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UKRAINE INVESTMENT SECURITY MECHANISM: STATE AND WAYS OF IMPROVEMENT

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Introduction. One of the key factors for Ukraine's economic growth is increase in investment security level, which is reflected in the increase of the ratio of gross fixed capital formation to GDP, volume of direct foreign investment, level of competitiveness in the markets of goods and resources and innovation level of the products sold. At the same time, for the current stage of the domestic economy development, the reasons for the low level of investment security are mismatch between the actual conditions and the conditions necessary for effective transformation of domestic and foreign investment potential into a real investment factor of economic development, low level of interaction between the institutions for ensuring investment security and insufficient efficiency level of public administration measures in the sphere of investment security. Therefore, understanding of the need to implement the state policy of institutionalizing the state's investment security as a mechanism of its implementation is becoming increasingly relevant.

Overview of the latest sources of research and publications. Such scholars as O. Baranovskyi [1], V. Kyrylenko [2], S. Moshenskyi [3], A. Sukhorukov [4], H. Kharlamova [5] have made a significant contribution to the investment security research. In their works, the following issues have been studied – methodological foundations of investment security system formation, methodology for assessing its status, impact of investment security on economic security of the state, as well as impact of globalization and transnationalization processes on investment security. Significant contributions to the study of investment security have been also made by I. Moiseienko [6], T. Zatonatska [7], A. Khodzhaian [8] and other scholars.

Unresolved part of the overall problem. Giving due diligence to achievements of the scientists in this area, it should be noted that the problems of functioning of mechanism for ensuring the optimal level of investment security remain insufficiently researched. Hence, there has come to the fore the need to study current state and development tendencies of the state's investment security, to identify defects and ways to overcome them for ensuring effective transformation of Ukraine's economy.

Setting objectives. The purpose of the article is to identify the state of functioning of mechanism for ensuring the state's investment security and key measures for its improvement.

Basic material and results. Institutionalization of investment security as a process of its establishment and optimum level maintenance can be perfect and complete if all the tasks that were set

before or during its implementation have been accomplished. Instead, a substantial conclusion can be made that there are significant systemic drawbacks in the institutionalization of Ukraine's investment security. Relevant arguments here are as follows:

- institutionalization of investment security is not envisaged in any normative legal act of Ukraine, nor is it stated in any national, regional or local socio-economic strategy and program regulating the development of investment activity;
- within strategic and operational state planning system of Ukrainian's economy development there is no single "vision" of the respective investment security system (or at least investment activity), its elements, directions and implementation objectives, as a result of which most management functions in the analyzed sphere are not fulfilled;
- there are no practices of state policy institutionalization in the state, accordingly, there is no vision of the institutionalization system and its elements [9];
- normative legal regulation basis of investment activity does not include the formation of appropriate frameworks and conditions, configuration and principles of investment security institutionalization;
- the tendency of increasing risks and threats to investment security has become inherent of Ukraine, consequently, the system of its implementation and, accordingly, the degree of institutionalization are insufficient, insufficiently qualitative and effective, characterized by negative aspects and shortcomings [10].

Identifying the causes of such state of affairs requires a detailed study of the extent to which state policy functions are implemented in the field of investment security institutionalization. To one degree or another, however, the deficiencies of the state regulation are present and characteristic of all key functions of the state policy – from monitoring to controlling its implementation, evaluating its effectiveness and efficiency. Key weaknesses and gaps of the investment security institutionalization are given in Table 1.

In our opinion, introducing the practice of constant monitoring of volumes and trends, factors of positive impact and obstacles to investment activity, important qualitative aspects of investment security in the state and its regions requires correction. Lack of such works leads to untimely identification of problems, changes of important tendencies as well as untimely emergence and impact intensification of certain factors – investment activity stimulants or de-stimulants.

