

CHAPTER 3

MODERN MANAGEMENT TECHNOLOGIES

INVESTMENT MANAGEMENT THROUGH THE PRISM OF THE DEVELOPMENT OF FINANCIAL LEASING FROM THE PERSPECTIVE OF ECONOMIC SECURITY

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Abstract. The article examines the essence of investment management through the prism of the development of financial leasing from the perspective of economic security, the provision of which in the conditions of the Russian-Ukrainian war is simultaneously a requirement, a need, and a guarantee of the existence of the country and its future prosperity. The purpose of the article is the theoretical justification and development of practical recommendations for investment management through the prism of the development of financial leasing from the perspective of economic security. The methodological basis, which allowed to ensure the integrity of the research, is a set of general scientific and applied methods, in particular such as: analysis, synthesis, monographic, abstraction; deductions, inductions, monographic; systematization; theoretical generalization; quantitative and qualitative comparison. The study emphasizes that the state of war between Russia and Ukraine has led to a worsening of the situation in all areas of the country's life, and thus had a negative impact on the level of economic security of the state. In this perspective, the article examines the essence of security and related concepts, as well as its relationship with the development of aspects of security theory and the description of the main conditions and factors that generate threats to the economy. The negative changes that occurred in all spheres of the economy and are directly related to the consequences of Russian aggression and the consequences of wars for individual countries in the context of their economic development are considered. Taking into account the issues of the research, attention is focused on the importance of strengthening the role of the state regarding the use of mechanisms of influence on the processes that are currently observed in all spheres of social life and, in particular, the complex use of financial instruments – financial leasing. It was concluded that, taking into account the outlined interrelationship of the "economic security" categories and related concepts, in the context of the research problem, it is appropriate to implement at the state level the best global practices of using financial leasing tools to provide the population with housing with maximum consideration of all externalities, which in the long run will contribute increasing the level of economic security of the state and ensuring the synergistic effect of economic development in the post-war period and the period of post-war reconstruction of Ukraine.

Keywords: economic security; state economic security; investments, investment management, financial leasing.

JEL Classification: A10, A11, A19, E22, G11, G17, G19, O10, O30, O40

Formulas: 0; **fig.:** 1; **tabl.:** 0; **bibl.:** 17

Introduction. Ensuring the economic security of the state is both a requirement and a need and a guarantee of the existence of the country and its future prosperity in the conditions of full-scale russian aggression against Ukraine. Investment management as a somewhat amorphous coordinate system determines the vector of the state's movement in this direction, taking into account modern realities, the needs of the economy, the requests of a humanistic civilized society to ensure the safety of both people and the state as a whole, and the use of available tools to achieve this. One such tool is financial leasing, which has proven to be constructive in countries that have gone from war with an aggressor to economic growth.

Literature review. The issue of investment management, in particular from the perspective of ensuring the economic security of the state, was considered in the works [1-17] of many scientists. However, without denying their significant contribution to the development of the theory and practice of scientific thought, it should be noted that in the conditions of the russian-Ukrainian war, concepts that require consideration in the triune context of the concept of economic security, security of citizens and their social well-being come to the fore, which requires carrying out an in-depth review of the outlined aspects in the context of the study of theoretical aspects and the development of practical recommendations for investment management both through the prism of the development of financial leasing in the conditions of a full-scale war and in the period of post-war recovery of the economy of Ukraine from the perspective of the economic security of the state.

Aims. The purpose of the article is the theoretical justification and development of practical recommendations for investment management through the prism of the development of financial leasing from the perspective of economic security.

Methodology. The methodological basis, which allowed to ensure the integrity of the research, is a set of general scientific and applied methods, in particular such as: analysis, synthesis, monographic, abstraction; deductions, inductions, monographic; systematization; theoretical generalization; quantitative and qualitative comparison.

Results. The state of war between russia and Ukraine, which has been ongoing since 2014 and has deepened disparities in the development of various sectors of the economy, had a negative impact on the labor market, exacerbated the problems and negative phenomena that have been occurring in the economy for many years and have been brewing for a long time and are currently reflected in all areas of the state's vital activity and macroeconomic indicators, and therefore, at the level of the state's economic security.

