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THEORETICAL BASES OF INCREASE IN INNOVATION AND INVESTMENT ACTIVITY AND ATTRACTIVENESS OF AGRARIAN ENTERPRISES

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ТЕОРЕТИЧНІ ЗАСАДИ ПІДВИЩЕННЯ ІННОВАЦІЙНО-ІНВЕСТИЦІЙНОЇ АКТИВНОСТІ ТА ПРИВАБЛИВОСТІ АГРАРНИХ ПІДПРИЄМСТВ

The concept of "innovation and investment process", "innovation and investment policy", "investment attractiveness" is substantiated. It is determined that the state innovation and investment policy in the agrarian sector of the economy is a complex of economic, organizational and legal and other measures of the state aimed at attracting, distributing and redistributing financial resources to provide the technical and technological as well as organizational base of production for the purpose of obtaining competitive products. It was established that the basic principles of formation of innovation and investment policy are based on three main components, which include legal, scientific and financial support. The internal and external factors determining the investment attractiveness of agrarian enterprises are determined. It is proved that an important factor in increasing the investment attractiveness of agrarian enterprises consists in improving quality of their products, bringing them in line with international standards. The methods of financing innovations used by agrarian enterprises are generalized. The main attributes of the current investment climate in the agrarian sector of Ukrainian economy are determined.

Обґрунтовано поняття "інноваційно-інвестиційний процес", "інноваційно-інвестиційна політика", "інвестиційна привабливість". Визначено, що державна інноваційно-інвестиційна політика в аграрному секторі економіки є комплексом економічних, організаційно-правових та інших заходів держави, спрямованих на залучення, розподіл і перерозподіл фінансових ресурсів для забезпечення техніко-технологічної та організаційної бази виробництва з метою отримання конкурентоспроможної продукції. Встановлено, що основні засади формування інноваційно-інвестиційної політики базуються на трьох основних складниках, що включають правове, наукове та фінансове забезпечення. Визначено внутрішні і зовнішні чинники, які визначають інвестиційну привабливість аграрних підприємств. Доведено, що важливим чинником підвищення інвестиційної привабливості аграрних підприємств є покращення якості виробленої ними продукції, приведення її у відповідність до міжнародних стандартів. Узагальнено методи фінансування інновацій, які використовують аграрні підприємства. Визначено основні характерні ознаки сучасного інвестиційного клімату в аграрному секторі економіки України.

Key words: innovations, investments, agrarian enterprises, investment activity, investment attractiveness, investment climate, innovation and innovation process, innovation and investment policy.

Ключові слова: інновації, інвестиції, аграрні підприємства, інвестиційна активність, інвестиційна привабливість, інвестиційний клімат, інноваційно-інноваційний процес, інноваційно-інвестиційна політика.

TARGET SETTING

The organizational and economic mechanism of innovation and investment activity under conditions of a market economy is fundamentally different from the

traditional controlled economy: the state system of resource allocation is inferior to the capital flow depending on demand and supply, which significantly changes the structure and sources of investments and

the mechanism of innovation implementation. However, without proper state regulation, investment activity can be significantly inhibited, as is currently the case in Ukrainian agriculture. In this regard, development and implementation of an effective mechanism for stimulating the investment activity of agrarian enterprises, seeking forms, methods and sources of attracting investment resources, systematic use of investment flows in order to restore and improve the material and technical base, technology and organization of production as key factors in the agrarian economy's activation.

Significant competitive potential of agro-industrial production in Ukraine is currently used not in full, which in the context of modern development trends requires the state authorities to perform a number of tasks, in particular in relation to formation and implementation of an effective innovation policy. The process of development and implementation of innovations in production and their investment support is inextricably linked with the innovation and investment activities of agrarian enterprises.

ACTUAL SCIENTIFIC RESEARCHES AND ISSUES ANALYSIS

The issue of increasing innovation and investment activity were considered in the works of O. Blazhevych, L. Kupinets, V. Plaksiyenko, Y. Shubravskaya and others. Domestic and foreign scientists, in particular I. Blank, S. Dovbnia, G. Kozachenko, M. Kreinina and others, discussed the problems and prospects of increasing the investment attractiveness of agrarian enterprises in their scientific works.

