



<https://doi.org/10.15407/economyukr.2024.04.068>

UDC 330.3

JEL: O19, R12, R58

Ganna IEFIMOVA, Dr. Sci. (Econ.), Prof.,
Head of the Department of Economic Policy and Security
Admiral Makarov National University of Shipbuilding
9, Heroyiv Ukrayiny Ave., Mykolayiv, 54007, Ukraine
e-mail: hanna.yefimova@nuos.edu.ua

ORCID: <https://orcid.org/0000-0001-5271-2913>

Mariia PAVLOVA, PhD Student of the Department of Economic Policy and Security
Admiral Makarov National University of Shipbuilding
9, Heroyiv Ukrayiny Ave., Mykolayiv, 54007, Ukraine
e-mail: mariia.klysiak@nuos.edu.ua

ORCID: <https://orcid.org/0000-0002-9321-6796>

EFFECTIVENESS ASSESSMENT OF INTERNATIONAL INVESTMENT IN THE UKRAINIAN TERRITORIAL COMMUNITIES' ACTIVITIES

The article provides methods that can be used to assess the effectiveness of international investment. Indicators for evaluating the effectiveness of international investment in territorial communities by blocks have been determined. The effectiveness of international investment in the Ukrainian territorial communities was assessed using a survey of experts from various fields.

Keywords: *international investment; Ukrainian territorial communities' activities; integral effect; factors influencing international investment.*

Ukraine, as a country with significant development potential, relies on attracting international investments to support economic growth and modernize its infrastructure. One of the key directions of investment activity is international investment in territorial communities, which play a crucial role in the development of regions and the improvement of the quality of life for the population.

C i t a t i o n: Iefimova, G., Pavlova, M. (2024). Effectiveness assessment of international investment in the Ukrainian territorial communities' activities. *Economy of Ukraine*. 67. 4(749). 68-86. <https://doi.org/10.15407/economyukr.2024.04.068>

© Publisher PH «Akademperiodyka» of the NAS of Ukraine, 2024. This is an open access article under the CC BY-NC-ND license (<https://creativecommons.org/licenses/by-nc-nd/4.0/>)

The purpose of the article is conducted an assessment of the effectiveness of such international investment in Ukraine. And providing recommendations for increasing the effectiveness of international investment in the activities of territorial communities in Ukraine based on research. The results of the study can be applied at the level of central authorities, which should adapt the results of the study to the specific needs and goals of each individual case. International investment in territorial communities can have a significant impact on economic development and the social sphere. These investments help create new jobs, promote the development of small and medium-sized businesses, increase the standard of living, and reduce regional disparities. Ensuring a stable investment climate, infrastructure development, human capital attraction and development, as well as cooperation between various stakeholders are key factors for successful international investment in the territorial communities' activities in Ukraine.

Properly assessing the effectiveness of international investment will help ensure the optimal use of investment resources and contribute to the sustainable development of territorial communities in Ukraine. It is essential to consider not only economic indicators but also social and environmental aspects, as this will contribute to achieving balanced and sustainable development.

International investment in the territorial communities' activities in Ukraine is an essential tool for attracting capital, technology, and knowledge that will promote their economic growth and development. However, the success of such investments depends on their effective utilization and impact on territorial communities.

According to the definition by the renowned Ukrainian economist S. Mochernyi, "Effectiveness is the achievement of the greatest results with the least expenditure of living or embodied labor. This is a specific form of the law of saving time" (Мочерний, 1995, с. 249). In turn, efficiency is determined by the ratio of the result (effect) to the costs that ensured its receipt (Череп, Стрілець, 2013). For an effective assessment of the effectiveness of international investment in the territorial communities' activities in Ukraine, a comprehensive analysis is required, utilizing both quantitative and qualitative indicators. It is crucial to consider the specific goals and objectives of the investment project, the Ukrainian market context, and the peculiarities of territorial communities.

The following methods can be used to assess the effectiveness of international investment:

Financial Analysis: Analyzing financial indicators such as return on investment, project profitability, cash flow metrics, and others will help evaluate the financial benefits of the investment.

1. *Socio-economic Analysis:* Assessing social indicators, including employment, living standards, access to education, and healthcare, can provide insights into the social impact of investments on local communities.

2. *Environmental Analysis:* Evaluating the environmental impact of investments, ensuring the environmental sustainability of projects, and protecting natural resources will help determine the environmental consequences of investments.

3. *Strategic Analysis*: Assessing the alignment of investments with the strategic goals of the development of territorial communities and national strategies can help determine the strategic impact of investments.

4. *Institutional Analysis*: Evaluating the impact of investments on the development of the institutional system, including improvements in governance, the legal framework, transparency, and anti-corruption measures, will help determine the institutional effects of the investment.

After conducting the analysis, it is essential to draw conclusions about the effectiveness of international investment in the territorial communities' activities in Ukraine. Based on the results obtained, recommendations can be proposed for enhancing the investment climate, infrastructure development, increasing the level of human capital, and strengthening partnerships and cooperation among various stakeholders.

It is important that the results of the evaluation of the effectiveness of international investment in territorial communities are available and transparent for all interested parties. This will help to create trust and attract more international investments in the development of territorial communities in Ukraine.

As mentioned earlier, the evaluation of the effectiveness of international investment in the territorial communities' activities in Ukraine can be carried out using various methods and approaches. One of the possible approaches is the use of indicators to evaluate various aspects of the investment process.

