SECTION 4. ECONOMICS AND MANAGEMENT OF THE NATIONAL ECONOMY

DOI: 10.46299/ISG.2024.MONO.ECON.2.4.1

4.1 Development of the rental housing market: investment as a tool of adaptation from the perspective of the state economic security

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

In the conditions of a full-scale war, along with inevitable losses for the economy and other terrible, destructive consequences, there was a deepening of disproportions in the economic development of Ukraine, which contributed to the growth of crisis phenomena and a significant decrease in the attention of Ukrainian businesses to attract investments, which it is appropriate, in the context of the research issues, to consider as an adaptation tool from the point of view of economic security, which would contribute to the development of the rental housing market.

In the conditions of a protracted war, there is a slowdown in investment activity, which is an important prerequisite for Ukrainian recovery. e generally reduces the effectiveness of point measures to find ways to ensure allocative efficiency during war and after victory.

In modern conditions, the following questions are relevant for victory and after victory:

Which sectors of the economy remain attractive for investment?

What industries will become the engine of development after the war?

What risks will determine economic progress and social development?

What measures should be developed and implemented by the state, business and society?

In general, Ukraine has prospects for moderate growth in the total value and volume of the domestic investment market in 2024, which is a signal of an improvement in the investment climate within the country as a whole and ensuring the development of the rental housing market, in particular for citizens affected by russian aggression.

The needs for investments, taking into account the prospects of the spheres of the economy of Ukraine in the conditions of a full-scale war and post-war recovery of the economy and the possibilities of project implementation, are as follows:

- in the defense industry - UAH 43 billion in more than 10 large projects;
- in the agricultural sector - UAH 34 billion in more than 300 projects;
- in the energy industry - UAH 177 billion in more than 50 projects;
- in metallurgy and metalworking - UAH 26 billion in more than 20 potential projects;
- in pharmaceuticals - UAH 19 billion in more than 30 projects;
- for logistics and infrastructure development - UAH 123 billion in more than 30 projects;
- in the development of natural resources - UAH 5.6 billion in more than 10 projects;
- in the furniture and woodworking industry - UAH 5 billion in more than 40 projects;
- in industrial production - UAH 16 billion in more than 20 projects;
- in innovative technological startups - about 11 billion UAH in more than 2 thousand [93].

However, in contrast to the sectors that urgently need investment, the priority areas of business investment, according to the data, are:

1. Military technology sector. Six months of teasers and applications to attract 0.5 - 2 million dollars. USA. It is expected that in 2024-2025, 10 million deals may take place in the sector, in particular involving investments from leading foreign defense companies (Director of Investments, Head of the R&D office of the Capital Times investment company Artem Shcherbina).

2. Agro-processing industry, mechanical engineering, woodworking. "Everything that can be exported, has a margin of 20% and a large potential TAM (total market volume), is promising for investment. These are mainly foodstuffs, foodstuffs, clothing or medicines" (RBK-Ukraine).

3. The agricultural industry is one of the investment priorities.

4. IT outsourcing at prices much lower than in 2021.

TOP-3 investment-attractive sectors include [93]:

1. Processing industry.

2. FMCG and trade.

3. Logistics.

According to forecasts, after the victory, the TOP of investment-attractive sectors will enter [93]:

1. IT.

2. Construction.

3. Agrotech.

4. Green metallurgy.

5. Oil refining and gas extraction.

6. Wind and solar energy.

7. Production and design of chips.

The optimal characteristics for a business that are considered attractive for investment are [93]:

1. Obvious export potential.

2. Existing stable demand on the local market.

3. Implemented financial model of business growth through expansion to foreign markets.

4. Smart strategic management.

5. A clear investment budget (how much, where, what effect).

Taking into account the above, today's realities look like this [93]:

1. There will be no mass investments in Ukraine in conditions of war and non-working rule of law.

2. Potentially interesting sectors of the economy for investors: agricultural production, processing, industrial complex.

3. Even the IT sector is experiencing problems with investments. Customers do not really want to do business with Ukraine, because of the risks of attacks on the infrastructure and mobilization of the personnel of the performers.

4. Because of the war, Ukraine acquires significant expertise in the field of defense industry, medical rehabilitation and demining.

5. Small domestic market, not yet fully liberalized and harmonized with the EU, expensive logistics and many risks associated with war].

Considering the above, this state of affairs with investments for the development of the rental housing market does not look attractive enough.

In modern economic conditions, the main models of national economy management are: American, European, German, Swedish, Japanese, and Chinese (Table 1).

Table 1. – Basic models of national economy management

Models of management of the national	Essence and characteristic features	Peculiarities of influence on the economy
American (liberal)	A system of economic relations in which its structure is modified depending on the current needs of the market and prospective directions for directing resources.	An effective public-private partnership is being established, in which market needs are the key guidelines and scientific progress contributes to the regional balancing of structural proportions, while stimulating the processes of dynamic economic growth
European	Targeted orientation of the government on the intensification of innovation processes and support for the diffusion of scientific and technical developments in the production spheres of the economy. An exceptional role is played by a qualitatively formed regulatory and legal framework and a rational distribution of powers	Striving to create favorable conditions for market interactions, which excludes direct state intervention in shaping the direction of structural restructuring of the economy

