Investment policy in the context of economic stabilization: concept and implementation directions

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Abstract.
The article is devoted to the substantiation of the concept and directions of investment policy implementation in the context of economic stabilization. A refined definition of the concept of state investment policy is proposed. The trends in the development of foreign investment in Ukraine are substantiated and, based on this, directions for improving the investment policy are proposed: ensuring investment security by implementing production accumulations and capital investments at a level that ensures the necessary rates of expanded reproduction, restructuring and technological rearmament of the economy; ensuring proper financing of the scientific and technical sphere; improvement of the legal framework for the regulation of the financial sector of the economy, including improvement of the protection of investors' rights; implementation of the policy of active state protection of national capital positions; identification of priority areas of the economy for investment and providing them with benefits; development of a mechanism for the protection of investors' rights at the state level; promotion of the development of science, scientific-technical and innovative activities; creation of technoparks with the latest technologies; ensuring active participation in international investment projects, etc. Prospects for further research in this direction are the study of foreign experience in regulating investment activities and attracting foreign investments to the national economy.

Keywords:
economic policy
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Relevance of research. Many countries of the world have long recognized the importance of a balanced investment policy as the main lever for ensuring the sustainable development of the country's economy. The crucial importance of the investment policy lies primarily in the fact that it is the main source of financing for all the main sectors and segments of the Ukrainian economy. Along with this, the issue of development and implementation of investment policy is in the center of attention of scientists and experts in the field of economy of Ukraine, but, despite this, today the outlined issue is still far from being resolved and needs further study.

This determined the choice of the topic of this study and confirms its relevance.

Setting objectives. The purpose of the article is to substantiate the concept and directions of investment policy implementation in the context of economic stabilization.

Research results. The concept of "investment" is given great importance in the scientific literature, as a whole chain of interdependent objects, signs and functions related to this concept is subsequently built. Different interpretations of investments are given in many sources.

Investments are a relatively new category for the Ukrainian economy. Within the framework of the centralized planning system, the concept of "gross capital investments" was used, which meant all costs for the reproduction of fixed assets, taking into account the costs of their complete restoration. They were considered as a concept identical to investments [1].

According to one of the definitions, investments are long-term investments of capital with the aim of obtaining income [2]. In our opinion, this definition does not reveal the full meaning of investments and their role in the economy from the point of view of the development of social utility, the definition gives a one-sided assessment, focusing only on the interests of the investor.

In the most general sense, investment policy is a set of actions of economic agents to ensure conditions for simple and expanded reproduction of capital resources in the region or in the state as a whole, and the essence of investment
policy is to ensure the reproduction of fixed assets of production and non-production industries, their expansion and modernization.

State investment policy as a set of measures and prospects for the development of investment activity to attract investment potential to the reproduction process, create optimal conditions for making investments, ensure sustainable socio-economic development of the country [3].

The state investment policy represents the determination of structural and quantitative needs for investment resources, the increase of sources of financing, the selection of priority areas of financing and the formation of an effective proposal for attracting investments [4].

This definition provides a wide range of activities of the state in the investment sphere, both as an agent of its own investment activity and as a regulator of the system of factors that determine the efficiency and intensity of investment activities of other business entities.

State investment policy is interpreted much more narrowly within the framework of the approach [1], when it is considered as a set of measures that ensure the formation of a favorable national investment climate and business environment in the country. Implementing this approach, scientists define the state investment policy as "a complex of legal, administrative and economic measures of the state, aimed at the spread and activation of investment processes."

Taking into account the peculiarities of the development of the investment process in modern conditions, we propose the following modified definition of this concept: state investment policy is a system of measures that determine the volume, structure and main directions of all investments of investment resources of various forms to ensure high rates of economic development through the concentration of investments on those investment projects, which depend on the achievement of high rates of production development, the balance and efficiency of the economy, obtaining the maximum increase in production and income per unit of expenditure, as well as for the creation of a social environment in the country that meets the requirements of society regarding the necessary quality of life, the appropriate level of satisfaction of social
standards taking into account the needs of future generations.

The investment climate acts as an object of investment policy influence. On the one hand, it determines the starting conditions for the development of investment policy, on the other – it is its result.

The effectiveness of the investment policy is measured by the degree of change in the investment climate in a more favorable direction. In turn, a more favorable state of the investment climate influences the investment policy towards its further improvement.

