Improvement of regulation system and strategic planning of investment operations at meso level

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Abstract
The purpose of the paper is to improve regulation system of investment operations at meso level and the interconnection between the state and regions due to the formation of investment environment and intensification of investment operations as factors of social and economic orientation. The following methods are applied in the study: according to system approach the problem of planning and regulation of investment activities at meso level has been reduced to a series of clearly structured and interrelated tasks. Integrated approach provided information involvement from other branches of science, which have an influence on the theory and methodology of solutions concerning planning and regulation of investment activities at meso level. Results: the mechanism of investment activation based on effective investment policy at macro- and meso level using modern data-analysis tools. At the same time the regional investment policy should be aimed at the highest possible revelation of the territorial investment potential. The authors have developed recommendations to improve the system of planning and regulation of investment activities at the meso level, taking into account the necessity of logical stages, namely: analyzing, planning and prediction, organization, implementation, regulation, motivation, monitoring and results estimation. Organizational and methodological principles of formation stages and sequence of strategic investment planning at the meso level are improved. It is of practical importance for the authorities at macro- and meso level. Conclusions: it has been determined that to form objectives of regional investment policy as a starting point one should use the needs and interests of a region and that is why there should be a correspondence between final results of regional investment policy and interests of a region.

Keywords: planning, regional investment policy, regulation, state investment policy, strategy

JEL Classification: G31, E62, L51, O29, R58

1. Introduction
Formation of social and economic policy at meso level, that is, at regional one is a relatively new phenomenon, as a region is not sufficiently independent medium of social and economic relations and a participant of regional policy. Because of that regional investment policy is aimed at effective management of investment operations, but it is also closely connected with as well as it is the result of state investment policy. And because of this, it is important to investigate the interconnection between the state and regions due to the formation of investment environment and intensification of investment operations as factors of social and economic orientation. Regional policy as a modern mechanism of state administration in market conditions can be characterized by complex internal structure. Formation of effective investment policy at meso level influences not only on intensification of investment operations, but on social and economic development, improvement of living standards, creation of new

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jobs, revealing of region potential as well as increase its competitiveness and intensification of innovative processes and so on.


2. Data and Methods

Theoretical and methodological background for this research is principles of Ukrainian and foreign economic science concerning regional development, regulation and strategic planning of investment activities at meso level. In order to carry out instructions of the study we used following methods: conceptual and logical, analysis and synthesis, system thinking.

3. Results and Discussion

Practice of working out of strategies of regional development, covenant and implementation of agreements as for regional development showed the following peculiarities and problems (Odehnal, J, Sedlacik, M., & Michalek, J., 2012; Shkarupa, O. V., & Burych, I. V., 2015; Shvets, V., Baranets, N., & Yefremova, F., 2012):

1) disadvantages of strategic planning of regional development;
2) conflicts between regional administrations, regional councils and groups of influence at regional level;
3) passiveness of central authorities as for the preparation and concluding agreements; duration of procedure of their development and concluding; dependence of this procedure on a political situation;
4) priority of concluding agreements for regions with high and medium;
5) direction of concluded agreements mostly to solving problems in housing and utilities;
6) different structure of funding sources of concluded agreements.

Over the last decades long-term and sustainability have become main principles of the development of countries. Eighty-two members of the United Nations (UN), it is 43 % of all countries in the world, in 2007 informed the Commission on Sustainable Development of the UN about the implementation of national strategies for sustainable development. Introduction of concepts of sustainable development and their formation are carried out not only on the basis of recommendations of the UN Commission on Sustainable Development, but using own development and improvement of some countries [1]. Let us consider stages of development and implementation of the strategy in Poznan and Krakow (fig. 1 and fig. 2) ‘The strategy of development of Poznan’ — is a consolidated, structured list of approaches for sustainable city development focused on achievement of developed strategic objectives.

In methodological plan of the strategy of development of Poznan it is not mentioned when and where public research is conducted, but public consultation is one of the principles of the
Strategy of city development. That is, working on the strategy the most views and wishes of the citizens of Poznan are taken into account.

Suggested methodological plan of Krakow (fig. 2) shows a classical approach to strategy formation of a city development, but in this methodology there is some innovation, namely, the creation of “Krakow list of opportunities”. This document is a two-stage sociological research on opinions and judgments on the development of Krakow organized in a form of discussions among various social and professional groups and using traditional polling of residents. In general methodology of strategy formation of Krakow development is similar to the model that was shown in Poznan, but it is more extended and detailed (“Complex strategy of the development of Lviv for the period of 2012-2025”, 2012).