The economic approach to evaluating the effectiveness of international investment involves the analysis of financial indicators, such as profitability, internal rate of return, indicators of return on capital. These indicators can assess the financial efficiency of investment projects, their ability to provide profit and return on invested funds.

The social assessment approach includes the analysis of the social consequences of investments, such as increased employment, improved quality of life, increased incomes of the population, development of education and health care. In addition, indicators related to the improvement of housing conditions, infrastructure and access to services for the local population may emerge.

The ecological approach of assessment involves determining the environmental consequences of investments, in particular their impact on the environment and natural resources. This may include analysis of pollutant emissions, resource consumption, use of environmentally friendly technologies and consideration of sustainable development principles. The environmental impact assessment allows to compensate for the lack of investments that contribute to the ecological sustainability of territorial communities and take into account their natural resources.

In addition, a strategic approach to evaluating the effectiveness of international investment is important. This means analyzing the compliance of investment projects with the strategic goals of territorial communities and national development strategies. Investments should contribute to the implementation of strategic tasks, such as the development of specific industries, the creation of jobs, and the improvement of the economic competitiveness of territorial communities.

RESEARCH METHODOLOGY

The authors used the formal-dogmatic method to determine the main concepts and the functional-legal method to determine the approaches and methods of evaluating the effectiveness of international investment and Ukrainian territorial communities. As the main

The methodological approach of the study, the authors chose a systematic approach to the review factors affecting international investment in Ukrainian territorial communities.

In particular, the main attention is paid to the method of surveying experts who evaluated the indicators of the effectiveness of international investment in territorial communities according to various blocks, such as: financial, economic, social, environmental and legal. The assessment was carried out using Harrington's verbal-numerical school, which is a method of assessing the importance or ranking of indicators or components. The authors formed a system of factors based on a survey of experts. Interviewed 85 respondents which included their own groups of interviewees:

- the sphere of state and municipal administration — 14.3%;
- representatives of territorial communities — 15%;
- business representatives — 30%;
- sphere of education — 27.9%;
- other — 12.9%.

BASIC RESEARCH MATERIAL PRESENTATION

Factors affecting international investment in territorial communities of Ukraine are multifaceted and may vary depending on various factors. It is crucial to recognize that the factors impacting international investment and performance metrics generally apply universally, extending beyond the scope of territorial communities to operate at the national level. This assertion is equally applicable to the findings presented in the survey below. Below are some key factors that play an important role in attracting investment to territorial communities:

i) *political and economic stability*: the stability of the political and economic environment is an important factor for international investors. Political stability means the absence of serious political turbulence, political risks and changes in legislation that negatively affect business. Economic stability implies a low inflation rate, a stable currency and an economic policy that promotes business development;

ii) *investment climate*: creation of a favorable investment climate in territorial communities includes such aspects as transparency, ease of entering into contracts, protection of property rights, efficiency of the judicial system and the fight against corruption. The more attractive the investment climate, the more international investors can be attracted to territorial communities;

iii) *infrastructure*: developed and modern infrastructure is one of the key factors affecting the attractiveness of territorial communities for investors. This includes transport, communication, energy, logistics and social infrastructure;

iv) *labor market*: the availability of skilled labor is an important factor for international investors. Territorial communities with a high level of education, availability of professional training and educational institutions contribute to attracting investments, especially in high-tech sectors;

v) *Tax Policy*: the tax system and policy have a significant impact on the decisions of international investors. Low tax rates, incentives for investors, a system of tax incentives and a transparent tax system contribute to the attractiveness of territorial communities for investments. Support of investment processes by local authorities, for example, by reducing the rent for land in depressed regions, as well as providing benefits for budgetary subsidies for the input rate for loans (Dzwigol, 2019, p. 6);

vi) *access to markets*: the geographical location of territorial communities and their access to markets is an important factor. Territorial communities with close access to key markets, international trade routes and transport hubs can attract more international investors;

vii) *Regulatory Policy*: a transparent and stable regulatory policy that promotes the protection of investors' rights, permitting business and prompt resolution of disputes is an important factor for international investors. Stability and predictability of the regulatory environment contribute to the attraction of international investments;

viii) *socio-economic context*: socio-economic context, such as standard of living, poverty level, access to education and health care, also has an impact on the attractiveness of territorial communities for investors. Communities with developed socio-economic indicators attract more investments, as they create favorable conditions for business development and improvement of the quality of life of residents. The activities of the territorial community involve coordination between residents and government agencies in solving major problems through participation in management decisions. This also requires a clear understanding of the overall responsibility for the well-being of residents. (Gryshchenko, 2022);

ix) *institutional quality*: the quality and efficiency of state institutions, such as the justice system, anti-corruption bodies, regulatory bodies, also have a significant impact on the attractiveness of territorial communities for investors. The presence of reliable and transparent institutions helps reduce investment risks and increase confidence in the business environment;

x) *innovative potential*: the level of scientific and technical development, the presence of research and development centers, innovative enterprises and support for innovative projects is an important factor for international investors. Communities that actively work on the development of innovative potential attract more investments in high-tech industries and innovative projects;

xi) *environmental sustainability*: growing awareness of environmental issues encourages investors to pay attention to the environmental sustainability of territorial communities. Communities that actively work on environmental conservation, energy efficiency and renewable energy development can attract investment in green technologies and environmentally friendly projects;

