

ORGANIZATIONAL AND ECONOMIC PRINCIPLES OF ACTIVATION OF THE ATTRACTION OF INVESTMENT RESOURCES IN THE DEVELOPMENT OF ECONOMIC SYSTEMS

Serhii Arefiev¹, Volodymyr Filippov², Svitlana Shepelenko³, Maksym Zabashtanskyi⁴, Tetiana Chorna⁵, Yurii Yevtushenko⁶

¹ Dr. Sc. Prof., Hochschule Rhein Main, Kurt-Schumacher-Ring 18, Wiesbaden, Germany, E-mail address: arefievso@gmail.com

² Dr. Sc. Prof., Odesa Polytechnic National University, Shevchenko Av. 1, Odesa, Ukraine, E-mail address: v.filippov@op.edu.ua

³ PhD, Assoc. Prof., Ukrainian Engineering Pedagogics Academy, University Str. 16, Kharkiv, Ukraine, E-mail address: svitlana7388@gmail.com

⁴ Dr. Sc. Prof., Chernihiv Polytechnic National University, Shevchenko Str. 95, Chernihiv, Ukraine, E-mail address: mazani@ukr.net

⁵ PhD, Assoc. Prof., Ukrainian Engineering Pedagogics Academy, Universitetska Str. 16, Kharkiv, Ukraine, E-mail address: tatcher409@gmail.com

⁶ PhD, Chernihiv Polytechnic National University, Shevchenko Str. 95, Chernihiv, Ukraine, E-mail address: uevtushenko87@gmail.com

Received 06 03 2024; Accepted 12 03 2024

Abstract

The purpose of this scientific work is to justify the organizational and economic principles of activation of the attraction of investment resources in the development of economic systems in current conditions. The methodological basis of the research is the methodology of the system approach, which makes it possible to obtain a synergistic effect from the activation of the attraction of investment resources for all economic entities. The updating of the factors necessary for the functioning of organizational and economic activities to ensure the activation of the attraction of investment resources made it possible to identify the organizational basis for ensuring a favorable investment climate, which include the identification of priority areas of economic activity and investment territories, the provision of a clear regulatory principle of regulation of investment relations in the economy, the use of adaptive the principle of regulation of investment processes, the implementation of programs at the state and regional levels to ensure the activation of the investment process. The economic methods of regulating the activation of investment processes are detailed. The expediency of creating investment activation centers at the local and state levels is substantiated, and the directions of their activities regarding the activation of investment processes are detailed. The proposed methodical approach using the method of analysis of hierarchies makes it possible for business entities to choose the most optimal option for attracting investment resources through a pairwise comparison of criteria according to systematic groups of diversification of investment resources sources and indicators for evaluating the effectiveness of investment projects.

Keywords: *organizational and economic principles, investment resources, investment climate, investment territories, public-private partnership, economic system, enterprise, region.*

JEL Codes: *E22, G31.*

Introduction

The sustainability of the development of economic systems can be achieved by increasing the attraction of investment resources, which will contribute to their economic growth, innovative development, modernization, increased competitiveness,

greening of production, etc. The genesis of the scientific opinion on the issue of investment has been relevant at all levels of economic systems in the global economic space for a long time, but changes in economic conditions, aggravation of international risks, and increased uncertainty of the development of economic systems require the continuation of the search for

the justification of the organizational and economic foundations of activation of the attraction of investment resources in current conditions. The timeliness of this research is also proven by the practice in which the development and implementation of investment strategies of certain spheres of economic activity, certain territories does not ensure the efficiency and balance of investment processes in the context of time and resources.

The purpose of the study is to substantiate the organizational and economic principles of activation of the attraction of investment resources in the development of economic systems in modern conditions.

To achieve the outlined goal, the following was justified:

- the timeliness of scientific research on the identification of the organizational and economic foundations of activation of the attraction of investment resources;

- proof of the need to use a systemic approach to obtain a synergistic effect from activation of the attraction of investment resources;

- identification of organizational and economic foundations for ensuring a favorable investment climate;

- the expediency of creating investment activation centers at the local and state levels;

- a methodical approach of a hierarchical model of choosing the most optimal option for attracting sources of investment resources based on a pairwise comparison of criteria according to systematized groups of sources' diversification of investment resources and indicators for evaluating the effectiveness of investments.