Basis for agreement conclusion on regional development are strategies of regional development in accordance with legislation and coordinated with regulations of National Regional Development Strategy for the period up to 2015 (“National regional development strategies for the period up to 2015”, 2010). As a basis of conclusion of such agreements there is the necessity of compulsory coordination of national and regional interests as for the development of territories as well as concentration and focusing of limited resources on priority development projects. This implies mutual responsibility of central and local authorities and local governments for the implementation of joint measures in the sphere of regional and local development. In general, a conclusion of agreements is aimed at ensuring stability in relations between central and regional authorities.

The experience of economic regulation of recent years clearly demonstrates the need to form two-level investment policy at national level, that is, at macro level and at meso level as well. Legal conditions for investments and factors supporting an increase of investment attractiveness of Ukraine should be formed at national level. Among investment attractiveness of Ukraine the most important one is tax burden reducing, providing economic and political stability and understandable determination of legal and regulatory framework of investment operations management. At regional level of investment policy it is necessary to create fundamentally new mechanism which would, on the one hand, correspond to peculiarity of Ukrainian society, and,
on the other hand - provide sufficient effectiveness of investment resources and intensify increase of investment flows within territorial and economic system of a region as well as beyond it ("Regional development strategies: ways to ensure effectiveness", 2011).

**Figure 2. Stages of development and implementation of the strategy in Krakow**

To form an effective mechanism of regulation of investment operations at meso level it is necessary to distinguish some principles, methods, functions, indicators, instruments because their changing directly dependents on specific conditions and stages of development of a region as well as on distinguished positions of social and economic development. But formation of such elements of mechanism of investment operations management in a region should be focused on the implementation and achievement of complex and specific objectives of social and economic development to meet the demands and improve the quality of life.

Investment policy at meso level — is an important block of regional policy, its foundation — a mechanism of intensification of investment operations using modern instruments. But regional investment policy should be focused on maximum consideration of specific regional factors of influence on investment operations and investing features. According to what was mentioned above there should be an adjustment of the state investment policy in accordance with regional characteristics. Moreover, priority spheres for the development and ways of implementation of investment policy should be defined at meso level.

An important criterion for the formation of investment regulation at meso level and the choice of instruments for regional investment policy is taking into account the possibility of objectives achievement in a quantitative dimension and the prediction of implementation effectiveness of determined measures. The main component of regional investment policy from the content point of view is its main objectives, depending directly on the objectives of state investment policy. That is why under regulation one can understand the determination of some peculiarities of regional development of areas, priority spheres of activities, some peculiarities of investment
operations, intensification of investment operations, creation of favourable image of a region as well as maximization of social impact earned from investing regional resources of different types, implementing innovative development and so on. Main objectives of investment policy at meso level can be determined in accordance with the development strategy of a region; they show a quantitative dimension of expected results, types and the nature of interrelation between participants. As it has already been mentioned, to achieve determined objectives, it is necessary to choose appropriate methods and instruments influencing the current situation of investment operations. And that is why it is advisable to create a regulation system of investment operations at meso level, which includes specific methods and instruments of planning and the regulation of regional investment policy. To prepare a regulation system of investment operations at meso level it is necessary to define ways of activities, impact, measures and instruments which will conform to them, taking into account appropriate objectives. The main factor as to the formation of objectives of regional investment policy should be aimed at solving top priority issues and barriers of carrying out investment operations. The content component of regional investment policy at meso level should be formed according to the demands and interests of a region.

D. Stechenko (2006) stresses that “regional interests are interests in constant reproduction and enhancement of social, natural, demographic, economic potential of a region. If this process is broken, the region sooner or later will go into the category of depressive ones, and it will experience a disaster with all social, economic, financial results. Any region can’t get out from these conditions by itself. But in such conditions state support should be significant and consistent”.

That is why final results of influence of regional investment policy on investment policy should reflect interests of a region. The main objectives, ways, measures and instruments as well as final results can be identified in strategic social and economic programs of a regional development and in concepts, recommendations and strategies, and so on.

Regulation of investment operations at meso level can be represented as a series of stages: analyzing, planning and prediction, organization, implementation, regulation, motivation, monitoring and results estimation.