Table 1

Problems and shortcomings of Ukraine's state policy of investment security institutionalization at the present stage of development

State policy functions	Key weaknesses and gaps of investment security institutionalization
Monitoring	Lack of regulatory and methodological as well as institutional support for constant recurrent monitoring of investment activities and investment security
Analysis and diagnostics	Insufficiency of methodological recommendations for analysis and diagnostics of investment security state
Forecasting	Insufficient institutionalization of the key indicator forecasting system, as well as failure to use the forecast as a basis for substantiating and making managerial decisions in the field of investment security institutionalization
Planning	Lack of strategic planning regarding the formation of Ukraine's investment security system
Organization	Underdevelopment of institutional infrastructure for localization, cooperation, cross-sectoral cooperation in the framework of investment activity
Motivation	Inactivity of most of the basic provisions of normative legal acts regulating and stimulating investment (and innovation) activity in Ukraine; Existence of a significant shadow sector in the investment sphere, corruption and monopolization of markets, types of economic activity and sectors of the economy, formal and informal factors of demotivation of investment
Informing	Low level of institutional support for the development of information processes in the segment of investing and state investment policy, digitalization of business processes for the subjects of investment activity and e-government
Regulating	Weakness of institutional-organizational and institutional-resource capacities of governmental structures regarding investment activity regulation and security
Control	Inferiority of the institutional and legal foundations for minimizing and neutralizing the risks and threats of investment and innovation activity in Ukraine

Source: authors' development

Somewhat different tasks are assigned to the function of analysis and diagnose. It is a positive fact that in Ukraine, for the purposes of investment security analysis, current methodological recommendations are used to calculate the level of economic security of Ukraine in 2013 [11]. However, indicators designed to assess the state of the investment component of state security do not fully reflect its systemic and complex characteristics. It is important that such characteristics as the "quality" of investment sources, placement efficiency and capital structure, productivity and return on investment are studied in the process of investment security analysis. The lack of such characteristics, at present, should be considered a significant drawback of investment security analysis in Ukraine.

Ukrainian profile authorities as well fail to apply such tool as forecasting changing trends in the overall status and key indicators of the investment security system. It should be noted that each generalizing trend is the result of changes in the narrower areas that determine and define it. Based on this, it concerns forecasting changing trends in a number of factors and parameters, prerequisites that determine the scale of investment activity, including forecasting changes in the investment environment at the level of economic activities, sectors of the economy, individual strategically important enterprises.

It must be acknowledged that in Ukraine the function of investment security planning and therefore of strategic planning is not properly fulfilled. Only with the introduction of state policy strategy in the field of investment security will it be possible to define and realize by all participants of the investment policy a single general goal, strategic targets (guidelines), as well as means of achieving them. At the same time, they should be formed in such a complex and in such a sequence that enable to minimize the weaknesses and strengthen the advantages and potential of the national economy in investment sphere, taking into account spatial and sectoral features of Ukraine's economy.

Regarding the organization function, at the central level of management, the main drawback of organizational aspect of investment security institutionalization today is lack of a basic body of public administration responsible for activities in this direction. In fact, that was originally the State Agency of Ukraine for Investments and Innovations, which was established in 2005 and ceased operations in 2011. The aforementioned institution was called upon to carry out such functions as direct planning and management of the state policy implementation in the sphere of investment and innovation development, development of the innovation system of Ukraine, further implementation of the effective state investment and innovation policy.

Subsequently, the respective functions were delegated to the newly created State Agency for Investment and National Projects Management of Ukraine, which has also been eliminated and, accordingly, since 2016, the organizational security of the state security policy in the investment sphere is not adequately ensured. At present, there are two departments within the Ministry of Economic Development and Trade of Ukraine – attraction of investments and state investment projects as well as that of development support. But it is obvious that the capabilities of these structures are substantially limited and far from covering investment security.

Due to the still insufficient institutionalization of the state's investment security system, such economies as the Ukrainian one are characterized by the presence of deviant behavior in managing the implementation of investment processes. Here we should talk about a whole set of actions and measures that are not typical for the behavior of economic agents in classical (developed, transparent, efficient) economies:

- attraction of investments from offshore jurisdictions;
- shadowing of investment activity;
- substitution of various aspects of investing by cooperation with the so-called affiliated entities;
- withdrawal of profits from investment activities into offshore zones;
- use of primitive organizational structures of management as opposed to modern, qualitative practices of corporate approach to investment management.

The above mentioned organizational deficiencies in investment management need to be eliminated in the process of investment security institutionalization at different levels of economic relations in Ukraine.