Table 1. Indicators of evaluating the effectiveness of territorial communities' international investment

Evaluation block	Indexes	Calculation formula
Financial block	Investment Attraction Ratio	$\text{Investment Attraction Ratio} = (\text{Total volume of international investments} / \text{GDP}) \times 100$
	Return on Investment (ROI)	$\text{ROI} = ((\text{Total profit} - \text{Total expenses}) / \text{Total expenses}) \times 100$
	Gross Revenue Growth	$\text{Gross Revenue Growth} = ((\text{Current gross income} - \text{Initial gross income}) / \text{Initial gross income}) \times 100$
	Competitiveness Index	$\text{Competitiveness Index} = (\text{Current level of competitiveness} - \text{Initial level of competitiveness}) / \text{Initial level of competitiveness} \times 100$
	Financial Stability Index	$\text{Financial Stability Index} = (\text{Current assets} - \text{Current liabilities}) / \text{Total assets}$
Economic bloc	Economic Growth Rate	$\text{Economic Growth Rate} = ((\text{Current GDP} - \text{Initial GDP}) / \text{Initial GDP}) \times 100$
	Sustainable Development Index	$\text{Sustainable Development Index} = (\text{Economic indicator} + \text{Social indicator} + \text{Environmental indicator}) / 3$
	Export Potential Index	$\text{Export Potential Index} = (\text{Export volume after investment} - \text{Initial export volume}) / \text{Initial export volume} \times 100$
Social bloc	Production growth	$((\text{Current volume of production} - \text{Previous volume of production}) / \text{Previous volume of production}) \times 100\%$
	Job Creation Index	$\text{Job Creation Index} = (\text{Number of new jobs} / \text{Total number of investments}) \times 100$
	Unemployment Reduction Rate	$\text{Unemployment Reduction Rate} = ((\text{Initial unemployment} - \text{Final unemployment}) / \text{Initial unemployment}) \times 100$
	Living Standards Improvement Index	$\text{Living Standards Improvement Index} = (\text{Current standard of living} - \text{Initial standard of living}) / \text{Initial standard of living} \times 100$

The end of table 1

Evaluation block	Indexes	Calculation formula
Social bloc	Social Development Index	Social Development Index = (Cumulative social indicator after investments – Initial social indicator) / Initial social indicator × 100
Ecological block	Reduction of emissions of harmful substances	The number of emissions of harmful substances in the current year
Ecological block	Preservation of biodiversity	The number of new nature protection zones created by the investor
Legal block	Reducing the use of natural resources	The amount of natural resources used in the current year
	Reducing waste and improving waste management	Amount of waste disposed or recycled in the current year
	Simplification of investment procedures	Number of new investment projects approved by the government
	Reduction of bureaucracy	The number of complaints about bureaucratic obstacles filed by investors
	Improvement of the legal system	Number of new laws and regulations adopted to improve the investment climate
	Ensuring the protection of investors' rights	The number of court decisions in favor of investors in cases of violation of their rights

Source: authors' own elaboration.

xii) *partnership and cooperation*: establishing an effective system of partnership between government, business and the public is a necessary condition for successful international investment. It is important to create mechanisms for dialogue, information exchange and joint decision-making that will contribute to the development of territorial communities. The partnership between international investors, local authorities and the public will ensure the mutual benefit of investment projects, taking into account the needs of territorial communities and their sustainability in the long term. Depending on which local government authorities are involved in such cooperation, it can take different forms. The benefits of such cooperation are obvious: local authorities open the opportunity to combine resources to ensure balanced development, increase the well-being and quality of life of the population (Bovsunovskaya, 2018).

Here is a table 1, with several evaluation blocks and corresponding indicators for evaluating the effectiveness of international investment in territorial communities, as well as calculation formulas:

There may be different calculation formulas for each indicator, depending on the methodology and data source used for evaluation. The table provides an overview of indicators that can be used to assess the effectiveness of international investment in TG. These assessment blocks can be used for a comprehensive assessment of the effectiveness of international investments in territorial communities. For each indicator, a calculation formula is given in the table, which allows you to calculate the value of the indicator based on the relevant data. This helps investors and government bodies to objectively assess the effectiveness of investments and make decisions regarding the further development of territorial communities.

A comprehensive evaluation of the effectiveness of international investments in territorial communities allows to evaluate various aspects of effectiveness, such as financial, economic, social, environmental and legal. The financial evaluation unit focuses on financial metrics such as return on investment, sales volume, accounting profit, net income, and return on capital. The economic unit of the assessment covers various economic indicators, such as GDP growth, production growth, increased exports, reduced dependence on imports, and employment growth. The social assessment block includes indicators reflecting social aspects such as increased housing stock, improved infrastructure, reduced unemployment, reduced poverty and improved access to education and health care. The environmental unit of the assessment focuses on indicators related to the environment, such as reducing emissions of harmful substances, preserving biodiversity, reducing the use of natural resources and reducing waste and improving waste management. The legal block of the assessment includes indicators that reflect legal aspects, such as simplifying investment procedures, reducing bureaucracy, improving the legal system and ensuring the protection of investors' rights.