Literature review

The relevance of the study of activation of the attraction of investment resources does not decrease, since the current rapid changes in the economic environment, the increase in threats and risks increasingly cause more attention to be paid to this issue.

Scientific research by scientists from different countries of the world is devoted to

the issue of attracting investment resources to the development of economic systems at various levels. The role of planning capital and investment resources of the enterprise in financial accounting in developing countries was analyzed within the framework of the study (Sananda Ignas et al., 2021). Scientists Kong Qunxi et al. (2021) devoted their article to the study of the peculiarities of improper use of resources, the analysis of production efficiency indicators, and the problems of attracting foreign direct investment in the activities of Chinese enterprises.

Article Appiah Michael Karikari et al. (2019) describes the resource approach to the formation of internal resources and the development of investment solutions for small and medium-sized enterprises. Scientific work Ivanenko T. et al. (2018) is devoted to the study of issues related to making the optimal investment decision on the model of a manufacturing enterprise with limited resources. The basis of research Vera Antonio Galvan et al. (2023) is an investment approach for the competitiveness of the region.

As a result of research Tulchynska S. et al. (2021), innovative and investment strategies are outlined for activating the modernization potential and increasing the competitiveness of microeconomic systems. The authors of the article Borchevskyi V. et al. (2022) consider the financial and investment potential of the regions' development and analyze the prospects of their increase in the conditions of modern globalization challenges. Scientists Getzner M. et al. (2020) studied regional development and foreign direct investment in countries with transition economies. In accordance with Elov Dilshod Abdujabbarovich et al. (2020), the role of investments in the development strategy of the market infrastructure of the region is considered.

However, it should be noted that this issue does not lose its relevance and requires further in-depth study and analysis.

Methodical approach

The organizational and economic principles of activation of the attraction of investment resources in modern conditions should be based on qualitatively new principles of functioning, which involve the application of a systemic approach to: the activation of the attraction of investment resources in a single complex of measures for the management of investment resources; implementation of the entire set of organizational and economic management measures of a complex of consecutive actions regarding the diversification of attracting investment resources to ensure the development of economic systems; increasing the density of interaction between management, stakeholders, the banking sector, local and state authorities regarding the distribution of responsibility and investment risks in order to obtain a synergistic effect from the integration of efforts to intensify the attraction of investment resources; the application of modern information and communication resources and digital technologies for investment activation.

Results

The organizational and economic principles of intensification of the attraction of investment resources require the formation of an appropriate favorable environment that interests economic subjects to participate in investment processes. The formation of such an environment requires a combination of organizational, legal and economic measures, which, when integrated into a single mechanism, are able to provide a synergistic effect on the activation of investment attraction. In order to ensure the functioning of the organizational and economic support for activation of the attraction of investment resources, it is important to:

- achievement of political and legal stability of development at the state level, which activates financial potential and serves as a guaranteed impetus for the transition of

financial potential into capital in the form of investments;

- program-target orientation, which makes it possible to achieve the density of interaction of scientific, industrial, financial and other sectors on the basis of long-term target guidelines;

- security, which makes it possible in the economic, financial, informational, and legal fields to achieve stability in the development of investment processes and their activation;

- development of infrastructure, investment activity, optimization of the use of financial opportunities, improvement of communication of interested parties;

- establishment of public-private partnership, makes it possible to distribute the risks of investment activity, to increase the efficiency of management of joint investment projects;

- creation of effective institutions for stimulating investment projects, finding mutually interested parties, optimizing the use of financial potential; simplification of conclusion of investment agreements, etc.;

- the modernization paradigm of social development, which provides for social orientation towards innovative, digital, creative modernization of social development processes, which increases the effectiveness of investment processes and ensures a certain multiplier effect of investing;

- establishment of effective cooperation with international partners to increase the inflow of foreign investments, expansion of sales markets, increase of trade between countries.