Perhaps the biggest problem with the investment security institutionalization in Ukraine remains the aspect of the effectiveness of "motivation" concept to active, transparent and effective investment activity and deinstitutionalization of the "opportunistic behavior" concept. In economies with attractive investment

environment and high-quality institutional and legal basis for investing, such motives are the basic provisions of the legislation in this field, which, in fact, form the relevant rules of the game and protect the economic interests of the investing entities.

Unfortunately, despite the existence of relevant laws and institutional rules in our country, most of the necessary basic provisions do not work. The situation is further complicated by systemic deficiencies of the investment sphere, such as shadowing of the investment sector, corruption and monopolization of markets and types of economic activity, economic sectors, the effect of formal and informal factors of investment demotivation.

Thus, in Ukraine the provisions of the Law of Ukraine "On Investment Activity" [12] are in force. To a large extent, the current Law of Ukraine "On Innovative Activity" [13] is related to this legal act and should be considered as its supplement. However, we must admit that these legislative acts have not become a sufficient motivation basis for the activation and systematic implementation of investment activity in Ukraine. In our opinion, their greatest disadvantages are the lack of clear legislatively fixed, defined and resourced instruments to support investment activity, inconsistencies between the investment realization and innovation potential conditions and principles of the National economy, lack of the proper control, penalties and impossibility of systematic and institutional disadvantages and deformations of transparent competitive environment in the investment and innovation activity sphere, limited budget and financial resources opportunities for the development of infrastructure investment at regional and local levels.

The information function implementation within the framework of the state policy investment security institutionalization in Ukraine is also imperfect. Here it is sufficient to suggest about the lack of unified information and communication resources and data dissemination networks about investors, as well as about the investment projects of National economic entities, local communities and national investment projects.

As for the regulation function of the investment security institutionalization, in fact, national and local self-government authorities do not have sufficient budgetary and organizational resources to support investments in socially significant areas, in projects on social business responsibility, various important public initiatives, etc. All this leads to a more spontaneous and commercially oriented development of investment activities.

This is to a large extent the consequence of control function weakness of investment security institutionalization in Ukraine. It should be noted that adequate control is neither provided by the state (since such tasks have not been rested on any of the state structures) nor by the relevant infrastructure elements which are able to replace certain basic tasks of the state, including the prevention of economic security risks and threats.

Therefore, the national authorities face two alternatives. The first is related to the preservation of the situation with pronounced shortcomings and miscalculations of investment security institutionalization; the second - with their elimination and eventually formation of the investment security system bases of Ukraine as a functional and structural element of the higher level system, i.e. economic security of the state, ensuring complex institutionalization of Ukrainian investment security with "cut-outs" of key risks and threats.

The second alternative is two interrelated areas where public policy should be planned and realized. This is, firstly, full implementation of the functions of institutionalization and, secondly, construction of its system with all the necessary elements and interconnections between them. It is said about set of institutes and set of institutions. Only a fully balanced system, where all its elements are endowed with sufficient properties and capabilities to fulfill their tasks and roles, is able to ensure high-quality and effective institutionalization of the state's investment security. Within the first block of public policy tasks, a particular overriding status acquires the improvement of normative institutions with such components as investment legislation and regulations, requirements, norms, state standards, etc.

Therefore, the system of legislation, governing all its direct and related relations, consists of great number of laws, by-laws, state standards, instructions, norms and regulations. It is important to add that the high efficiency of investments is related to the growth of their role in strengthening the competitive position of domestic economy, that is, with the investment resource direction for the purpose of innovative and research activity intensification, creation and commercialization of intellectual property objects etc. All of the above gives grounds for claiming that unification and coherence of normative legal acts provisions that define and regulate the above aspects have grown in Ukraine. An integrative institutional and legal platform

for this purpose should be an internally integrated regulatory act, the result of codification, which provides legal regulation of analyzed sphere of social, economic and financial-economic relations. This is about the Code of laws on investment and innovation in Ukraine.

On the basis of such document not only a unified approach to the regulation of legal relations in the processes of investment and innovation activity could be provided, but also a unified system of priorities, goals, measures and means, financial and resource support of the state policy of investment and innovation activity development should be created, to ensure its role in strengthening the competitiveness of national economy. Provisions, related to the legal status and procedural aspects of institutionalization of Ukraine's investment security, would be a separate structural section of the code.