Each of these blocks of assessment has its own importance in the context of the effectiveness of international investments in territorial communities. The financial assessment block allows you to assess the financial stability and profitability of the project. The economic assessment block allows you to assess the

project's contribution to the economic development of the territory and its impact on public well-being. The social assessment block allows you to assess the impact of the project on the lives of local residents, their social and economic situation. The ecological assessment unit allows to assess the impact of the project on the environment and sustainable development of the territory. The legal assessment block allows you to assess the level of protection of investors' rights and determine how favorable the investment climate is in the given territory.

A comprehensive assessment of the effectiveness of international investments in territorial communities is an important tool for making decisions about investing in various projects. It allows investors and government authorities to understand what impact the project has on the territory and the local population, and to determine whether it is worth investing in this project. In addition, comprehensive evaluation allows you to assess the effectiveness of the project in various aspects and determine where the results can be improved. In general, a comprehensive assessment of the effectiveness of international investments in territorial communities helps ensure the sustainable development of the territory and improve the quality of life of the local population, which is important for the balanced socio-economic development of the country.

The application of a comprehensive assessment of the effectiveness of international investments in territorial communities has certain challenges and limitations. For example, it is not always possible to clearly determine the impact of the project on various aspects of the development of the territory, as well as take into account all possible risks and uncertainties. In addition, the evaluation may depend on the choice of criteria and evaluation methodology, which may lead to different results.

One of the important aspects of international investments is understanding the risks associated with them. International investments may be subject to, among other things, political, economic, financial and legal risks. Political risks can include changes in government policy, instability or conflict in the host country. Economic risks may include fluctuations in exchange rates, inflation or recession. Financial risks may include problems with the banking system or capital controls. Legal risks can include issues with property rights, contracts or corruption. Evaluating these risks is important when making investment decisions because they can affect potential investment returns.

Another important aspect of evaluating international investments is considering the impact on the local community and environment. Investments can have a positive or negative impact on the local community, including social and economic development, employment and access to services such as health and education. Investments can also have negative effects on the environment, such as pollution, deforestation or habitat destruction. Assessing potential impacts and considering ways to mitigate negative impacts are essential to responsible investing.

There are also different methods of evaluating the financial indicators of international investments. One common method is discounted cash flow (DCF) analysis, which estimates the present value of future cash flows expected from an

investment. This method takes into account the time value of money, meaning future cash flows are worth less than current cash flows. Another method is net present value (NPV) analysis, which calculates the difference between the present value of cash inflows and the present value of cash outflows. If the NPV is positive, then the investment is expected to generate a positive return. In addition to these financial evaluation methods, there are also social and environmental impact assessment tools that can be used to assess the impact of investments on the local community and environment. These tools can help investors identify potential downsides and develop mitigation strategies.

In general, the evaluation of international investments requires taking into account a number of factors, including financial performance, risk, social and environmental impact. By carefully evaluating these factors, investors can make informed decisions that will not only generate profits, but also contribute to sustainable development and benefit the local community.

Evaluation of the effectiveness of international investment in territorial communities can be carried out using a comprehensive approach, where several components are taken into account and their weights are weighed to obtain an integral indicator of effectiveness (Table 2). The effectiveness of international investment in the territorial communities of Ukraine was assessed based on a survey of experts according to the indicators indicated in Table 1 using Harrington's Verbal-Numerical Scale (Harrington, 1965).

The Harrington Verbal-Numerical Scale, also known as the Harrington scale, is a method of assessing the importance or ranking of indicators or components. This method combines verbal description with numerical values, which allows the degree of importance to be quantified.

The Harrington scale consists of several categories that characterize the level of importance. There are usually five categories such as "very low", "low", "medium", "high" and "very high". Each category is assigned a numerical value, such as 0.00 to 1.0, where a higher number indicates greater importance.

Experts assess the importance of indicators or components by selecting the appropriate category from the Harrington scale for each indicator. These numerical values can then be used to calculate weighting factors or aggregate indicators in the comprehensive assessment process.

The use of Harrington's verbal-numerical scale allows experts to specify and express the importance of indicators or components in an understandable form, combining a verbal description with numerical values.

Experts of various types of activities were interviewed:

- sphere of state and municipal administration — 14.3%;
- representatives of territorial communities — 15%;
- business representatives — 30%;
- sphere of education — 27.9%;
- other — 12.9%.

Standardized assessments allow for comparative analysis of performance components in a complex assessment process. The normalized table of points

Table 2. Indicator's components of international investment's integral effectiveness in Ukrainian territorial communities

Indexes	Sphere of state and municipal administration	Representatives of territorial communities	Business representatives	Sphere of education	Other
Investment Attraction Ratio	0.87	0.89	0.75	0.93	0.66
Return on Investment	0.70	0.69	0.75	0.81	0.41
Gross Revenue Growth	0.69	0.71	0.82	0.73	0.70
Competitiveness Index	0.69	0.64	0.61	0.69	0.64
Financial Stability Index	0.78	0.79	0.64	0.85	0.72
Economic Growth Rate	0.79	0.77	0.67	0.84	0.73
Sustainable Development Index	0.76	0.78	0.73	0.83	0.81
Export Potential Index	0.51	0.56	0.62	0.49	0.67
Production growth	0.68	0.64	0.65	0.67	0.47
Job Creation Index	0.79	0.81	0.70	0.80	0.41
Unemployment Reduction Rate	0.78	0.80	0.63	0.79	0.33
Living Standards Improvement Index	0.76	0.78	0.80	0.77	0.64
Social Development Index	0.39	0.45	0.38	0.62	0.34
Reduction of emissions of harmful substances	0.63	0.64	0.39	0.60	0.29
Preservation of biodiversity	0.35	0.21	0.3	0.29	0.23
Reducing the use of natural resources	0.24	0.25	0.38	0.45	0.33
Reducing waste and improving waste management	0.12	0.21	0.29	0.3	0.05
Simplification of investment procedures	0.82	0.79	0.9	0.95	0.8
Reduction of bureaucracy	0.71	0.69	0.8	0.73	0.25
Improvement of the legal system	0.82	0.79	0.74	0.8	0.31
Ensuring the protection of investors' rights	0.76	0.37	0.83	0.85	0.37

Source: authors' own elaboration.