Investment policy, which acts as a set of various measures, affects various (primarily subjective) components of the investment climate. It is actualized through the development and implementation of the investment activity regulation strategy [3].

More generally, the following approaches to defining the concept of "stability of the economy" can be distinguished:
- as a quantitative trend of the stability of certain indicators;
- as the growth of the country's economic power;
- as a component of economic development.

Thus, the approach to considering the essence of economic stability as a quantitative tendency to maintain certain indicators at the desired level is the most common approach. At the same time, the following indicators are distinguished: GDP, GNP, Net product (gross income).

The approach, which is based on considering the stability of the economy as an improvement of the economic power of the country, is undoubtedly true and appropriate, but still does not fully reveal the essence of the stability of the economy.

Regarding the approach to delineating the essence of economic stability as a part of economic development, in this context it is necessary to refer to the related concept of "economic development".

These concepts are compatible with each other, but not identical. With such an arbitrary simplification, important features of development may be ignored.

In general, a stable economy is a rather contradictory process that cannot only take place in a straight line, along an upward line. Development itself is characterized by
unevenness, including periods of growth and decline, quantitative and qualitative changes in the economy, etc. In the case when the development is progressive, the system acquires a more perfect state. However, a stable economy is not characterized by wave-like changes in the indicators of the economic system, but rather by their maintenance at one desired level.

Interest in Ukraine on the part of foreign investors is quite significant and the reasons for this are quite clear:

- Ukraine is a market of about fifty million animators;
- Ukraine occupies a strategic economic position in Europe; from here, the manufacturer can export its products to Central Europe, the Balkans, Russia, the Caucasus and Central Asia;
- Ukraine has the most fertile agricultural lands in the world and is rich in various natural resources;
- Ukraine has a number of unique technologies;
- Ukraine has well-trained and qualified personnel [4].

However, the actual volume of foreign investments in Ukraine is insufficient. Ukraine is one of the contenders in the competition for foreign capital with other Central European countries and newly independent states where a market economy is being created.

Competing with the countries of Latin America, where the economy is developing, as well as in the competition with the countries of Southeast Asia, whose economic systems are still experiencing difficulties; in the end, in competition with the whole world.

Companies planning to invest in Ukraine understand that investing is always a very risky business and therefore it should be properly assessed. The risk faced by investor companies is classified into three groups:

- commercial;
- additional (in case of investment abroad);
- due to the peculiarities of the investment climate in a certain country (in particular, in Ukraine) [3].

The degree of commercial risk is affected by the following points:

- demand for the product;
- solvency of buyers;
- behavior of competitors;
the possibility of exporting its products from Ukraine to other countries [4].

These problems concern any investor. Special, additional risks that arise when investing in a foreign country are difficult to estimate and must be taken into account.

Therefore, the creation of modern infrastructure in Ukraine, including transport, technical equipment, warehousing, telecommunications, business infrastructure and household services, should be included among the priority areas of foreign investment. Without this, the transition to a full-fledged market and the development of international investment activities are practically impossible. The development of this area is not only relevant, but also quite attractive for foreign investors, since here, as a rule, initial costs are paid off in a relatively short period of time and at the same time a favorable material basis for further business activity of foreign capital is created.

It is possible to trace the formation of certain trends that to one degree or another characterize the development of foreign investment in Ukraine:
- the majority of partners from developing countries (by the number of investments) and partners from industrially developed countries (by the volume of investments);
- the orientation of enterprises with foreign investments to the production of goods, with which the world markets are practically saturated, and to the sphere of services;
- the caution of Western partners regarding the increase of investments, which is caused by the lack of reliable guarantees of their protection, the presence of direct and indirect control over such investments, the lack of development of strategies and tactics for entering a virtually unknown and previously closed market;
- the activity of small foreign companies focused on quick return of small investments or profit from one-time operations, essentially intermediary or frankly speculative;
- uneven distribution of investments across sectors and regions of Ukraine, their concentration in industrial centers of Ukraine, such as Kyiv;
- predominance of the share of property contributions of foreign investors in the total volume of investments, weak
use of financial market mechanisms for investment.

Having analyzed the state of foreign investment in Ukraine in terms of individual regions, it is possible to conclude that its improvement requires [1-5]:

1. To ensure investment security by carrying out production accumulations and capital investments at a level that ensures the necessary rates of expanded reproduction, restructuring and technological rearmament of the economy.

2. Investment security of Ukraine should also provide for compliance with the optimal ratio of national and foreign investments.