In order to intensify the attraction of investment resources at the local and regional levels, it is advisable to create centers for the investments' activation, the work of which should be directed to:

- search for potential investors;
- market research of potential investors and selection of suitable projects for investors;
- consulting business entities in project work;

- encouraging investment in objects of the social and cultural sphere using the public-private partnership mechanism;

- carrying out work in the mass media on the coverage of investment activities to popularize investment measures;

- holding auctions for the charitable attraction of financial resources and their popularization;

- establishment of cooperation with Western partners based on the implementation of cooperation programs;

- increasing the interaction of the activities of various spheres, forming joint investment programs, sharing experience, improving the competencies of personnel in investment activities;

- introduction of the latest methodical approaches to the implementation of innovative projects and startups involving investment resources;

- informational and advisory provision of investment processes;

- participation in permitting procedures for the construction of social and cultural objects that are in demand among investors;

- involvement of local and state bodies in the mechanism of public-private partnership in social projects, etc.

The creation of investment activation centers to attract investment resources at the local and regional levels will contribute to the mobilization of investment opportunities of economic entities with the support of local and state authorities.

Attracting investment resources is an urgent issue for all economic systems at any level. Sources of attraction of investment resources can be:

- own funds, which are characterized by considerable mobility in terms of attraction, do not require their owner to change their organizational and legal form, ownership, but there is a constant problem - their limited and insufficient amount, which requires diversification of the sources of attraction of investment resources;

- the funds raised are in the form of equity capital, and their involvement does not increase the tension on the economic entity's operational activity, but they lead to the

emergence of a threat of partial loss of control over the economic entity;

- loan funds, described by the term of their use, the mandatory condition of return and payment of interest for their use, and may also require a deposit;

- other forms of capital attraction in the form of grants, preferential financing from the government, local authorities or non-governmental organizations, involvement of public-private partnerships in the form of joint participation of state and business structures in financing projects, subsidies, subventions, sponsorship in the form of capital attraction in activity of business entities.

Each form of raising capital has its advantages and disadvantages, it depends on a wide range of external and internal circumstances of attracting investment resources and the specifics of the economic systems that need them.

When choosing investment projects, important indicators (E_m) are: net present value, discounted payback period of the project, profitability index, internal rate of return, capital investment efficiency ratio, investment profitability index and other indicators. To justify the choice of investment sources for business entities, it is advisable to use a hierarchical model for choosing the optimal option for diversification of investment resource sources. In order to choose the optimal direction for the selection of investment sources, it is proposed to evaluate the criteria according to the systematic groups of sources' diversification of investment resources, namely: own funds (I_1), borrowed funds (I_2), loan funds (I_3) and other forms of capital attraction (I_4).

When choosing the most optimal option for sources of attracting investment resources, it is proposed to carry out a pairwise comparison of criteria according to systematized groups of sources' diversification of investment resources for a specific investment project according to the calculated standard indicators for evaluating the effectiveness of investments (E_m) (Table 1).

Table 1. Presentation of a pairwise comparison by systematic groups of sources' diversification of investment resources

	$I_1(E_m)$	$I_2(E_m)$...	$I_n(E_m)$
$I_1(E_m)$				
$I_2(E_m)$				
...				
$I_n(E_m)$				

*Source: developed by the authors.

For a pairwise comparison, it is suggested to use the scale of relative importance according to Saati from 1 to 9, which is presented in Table 2.

When conducting a peer comparison of the criteria for choosing a group of investment sources based on indicators of investment

efficiency, the values of inverse preference estimates are used. In the event that the preference of the k -th alternative compared to the j -th has one of the values shown in Table 1, then the evaluation of the preference of the k -th alternative compared to the j -th will have the opposite value.