In the most general sense, security is a state of protection from anything and can be used to protect an individual, as well as society and the state as a whole. " Security is a state of protection of vital interests at all levels, from the individual to the state, from internal and external threats, taking into account the availability of sufficient resources of various types. As a result, safety limits can be highlighted, the non-attainment of which may indicate the existing level of safety for a certain period of time" [1].

When considering security as a category, it is advisable to also take into account possible resources of various types, the presence of which in sufficient volume will allow to achieve a state in which the appropriate level of security will be ensured in

order to be able to counter external and internal threats (the need for resources to ensure security is highlighted to one degree or another in scientific literature, when it comes to the need to achieve a state of security, but in the definitions of the authors, this is not highlighted separately) [1].

The main approaches to interpreting the concept of "security" as a category are resource-based and protective. Their combination most fully characterizes it in terms of content, and also indicates the possibility of achieving a certain desired state in which there is no danger, while not achieving it can lead to the destruction of the subject, but under critical circumstances, the object of security [1].

In modern scientific literature, there is no single definition of economic security, there are a large number of scientific approaches to the characterization of security as a category due to the use of various objects and tools in its research. The scientific works of most researchers are mainly related to the study of economic security as a state of protection of the economy from external and internal threats for its further development. In connection with the above, in modern conditions, it is considered expedient to create appropriate conditions to ensure the effective development of the economy and to develop adequate measures to increase the level of economic security of the state [1].

The appropriate level of economic security can be achieved as a result of the implementation of a unified state policy, supported by a system of coordinated measures, which, in turn, are adequate to internal and external threats. A high level of economic development cannot be ensured without such a policy, also Smith A. emphasized that ensuring stability and economic security, together with the coordination of the interests of the subjects of economic activity, is a function of the "invisible hand of the market", and the safety of market participants acting rationally" is a natural state of the market, as noted by Moshensky S.Z. [2, p. 254]. A. Smith's theory was developed by Marshall A., who believed, as stated in the works [2, p. 254; 3] that the coherence of the interests of market participants is the main prerequisite for ensuring economic security, the state of economic security contributes to the accumulation of savings, while ensuring the state of economic security requires both the intervention of self-regulating market forces and state regulation. In general, the ideas of Smith A. and Marshall T. lay the foundations for understanding the essence of conflicts and threats to economic security from the point of view of its provision [1].

The problem of economic security in scientific works is closely related to the development of aspects of security theory and the description of the main conditions and factors that generate threats to the economy [1].

In general, among theories of economic security, scientists [4, p. 83; 5, p. 25] consider the theory of conflicts, catastrophes, compromises, risks, and chaos.

In Western economic literature, economic security is not the subject of detailed research and is studied mainly in the context of two independent currents [6, p. 23]: 1) "theories of catastrophes" (E. Ziman, I. Casetti, Kolata J., Laszlo E., Oliva T.); 2) "theories of risks" (Keske R., Clark J., Dembro R., Arrow K.).

In the context of the history of economic theory, there are four main theories of economic security that were formed at the end of the 20th century, which reflect the relationship between economic security, the coherence of the interests of market

participants and state regulation, which include the following [2]:

1. The theory of socio-economic catastrophes, which studies social and economic crises, based on the methodological provisions of the theory of complex systems and thermodynamics.

2. The theory of risks, which examines the typology and nature of economic risks.

3. The theory of conflicts, which emphasizes the social causes of economic conflicts.

4. The theory of self-organization of complex systems, which analyzes the patterns of safe and stable functioning and development of complex systems, in particular, economic ones.

As a result of the onset of negative consequences in the economic development of the state, there is a decline in economic sectors, bankruptcy of business entities, a decrease in the social standard of living of the population and an undermining of the nation's life support system with subsequent loss of sovereignty. This has a direct impact on the functioning of the higher education system in general, the activities of higher education institutions, and therefore on the level of their economic security, taking into account the important social and economic role of higher education in modern conditions. Since higher education institutions train specialists to meet the needs of the labor market, the demands of the economy and employers, they are subject to the laws of economic development. Thus, the role of the state in regulating socio-economic processes in the country is also increasing due to a comprehensive study of problems arising in the state, assessment of socio-economic consequences, development of preventive measures to avoid them, forecasting of possible results from their implementation at the national level, which in turn, it will contribute to increasing the level of economic security of the system of higher education institutions [1].