Fig. 1. Components of the integrated efficiency of international investment in Ukrainian territorial communities by blocks, coefficient

Source: authors' own elaboration.

allows you to determine which components have the highest values and have the greatest impact on the effectiveness of territorial communities in Ukraine.

In general, financial indicators are the determining factors for evaluating the effectiveness of Ukrainian territorial communities, according to the interviewed experts. However, each composition has its own weight and significance, which can be determined according to the specific goals and context of the evaluation.

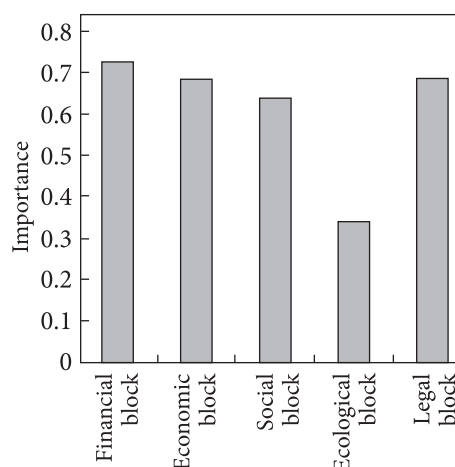
According to the survey's results (Fig. 1), it was observed that the highest mean score is the financial block — 0.7264, which means that the indicators of the financial block have the highest values compared to other components, while the environmental block has the lowest score of 0.339. No matter how important the preservation of the environment and natural resources would be, in the process of evaluating the effectiveness of international investment of territorial communities, the ecological block has the least significance. The economic block and the legal block have the same mean scores is 0.6835 and 0.6855. This shows that Ukrainian territorial communities are moderately efficient in their economic and legal activities. The second lowest average score in the social block is 0.6385. This shows that all experts have the same average assessment of the importance of the social block, in particular in the sphere of living standards and social development. In general, Ukrainian territorial communities have made some progress in increasing the efficiency of their activities, but there is still much room for improvement. Communities should focus on strengthening financial management, improving economic performance, promoting sustainable development and increasing social well-being.

Each territorial community in Ukraine can influence international investment. We will identify the key performance indicators and key drivers of investment for separate territorial communities (Fig. 2).

Factors affecting the attraction of international investments at the level of territorial communities play an important role in creating a favorable investment climate and contribute to economic development. The importance of each of these factors is explained below.

1. Economic factors:

- management efficiency: communities with well-organized and effective management are able to ensure stability, transparency and predictability of the business environment that attracts international investments;



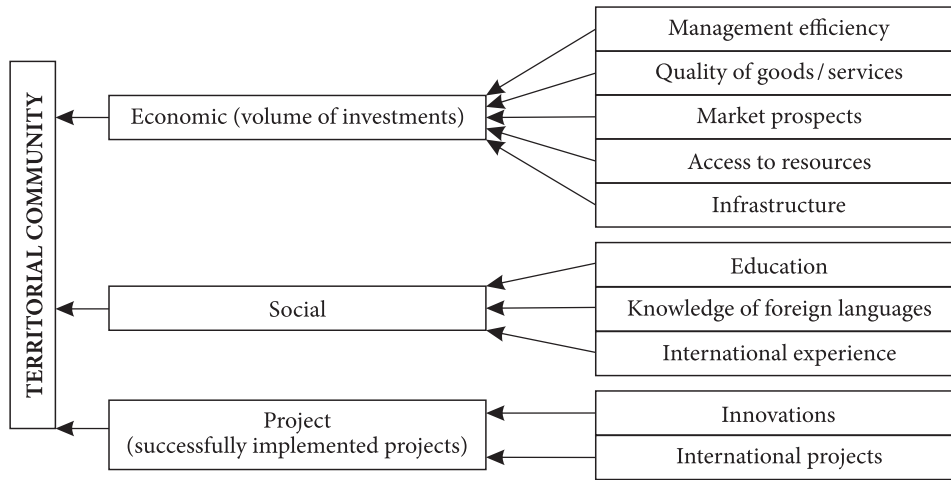


Fig. 2. Factors influencing international investment at the community level

Source: authors' own elaboration.

- quality of goods / services: high quality and competitiveness of goods and services provided in the community increase the likelihood of attracting international investors;

- market prospects: international investors are looking for markets with potential demand for their goods and services. Communities that can offer prospects for market development and access to new customers become more attractive for investment;

- access to resources: having access to resources such as raw materials, labor, technology or infrastructure is an important factor for international investors, as it can provide them with a competitive advantage and lower production costs;

- infrastructure: developed transport, communication and energy infrastructure creates favorable conditions for business development and attraction of international investments.