In recent years, there has been a decrease in the level of investment and innovation activity of agrarian enterprises, which led to destructive processes in the productive forces of the industry, deterioration of the state of land resources, decrease in efficiency of agricultural production, decrease in the level and deterioration of the quality of life of the rural population. Therefore, it is expedient to substantiate the theoretical principles of increasing innovation and investment activity and attractiveness of subjects of agrarian entrepreneurship.

FORMULATION OF RESEARCH OBJECTIVES

The main purpose of the article is to substantiate the theoretical bases of increasing the innovation and investment activity and attractiveness of agrarian enterprises.

THE STATEMENT OF BASIC RESULTS AND THEIR SUBSTANTIATION

The innovation and investment process is a system of specific measures for carrying out scientific researches and developments, creation of innovations and their implementation into production with the purpose of obtaining new or qualitatively improved agricultural products and appropriate resource support

of these processes through attracting investments. Innovation policy is a complex of economic, organizational and legal and other measures of the state aimed at implementing the results of scientific and technical progress into production, stimulation and support of innovation processes in the economy. The investment policy is aimed at implementing innovations that can provide competitive products through updating of the technical-technological and organizational production base.

The process of developing and implementing innovations in production requires investment resources, which inextricably connects innovation and investment policy, formation and implementation of effective innovation and investment policy in the agrarian sector of Ukrainian economy.

State innovation and investment policy in the agrarian sector of the economy is a set of economic, organizational and legal and other measures of the state aimed at attracting, distributing and redistributing financial resources to provide technical, technological and organizational base of production in order to obtain competitive products. The state plays a significant role in the management of innovation and investment processes in the agrarian sector of the economy. For effective functioning of innovation and investment policy, it makes sense to improve the organizational and economic mechanism for implementation of innovation and investment processes in the activities of agrarian enterprises, which includes a set of components of agrarian policy (entities, objects, markets, instruments, means, methods, etc.). The state innovation and investment policy should be aimed at expansion and activation of investment processes, revitalizing the innovative activity of agricultural producers.

It was established that the basic principles of formation of innovation and investment policy are based on three main components, including legal, scientific and financial support.

The mechanism of ensuring a unified innovation and investment policy in the agrarian sector of the economy includes economic, organizational and legal and social measures of the state as to formation of an environment for performing innovation activity, subject to state financial support, which is implemented in the process of formation of legal, financial and scientific support for development and ensuring the competitiveness of the agrarian sector of the economy. As a result of scientific and technological progress as well as updating of the scientific and technological and organizational base of production in agrarian enterprises, competitiveness of agricultural products is ensured.

The degree of investment attractiveness of agrarian enterprises is an indicator that allows potential investors to draw conclusions about necessity and reasonability of investing financial resources in this particular object.

According to Kozachenko G.V., investment attractiveness is a set of objective and subjective conditions

that contribute or hinder the investment process [1]. Dovbnia S.B. determines the investment attractiveness of an enterprise as a set of characteristics of financial sustainability and economic efficiency of the enterprise [2]. Investment attractiveness depends on the indicators that characterize the financial condition. But if we narrow down the problem, investors are interested in indicators that affect the profitability of enterprise capital [3].

Blank I. understands under the investment attractiveness the integral characteristics of individual enterprises — objects of future investment, from the standpoint of the development prospects, volume and prospects of product sales, utilization efficiency of asset and their liquidity, solvency and financial sustainability [4].

Investment attractiveness is an integrated characteristic of individual objects from the standpoint of the investment climate, development level of productive forces, infrastructure investment, possibilities of investment attraction and other factors that significantly affect formation of return on investment and reduction of investment risks.

Investment attractiveness can be viewed vertically: country, region, industry, enterprise, investment project. At the same time, investment attractiveness is characterized by a combination of features, means, opportunities, which together give a potential effective demand for investment in the country, region, industry, etc. Depending on the time horizon for analysis, management and forecasting, it can be current and prospective. However, such an approach complicates the identification procedure of attractiveness factors and their quantitative and qualitative assessment, since this or that investment object will have different investment attractiveness due to regional and sectoral features, geographic location and other factors.

In order to effectively manage the investment attractiveness of enterprises, it is necessary to be able to estimate accurately the impact of individual factors of investment attractiveness. Factors that determine the investment attractiveness of agrarian enterprises can be divided into 2 groups: external and internal.