At the same time, it is considered appropriate to take into account the existing close connection of universities that train specialists who can be competitive both on the foreign and domestic labor markets and are the basis of the intellectual potential of the nation, with the economic development of the state and its level of competitiveness. In this context, it is advisable to consider the economic security of higher education institutions in the system, taking into account its dependence on national security, economic security of the state, region, enterprises, etc [1].

In the conditions of globalization, there is a transition to the knowledge economy, which is determined by the dynamic development of scientific and technological progress and the implementation of its achievements in almost all spheres, the increase in innovative activity and the globalization of scientific and technological knowledge. In this context, it is necessary to take into account that education, in particular, higher education, plays an important role in the development of the state and the world as a whole and acts as one of the main factors influencing the increase in the level of economic development of the country. Under such circumstances, an important task of the state is to ensure the appropriate level of competitiveness of university graduates both on the domestic and international labor markets by obtaining quality educational services and the competitiveness of the higher education system as a whole, which, in turn, will lead to an increase in its positions both in domestic (within the country), as

well as in external (within the world) ratings, will contribute to an increase in the amount of investments in human capital by the state (due to an increase in the amount of funding from the state budget), attracting funds from domestic and foreign students, as well as from private investors, which is reflected in the works of the author [1].

Is presented in the context of economic security management, taking into account the essence of these categories and their characteristics, which indicates the presence of a close relationship between them and such concepts as "factors", "challenges", "danger", "threat" and "risk". The relationship and interrelationship of the concepts "factors", "challenges", "danger", "economic danger", "threat" and "risk" are shown in fig. 1.