2. Social factors:

- education: a high level of education in the community contributes to the formation of a skilled workforce, which is attractive to international investors looking for a skilled workforce and research opportunities;

- knowledge of foreign languages: knowledge of languages, especially English, promotes communication and mutual understanding between international investors and local residents, facilitates business communication and attraction of international investments;

- international experience: the presence of local specialists with work experience or familiar with international standards and practices helps to establish trust and cooperation with foreign investors.

3. Design factors:

- innovation: communities actively developing innovative projects and technologies attract international investment, as they can represent potential for development and competitive advantages;

- international projects: participation of the community in international projects contributes to the attraction of international investments, as it can indicate favorable cooperation and partnership with foreign partners.

All these factors together create a favorable environment for international investment, which contributes to economic growth, business development and improvement of the quality of life in territorial communities. It is important to work on the development of these factors and the creation of favorable conditions for attracting international investors. But the list of indicators may change depending on the characteristics of a specific territorial community.

To estimate the integral effect of international investment at the community level, you can use the formula of the integral indicator, which takes into account the weight of various component indicators. One of the possible formulas for calculating the integral effect can have the following form:

$$IE = (E \cdot k1) + (S \cdot k2) + (P \cdot k3),$$

where *IE* is the integrated effect of international investment at the community level; *E* — economic factors of the integration effect on international investment at the community level; *S* — social factors of the integration effect on international investment at the community level; *P* — project factors of the integration effect on international investment at the community level; *k1*, *k2*, *k3* are weighting factors that take into account the importance of all factors for a certain territorial community, taking into account the development strategy.

The use of this formula makes it possible to make a comprehensive assessment of the effect of international investment in the community, taking into account the importance of various aspects and obtaining an integral indicator that reflects the overall effectiveness. It is important to take into account that specific weights and values of indicators may vary depending on the characteristics of a specific territorial community.

The war in Ukraine, which began in 2022, had a certain negative impact on the integral assessment of the investment attractiveness of territorial communities. which, she led to:

- a decrease in the level of competitiveness of some communities located in the war zone. This is due to damage to infrastructure and enterprises;
- an increase in the level of unemployment in some communities that were evacuated or deported as a result of the war;

Despite these negative trends, the integrated assessment of the investment attractiveness of territorial communities of Ukraine remains at a very high level (Fig. 3). This indicates that Ukraine has a significant potential for attracting international investments.

Based on the data, the following conclusions can be drawn regarding the integrated assessment of Ukrainian territorial communities for 2019-2022:

In general, in 2022, the integral assessment of territorial communities of Ukraine increased compared to 2019. This is due to a number of factors, in particular, the COVID-19 pandemic, as well as the beginning of decentralization reforms, and in 2022, the world community provided Ukraine with significant