The second part of the state policy of investment security institutionalization of Ukraine involves building a full system of institutions that can, on the one hand, realize the mission and ideas of establishing a set of institutions, greatly supply their potential, and, on the other, ensure full implementation of all the other functions and tasks of the state administration of investment security institutionalization of Ukraine.

First of all, it is about building a state organizational and management institutional system in the analyzed sphere. Firstly, there of the state investment security system has an urgent need to delegate the functions of state management to a separate or specially created or authorized body in this area, which is subordinated to the Cabinet of Ministers of Ukraine. The Investment Promotion Agency could become such an institution, which would integrate the functions of the National Investment Council under the President of Ukraine, Investment Promotion Office under the Cabinet of Ministers of Ukraine or the Investments Department of the Ministry for Development of Economy, Trade and Agriculture of Ukraine. The above mentioned structure would form an appropriate chain of command with representative offices in the regions of the state, with their close cooperation with relevant business associations, unions and unions of investors, financial and credit institutions, research and innovation activities. At the moment, such systematic activity in Ukraine is not conducted, some of the reasons being lack of coordination and lack of a responsible regulator.

Secondly, such a specially authorized public policy body should organize (through its own resources or through outsourcing) activities related to the monitoring, analysis and diagnostics of investment security state in Ukraine, its regions, types of economic activity and economic sectors.

Thirdly, a structure directly responsible for the institutionalization of investment security would ensure the implementation of other public administration functions in the analyzed area, and would also serve as a linking element among the directions of public investment and state security policies. Otherwise among systemic drawback of state regulation in Ukraine will remain the investment not being innovations-oriented and investment activity being not aimed at strengthening its role in the aspect of enhancing competitiveness and ensuring the economic security of the national economy.

Conclusions and prospects for the further research. Thus, institutionalization, and therefore the mechanism of ensuring the investment security of Ukraine, serve as a strategic vector of qualitative, systematic and complex state policy in the sphere of formation of an environment of formal and informal norms, rules, statuses, institutions, institutions and their roles, which characteristics and relations are oriented to full, comprehensive, balanced and coordinated implementation functions of state management of investment security of national economy. The results of the policy in this direction will be formation of attractive investment environment and growth of business activity in the sphere of investment, improvement for investment efficiency, rationalization of their structure, which will positively affect the parameters of development, competitiveness and economic security of the national economy, in spatial, structural and sectoral aspects as well.

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Ключові слова: інституціоналізація, механізм забезпечення, девіантна поведінка, тіньова економіка, інвестиційна безпека, економічна безпека.

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Keywords: institutionalization, security mechanism, deviant behavior, shadow economy, investment security, economic security.

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Варналий Захарий Степанович, доктор экономических наук, профессор. Киевский национальный университет имени Тараса Шевченка. **Никитенко Дмитрий Валериевич**, доктор экономических наук, доцент. Национальный университет водного хозяйства и природопользования, г. Ровно. **Хмелевский Николай Александрович**, кандидат экономических наук, профессор. Национальный транспортный университет, г. Киев. **Механизм обеспечения инвестиционной безопасности Украины: состояние и пути совершенствования.** Исследовано состояние механизма обеспечения инвестиционной безопасности государства. Определены недостатки, препятствующие эффективному функционированию механизма обеспечения инвестиционной безопасности государства, к которым относят недостатки государственного регулирования всех ключевых функций государственной политики – от мониторинга к контролю реализации, оценки действенности и эффективности. Предложены две альтернативы развития событий: первая связана с сохранением ситуации с ярко выраженными недостатками и просчетами институционализации инвестиционной безопасности; вторая – с их устранением и в итоге формированием основ системы инвестиционной безопасности Украины как функционально-структурного элемента системы более высокого уровня – экономической безопасности государства, обеспечением комплексной институционализации инвестиционной безопасности Украины с «предохранителями» ключевых рисков и угроз.

Ключевые слова: институционализация, механизм обеспечения, девиантное поведение, теневая экономика, инвестиционная безопасность, экономическая безопасность.