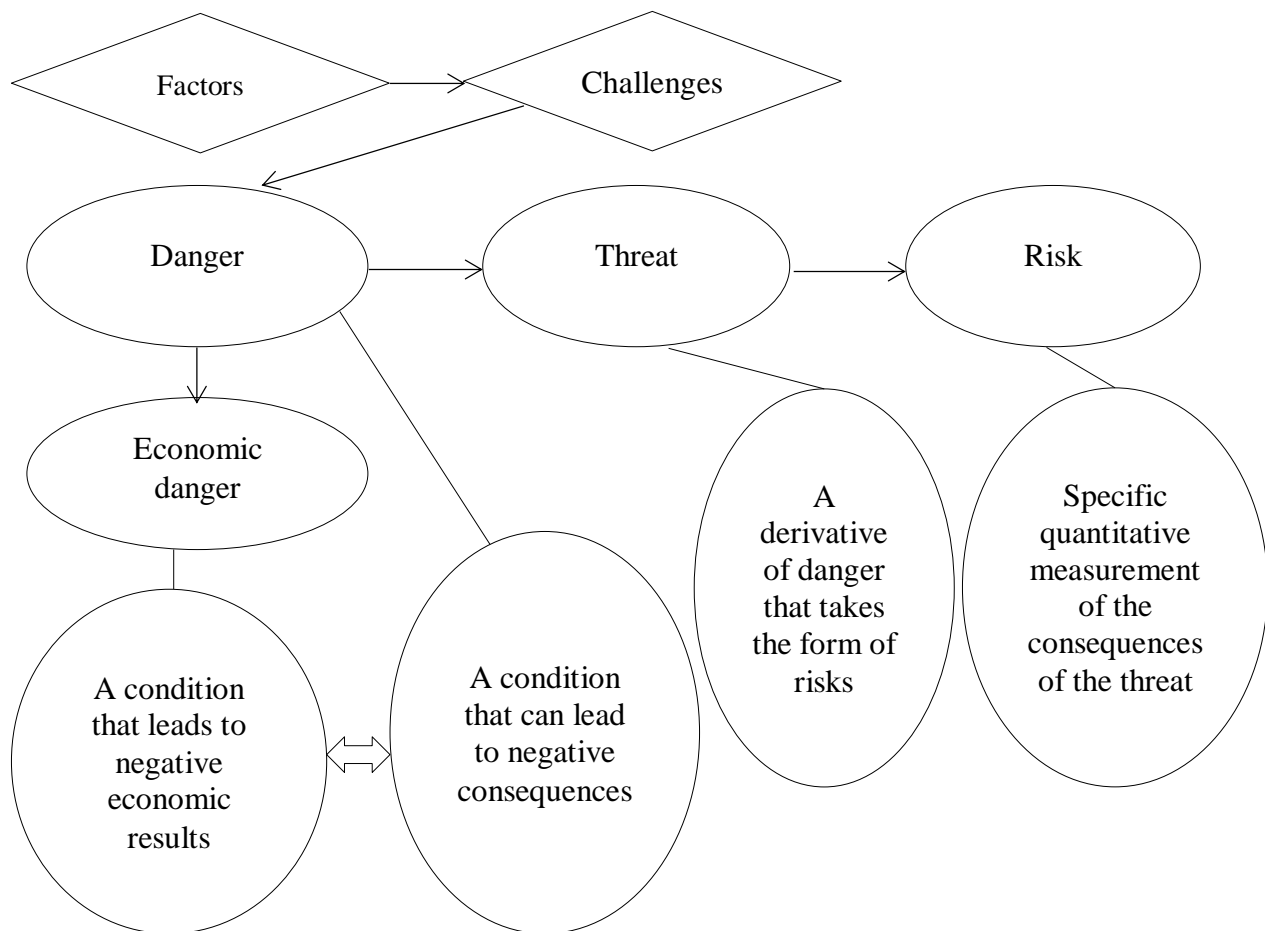


Figure 1. Hierarchical diagram of the relationship between the categories "factors", "challenges", "danger", "economic danger", "threat", "risk"

Source: [1; 7-8]

Given the characterization of challenges as one of the forms of factors, which they acquire in the event of negative changes in the external and internal environment and contribute to the generation of danger, the derivative of which is a threat, which, in turn, manifests itself in the form of risks.

Taking into account the relationship of the categories "factors", "challenges", "danger", "economic danger", "threat", "risk", the characteristics of these categories are as follows [1; 7-8]:

1. Danger is a condition that can lead to the onset of negative consequences of the functioning of higher education institutions in the form of negative, destructive changes as a result of an imbalance in the socio-economic system.

2. Economic danger is a condition that leads to negative economic results of the functioning of higher education institutions, which can act simultaneously as elements of the socio-economic system and business entities and have a negative impact on the country's economy.

3. A threat is a derivative of danger that manifests itself in the form of risks subject to quantitative measurement using economic and statistical methods.

4. Risk is a specific quantitative measurement of the consequences of a threat derived from danger, as a state that, as a result of a disturbance in the balance, can lead to the loss of resources of various types or a lack of income, provided that negative trends in the socio-economic sphere, which, in turn, are formed under the influence of external and internal environmental factors.

In other words, risks are considered as a detailing of threats and can lead, as a result of the negative influence of factors of the external and internal environment, to an increase in the amount of losses in the socio-economic sphere of the state. Russia's military aggression against Ukraine had a negative impact on the labor market (a large number of workers became IDPs or went abroad, the shortage of qualified personnel increased both as a result of this and as a result of mobilization), many enterprises were destroyed, part of the territory was under occupation (a certain part of still, unfortunately, remains occupied) and other factors, as a result of the Russian-Ukrainian war, had a significant negative impact on the business [9]. In particular, in the most promising field of Ukraine – IT, 15% of specialists were reduced after the start of a full-scale war, 46% revised their salaries. At the same time, it is positive under such circumstances that there was a salary increase in some companies: 11% of employees had a salary increase due to a change in title. In outsourcing, outstaffing, and food companies, wages were increased for approximately half of specialists. In start-ups, at state and communal enterprises, 36% and 29% of employees received salary increases [10].

Negative changes also occurred in the sphere of employment and unemployment. Thus, "on the eve of the Russian invasion, the official level of unemployment in Ukraine was almost 10%, for comparison in the EU countries this figure is 7% on average." The largest number of Ukrainians worked in trade, agriculture, industry, education and healthcare systems. In the first months of Russia's full-scale war against Ukraine, "Ukrainians lost almost a third of their jobs. However, at the end of 2022, the situation improved significantly: experts of the International Labor Organization estimated the level of unemployment in Ukraine at the end of 2022 at 15.5% [9]". The main reasons for this are the restoration of the work of individual enterprises of various sectors of the economy, the de-occupation of part of the territory [9]. The most affected as a result of the Russian aggression were the enterprises working in the market of construction and repair works. As of April 1, 2023, 20% of the registered unemployed were previously employed in trade, 16% in processing industry, 15% in agriculture, and 13% in public administration [9]. Along with the outlined problems, which in the complex lead to a decrease in the solvency of the population, a deterioration of the economic