At the first stage of analyzing, it is necessary to analyze current state of investment operations in a region and determine its initial parameters that will be the basis for comparison of changes and results.

The next stage is planning and prediction, which begins with setting objectives (aim) of investment policy at meso level. Objectives of investment policy are formed under the influence of social and economic demands of a region and should confirm regional interests, public interests and principles of investment policy. This step is a very important one because the development of a region’s competitiveness and attractiveness for investors depends on right objectives of investment policy. On the basis of set objectives it is determined ways of influence, tasks, methods and instruments by means of which the policy will be implemented. Expected results are also formed which express the aim quantitatively and qualitatively. The next stage is the implementation of regional investment policy. The fourth stage consists of monitoring of implementation and achievement of tactical objectives as well as monitoring of changes of investment intensification. The last stage is results estimation that is, collection, analyzing and estimation of data characterizing the level of objectives achievement and the effectiveness of used measures. This stage can be of two types: the first is when set objectives are achieved, and the second — when set objectives are not achieved. When the second type of the stage has happened, it is necessary to diagnose causes of such situation and to identify problems and then to make a change in objectives or ways (directions), tasks, methods and
instruments of investment policy at meso level to achieve an effective progress in the process of investment intensification. Control system of regional regulation is to ensure the development of investing at a certain time in future, taking into account basic objectives, setting of proper tasks and choice of instruments for achievement of these objectives.

To achieve correspondence of expected results and received ones, in case if a set objective of investment policy is a real one, it is necessary to form proved system that assumes rational combination of using instruments and methods of regulation at international, national, sectoral and regional levels.

Local authorities should implement regional investment policy at local level. Regulation of investment processes development within certain cities (towns), districts, enterprises will contribute to sustainable development of a region in general. But it is necessary to provide close interconnection of all blocks (state, region, enterprise) and elements needed to create a single integrated system of adjusted regulation of investment policy. It would be better to form a feedback correlation between state, regional, city and district, village authorities as for problematic issues and ways of investment policy for social and economic development as well. All these things will help to ensure the effectiveness of measures of investment policy at macro and meso levels, which is its main aim. Instruments of state investment policy are as follows: depreciation policy, tax laws, monetary policy, stock market regulation, legal protection of rights and protection of investors, regulation of conditions for foreign investments.

N. Karmazina (2010) shares this opinion, believing that one should form effective interconnections forming investment policy at state and regional levels, taking into account specifics of a region, “the necessity of investment policy coordination at different levels of a hierarchy of national and regional management should be combined with specifics of certain regions and spheres because of different levels of their development, different investment needs and investment opportunities. Formation and implementation of investment policy at different levels of a hierarchy is a set of regulatory, institutional and methodological measures undertaken on the basis of purposeful and coordinated steps with public administration”.

Thus, an interconnection of national and regional investment policy with investment operations on the basis of spheres and instruments of influence is highlighted.

As K. Starchenko (2011), N. Podolchak, I. Skvortsov and A. Tymeychuk (2015) point out, the analysis of working out experience of regional policy to attract FDI into Ukraine, Russia, Eastern and Western Europe shows that in most regions that have achieved a success in attracting foreign investment a strategic management is as a basis of investment policy development. In the sphere of investment the result of strategic management is, firstly, the concept of attracting investment, which includes the main aim, that is a sustainable development of a region, and a set of specific objectives, tasks and main ways of investment policy and secondly, a program of actions (it is a complex of connected activities, projects and programs that secure stage-by-stage achievement of these objectives, determined in the concept), and, thirdly, a plan of efficient control over implementation of programs.

In modern conditions of market economy, it is necessary for city development to form their development strategies. The reason of urgency of this issue is a progress and a success of strategic planning for cities in countries of the European Union.

4. Conclusions

The main conclusions of this research effort are as follows:
1. To form an effective mechanism of regulation of investment operations at meso level it is necessary to distinguish some principles, methods, functions, indicators, instruments because their changing directly dependents on specific conditions and stages of development of a region as well as on distinguished positions of social and economic development.

2. To achieve correspondence of expected results and received ones, in case if a set objective of investment policy is a real one, it is necessary to form proved system that assumes rational combination of using instruments and methods of regulation at international, national, sectoral and regional levels.

3. It has been determined that to form objectives of regional investment policy as a starting point one should use the needs and interests of a region and that is why there should be a correspondence between final results of regional investment policy and interests of a region.

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