

ІНВЕСТИЦІЙНО-ІННОВАЦІЙНА ДІЯЛЬНІСТЬ

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THE PROCESS OF ATTRACTION OF FOREIGN DIRECT INVESTMENT
IN THE ECONOMY OF THE COUNTRY

International investment activity is connected with the spread of ties between countries; this is an important moment in the economic activity of countries. The aspects of boosting of investment activity and creation of conditions for attraction of foreign investments are considered. Some problems of investing in the world and Ukraine are determined. The goal of foreign investment is, as a rule, long-term activity outside the investor's country in order to generate profits and increase investment to increase the effect of reinvestment. The implementation of the process of direct foreign investment is determined by the organization of this process outside the country of the investor. According to the analysis, depending on the investor's ability to assign the results of investment – the policy of the recipient country is planned. One of the objectives of a foreign investor is reducing tax pressure by using a tax base in another country. The attraction of foreign investments in the economy is an objectively necessary process that contributes to the country's economic development and contributes to the integration of the country's economy into the world economy.

Keywords: international investment, foreign direct investment, economic development, international capital movement, problems, process.

ЗАЛУЧЕННЯ ПРЯМИХ ІНОЗЕМНИХ ІНВЕСТИЦІЙ В ЕКОНОМІКУ КРАЇНИ

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У статті показано, що в сучасних умовах розвитку економіки актуальним є питання залучення іноземних інвестицій. Розглянуто аспекти активізації інвестиційної діяльності та створення умов залучення зовнішніх інвестицій. Визначено деякі проблеми інвестування у світі та Україні. Висвітлено міжнародний досвід інвестиційної діяльності та його адаптація до умов України.

Ключові слова: міжнародні інвестиції, прямі іноземні інвестиції, економічний розвиток, міжнародний рух капіталу, проблеми, процес.

ПРИВЛЕЧЕНИЕ ПРЯМЫХ ИНОСТРАННЫХ ИНВЕСТИЦИЙ В ЭКОНОМИКУ СТРАНЫ

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В статье показано, что в современных условиях развития экономики актуальным является вопрос привлечения иностранных инвестиций. Рассмотрены аспекты активизации инвестиционной деятельности и создания условий привлечения внешних инвестиций. Определены некоторые проблемы инвестирования в мире и Украине. Освещены международный опыт инвестиционной деятельности и его адаптация к условиям Украины.

Ключевые слова: международные инвестиции, прямые иностранные инвестиции, экономическое развитие, международное движение капитала, проблемы, процесс.

Formulation of the problem. International investment activity is connected with the spread of ties between countries; this is an important moment in the economic policy of countries. The problems of boosting of investment activity and creation of conditions for attraction of foreign investments are considered.

Analysis of recent research and publications. At the current stage of economic development, it is important to intensify investment activity. The investment activity of each country depends on the sources of foreign investment. The volume of investment in the country is an indi-

cator of the country's integration into the world economy. The problems of attracting foreign investment are the subject of research by many economists such as I.A. Blank, N.O. Tatarenko, V.G. Fedorenko, K.R. Gumenyuk, P.I. Gaiducky and others.

Setting task. The purpose of the article is analysis of the process of attracting foreign direct investment and identifying the problems that affect this process.

Presentation of the main research material. One of the most important issues of the economic development strategy of Ukraine is the provision of positive structural

changes in the industrial economy. There is a constant need for clarification of priorities and directions of the development of the country's economy and attraction of foreign investments.

In order to ensure that the conditions for joining the European Union are fulfilled, Ukraine should achieve an annual GDP level of 300 billion USD (about \$6,000 per capita). With an achieved GDP of 30 billion US dollars and using the analysis of the Austria Bank, which basically coincides with the forecasts made by the experts of the Institute of Economics and Forecasting of the National Academy of Sciences of Ukraine, considerable efforts are required on the evolutionary development of the economy of Ukraine. It is clear that for accelerated economic development it is extremely necessary to attract additional real resources [6].

Considering the real investment situation and the fact that the country does not have sufficient own funds for accelerated development, it is more important than ever to have a more precise definition of the development strategy and the creation of conditions for attracting foreign investment.

Foreign investment process in Ukraine are regulated by the Laws of Ukraine "On investment activity", "On the regime of foreign investment", "On protection of foreign investments in Ukraine", "On foreign economic activity", "On institutions of joint investment", and others [1–5].

The results of the study showed that international investment activity is predetermined to the development of economic ties between countries. Such dependence is practiced in two ways: by the action of objective economic laws; by political and economic goals of the states in the world [7].

The analysis showed that the performance of these factors is the main factor influencing the intensity and direction of the international capital movement. The directions of the movement of capital are carried out through: withdrawal of capital; attraction of foreign investments in the development of the country economy.

The withdrawal of capital is the main form of economy, including the international economy, in which its transnational nature is realized and is conditioned by the following factors: the transnationalization of the world economy; excess of capital in the country; finding stable conditions for the use of capital and markets; international division of labor; political motives, etc. [10].

According to the analysis, the attraction of foreign investment is due to: the need for modernization of the social structure; the need to implement plans for the creation of competitive products, the development of new markets; insufficient level of domestic investment opportunities and activity of national investors; the need to get along with investments of new types of equipment and technologies; political motives, etc. The attraction of foreign investment is determined by the strategic direction of the country economic development, on the basis of which its investment attractiveness is formed [7].

According to the methodology of the approach to the definition of the essence of foreign direct investment, the most common method is the balance of payments. According to it, foreign direct investment is any loan or purchase of property by residents of the country that conducts such investments. Another point of view deals with the essence of foreign direct investment as an act that results in the investor obtaining control over the enterprise of the national economy (of the recipient country) or establish-

ing an enterprise fully owned by the investor from foreign country [8; 10].

Foreign direct investment, as a rule, finds its realization in the long-term activity outside the country of the investor. Direct foreign investment is the organization of the process of transferring economic activity beyond the country of the investor.

The negative factors of direct foreign investment, as evidenced by world practice, include the following:

- currency risks; the risk of possible expropriation; inconsistency of government action;
- increased costs for communication and transportation; additional expenses related to the difference of language, culture, national mentality;
- lack of information on government procedures, legal provision and interconnections between business entities;
- need for additional costs for the management and control of technology by their own employees.

The leveling of the above-mentioned negative factors of foreign direct investment requires careful analysis of all possible favorable conditions for the organization of production in the recipient country. One of the methods of detecting such conditions was proposed by the American scientist John H. Dunning with the name according to the first letters of the specified terms "OLI" [9]: O – ownership advantage – property advantage; L – location advantage; and I – internalization advantage – the advantage of internationalization.

The advantage of property is defined as an opportunity to offset the costs of foreign production. It has material (products or manufacturing processes, patents, etc.) or intangible (trademark, goodwill, reputation, quality, etc.) in nature.

The advantage of location makes it possible to determine that production in the recipient country is more profitable than in a donor country. The components of such benefits include:

- differences in taxes of different types;
- quotas;
- reduction of transport costs;
- minimizing the cost components of the product, etc.

The advantages of internationalization are that products with integrated characteristics are made better, and the production process is organized in the company at a higher level than other market participants of such products. The benefits of internationalization are considered positive for a final solution only if there are advantages to property and location.

The process of direct investment in the form of establishing a company and organizing their successful work is a result of the hard work of the investor. After all, local businesses already have significant advantages over investors. That is why the objective precondition for direct investment is based on a thorough analysis of its own capabilities and a realistic calculation of the potential adequacy of investment.

Scientists have conducted a study on the position of combining the doctrine of direct foreign investment with the models of imperfect competition in the product markets – the main task of investment; they determine the weakening of competition and the protection of its own market power. There are many examples when even non-profit productions invest only in order to prevent or circumvent the competitors of their products in the markets of recipient countries.

That is why the governments of these countries should have levers for control and appropriate influence, given

the situation when investors, while protecting their market power, are in conflict with the national interests of the recipient countries. This idea is aimed not only at identifying the causes, but also in identifying the problems that accompany the investment.

The great interest of scientists in determining the causes of the organization of direct investment is the theory of appropriation. The starting point of this theory is that the investor introduces new technologies and organizations to the production of high-quality products for the development of high-level management, obtaining new and reliable information about buyers. In this case, the main purpose of the investor is to generate return on investment and increase investment to increase the effect of the benefits achieved. As the analysis showed, it is the realization of advantages that are specific to a particular enterprise and is the basis of the theory of appropriation. In this case, for practical gaining results from the possession of specific advantages for a given enterprise, as a rule, it is more profitable for the investor to establish strict control over the production and to have an enterprise in its ownership. After all, the division of control between several owners inevitably leads to a decrease in efficiency and quality. Moreover, if an investor discloses his information to partners in the recipient country, such information may be used to compete with the investor himself. The theory of appropriation provides a comprehensive definition of the objectives of direct foreign investment and problems that arise during implementation.

World practice shows that the goals of direct foreign investment determine the dynamic development in the economy of the recipient state of high technology production and the development of qualitatively new types of products. This particularly affects the development of high-tech industries in connection with their dependence on the level of knowledge and professional training of staff, which, in turn, brings additional profit to the investor.

The level of engineering industry, as a rule, is determined by the following components: research work; research and development work; Marketing researches; availability and sufficient number of experienced and skilled scientific and technical workers; novelty, quality and product quality. These factors are the assets of an investor and have a real embodiment in the patents, or technical knowledge, copyrights, trademarks, managerial skills of hired workers, and investor reputation.

Intangible assets have a more progressive effect on the growth of foreign direct investment as compared to material ones. After all, intangible assets: more mobile and easier to transfer from one state to another; based on knowledge that is rapidly transformed into additional production capacity at relatively low cost.