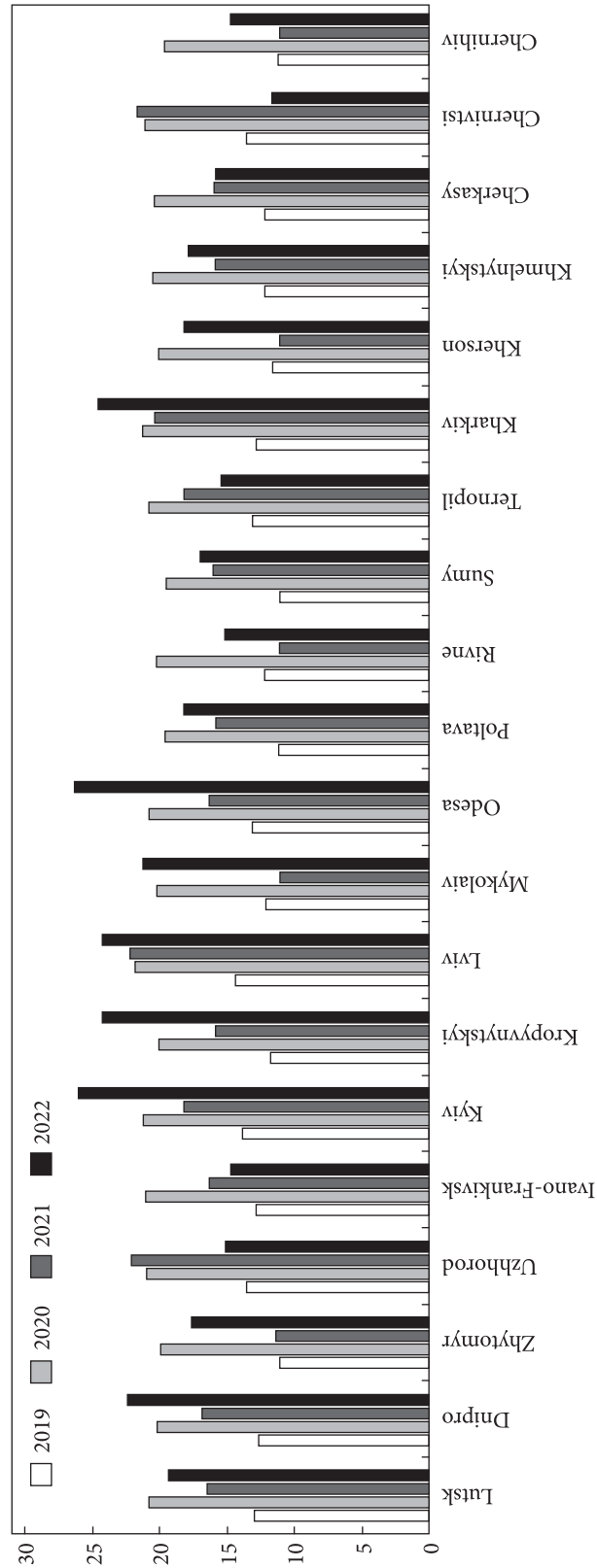


Fig. 3. An integral assessment of the investment attractiveness of Ukrainian territorial communities for attracting international investments, coefficient
 Source: authors' own elaboration based on: State Statistics Service of Ukraine. URL: <https://stat.gov.ua/en/datasets/investments-foreign-economic-activity>

financial and military assistance. This helped to stabilize the economy of Ukraine and weaken the negative impact of the war.

There are significant regional differences in the integral assessment of territorial communities. In 2022, the communities of Kyiv, Odesa and Kharkiv had the best indicators. Communities in Chernivtsi, Ivano-Frankivsk, and Chernihiv had the lowest indicators.

Among the individual indicators included in the integral assessment, the greatest growth was observed in the following:

- indicator of investment attraction — in 2022, this indicator increased by an average of 30% compared to 2019;
- gross revenue growth rate — in 2022, this rate increased by an average of 20% compared to 2019;
- the indicator of the level of competitiveness — in 2022, this indicator increased by an average of 15% compared to 2019.

The smallest growth was observed in the following indicators:

- job creation rate — in 2022, this rate increased by an average of 5% compared to 2019;
- the rate of unemployment reduction — in 2022, this rate increased by an average of 10% compared to 2019.

The Russian-Ukrainian war, which began in 2022, had a significant impact on the integral assessment of territorial communities. In particular, it led to:

- the increase in investment attraction is due to the fact that the war led to the relocation of business from the war zone to safer regions;
- the increase in the gross income growth rate is due to the fact that the war led to an increase in the prices of goods and services;
- decreasing the level of competitiveness — this is due to the fact that the war led to damage to infrastructure and enterprises.

In general, the integrated assessment of territorial communities of Ukraine for 2019-2022 shows a positive trend. However, the Russian-Ukrainian war led to certain negative changes. In the near term, it is important to continue decentralization reforms and implement measures aimed at restoring the economy and ensuring the sustainable development of territorial communities.

CONCLUSION

Thus, a comprehensive assessment of the effectiveness of international investments in territorial communities is an important tool for making decisions about investing in various projects. It allows to evaluate various aspects of performance, such as financial, economic, social, environmental and legal, and to determine the impact of the project on the territory and the local population. However, it is important to consider possible challenges and limitations that may affect the evaluation results.

To increase the effectiveness of international investment in the territorial communities' activities in Ukraine, the following recommendations can be proposed.

1. Improving the investment climate: Government authorities should promote the creation of favorable conditions for international investment, including transparency, stability of the legal system, protection of property rights and simplification of bureaucratic procedures.

2. Infrastructure development: Investments should be aimed at improving transport, energy, communication and social infrastructure in territorial communities. This will create a favorable environment for business and support economic development.

3. Development of human capital: Investments should be directed to education, training and professional development of the local population. This will help increase the level of qualification of employees, create jobs and support innovative development.

4. Partnership and cooperation: It is important to create partnerships between government agencies, local communities, business and the public sector. This will contribute to the effective use of investments and ensure the participation of various stakeholders/bodies in the process of decision-making and implementation of investment projects.

5. Monitoring and evaluation: It is important to systematically monitor and evaluate the results of international investment in territorial communities. This will determine the effectiveness and impact of investments on economic, social and environmental development. The obtained data can be used to improve development strategies and policies.

6. Support of local enterprises: The development of local enterprises is an important element of stimulating the economic development of territorial communities. International investments can contribute to the development of small and medium-sized businesses, create new jobs and support the local economy.

7. Involvement of the public: It is important to involve the local public in the process of planning and implementation of investment projects. Broad discussion of initiatives and involvement of public opinion will help ensure greater openness, consideration of the needs of other stakeholders and increase project acceptance.

According to the results of 2019-2022, an assessment of the investment attractiveness of territorial communities for attracting international investments was carried out, which showed a positive trend that despite the war, despite these risks, investments in Ukraine continue to grow. This is a positive signal for the future of the country. In general, it can be concluded that this technique makes it possible to assess the factors that have the greatest influence for each region on the possibility of attracting international investments.

In conclusion, evaluating the effectiveness of international investment in the territorial communities' activities in Ukraine is an important and complex task that requires a systematic approach, comprehensive analysis and the involvement of various interested parties. A proper assessment will help determine the effectiveness and impact of investments on economic develop-

ment, social improvement and conservation of natural resources. By conducting an assessment and taking the necessary measures based on the received data, the territorial communities of Ukraine can attract more international investments and contribute to the sustainable development of the territorial communities, and the conclusions can be used to make decisions on investment support, correction of development strategies and improvement of the investment climate.

