; engineering and management technology [5].

It should be noted that the implementation of the state investment policy depends on a set of factors that the investor takes into account when making decisions on investment (Fig.1)

**Fig. 1. Factors of formation of the state investment strategy**

_Sours: systematized by the authors on [6;7;8]_
Improving the organizational and economic foundations of direct foreign investment (DFI) attraction in the industry of the regions of Ukraine is possible through the use of the following measures:

1. Making changes to the State Strategy for Regional Development by including in the text a section that regulates the issue of forming the investment policy of regions as an element of the state's strategic progress.

2. To include in the regional strategies a section in which the development of economic sectors in the region is analyzed, with the aim of forming a complete picture of its internal potential and highlighting the attractiveness for potential investors.

3. To ensure effective protection of investors’ rights and to provide guarantees to foreign investors regarding the stability of business conditions in certain regions by instalments of loan repayment terms, application of accelerated depreciation norms.

4. To promote the possibilities and advantages of creating such forms of economic and investment activity as regional parks and industrial districts, which can contribute to the activation of investment activity in the regions.

5. Stimulate cooperation between enterprises of related industries within the region for the purpose of joint implementation of the investment attraction strategy.

6. To promote the formation of an extensive territorial network of investment infrastructure objects - joint investment institutes, investment funds, which simplifies the possibilities of conducting investment activities, with the aim of increasing the investment potential of the regions [9].

As already mentioned earlier, the activity of the region’s investment activity depends entirely on its investment climate and the investment attractiveness of the investment objects. Factors affecting the investment attractiveness of the region’s resources can be grouped as follows:

1. Factors that determine the investment climate of the district: economic; political; legislative; environmental protection; infrastructure; natural and climatic; resource; demographic

2. Factors related to the state of the investment object: financial indicators; production and technological; infrastructure; input resources; state of management, marketing [10;11].

Thus, the strategic goals of the regional investment policy and the related main tasks of regulating the investment process in the region should play the role of a leading block in the given model of the organization of the investment process in the region. It is at this stage that the tasks of strategic management are transformed into the stage of strategic planning and determination of its effectiveness. An important factor in the management of the investment process should be the investment project, which should reflect ways of solving the main tasks of the socio-economic development of the state, region, and economic entities.
Regulation of the investment process in the region should be based on:
- the principle of coordination of the involved mechanisms for authorities and economic freedom of business, limited only by law;
- the principle of decisions rationalization, which is connected with the choice of alternative options that are optimal for all subjects of the investment process. That is, the state regulates the "rules of conduct" in the external environment, and the internal environment - the organizational structure, strategy and tactics of investment implementation - is the mechanism of investment management.

Accordingly, the rationalization of the regional investment system should be based on the following: liberalization and deregulation of business activities; stability of the legal area; regulation of state and corporate governance; development of financial infrastructure; image formation; formation of the market for foreign investment operators; improvement of the principles in formation and implementation of investment programs, etc.

The analysis of the existing mechanisms of investment attraction in the economy of the regions and the investment activities experience of developed European countries allows us to assert that there is a need to create Regional Development Agencies (RDAs) in Ukraine [12].

Authors note that today the RDAs play a very important role in the processes of spatial unity and sustainable development of the state and its regions, as organizations that are not politically involved and that do not set the goal of their activity as profit, which is typical of commercial structures.

Thus, these organizations, in addition to performing their direct functions, namely the role of a kind of financial intermediaries between the government and entrepreneurs, began to carry out a new type of activity - stimulating and supporting the growth of the competitiveness of enterprises and the search for integrated ways of territorial development.

The creation of a network of non-state institutions for national, regional and local development is also necessary for the effective implementation of an effective investment policy. In our country, the above-mentioned agencies can be considered as a new institutional form of management, designed to introduce an investment and innovation model of development. Acting as an intermediary between the government and the business community, the RDAs help to avoid the mistrust that exists between enterprises competing in the market and to initiate a dialogue between authorities and business representatives.

Thus, according to the estimates of experts in the World Bank and the International Finance Corporation [13], for an increase in private investment in developing countries by 1% of GDP, other things being equal, the average annual growth rate of the economy increases by 0.71%. In addition, the importance of ensuring investment security is determined by the need to observe national interests in this area.
Thus, among the national interests in the sphere of investment security, in particular, they name [14]:

1) long-term: formation of an investment, and later - innovative model of development, ensuring the structural restructuring of the economy; formation of a favourable investment climate;

2) medium-term: ensuring the manageability of the process for capital flows (taking into account the motives and trends of its international movement) to high-tech sectors of the economy, combining investments with innovations, accelerating the modernization of industry based on modern technologies, ensuring the quality structure of foreign investments, developing the stock market, joint investment institutions;

3) short-term: avoiding the destruction of the banking system, minimizing losses as a result of the global financial crisis, ensuring the liquidity of enterprises and banks, avoiding exclusive dependence on foreign capital due to large amounts of foreign debt and attracting additional international loans, protecting the economy from the expansion of foreign transnational corporations (TNCs) on conditions unacceptable to the country, compliance with the norm of investment to GDP, maintaining the innovative orientation of investments.