Table 2. The gradation scale of pairwise comparisons by criteria according to systematized groups of diversification of sources of investment resources and investment performance evaluation indicators

Quantitative assessment	The degree of superiority of one criterion (indicator) in relation to another	Quantitative evaluation of the comparison	The degree of superiority of one criterion (indicator) in relation to another
9	Incomparably better	1/9	Incomparably worse
7	Far better	1/7	Much worse
5	Better	1/5	Worse
3	Noticeably better	1/3	Much worse
1	Equal priority	1	Equal priority
2; 4; 6; 8	Intermediate values between two defined criteria (indicators)	1/2; 1/4; 1/6; 1/8	Intermediate values between two defined criteria (indicators)

*Source: modified by the authors for the gradation of the criteria for choosing the investment source group according to investment performance indicators.

Thus, it makes it possible to present the results of pairwise comparisons in the form of inverse-symmetric matrices of the following form:

$$\begin{pmatrix} i_{11} & i_{12} & \dots & i_{1n} \\ i_{21} & i_{22} & \dots & i_{2n} \\ \dots & \dots & \dots & \dots \\ i_{n1} & i_{n2} & \dots & i_{nn} \end{pmatrix} =$$

$$\begin{pmatrix} 1 & i_{12} & \dots & i_{1n} \\ \frac{1}{i_{12}} & 1 & \dots & i_{2n} \\ \dots & \dots & \dots & \dots \\ \frac{1}{i_{1n}} & \frac{1}{i_{2n}} & \dots & 1 \end{pmatrix}.$$

(1)

where $i_{kj} = \frac{1}{i_{jk}}$; $k = \overline{1, n}$; $j = \overline{1, n}$ respectively refer to the row and column of the pairwise comparison according to the systematized groups of criteria for the sources' diversification of investment resources (indicators) (Table 1);

n – the number of elements participating in the pairwise comparison;

i_{kj} – numbers obtained by the results of a pairwise comparison in accordance with the defined gradation scale (Table 2).

With regard to the organizational principles of intensification of the attraction of investment resources, it is necessary to ensure

the appropriate investment climate, which provides (Figure 1):

- highlighting the priority of spheres of economic activity for the activation of investment attraction on the basis of monitoring the existing development potential of economic sectors, global trends in the development of new spheres of activity;

- provision of a clear normative-legal principle of investment relations' regulation in the economy, including the formation of a system of legislative and normative acts of state regulation and protection of investors' rights;

- identification of priority areas for activation of the attraction of investment resources to ensure leveling of disparities in territorial development;

- ensuring the adaptive principle of regulation of investment processes in accordance with bifurcations and changes in the economic systems' development at different levels;

- implementation of programs at the state and regional levels to ensure activation of the investment process and implementation of the investment insurance mechanism.