REFERENCES

- Mochernyi, S. (Ed.) (1995). Economics dictionary and reference book. Kyiv, Femina. 367 p. URL: <http://irbis-nbuv.gov.ua/ulib/item/UKR0004867> [in Ukrainian].
- Cherep, A., Strilets, Ye. (2013). Efficiency as an economic category. *Efficient Economy*. No. 1. URL: <http://www.economy.nayka.com.ua/?op=1&z=1727> [in Ukrainian].
- Harrington, E. (1965). The desirable function. *Industrial Quality Control*. Vol. 21. No. 10. P. 494-498.
- Dzwigol, H., Aleinikova, O., Umanska, Y., Shmygol, N., Pushak, Y. (2019). An entrepreneurship model for assessing the investment attractiveness of regions. *Journal of Entrepreneurship Education*. Vol. 22. URL: <https://core.ac.uk/reader/286373800>
- Gryshchenko, I., Bondar, Y., Serohina, S., Bodrova, I., Stohova, O. (2022). Building the capacity of territorial communities by revealing their latent potential. *Amazonia Investiga*. 11(53), 45-58. URL: <https://amazoniainvestiga.info/index.php/amazonia/article/view/2004/2675>
- Bovsunovskaya, I. (2018). Partnership of the authority, business and community as a complex of the capacity of the unioned territorial communities. *Bulletin of the Taras Shevchenko National University of Kyiv. Public Administration*. 1(10). <https://doi.org/10.17721/2616-9193.2018/10-2/12>

Received on January 23, 2024

Reviewed on February 02, 2024

Revised on February 29, 2024

СПИСОК ВИКОРИСТАНОЇ ЛІТЕРАТУРИ

- Мочерний, С. (Ред.) (1995). Економічний словник-довідник. Київ, Femina. 367 с. URL: <http://irbis-nbuv.gov.ua/ulib/item/UKR0004867>
- Череп, А., Стрілець, Є. (2013). Ефективність як економічна категорія. *Ефективна економіка*. № 1. URL: <http://www.economy.nayka.com.ua/?op=1&z=1727>
- Harrington, E. (1965) The desirable function. *Industrial Quality Control*. Vol. 21. No. 10. pp. 494-498.
- Dzwigol, H., Aleinikova, O., Umanska, Y., Shmygol, N., Pushak, Y. (2019). An entrepreneurship model for assessing the investment attractiveness of regions. *Journal of Entrepreneurship Education*. Vol. 22. URL: <https://core.ac.uk/reader/286373800>
- Gryshchenko, I., Bondar, Y., Serohina, S., Bodrova, I., Stohova, O. (2022). Building the capacity of territorial communities by revealing their latent potential. *Amazonia Investiga*. 11(53), 45-58. URL: <https://amazoniainvestiga.info/index.php/amazonia/article/view/2004/2675>

Bovsunovskaya, I. (2018). Partnership of the authority, business and community as a complex of the capacity of the unioned territorial communities. *Вісник Київського національного університету імені Тараса Шевченка. Державне управління*. 1(10). <https://doi.org/10.17721/2616-9193.2018/10-2/12>

Надійшла 23.01.2024
Прорецензована 02.02.2024
Доопрацьована 29.02.2024
Підписана до друку 01.03.2024

Ганна Єфімова, д-р екон. наук, проф.,
завідувачка кафедри економічної політики та безпеки
Національний університет кораблебудування імені адмірала Макарова
просп. Героїв України, 9, 54007, Миколаїв, Україна
Марія Павлова, аспірантка кафедри економічної політики та безпеки
Національний університет кораблебудування імені адмірала Макарова
просп. Героїв України, 9, 54007, Миколаїв, Україна

ОЦІНЮВАННЯ ЕФЕКТИВНОСТІ МІЖНАРОДНИХ ІНВЕСТИЦІЙ У ДІЯЛЬНІСТЬ ТЕРИТОРІАЛЬНИХ ГРОМАД УКРАЇНИ

Системно досліджено й оцінено вплив та ефективність міжнародних інвестицій у контексті територіальних громад України. З використанням комплексного підходу виокремлено ключові фактори, що впливають на інвестиційну привабливість, і запропоновано показники, класифіковані за фінансовими, економічними, соціальними, екологічними й правовими вимірами. Дослідження не обмежується теоретичними міркуваннями, у його рамках проведено опитування за участю експертів з різних сфер, зокрема державної та муніципальної влади, представників громад, стейкхолдерів з бізнесу, освітнього сектору. Завдяки цій емпіричній оцінці наведено детальне розуміння багатогранного впливу міжнародних інвестицій на українські територіальні громади. Дано практичні рекомендації, спрямовані на оптимізацію ефективності міжнародних інвестицій у рамках діяльності громад, приведено цінну інформацію для розробників політики, інвесторів і стейкхолдерів у громадах. Розглянуто критичну роль для українських територіальних громад міжнародних інвестицій як ключового інструменту для економічного розвитку і підвищення якості життя населення. Оцінено ефективність міжнародних інвестицій у громадах, визначено їх здатність значно впливати на економічну та соціальну сфери. Проводячи оцінку і вживаючи необхідних заходів на основі отриманих даних, територіальні громади України можуть залучати більше міжнародних інвестицій і сприяти своєму сталому розвитку, а висновки використовувати для ухвалення рішень щодо інвестиційної підтримки, коригування стратегій розвитку і поліпшення інвестиційного клімату.

Ключові слова: міжнародні інвестиції; діяльність територіальних громад України; інтегральний ефект; фактори, що впливають на міжнародні інвестиції.