However, from the above-mentioned national interests in ensuring investment security, in our opinion, only the formation of a favourable investment climate, the avoidance of exclusive dependence on foreign capital due to large amounts of foreign debt and the attraction of additional international loans, and the protection of the economy from the expansion of foreign TNCs on unacceptable conditions for the country, compliance with the norm of investment to GDP, maintaining the innovative orientation of investments. At the same time, national interests in the sphere of investment security, in our opinion, are also: attraction of an effective (which will provide a greater overall economic effect than the rate of return demanded by the investor to cover obligations for returning investments and borrowed funds) volume of investments; support of national producers; increasing employment of the country’s population; involvement of modern technologies [15].

An indispensable component of investment security is the security of investment activities. In the context of investment security, it is legitimate to consider:

- the safety of strategic (for the purpose of controlling the investment object and making management decisions) and tactical (owning funds in the real sector of the economy and purchasing securities for the purpose of quick profit) investing;

- the security of investment resources formation, their transformation, investment (stability of income (interest, dividends), invulnerability on the market of investment capital), implementation of investments;

- the security of investment in physical, monetary and intangible (property rights and intellectual values) assets. That is, we should be talking about the safety
of domestic and foreign investments, investments in the production of goods, provision of services, implementation of works; providing a loan, credit; acquisition of securities;

- the safety of passive (which enables the preservation of the achieved level) and active (which ensures an increase in the economic agent's competitiveness) investment;

- the security of "forced" (legislatively defined) and social investments, as well as investments in the creation of new and expansion of production and improvement of efficiency, research and innovation; - security of specific investment projects.

Conclusions. It is substantiated that the mechanism for ensuring investment security consists of a complex of organizational, economic, institutional and legal measures that affect the state of the state economy, stimulating domestic and foreign investors to invest in such a way as to guarantee the extended reproduction and protection of national economic interests, as well as timely detection, prevention and elimination of threats to the state’s investment security. It is shown that the analytical mechanism should be implemented on the following basis: development of an appropriate strategy for conducting an adequate economic policy and ensuring investment security; definition and specification of national economic interests; definition and specification of security facilities and institutions (entities); systematization of threats (internal and external); determination of indicators and their threshold values so that the purpose of the investment security mechanism is to protect the country's economic interests.

The main task of the state in attracting investments at the national level is the formation of a set of measures capable of persuading potential investors to place their resources in this country. In this context, we can state that a set of political, legal, economic and social factors form and provide support for the investment activities of both domestic and foreign investors.

Authors substantiated that the issue of improving the investment climate and business conditions was and remains the most urgent for any state, especially a developing one. The lack of stable economic development, the low level of competitiveness of products, the wear and tear of fixed assets by 90% in virtually all sectors of the economy and a number of other factors contributed to the aggravation of the issue of the state's investment attractiveness, especially in the context of recent events. Discussions in the area of European integration processes are impossible without a detailed assessment of the investment attractiveness and competitiveness of the Ukrainian economy.

At the current stage of Ukraine’s development, it is very important to take into account all the shortcomings and mistakes that were made in previous years and determine a further strategy that will allow the country to move forward to improve
its investment climate. Studying the experience of effective work on increasing investment attractiveness carried out by other countries is an important element of forming the basis of mechanisms and tools that authorities can use at the state and regional level in Ukraine.

The economic and legal mechanism of attracting foreign investments must be considered as a set of measures and means that determine the conditions of the participants activity, the ownership relationship and the existing organizational and legal form of the object with foreign investments. This mechanism is formed and operates at three levels: macro-level – the actions of state institutions of the central government in the process of formation and regulation of investment processes are considered; meso-level - takes into account the policy of attracting foreign investments by regional authorities, and at the micro-level - there is direct interaction between the investor and any enterprise - the recipient of the resource.

The regional problems of attracting effective investments in the region’s economy are:
- the absence of a unified system of preferences for investors approved at the regional and local levels, which would combine a number of fiscal and administrative benefits for the implementation of investment projects under certain conditions;
- the lack of specific business plans, technical and economic justifications and projects for the development of territorial communities in the region, etc., developed in accordance with world standards and on the basis of professional studies of the investment potential of the region.

Today, globalization processes force regions to compete significantly for resources and investments. The level of sustainable development of territories and the well-being of residents directly depend on their involvement. The biggest obstacles to investing in Ukraine are the imperfection of the judicial system and corruption risks, the inconsistency of industry legislation, and administrative barriers to doing business. Because of this, positive expectations of investors often change to negative ones. At the same time, investors are interested in investing in the Odessa region, which has a strong potential for the development of industry, agriculture, construction, transport, and tourism.

References:

Література:


