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INCREASING THE INVESTMENT POTENTIAL OF RURAL UNITED TERRITORIAL COMMUNITIES

Abstract.

The article is devoted to finding ways to increase the investment potential of rural united territorial communities in the context of the implementation of public administration decentralization reform. The essence of the concept of "investment potential" is investigated. The main investment sources through which communities can fill the local budget and develop entrepreneurship in the region are analyzed. It was established that effective state regulation of rural development should be based on systemic principles that should take into account the specific features of rural areas as an object of state regulation. It is substantiated that the effectiveness of regulating the development of rural areas depends on the mechanisms of state influence on their development, in particular on the investment potential of the community. The tools, methods and ways of actions of public authorities in the context of each mechanism are considered. It is noted that the peculiarities of investment development of rural areas are the real unity of their main structural elements: economic base, social and environmental spheres. This research serves as both a practical and theoretical example of the formation of investment potential of communities and will allow them to optimize the process of filling local budgets with sufficient funds needed for their proper functioning.

Keywords: *united territorial community, decentralization, local self-government, investment potential, investments, budget decentralization, own revenues, local budgets, general fund of local budgets.*

Formulation of the problem.

For a long time, under the influence of technical and technological progress, which characterized by accelerated industrial development, significant changes took place between cities and villages, both social, environmental and economic, which led to lower living standards and intensive migration of the rural population. Migration from rural to urban areas has a significant impact on the environment of the living network, manifested in changes in the size of rural areas, which requires the reproduction of rural infrastructure. As a result of this situation, as evidenced by a review of scientific publications of foreign and domestic scientists, developed countries are concerned about the balance of rural-urban relations and the revival of rural areas, which are custodians of cultural, spiritual and unique values.

The problem of planned rural development is one of the most difficult problems in the modern world, because, in fact, involves a balance between the need to preserve rural areas from an economic, environmental and socio-cultural point of view on the one hand and the trend towards modernization of rural life on the other.

In many developed countries, the problems of rural development have reached significant proportions of local and national importance, which occupy a special place in the development strategy of countries. This is due to the large area occupied by rural areas, a significant proportion of the population living in rural areas, as well as the importance of rural life in all its complexity.

According to domestic scientists, villages in Ukraine are a major part of the country and play an important role in the economic and social development of rural areas. Thus, the development of regions, districts and villages should be planned rationally and consistent with the overall objectives of the country.

In recent years, Ukraine has undergone fundamental changes in the system of local self-government in terms of local budgets aimed at creating united territorial communities with the possibility of expanding sources of financial resources, which is a stimulus for rural development.

The main problem of the united territorial communities (UTC) in the conditions of transformational changes in the economy is the provision of sustainable budget revenues. Financial security and fullness of community budgets is the key to socio-economic stability and a guarantee of regional development. For most communities, it is problematic to attract investment effectively or receive consistently high revenues to the local budget, so it is important for them to find new sources of income, optimize existing ones and increase their financial capacity.

Analysis of recent research and publications. Problems of formation of investment potential of united territorial communities in Ukraine are studied by such scientists and practitioners as O. Artyukh, V. Baldinyuk, O. Vasylyk, O. Getmanets, O. Kyrylenko, V. Kravchenko, O. Kuzmenko, O. Moroz, V. Nikolenko, A. Nesterenko, A. Nechay, O. Orlyuk, K. Pavlyuk, V. Plaksienko, O. Suntsova, N. Tkachenko and others.

The purpose of the article is to study the problematic issues of increasing the investment potential of rural integrated territorial communities, which in turn will contribute to the development of the regions.

Presentation of the main research material. The effectiveness of the decentralization reform process in Ukraine requires the formation of an effective socio-economic mechanism for the development of united territorial communities that are financially viable in the future. Therefore, the main reason for community associations at the level of settlements, villages and cities is to achieve the ability to function more effectively in the financial, social and economic environment. After all, given the underdevelopment of the regions and the low availability of all the necessary resources of communities, it becomes almost impossible for individual communities to develop independently at the same level as the communities that came together. The association itself opens new horizons of opportunities, the system becomes complementary and stronger, within the UTC some communities stimulate the development of others, and the formation of a joint budget allows to dispose of such financial resources that would be sufficient not only to support the economy within the UTC at a certain level, but also to start forming an economic system capable of developing itself, avoiding excessive bureaucracy and corruption in the distribution of budget funds.

Decentralization reform began in Ukraine in 2014 and as of March 1, 2021, were created 1,470 united territorial communities, whose financial capacity is determined by their own revenues in the general fund of local budgets, so the issue of developing these newly created communities remains important. That is why increasing the investment potential of the community is relevant today, because with stable sources of investment, communities will be able to continue to develop in socio-economic terms and ensure their viability as a territorial unit for a long time.

Before proceeding directly to the study, it is necessary to explore the essence of the concept of "investment potential". Thus, the interpretation of the concept of "potential" should be approached in two ways: in a narrow and broad sense. In the first case - the term "potential" comes from the Latin word "potential", which means - strength, power. In the second - a set of available opportunities, resources, tools that can be used to achieve a certain goal. Investment potential is a motive to which, in addition to the owner of investment resources, entities that need investment and want to obtain economic benefits in the future should be involved [1].

Another scientist O. Shcherbatyuk notes that the investment potential is a set of investment resources in combination with opportunities, means and conditions of their attraction and use. In our opinion, both potential investment resources and opportunities and conditions for their attraction should be considered as factors of investment potential.

This concept of investment potential can be correctly applied to a particular local business entity - enterprise, and to territorial and administrative units at different levels, from local communities to regions and

countries in general. Objective differences will be determined by institutional opportunities in access to relevant resources at each level, natural resources, socio-economic and other features of the territories.

Based on the above definitions of investment potential, the investment potential of territorial communities should be interpreted, first, based on the main substantive determinants of the concept of investment potential, but in the context of units of administrative-territorial division of local (basic) level - territorial communities. Secondly, it is necessary to pay attention to the fact that the investment potential is characterized by a certain delayed effect, which has a socio-economic or social nature. But the very fact of the manifestations of the results of the use of potential at a certain time means the possibility of not obtaining a useful effect or reducing its value due to the choice of wrong and ineffective management decisions. Therefore, it is assumed that the investment potential of the local community acts as an object that depends on the effectiveness of management by local governments. Third, the investment potential of the territorial community is determined by a set of objective factors due to its natural, socio-economic, socio-political and other features [2].

Thus, under the investment potential of the territorial community we propose to understand the set of resources and opportunities (natural resource, social, financial and economic, institutional and managerial, etc.), which are the object of management by the authorities of the territorial community, aimed at attracting investment resources to address the problems of territorial development.

In fact, we are talking about the possibilities of investment support for the development of the territorial community and the ability of their purposeful transformation into a flow of investment resources.

Examining the essence of investment potential, we should pay attention to the point of view of E. Weissman, who points out that investment potential is not a simple, but in some way an ordered set of potential investment resources localized in the territory, which allows to achieve synergy when using them [3].

Another domestic scientist V. Gordienko analyzing the investment potential of the region, emphasizes that it is associated with the formation of investment demand from regional economies in the form of investment needs, interests and priorities that form the basis of investment projects and programs of socio-economic development of the territory. In this case, the investment potential is an interconnected system of organized sets of investment interests, investment needs and priorities of various investment entities in the region, which forms the overall investment demand in the regional market, based on strategic objectives of socio-economic development [4].

In the context of territorial communities, the concept of their investment potential should be considered in terms of resources and opportunities that can be mobilized to shape the flow of investment in the creation and development of enterprises and infrastructure facilities of communal property (community property), as well as enterprises of other forms of ownership, which will perform work and provide services on the basis of

public-private partnership, ensuring the implementation of the powers and tasks of territorial communities as administrative-territorial entities in the field of utilities, education, health, culture, social protection, environmental safety, etc.

Components of the investment potential of the territorial community are a number of factors at the national, regional and local levels (Fig. 1).

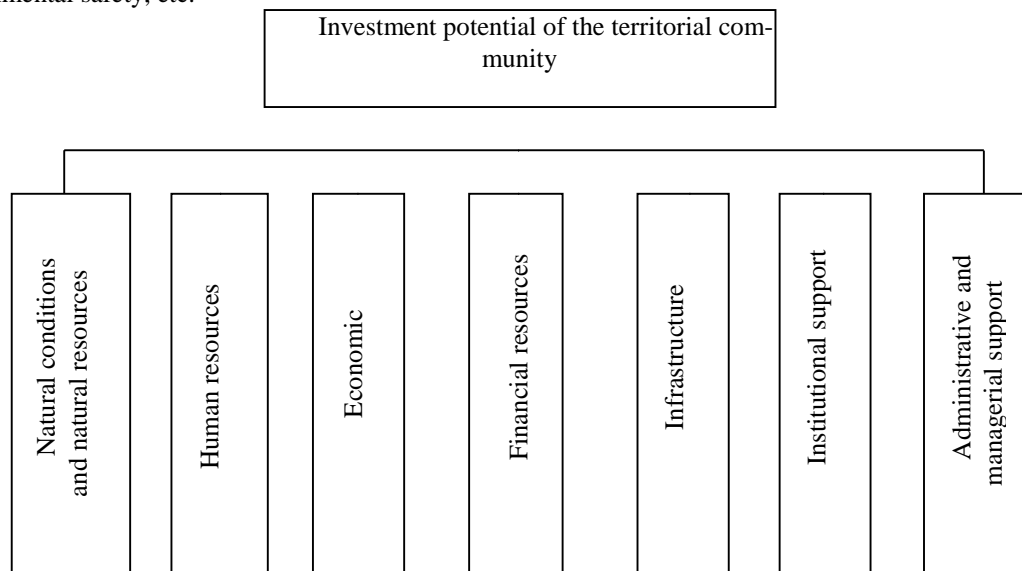


Fig. 1. Components of the investment potential of the territorial community

Source: built by the authors

These components affect the formation of investment potential and it depends on the overall development of the territorial community at the village level, the availability of all the above resources and support serves as an additional guarantee for a potential investor to protect his investment.

The development of the region's investment potential is a rather difficult task and accordingly requires a number of actions on the part of administrative units. It is also necessary to find compromises to meet their own needs and the potential investor without harming the economic, social and environmental development of the region.

The community must be prepared for the fact that the investor's business and the project proposed for implementation on its territory may not coincide with the traditional vision and make changes to the usual life of the community. You need to be prepared for this and demonstrate to potential investors your willingness to change if they bring positive opportunities to the community.

The UTC investment strategy should follow from the existing vision of community development. Controversial issues should be subject to public consultation to limit the risk of conflicts related to the emergence of a new entity. Local development priorities should be identified - the main benefits of attracting an investor may be the reduction of unemployment or the revitalization of the local economy, rather than direct income from real estate tax.

It is also important to identify the strengths and weaknesses of the community, as well as opportunities and threats, ie to conduct a SWOT analysis. A community promotion strategy can be developed based on the strengths and development opportunities that will form the basis of the united community's competitive advantage in the struggle for the investor. It may be:

- price or nature of property;
- availability of skilled labor (opportunities and limitations of community investment capacity);
- level of professional training of potential workers;
- offer of investment discounts and incentives;
- quality of transport infrastructure and communications;
- geographical location, which determines the availability of markets;
- availability of raw materials, etc.

Each of these parameters can also be a weakness or identify shortcomings and limitations of the local supply.

Communities should also pay attention to the costs associated with attracting potential investors, so it is important to anticipate such reserve costs in the local budget.

It is necessary to allocate a budget for the possible costs associated with the following communication with investors:

- costs of environmental and technical assessment, sociological research;
- preparation and placement in open sources of community strategy, investment passports and investment proposals;
- costs of salaries, attracting and ensuring the effective work of the coordinator and / or the team involved in attracting investment;
- various activities aimed at establishing contacts, cooperation with potential and existing local and external investors (including trips to regional, national and international forums and conferences, negotiations, meetings of investors, communication with them, etc.);
- coordination and registration of the legal status of investment-attractive objects;

– organization of trips of potential investors to the community and other expenses.

Without these preconditions, there is a high risk that due to the large number of routine tasks, the work on attracting investment will not be systematic or will not be carried out at all, as it will remain less priority for local government employees compared to routine tasks and acute current challenges. On the other hand, the allocated resources can pay off in the first year of operation due to the increase in tax revenues after the successful attraction of investors.

Next, what we will pay attention to is directly to the people who should be involved in the development of investment potential of communities. Thus, we can say that in the process of attracting investors, communities should not do it on their own, they need to hire people who are knowledgeable in this area, have some experience and, accordingly, are professionals in negotiating with entrepreneurs and investors.

Qualitative implementation of the community investment strategy requires the presence of an individual or even an entire structural unit in local government. Those responsible must have sufficient authority and qualifications to carry out this important work.

Currently, there is no program that would systematically and fully train specialists in this field for UTC, although with the help of donor organizations such work has already begun in Ukraine. Therefore, the requirement to have higher education from specialists whom the UTC administration engages in working with investors should not be an obstacle. Higher education is just a pass to work. Very good results are usually shown not only by specialists in economics or finance who have relevant university degrees, but also by other specialists whose main feature is a modern worldview, desire to learn, develop and, most importantly - high motivation to change the community and an optimistic attitude to change. Even if a small community manages to attract an experienced professional from outside, the lack of the above characteristics will be a serious obstacle to its effectiveness.

It is important to have a number of competencies to be possessed, acquired and demonstrated by investment professionals in united territorial communities. Such competencies are:

- Understanding of local economic development and community investment strategy;
- Skills of quality formulation of investment projects;
- Knowledge of the specifics of communication with investors;
- Understanding the principles of marketing areas;
- Legal literacy;
- Basic ideas about project management;
- Computer / IT literacy.

Also, such specialists should have certain universal skills, which include:

- Communication skills;
- Presentation skills (ability to convincingly present community opportunities);
- Teamwork skills;
- Ability to learn.

In order to perform their professional duties qualitatively and efficiently, those responsible, especially the first contact staff (those who answer calls and e-mails), must overcome their fears and start communicating regularly, asking questions to those who have subject competencies.

The process of hiring new employees to attract investors should be gradual. An important step in preparing a new employee is to provide assistance from a senior specialist. The implementation of projects by an inexperienced employee should take place under the supervision of a specialist, whose task will be to train and verify the correctness of the application of established procedures.

If today the level of competencies demonstrated by UTC specialists does not meet the expectations of the community and the strategy of attracting investment, it is always possible to involve any specialist to work in a remote format. Today it is a publicly available and widespread format of interaction.

The next step to pay attention to when increasing investment potential is to hold meetings and events within the community with potential investors. The main task of such events is to synchronize the vision of community leadership and local entrepreneurs on the following aspects:

- How community resources are used, whether there are reserves for development;
- What external investors are interested in community resources;
- What conditions should the community create for the investor;
- What are the current and future needs of entrepreneurs;
- What are the current and future needs of UTC;
- What can be simplified in administrative processes from the point of view of entrepreneurs;
- What are the long-term plans of the community.

In addition, such meetings are an opportunity to communicate with entrepreneurs who have already invested in the community, to inform them about what their tax revenues are spent on, and to demonstrate high standards of transparency and accountability of community leadership. For a significant proportion of entrepreneurs, both those living in the community and abroad, trust in the work of the local council and the efficiency of public funds is an important factor in establishing constructive cooperation.

Meetings do not have to end with specific decisions. However, it is important to analyze all requests and wishes, to form some preliminary agreements, because the successful implementation of even small agreements helps to increase mutual trust and better cooperation in the future and creates a community image at the state level as ready to cooperate with entrepreneurs and help them develop their own business.

United communities should maintain constant contact with the investor throughout the life cycle of their projects to ensure the synchronization of business and self-government, as well as provide ongoing legal and administrative support.

Communication with local investors is the most accessible and intensive, can take place without intermediaries, on a regular basis. You can consider the following cases of communication:

- with the expanding medium-sized business;
- with microbusiness;
- with cooperatives and clusters.

Communication with medium-sized businesses involves the existence of a functioning medium-sized enterprise that is ready to expand its own operations. In this case, regular contact is established at the level of the company's business expansion department. For key decisions can organize meetings between the management company and the investor community. To support

this relationship by UTC can the person responsible for the investment cooperation.

The successful existence and development of cluster structures requires the implementation of a special model of communication interaction, in which in addition to medium, small and micro enterprises (potential investors in the community) the community itself participates on equal terms.

Based on this, we consider it necessary to pay attention to improving the mechanism for managing the implementation of the investment potential of territorial communities, highlighting its role and place of managerial influence, which is schematically shown in Fig. 2.

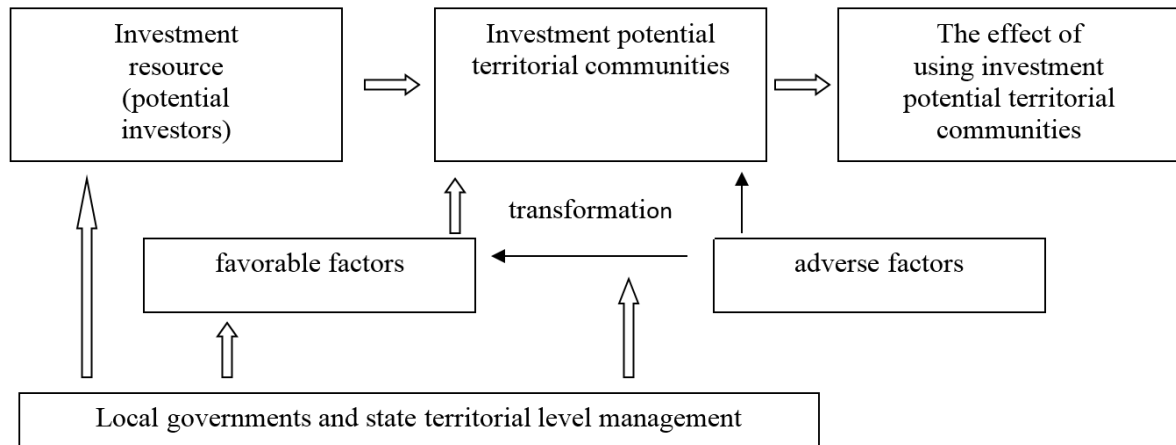


Fig. 2. Mechanism for managing the realization of the investment potential of the united territorial community
Source: built by the authors

The essence is to reveal the vector and content of management actions of local governments and public administration bodies of the territorial level both for investors and to increase the investment potential of local communities through an effective management component.

For investors, the main purpose of management actions should be to stimulate and encourage their activities, including the use of public-private partnership instruments, partnership at the territorial community level, cooperation of territorial communities, development of effective programs for their development and investment projects, which, in particular, allow to attract external sources of funding.

With regard to investment potential, the main emphasis of local governments should be on its positioning to investors, which would allow them to make a choice in favor of a particular territorial community.

Special attention should be paid to the need for managerial influence aimed at community management bodies to level the negative factors influencing the investment potential and their transformation into opportunities favorable for the realization of potential.

The above provides grounds for considering the investment potential of the local community in the context of resource-institutional approach, ie as a set of factors and features of the local community, which with effective management efforts by local governments are able to meet its investment needs.

Unfortunately, given the current conditions for the formation of budget revenues and inter-budgetary relations, the possibility of using local budgets for investment purposes is significantly limited. This situation necessitates the intensification of management efforts of local communities to include internal investment reserves, as well as the creation of favorable conditions for attracting foreign investment to address the problems of socio-economic development of communities. Continuation of research in this direction will be of great practical importance.

It should be noted that in order to identify the peculiarities of rural development and the formation of competitive investment potential and climate, it is necessary to take into account the peculiarities of rural areas as an object of management and the main problems of the modern village. It is important to pay attention to the development of three main areas within rural areas: economic, environmental and social. This approach from the standpoint of sustainable development takes into account the real unity and interaction of the main structural elements of rural areas. It is advisable to single out the non-productive sphere, and more broadly - the economic base of rural areas, which must include production and transport infrastructure. The basis of the economic base of rural areas is agriculture, as well as other sectors of the primary sector of the economy: forestry and fisheries. A prerequisite for strengthening the economic base is the development of processing enterprises of the agro-industrial cycle: food and light industry. The development of infrastructure - production,

transport, market - is not only the key to the efficient operation of basic enterprises, but also a competitive advantage in attracting investment.

The social sphere is also a factor in assessing the investment potential of rural areas. The social sphere includes the population, as well as its economically active part - labor resources. The share of the working population is an important indicator when assessing the state and prospects of rural development. The mismatch of quantitative and qualitative characteristics of labor resources in the workplace is a serious problem in rural areas, which also leads to the existence of problems of social infrastructure development and changes in the resettlement system.

The environment is also the object of state regulation as a natural basis for socio-economic development (soils, forests, surface water and other components of nature), which requires their rational use to increase the investment potential of the region. In addition, the area of objects of the nature reserve fund has been significantly expanded recently, which is not always continuous in its localization and is interspersed with lands of agricultural enterprises, forestries, and land plots of the population. Management of their use requires a special approach, regulatory framework and mechanisms of influence.

Each of these areas has its own characteristics and in its own way affects the investment potential: the economic base develops according to economic laws and provides for maximizing the profits of enterprises; the social sphere in a market economy does not always develop comprehensively and needs government support, especially financial; the environmental sphere is significantly negatively affected primarily by enterprises, as well as social facilities: social infrastructure, settlements, the operation of which leads to the accumulation of solid waste.

Having outlined the peculiarities of rural development, it is necessary to identify long-term and short-term tasks facing the authorities in connection with the existence of urgent problems of rural development that may hinder the growth of their investment potential. These problems have been repeatedly formulated by various scientists and indicated in development plans and strategies of the industry, individual regions and the country as a whole. The main problems of rural development include:

- high plowing of soils, their significant pollution and loss of fertility;
- unresolved issue of land ownership;
- high level of depreciation of production assets of agricultural enterprises, unsatisfactory condition of infrastructure: transport, production, information, social;
- high unemployment and low level of adaptation of the labor force to market conditions;
- low level of state support for farms;
- significant changes in the settlement system, which are manifested in the high rate of "extinction" of villages;
- insufficient development of local self-government [5].

Having considered the peculiarities of the organization of activities within the united territorial community, which are aimed at improving the mechanism of investment in the regions and exploring the existing problems, we should proceed directly to consider investments, namely their types and how to attract them the community can develop further. We can say with confidence that investment is an important source of income for UTCs and without them it is difficult for communities to solve existing socio-economic problems. The community can attract investment by creating a favorable investment potential and climate, corporatization of communal enterprises, public-private partnerships and leasing.

Community development investment resources include resources attracted to the local economy to create new assets. Investment resources can be both privately owned and fully or partially communally. It also makes sense to allocate investment resources that are directly controlled by the municipality, ie those that are carried out at the expense of local budgets, as well as enterprises and organizations of communal ownership. In practice, there are various mixed forms of investment made in the mode of co-financing from different sources. Investment is a key factor in the economic development of regions. The investment process at the local level is aimed at solving various problems. First of all, investments in the municipal sphere are focused on providing the population with new, additional or improved services, creating new jobs, creating new infrastructure and ensuring the modernization of existing infrastructure; reducing costs and improving the quality of construction, operation and maintenance; ensuring timely and adequate maintenance throughout the life of the assets; use of experience and technologies of the private sector; replenishment of budgets by increasing the tax base [6].

The first thing we pay attention to is the corporatization of communal enterprises. In Ukraine it happens by:

- creation of communal enterprises in the form of a business association by local self-government bodies;
- transformation of a communal enterprise of unitary type into a business partnership;
- acquisition by a local self-government body of more than 50% of shares (stakes) of the authorized capital of the company.

Corporate communal enterprises can be established in the form of a joint stock company or a limited liability company.

After the local self-government body transfers the separated communal property as a contribution to the authorized capital of the company, the territorial community ceases to be the owner of this property. The specified communal property becomes the property of the company, and the territorial community receives in return the corresponding volume of corporate rights [7].

The corporatization of communal enterprises helps communities attract new financial resources, improves the existing material and technical base, as well as creates new jobs and solves social problems.

As for the public-private partnership, it provides for permanent cooperation between the authorities, including the municipal level, and private sector enterprises in order to generate resources for the implementation of infrastructure projects. Signs of a public-private partnership are the distribution of costs, risks and future benefits between public and private partnerships. The application of this mechanism allows the authorities to meet the needs of economic development with investment funds, without losing the impact on infrastructure and control over them. This influence is mainly realized through the preservation of ownership of the object.

Public-private partnership is one of the most common mechanisms for financing large-scale infrastructure projects in developed countries. In some places, this mechanism is beginning to be used to an incomparably smaller extent in Ukraine as well.

It is worth noting that communities that do not currently have local businesses should move in the following directions:

- Stimulating the development of family micro-enterprises, for example, family dairy mini-farms, greenhouses, etc.
- Support for the development of cooperatives - independent enterprises are formed on their basis.
- Communication with companies from neighboring communities. It is possible that they are looking for additional opportunities for expansion, and the resources and competitive advantages of your community will be useful to them.
- Teaching entrepreneurship to schoolchildren, students, youth. These are future entrepreneurs of the community, and they can also encourage parents to start a business.

Another tool for attracting investment funds is leasing. Leasing is an economic activity aimed at investing own or borrowed funds, which is to provide under the lease agreement by one party (lessor) for the exclusive use of the other party (lessee) for a specified period of property owned or acquired by the lessor, provided payments by the lessee of periodic lease payments.

In world practice, leasing is considered as a form of public-private partnership, along with concessions, leases, production sharing agreements, agreements - on the management of state and municipal property, agreements on joint activities.

Leasing operations are characterized by certain features that together determine the specifics of this financing instrument: payment (the lessee is provided with equipment for use for a fee); maturity (the lessor transfers the property to the lessee for a specified period); payback (provides for the coverage of all costs of the lessor for the purchase of equipment and its transfer for use); purposefulness (the subject of leasing must be used for a specific purpose and purposes); subjectivity (the lessor retains ownership of the leased property, receives lease payments, and the lessee obtains the right to use the leased asset).

Most often, leasing operations in the field of economic development of communities relate to the following types of equipment: means of production (for

communal economy, in particular the needs of the communal enterprises); vehicles; high-value equipment (for social infrastructure institutions, including hospitals, schools, cultural institutions, etc.); energy saving equipment (for modernization of housing and communal services); equipment for street lighting or traffic control (in particular, traffic lights).

The cost of leasing depends on the size of the advance payment and the term of the lease, and the size, method and frequency of lease payments take into account the specifics of the subject of the lease and determine in the contract.

The role of leasing as a tool for financing community economic development is due to the fact that local governments, communal enterprises and communal institution due to lack of funds and high cost of equipment are often unable to timely update the equipment necessary for their proper functioning. Under such conditions, leasing becomes the most affordable way to upgrade equipment for housing and communal services, social and transport infrastructure, etc.. Leasing is that financial instrument that allows municipalities to purchase the necessary equipment on a gradual basis. In addition, leasing plays a significant role not only in the renewal of the property of local communities, but also expands the demand for products of equipment manufacturers, increasing aggregate demand in the economy.

The task of leasing as a financial instrument is to combine the economic interests of producers and consumers to achieve a common and mutually beneficial goal. The consequences of mutually beneficial implementation of leasing projects are increased comfort, improved environmental condition and significant savings (reduction of costs) of local budgets.

For communal companies, leasing provides additional benefits, because the subject of leasing and depreciation are accounted for on the balance of the lessee. In addition, this financing instrument allows utility companies to simultaneously direct funds for development and obtain a tax credit for certain types of taxes (in particular, value added tax) [6].

Also considering investment sources of income, it should be noted that the united communities can not only attract investment, but also invest temporarily free funds of the general fund of local budgets of the united territorial communities for the purchase of government securities, namely domestic government bonds of Ukraine. This tool for managing temporarily free budget funds is relatively new and is hardly used by the united territorial communities, therefore, it needs detailed study.

It should be noted that domestic government bonds of Ukraine are government securities that confirm the obligation of Ukraine to reimburse the holders of these bonds for their nominal value with the payment of income in accordance with the terms of placement of bonds.

Thus, the placement of temporarily free funds from the local budgets of the united territorial communities in government bonds is an effective tool for attracting additional revenues to local budgets. This type of investment is new for the united territorial communities, and the procedure itself is quite difficult, but with

the right approach by local governments and their study of all aspects of the mechanism of investing in domestic government bonds, local budgets will be able to get a new source of sustainable annual income, which is guaranteed at the state level.

Thus, considering the types of investments that can attract communities, we can conclude that the heads of OTGs should pay attention and provide for changes in development strategies to take into account those areas of investment, which were discussed above.

Conclusions. In recent years, the role of local self-government in Ukraine has changed. From a novice in economic relations, it becomes an active participant in equal interactions with other partners in economic processes. The creation of OTG has launched new development mechanisms that require new roles and powers of local self-government, ensuring greater viability of communities, their access to investment in infrastructure, commercial and social projects, because attracting investment and investment policy of communities in these conditions is an important prerequisite for their well-being and socio-economic development. It is very important that the united territorial communities, despite their own desire, have already competed with each other for the presence and retention of entrepreneurs and investors in their territory, and therefore each community must demonstrate constant and active work to eliminate any problems existing in them, to create clear development strategies and to carry out their activities transparently in compliance with current legislation. It is under the influence of competition that communities

will be able to form a decent investment potential, which will attract investors and entrepreneurs, which in turn will contribute to the economic development of territories and regions as a whole.

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