3. To ensure adequate financing of the scientific and technical sphere.

4. To improve the regulatory and legal framework on issues of regulation of the financial sector of the economy, including on issues of improving the protection of investors' rights.

5. Pursue a policy of active state protection of national capital positions, as well as stimulation of not only the quantitative growth of foreign direct investments, but also their qualitative parameters.

In addition, it is advisable to carry out work in the following directions [3]:

- improvement of the legal framework in the investment sphere;
- determination of priority areas of the economy for investment and providing them with benefits;
- protection of investors' rights at the state level;
- promotion of the development of science, scientific-technical and innovative activities;
- creation of technoparks with the latest technologies;
- active participation in international investment projects;
- work with international rating agencies; conducting marketing research in the field of attracting investments to the country;
- monitoring of global investment flows and analytical studies;
- inviting world-class specialists to Ukraine to develop strategies for receiving investments;
- consolidation of macroeconomic stabilization and
transition of the National Bank of Ukraine to the policy of low interest rates;  
- conducting structural reforms in the economy, including tax reform, providing tax benefits for the development of innovative industries;  
- implementation of institutional reforms (anti-corruption reform, modernization of administrative and judicial systems, reform of law enforcement agencies) and approximation of the institutional environment in the domestic market of Ukraine to European requirements by implementing the provisions of the Association Agreement between Ukraine and the EU;  
- modernization of infrastructure (according to European financial experts, for the modernization of infrastructure, administrative and judicial systems, education and industry, Ukraine needs assistance in the amount of more than 100 billion euros) [4, 5].

Thus, the formation of an effective strategy for increasing the investment attractiveness of Ukraine requires the selection and priority of a certain model in order to solve the tasks of the socio-economic development of the country. The choice of any one model cannot be made due to the fact that none of the considered strategies can be completely neglected, as it ensures the preservation of the country's territory and economy.

Currently, the economy of Ukraine is unstable and in need of significant reform. One of the important tasks for improving the state of the economy is the attraction of both domestic and foreign investments. Therefore, a favorable investment climate should be created [2].

Foreign investments play an important role in the development of our country's economy. At this stage, compared to other economies of the Eastern European region, Ukraine is one of the least attractive for foreign investors. Despite the created legislative framework, the attractiveness of Ukraine's economic potential, namely: rich natural resources, favorable geographical location, availability of qualified "cheap" workers, inflows of foreign investments to Ukraine are negligible.

In this regard, the state must accumulate its actions to achieve stability in the country, eradicate the unfavorable
climate in legal, economic and infrastructural aspects, since foreign investments contribute to the development of the joint private sector of the national economy.

The goal of investment programs should be the reorientation of significant resources to the development of industries that satisfy the consumer needs of the population. At the same time, it is necessary to introduce social infrastructure to the list of priority areas. The analysis also shows that currently investments are mainly concentrated in the field of primary production. Therefore, the investment strategy should be focused on meeting the development needs of those industries that complement and serve the main production.

So, today, without a doubt, Ukraine needs certain transformations to improve internal and external investment processes. A successful combination of national and regional investment policy will provide the necessary conditions for the favorable functioning of the investment market of Ukraine. Existing positive developments and trends in the investment market must be supported and developed, and this cannot be done without a certain toolkit for making the right decisions.

Any management decisions should be justified on the basis of scientific approaches, forecasting systems, modeling of certain conditions and situations. Therefore, it is the development and use of modern models of the investment market that will make it possible to ensure the appropriate level of stability of regional investment processes, and this, in turn, will lead to an improvement of the investment climate in the country and its regions, will revive national investment activity, and will strengthen Ukraine's position in the world rankings of investment attractive countries.

The formation of an attractive environment for foreign investors in Ukraine must, first of all, begin with the active actions of the state aimed at changing the political, economic and legal field in the country, which will stimulate the growth of foreign capital and ensure the most profitable for Ukraine their cross-sectoral allocation in accordance with the requirements of the chosen development strategy domestic economy and will increase the competitive position of the national economy on the international market.

Conclusions The article offers a refined definition of
the concept of state investment policy. The trends in the development of foreign investment in Ukraine are substantiated, and directions for improving the investment policy are proposed based on this.

The scientific novelty of the research results lies in the justification of investment policy directions in the context of economic stabilization.

Prospects for further research in this direction are the study of foreign experience in regulating investment activities and attracting foreign investments to the national economy.

References: