

CONSTANT DEVELOPMENT OF THE SOCIETY: IMPROVED METHODOLOGICAL APPROACH TO THE MANAGEMENT OF THE INVESTMENT ATTRACTIVENESS OF UKRAINIAN REGIONS IN THE POST-WAR PERIOD

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Abstract. Implementation of the balanced adequate investment policies of the nation and its regions in the post-war period with the consideration of their investment attractiveness helps in the achievement of the constant development of the society. The goal of this article is to develop the improved methodological approach to the management of the investment attractiveness of the regions in the conditions of the nation's and its region's transition to the constant development in the post-war period. The methodological basis of this article lies in the application of general scientific methods that serve as a proof of certainty of the obtained results and their conclusions: monographic, comparative, logical, statistical and economical analysis (factor analysis with the principal component method), synthesis, generalizing, graphical, golden section search method, etc. The developed improved methodological approach to the management of the investment attractiveness of the regions in the conditions of the nation's and its region's transition to the constant development in the post-war period is the essence, the instrumental basis of the model of its assessment and is based on: the usage of the specific list of indicators of assessment of the investment attractiveness of the regions depending on the peculiarities of their functioning, and the presence of competitive advantages; the proposed usage of individual methods of the formation of the corresponding indicator systems. The implementation of the assessment of the investment attractiveness developed improved methodological approach in practice and its application as threshold values for its proposed levels at specified intervals allows for economical interpretation of defined integral indicator and for comparison of the results in the dynamics for the sake of rebuilding the country in the post-war period with the consideration of the possibility of its transition to the constant development.

Keywords: investments; regions; investment policy, investment attractiveness; development; improved methodological approach; management model.

JEL Classification: A11, O10, E22, G11

Formulas: 2; **fig.:** 1; **tabl.:** 1; **bibl.:** 14

Introduction. In the conditions of the Russian-Ukrainian war, during which the destruction of both military and civil infrastructure occurred, which caused mass regional losses, the main priority capable to provide the investment attractiveness of the regions is innovation, which allows to increase the level of effective activity and their competitiveness on both national and international scales. The achievement of the constant development of the society significantly depends on the amount of investments and on adequate policies of the nation and its regions considering their investment attractiveness. The strategic target aimed towards long-term perspective forms the ability to implement scientific and technological achievements into the activity on all management levels [1] and causes the creation favorable investment climate for the realization of innovational projects of the main priority [2-3].

Literature review. The economical literature lacks the generally accepted definition of the investment attractiveness as a category. Considering the characteristic of the scientific concept of “constant development” as an uninterrupted process, which is characterized by the constancy [4] and the versatility in forming the definition of “investment attractiveness”, it is noted that in the context of reviewing the investment attractiveness on regional levels under the condition of providing the constant societal development it is majorly characterized by Kozachenko H. V., Antipov O. M., Liashenko, O. M., and Dibnis, H. I. as a set of objective and subjective conditions, which facilitate or hinder the process of investment into the national economy on macro, meso and micro levels. [5, p. 9; 6, p. 143].

Aims. The goal of this article lies in developing an improved methodical approach to the management of the investment attractiveness of the regions in the conditions of the nation's and its region's transition to the constant development in a post-war period.

Methods. The methodological basis of this article is the usage of general scientific methods, which proves the certainty of obtained results and their conclusions: monographic, comparative, logical, statistical and economical analysis (factor analysis with the principal component method), synthesis, generalizing, graphical, golden section search method, etc.

Results. The research of the processes, which are observed in the Ukrainian economy in the modern conditions of management, contribute to the formation of the search for factors influencing the competitiveness of the nation, which along with available tendencies and regularities provides for the establishment of connections between quantitative and qualitative indicators and an optimal direction of their development with the usage the economical and mathematical modeling. The motivating factor to ensure a rising trend of economical rise of the country in the conditions of the nation's and its region's transition to the constant development in a post-war period lies in the ability to search for the ways of self-competitiveness (which majorly determines the investment attractiveness of the regions through their ability to generate innovations, in particular due to the implementation and realization so called smart-projects, established on the knowledge within the (smart) concept of the national industrial policy during the renovation process of an economy as a whole and bioeconomy in particular as one of its promising directions) due to the usage of relevant factors (which determines the expediency of the formation of a set of their specific list based on the characteristics of said regions' existence, and also visible competitive advantages) and the usage of the methods of an assessment of the investment attractiveness of a region (currently a universal methodical basis is absent – the methods include the usage of a list of indicators, which by themselves are recursive, and cannot be formed based on a common array of data, which allows for adjustments depending on specificity of the region's functioning).

In the context of regional development from the perspective of investment attractiveness the research and realization of their competitive advantages in relations with investment attractiveness becomes important, the main characteristics of which are listed in Table 1. It should be noted that the sets of groups of indicators are not universal, they must take the specific of region's functioning into account considering

its strategic mission.

Table 1. The characteristics of the competitive advantages of the regions in the relation with their correlations with their investment attractiveness

Competitive advantages	Characteristics	Groups of indicators of the investment attractiveness of regions
Presence and development level of infrastructure	Basic	1. Development level of the transport infrastructure. 2. Economical and geographical advantages. 3. Development level of the social sector, national and regional governance and regulation.
	Technological	1. Internet coverage. 2. Mobile network coverage. 3. Level of investment activity.
	Education	1. Level and quality of education, especially university. 2. Optimization of human resources usage. 3. Demographical characteristics.
	Market	1. Level of general economic development. 2. Financial results of development of entities. 3. Significance in nation's import and export.
Efficiency of implementation of an investment policy	Absolute and relative	1. Definition and comparison of indicators of functioning of the region inside a country (as macro economical) in the context of providing for constant development in statics and dynamics. 2. Definition and comparison of indicators of functioning of the region, similar in main characteristics with foreign countries. 3. Rate of investment potential of the region and an approximate index of a risk.
Presence of infrastructure objects, natural resources and possibilities of their targeted usage and their reproduction, attractive for investment	Significance and orientation	1. Development level of business. 2. Amount and fraction of foreign investments in gross regional product. 3. Criminogenic, technogenic, ecological and other risks.

Source: formed using own research and [5, p. 10; 7, p. 514]

Proposed methodical approach is by itself an improved methodical approach to the procession of the investment attractiveness of regions not only Ukrainian, but also European and the world community's (its stages of formation are stated on Figure 1) and is the instrumental basis of its assessment model.

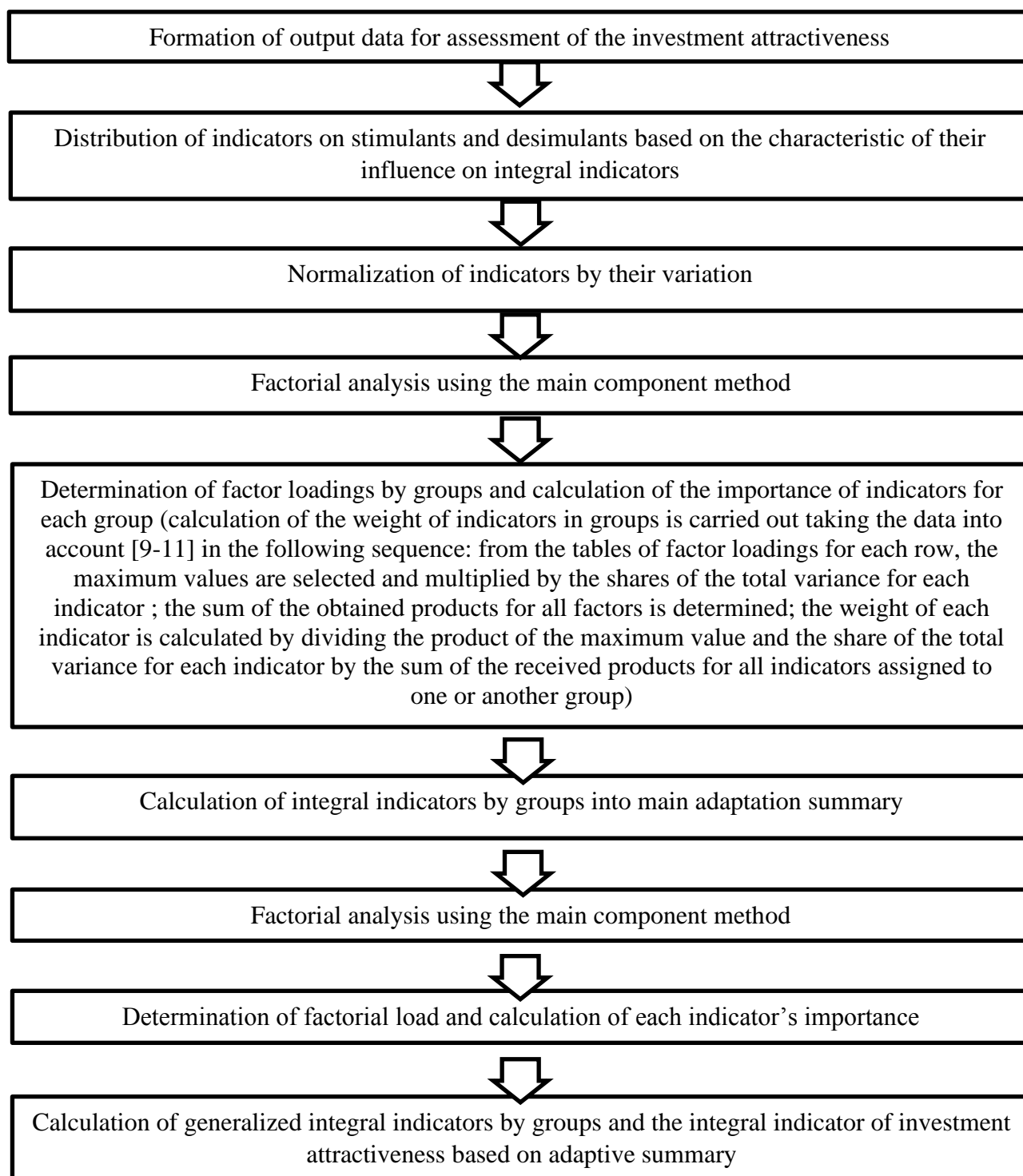


Figure 1. Stages of formation of an improved methodical approach to assessing the investment attractiveness of regions

Source: Developed on the basis of [8; 12-13], the calculation of the weight of the indicators in the groups was carried out taking into account the data [9-11]

It is based on the proposed binary usage of profile methods and rates, provides the usage of individual methods: comparative, statistical and economical and mathematical analysis (factorial analysis using the method of main components) with the formation

of appropriate system of indicators by adapting for the control of the investment attractiveness of the regions of the Balanced Scorecard (BSC [8]), considering main approaches to its development, which formed the basis for choosing the assessment indicators for defining integral indicators by groups and investment attractiveness of regions as a whole.

For evaluation of investment attractiveness of a region, justified by the experimental row of balanced indicators, their normalization and rates grouped by results of incorporation to its form in formula 1-2 and including data [9-11] it is suggested to perform the formation of grouped integral indicators and investment attractiveness of the regions as a whole during the years.

$$I_m = \sum_{i=1}^n d_i \times y_i, \quad (1)$$

where I_m – integral indicator by the group of indicators, $m = (1, 2, 3, 4)$; d_i – weight of the indicator, which determines the degree of contribution of the i -th indicator in an integral indicator component (groups of indicators) of the investment attractiveness of the region; y_i – normalized value of the i -th indicator; n – number of indicators used to evaluate the i -th indicator in the integrated indicator by indicator group; $\sum d_i = 1$; $0 \leq d_i$; $y_i \leq 1$.

$$\Pi_{IA} = \sum_m d_m \times I_m, \quad (2)$$

where Π_{IA} – integral indicator of investment attractiveness of regions; d_m – weight of the indicator, which determines the degree of contribution of the indicator to the integrated indicator of investment attractiveness of regions; I_m – integral indicator, $m = (1, 2, 3, 4)$; $\sum d_m = 1$; $0 \leq d_m$; $y_m \leq 1$.

At the same time, the levels of investment attractiveness of regions are proposed to be determined using the golden section search method (the *proportion* of such a ratio is 1.618) for 5 intervals of values of the integral indicator according to the following scale of its levels:

- 0.855-1 – high level of investment attractiveness;
- 0.619-0.854 – average level of investment attractiveness;
- 0.383-0.618 – low level of investment attractiveness;
- 0.147-0.382 – crisis level of investment attractiveness;
- 0-0.146 – critical level of investment attractiveness.

Discussions. In general, it should be noted that the introduction of an improved methodical approach into the practice of assessing investment attractiveness and the use of its proposed levels as threshold values at specified intervals will contribute to the improvement of the economic interpretation of the determined integral indicator and the comparison of results in dynamics and can serve as a reference point for:

- further forecasting of the indicators that are the basis of the calculation;
- formation of a real goal in the field of managing the investment attractiveness of regions;
- an in-depth analysis of the processes of managing the investment attractiveness of regions and comparing the obtained results with the best global practices and using them as benchmarks for the implementation of measures to improve the efficiency of state and regional administration.

Conclusion. In general, it should be noted that the practical use of such an improved methodological approach to assessing the investment attractiveness of regions provides grounds for conducting thorough research and developing theoretical and practical recommendations on increasing the level of investment attractiveness of regions for the purpose of rebuilding the state in the post-war period and ensuring the upward trend of the state's economic growth, taking into account possibilities of its and the regions transition to sustainable development.

Author contributions. The authors contributed equally.

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