situation, a decrease in macroeconomic indicators (in particular, GDP), and an increase in inflation. In particular, the cost of the Iran -Iraq war of the 1980s, lasting almost eight years, to the Iraqi economy amounted to \$452.6 billion (7 GDP of the country according to the measure of that time), the 5-day war in Georgia in 2008 cost the state approximately 23% of GDP (about 2 billion euros), in the Second World War Japan lost 25% of its national wealth and 1/3 of its production capacity [11]. In Israel, the war continues from 1947 to the present, the peak of inflation (480%) was in 1984; the war in Syria is not over, and inflation was at its peak in August 2021 at 139%; in Iraq, the war lasted from 2003 to 2011 and ended with the overthrow of the Hussein regime, and inflation peaked at 77% in August 2006; Serbia and Croatia are considered in the context of their existence within the borders of Yugoslavia, the wars together were called the Yugoslav Wars or the War in Yugoslavia: in Serbia, war inflation reached its maximum mark ($1.16 \cdot 10^{14} \%$) in January 1994, in Croatia inflation reached its maximum marks (1890%) in 1993; in Libya (the war lasted from 2014 to 2020), the maximum level of inflation occurred in May 2017 (33%); in Georgia (2008), the maximum inflation was 13% in August [11].

In Ukraine (as a result of Russia's full-scale war against our country), the total amount of direct documented damage (since the beginning of the full-scale invasion) to residential and non-residential real estate, other infrastructure amounted to more than 150.5 billion US dollars (at replacement cost) [12].

According to the results of the review of the prospects for the development of the world economy by the IMF "War hampers global recovery", Russia's war against Ukraine also has a negative impact on the world economy, in particular: there is an exacerbation of crises in the humanitarian sphere and health care; global production and supply chains are collapsing; the imbalance between supply and demand deepens [13, p. 7]; on a global scale, global business risks are intensifying, the main ones in 2023, according to Allianz Risk Barometer, are: cyber incidents (the biggest cause of concern for companies for the second year in a row), business interruption, macroeconomic changes such as inflation and monetary policy, the energy crisis, legislative and regulatory changes, natural disasters, climate change, skill shortages, fires and explosions, political risks and violence [14].

In modern conditions, taking into account the significant losses of Ukraine in this war, the role of the state regarding the use of mechanisms of influence on the processes that are currently observed in all spheres of social life and, in particular, the complex use of financial instruments (effective and proven over a long period of time is the financial and credit mechanism of providing housing for citizens – financial leasing [14]). In particular, in "Diya" the program "eRecovery" was launched, within which funds will be paid to people for the repair of their homes, which were damaged due to the war [13].

In view of the above, taking into account the positive experience of these countries for the recovery of their economies, it should be noted that Ukraine should also take into account and use in its practice financial instruments that have proven their effectiveness (on the example of the countries discussed above) for attracting and effectively managing investments.

As a kind of backbone from which all processes in the country move, as an engine

that sets the executive bodies of the state in motion, investment management (as an important component of the economic security of the state) requires the development of such a financial and credit mechanism as financial leasing, which is especially relevant in the conditions of a full-scale war and will not lose its relevance during the post-war recovery of Ukraine's economy. The existence of such an irrational skeleton is to some extent the architectonics of all innovation-oriented socio-economic systems and makes the vector of movement of the country and all business entities more defined and corresponding to modern realities [15-17].

Conclusion. In view of the above, it should be stated that taking into account the relationship of such categories as "challenges", "security", "danger", "economic danger", "threat", "risk", from the point of view of managing the economic security of the state in the context of implementing effective investment management and at all levels of management expedient using the best global practices of financial leasing tools to provide the population (in particular, victims of military aggression as a result of Russia's war against Ukraine) housing with maximum consideration of all externalities. Implementation of the above will contribute to increasing the level of economic security of the state and ensuring the synergistic effect of economic development in the war period and the period of post-war recovery of Ukraine.

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