External factors that have a positive impact on the investment attractiveness of enterprises include: favorable climate, availability of resource and raw material base, availability of scientific and industrial potential, favorable geographical location, lack of production monopolization, creation of modern software products and information technologies, stabilization of foreign economic activity, competition condition of the industrial market, presence of equal competitors. Internal factors contributing to raising the level of investment attractiveness of agrarian enterprises are sufficient material and technical base, high share of owner capital in total capital, stable financial and economic state of enterprises, investment safety, implementation of resource-saving effective technologies, commercial

goodwill, availability of modern software (programs for analysis of financial and economic activity of the enterprise, assessment of the level of investment attractiveness, website on the Internet).

External factors that have a negative impact on the investment attractiveness of enterprises are significant tax burden of enterprises, shrinkage of markets of products, low share of attracted funds of domestic investors, low level of organizational regulation of investment activity, general decline in production, high rates of loans, incompleteness of land reform processes and institutional transformations in agriculture, reducing the inflow of financial resources in the industry, low level of research intensity of production. Internal factors that have a negative impact on the investment attractiveness of agrarian enterprises include their unprofitableness, low level of liquidity, low level of information provision, fluctuations in production rates.

An important factor in increasing the investment attractiveness of agrarian enterprises is improvement of quality of their products, bringing them in line with international standards. Modern standards should provide a new impetus to development of innovative technologies, play a significant role in consideration of issues on environmental safety, improving security and health protection programs, improving quality of life and economic development in general. They will promote production of high-quality competitive products, as well as expansion of export opportunities of agricultural enterprises [5]. In the opinion of scientists, Ukrainian agricultural enterprises have and will have significant prospects for production of organic products, the demand for which will increase, and prices will exceed the prices of traditional food products by 40—50% [6].

It should be noted that in recent years there has been a change in investment priorities in the agricultural sector. The problem of transfer of innovative technologies that require significant investment is of particular importance for increasing the investment attractiveness of agrarian enterprises.

At a fairly stable economic situation in the country, agrarian enterprises use the following methods of financing innovation [7]:

1. Self-financing owing to own funds created on the basis of such sources as depreciation and profit. Due to the crisis phenomena in the economy, the profit of most agrarian enterprises is low, so investment is possible only if there is a necessary amount of depreciation. At most agrarian enterprises, fixed assets have significantly decreased in recent years, so the amount of depreciation cannot be significant.

2. Sharing — attracting investment resources through issuance of securities, in particular shares. This method is considered as one of the most effective for business entities in industry, trade, financial sector of the economy. The number of joint-stock companies in the agricultural sector is very small, and therefore only individual enterprises can rely on obtaining necessary financial resources for investment activity subject to issue of new shares.

3. Credit provision — obtaining credits either from banking institutions, either by issuing bonded loans, or through financial leasing. However, under crisis conditions, agrarian enterprises can only rely on leasing operations relative to the durable means of production.

4. Shared financing is carried out by private investors or owners of cooperatives, limited liability companies. Such financing of investment activity can take place under any conditions, including in the period of financial crisis, because some private investors have the necessary financial resources, and in order to increase the efficiency of their own agrarian production, they can invest in their investment activities.

5. Direct foreign investment. Foreign capital is invested in those countries where the economic crisis has practically not affected the real or financial sectors of the economy.

The modern investment climate is characterized by low purchasing power; instability of the existing regulatory and legal framework; presence of a shadow economy that causes the uncompetitiveness of products of the official economy; high level of corruption, etc. [8]. All these factors reduce the investment attractiveness of agrarian enterprises for foreign investors. At the same time, representatives of many foreign companies openly argue that the arrival of large-scale investment to Ukraine is complicated by the lack of stability, even for a short period of time.

Conclusions and perspectives of further research. Increasing the innovation and investment activity and the attractiveness of agrarian enterprises will contribute to formation of a powerful production potential that will provide a comprehensive solution to the problems of agricultural development. One of the main problems hampering the development of agriculture in Ukraine and expansion of its innovation and investment activity is, first of all, low investment attractiveness of enterprises in the agrarian sector. The timely assessment of the investment attractiveness of a company with a view to forecasting the prospects for further effective development of the agrarian sector will facilitate opening of new diversification opportunities for domestic and foreign investors, and increase the investment guarantees for foreign investors in investment projects.

The introduction of a comprehensive investment program in the agrarian sector of the economy will stimulate its transition to a qualitatively new innovative type of development and will promote the growth of competitive agrarian enterprises.

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