Continuation of table 1

German (neoliberal)	Focused on eliminating territorial asymmetries of development; departure from the practice of providing sectoral support and subsidies for priority industries (which aims to support competitive interactions on European markets and avoid the formation of monopoly structures); prioritization of the infrastructural direction of development and building of the information economy. The use of this model is typical for countries that are part of the EU and for which an organic combination of individual elements of the Japanese and American models is characteristic	Due to the combination of economic and social guidelines, this model achieves an optimal balance of public and individual interests
Swedish (social democratic)	State regulation focuses on the elimination of obstacles to competition, stimulation of small business development, employment growth, social orientation of market development, economic security for employees, equalization of incomes, social insurance, provision of minimum wage, there is an extensive system of social benefits	The main guideline is to ensure the most favorable conditions for each subject to reveal their own socially useful activity, active intervention of the state in the process of distribution and redistribution of income, creation of a strong system of social protection, dominance of ideas of equality and solidarity
Japanese	Provides increased attention to the social sphere, the level of employment, social security, labor relations and a strict income policy	It is implemented in the Scandinavian countries and partly in Portugal and Spain
Chinese	It is characterized by excessive state intervention, the government monitors the efficiency of the industries, it can make a decision on their selective support or complete curtailment or transfer outside the country. The government carries out its activities within the framework of public-private partnership, develops long-term strategic development plans, where it determines the key directions of structural transformations of the economy, in agreement with representatives of large businesses, which are entrusted with the implementation of relevant programs.	Due to the implementation of the policy of active state intervention in the process of structural transformations, the basis for the development of a high-tech economy has been created and stable rates of economic growth have been achieved.

Source *. Systematized, summarized and grouped by data [94-100].

The implementation of existing models of managing the national economy is possible taking into account Ukrainian realities and can be implemented only under the condition of creating a favorable investment climate due to the activation of the investment process within the framework of the implementation of an effective investment policy.

The countries of the world implement state investment policy, which differs in each of them, has its own characteristics, but it has certain characteristic features that contribute to the improvement of their investment climate and increase the volume of attracted investments and can be used taking into account national characteristics at the level of Ukraine. Characteristic features and peculiarities of the implementation of such a policy by individual states, which are among the 20 countries with the largest amount of attracted foreign direct investments (Table 2).

Table 2. – Characteristic features and peculiarities of the implementation of state investment policy in the developed countries of the world

Countries	Characteristic features	Features of implementation
USA	Stimulation of foreign investors with state control of investments in the most sensitive sectors of the economy	Regulation of investment issues is carried out both at the federal level (general requirements regarding foreign investment issues are established) and at the state level (specific prescriptions are established regarding the participation of foreign investors in projects by local government bodies). On the basis of long-term and short-term programs that take into account the peculiarities of the development and needs of the states in accordance with the legislation, the state itself conducts work on attracting foreign investments.
China	Attractive investment climate for foreign investors	The volumes of foreign investments are taken into account in accordance with the concluded contracts and the volumes of their use, which are not always identical on the basis of the regulatory documents adopted by the authorized bodies of China in 2013 as a continuation of the state policy of improving the investment climate, which began in 2012
Austria	Freedom of choice by investors of investment directions and sources of their financing, with the exception of obtaining a special permit in certain cases	There is no single state act regulating relations in the investment sphere: the procedure, conditions of implementation and various forms of their stimulation are fixed in a number of federal and regional acts and directives on specific issues.

Continuation of table 2

Netherlands	Favorable investment climate, attraction of investments taking into account the interaction of the state, business and science	Foreign investors are granted a national regime on the basis of reciprocity, the state does not create direct restrictions for investing in any sectors of the economy, however, in some cases, this process may be restrained by the need to obtain a special permit for certain types of economic activity, environmental protection requirements and other regulations, not directly related to investment issues.
Great Britain	Promotion of attracting foreign investments. Responsibility for the efficiency of the use of investments. Protection of investors' rights	Foreign investments are allowed in all sectors of the economy, with the exception of the defense industry, enterprises and organizations that are financed by the budget (federal railways, post and telegraph, radio and television), as well as industries and types of activities that are a state monopoly (mining industry, manufacturing tobacco products and alcoholic beverages)
France	Low level of control over foreign enterprises operating on the territory of the country. Existence of more favorable regulation in relations with foreign investors	Ease of registration of legal entities, absence of administrative barriers, a favorable legal field, tax preferences, a large number of international agreements on the avoidance of double taxation. The government consistently implements the strategy of attracting foreign investments based on partnership between the state, business and science, measures are implemented to protect investments and provide financial support to small and medium-sized businesses. The investment policy is based on competent presentation of investment projects to potential foreign partners, there is a specialized state agency for foreign investments - a division of the Ministry of Economy, implementation

Source *. Systematized, summarized and grouped according to data [100, 101, p. 116-119, 102, p. 49-50].

In Ukraine, when managing investments from the perspective of the economic security of the state, it is advisable to take into account the probability of realizing the concept of innovative specialization of the state in order to establish it as an exporter of high-tech products, in particular, taking into account:

- intensification of research and innovation development;

- increasing the share of knowledge-intensive products in production;

- opportunities to reproduce the economy as a result of increasing the export of high-tech products [100].

The practical value of this study lies in the clear definition of priorities and directions of the state's regulatory ability in the conditions of a protracted war to maintain macroeconomic stability and an effective system of countering destructive exogenous influences [103].

Taking into account the above and taking into account the processes that take place in modern realities and perspectives from the perspective of ensuring the economic security of the state, it should be stated that the implementation of world experience into the national model of its management, taking into account the feasibility of intensifying the investment process within the framework of the implementation of an effective investment policy, is a vital condition restoration of the economy of Ukraine in the post-war period.

The use of the mentioned in practice will contribute to the performance of a number of management tasks, in particular [104-110]:

- obtaining reliable management information about business operations during the war;
- optimizing the interaction of all participants in the investment management process;
- increasing the effectiveness of control over the targeted use of investments.

In general, the implementation of the above will contribute to increasing the level of investment management from the perspective of the economic security of the state, the development of the rental housing market.