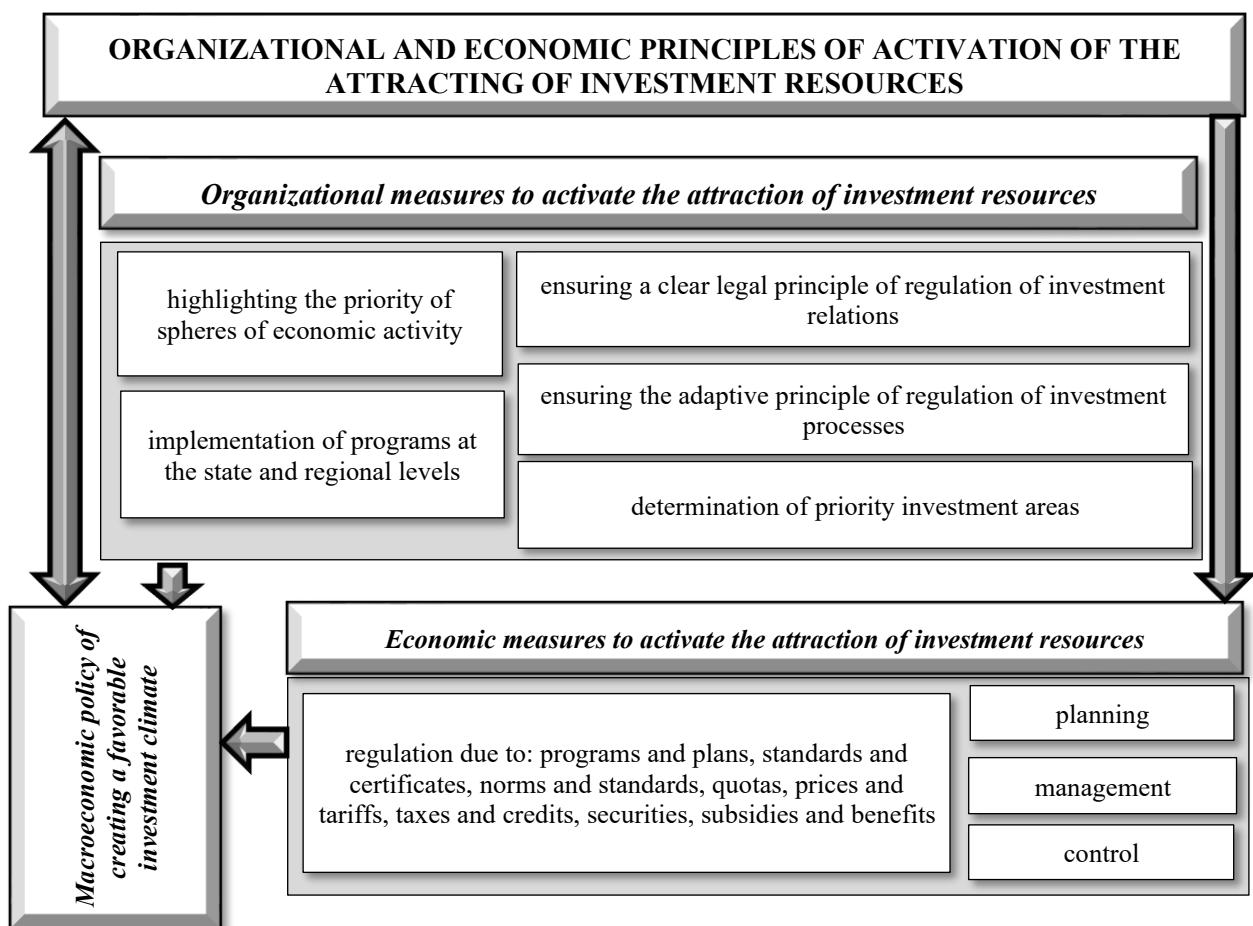


Figure 1. Organizational and economic principles of activation of the attraction of investment resources

**Source: developed by the authors.*

In addition to the mentioned organizational measures to ensure the climate for activation of the attraction of investment resources, it is important to conduct an appropriate macroeconomic policy, which

provides for the regulation of the stock market, tax incentives, budget and credit regulation, and the establishment of a flexible depreciation policy. As well as information provision of the processes of activation of the attraction of

investment processes, the formation of information bases on investment processes to ensure the diversification of sources of attraction of investment resources, including the activation of public-private partnerships.

Establishing the organizational foundations for activation of the attraction of investment resources requires the implementation of various economic methods of investment regulation. The methods of economic regulation of investment processes should include regulation at the expense of: programs and plans, standards and certificates, norms and regulations, quotas, prices and tariffs, taxes and credits, securities, subsidies and benefits. In addition, planning, management and control are included in the economic methods of activation of the attraction of investment resources.

Within the framework of planning the activation of the attraction of investment resources, it is important to assess the socio-economic development and its trends in order to identify priority areas and regions for the attraction of investment resources. When planning measures to intensify the attraction of investment resources, it is important to identify threats and risks that hinder and slow down investment processes and develop measures to level them and eliminate them. Determination of investment goals and objectives for the implementation of targeted organizational and economic measures for their activation. In turn, any planning requires the use of organizational tools for the activation of investment resources, which combine various forms of programs, strategies for attracting investment resources and diversifying their sources to achieve the set goals and tasks of socio-economic development with the use of various organizational levers impact. Any planning cannot be implemented without control, which involves monitoring the implementation of plans, programs, determining the causes, influencing factors that prevent their implementation, and developing measures to eliminate them.