A special place in the range of intangible assets is the indicator of the quality of the goods of the investor. World practice shows that there are cases when an investor did not open his own company outside his country but granted a license to a foreign company. At the same time, a foreign enterprise, due to a number of reasons, neglected quality, while receiving current (short-term) profits and, thus, damaged the investor's reputation in the long run. Therefore, an investor always faces the choice of issuing a license or conducting direct investment, considering the effectiveness of realizing the possibilities of appropriating the results of investing.

Depending on the investor's ability to assign investment results, the policy of the government of the recipient country is under construction. If the investor has all the levers of influence on the allocation of investment results, the government should pursue a policy of "non-interference" with respect to the investment process. If the investor does not have 100% capability of appropriating the results of direct investment, and the government of the recipient country is interested in receiving investments, then the government policy should be aimed at supporting such direct investment.

One of the investors' goals in direct foreign investment is the investor's desire to reduce the tax pressure [11] of his own business at the expense of another tax base of the recipient country, and, as practice shows, investors find ways to legalize, and not at all, to reduce the amount of tax payments. The most common legal way of reducing the amount of taxes is to transfer production to the country with the lowest tax rates. Another method used by investors to reduce the level of general taxation is to regulate the pricing policy for products manufactured by enterprises owned by investors and located in countries with different levels of taxation. For example, a company located in a country with a high level of taxation sets a low price, minimizing profits for goods and services that a low tax company buys. Conversely, businesses located in a low-tax country overestimate the price, increasing profits for goods and services that a company that is located in a high-income country buys. Thus, without actually concealing the total amount of corporate profits, the general reduction of the tax pressure of the investor as a whole is achieved.

The governments of the states are aware of the use of such a pricing methodology and use the method of a single world tax, which is that the tax is charged at a specified percentage of the total world income of the investor. This percentage is determined by the average value of world assets, wages and sales of the investor corresponding to the particular country.

An assessment of the importance of foreign investment, which is important to consider the impact of direct foreign investment on the results of economic development as an investor state (donor state) and the recipient state.

Investments, on the one hand, are aimed at obtaining profits from business abroad, and on the other – they provide control (or ownership) of foreign activities of enterprises, firms. Direct foreign investment should be considered as a process of transferring business activities abroad. The reasons for this process are diverse. The main of them is determined by the desire to maximize the implementation of the target function, which covers a set of specific goals of the company's business, which can only be achieved at the international level.

In the near future, the following issues need to be resolved:

- to orientate foreign investors to priority objects;
- study and generalize the experience of implementing the first major projects and use it in working with foreign investors;
- continue preparation and conclusion of international agreements providing support and protection of foreign investments in Ukraine and domestic abroad;
- explore potential investors;
- strengthen legislative protection of the Ukrainian stock market;

– to strengthen the organizational and logistical work to ensure the country's economic, scientific, technical, technological, environmental and information security in the field of the application of foreign investments.

A stable legal framework for a foreign investor is needed to ensure a healthy investment climate and attract foreign investment. The nearest and long-term goals of attracting foreign investors to the country are determined by the state depending on the type of economy, its state, the strategic concept of economic development, international relations of the state and the world situation in general. The states of the European Union (EU) with an integrated economy use foreign investments primarily for the purpose of saving

energy resources, creating the latest high-tech technologies and information systems, achieving high-quality production in the provision of environmental safety, modernizing medicine, education, etc.

Conclusions from the study. In states with market economics, priority is given to economic methods, because the state has a multifaceted economic leverage of attracting investors to the necessary economic sectors for it. The attraction of foreign investments into the country's economy is an objectively necessary process, because how successful Ukraine's economy will integrate into the world community depends on the strategy and tactics of the state.

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ПРОБЛЕМИ ЗБЕРЕЖЕННЯ ТА РОЗВИТКУ КЛЮЧОВИХ КОМПЕТЕНЦІЙ ІННОВАЦІЙНО АКТИВНИХ КОМПАНІЙ УКРАЇНИ У ЦИФРОВУ ЕПОХУ

Стаття присвячена проблемам науково-технічного та кадрового забезпечення вітчизняних компаній на шляху збереження та розвитку ключових компетенцій під час глобальних цифрових перетворень. Акцент зроблено на компаніях сфери інформаційних та комунікаційних технологій, які потребують висококваліфікованих фахівців, зокрема інженерів та дослідників у НДДКР. Проаналізовано зміни у сфері освіти, науки та інновацій України, а також обґрунтовано вплив соціальних активностей на їх основні індикатори. Доведено, що через циклічність уваги представників професійних спільнот до соціальних технологій наявні позитивні зрушення, зокрема підвищення готовності до інновацій, мають короткий термін. Обґрунтовано необхідність створення міських інноваційних екосистем навколо закладів вищої освіти, які готують фахівців для вітчизняних компаній у сфері інформаційних та комунікаційних технологій.

Ключові слова: освіта, наука, інновації, соціальні технології, ключові компетенції, компанії, заклади вищої освіти, локальні інноваційні екосистеми.