Conclusions

The proposed methodical approach using the method of analysis of hierarchies makes it possible to choose for business entities the most optimal option for sources of attracting investment resources due to pairwise comparison of criteria according to systematized groups of sources' diversification of investment resources according to indicators for evaluating the effectiveness of investments in the project.

The novelty of the research consists in the substantiation of the organizational and economic foundations of activation of the attraction of investment resources in the development of economic systems, which, unlike established ones, provides for the provision of a favorable investment climate in the direction of prioritizing the spheres of economic activity and investment territories, ensuring a clear regulatory and legal principle for the regulation of investment relations in the economy, the use of the adaptive principle of investment processes' regulation, the implementation of programs at the state and regional levels to ensure the activation of the investment process, as well as the implementation of appropriate macroeconomic policy and the creation of investment activation centers to activate the attraction of investment resources at the local and regional levels.

Therefore, the creation of effective organizational and economic principles for the activation of investment resources in the development of economic systems is aimed at determining a structurally balanced volume of diversified sources of investment resources to ensure the development of economic systems, taking into account the priority directions of development and endogenous and exogenous threats and risks.

Further research requires the development of a complex model for managing investment processes at different levels of functioning, which will contribute to obtaining a synergistic effect from investing.

References

- Appiah, Michael Karikari, Possumah, Bayu Taufiq, Ahmat, Nizam, Sanusi, Nur Azura. (2019). Small and Medium Enterprise's Internal Resources and Investment Decisions in Ghana: the Resource-Based Approach. *Economics & Sociology*, 12(3), 37-53. doi: 10.14254/2071-789X.2019/12-3/3.
- Borchevskyi, V., Chemerys, V., Khomuk, N., Liubiin, V. (2022). Financial and investment potential for the development of the regions of Ukraine and prospects for its increase in the condition of current globalization challenges. *Financial and credit activity problems of theory and practice*, 4(45), 212-222. <https://doi.org/10.55643/fcaptp.4.45.2022.3812>.
- Elov, Dilshod Abdujabbarovich, Kaipnazarova, Jannazarova Gauhar. (2020). The role of investment in the region's market infrastructure development strategy. *Journal of critical reviews*, 7(6), 456-458.
- Getzner, M., Moroz, S. (2020). Regional development and foreign direct investment in transition countries: a case-study for regions in Ukraine. *Post-Communist Economies*, 32(6), 813-832.
- Ivanenko, T., Hrushko, V., Frantsuz, A. (2018). Optimal investment decision making on the model of production enterprise with limited resources. *Investment Management and Financial Innovations*, 15(4), 61-68. [http://dx.doi.org/10.21511/imfi.15\(4\).2018.05](http://dx.doi.org/10.21511/imfi.15(4).2018.05).
- Kong, Qunxi, Peng, Dan, Zhang, Ruijia, Wong, Zoey. (2021). Resource misallocation, production efficiency and outward foreign direct investment decisions of Chinese enterprises. *Research in International Business and Finance*, 55, 101343. <https://doi.org/10.1016/j.ribaf.2020.101343>.
- Sananda, Ignas, Sahda, Salsabila Latifah, Auliyaa, Tri Nur, Noerlina, Noerlina. (2021). The Role of Capital and Investment Enterprise Resource Planning on Financial Accounting in Developing Countries: An Empirical Study. *2021 International Conference on Information Management and Technology (ICIMTech)* (pp. 562-567). <https://doi.org/10.1109/ICIMTech53080.2021.9534919>.
- Tulchynska, S., Vovk, O., Popelo, O., Saloid, S., Kostiuunik, O. (2021). Innovation and investment strategies to intensify the potential modernization and to increase the competitiveness of microeconomic systems. *IJCSNS International Journal of Computer Science and Network Security*, 21(6), 161-168. <https://doi.org/10.22937/IJCSNS.2021.21.6.22>.
- Vera, Antonio Galvan, Rivas, Jesus Gerardo Delgado, Ruiz, Elias Edgar Anselmo. (2023). Public debt in the development or the regions: an investment approach for competitiveness. *Revista de Ciencias Sociales*, 29(2), 123-138.