

Realization of investment profitability of regional projects: Climate and mechanism of investment in the regions of the Russian Federation

Realización de la rentabilidad de la inversión de los proyectos regionales: clima y mecanismo de inversión en las regiones de la Federación de Rusia

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Received: 18/03/2018 • Approved: 28/04/2018

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ABSTRACT:

Investments today is the necessary conditions for resuming and sustaining economic growth, and therefore improve people's lives. The most important activity in the investment sector is the promotion of foreign investment in the regions. The volume of foreign investment in different regions of Russia depend on their investment climate and sequence of market reforms, the state of industrial, financial, and business infrastructure of the region.

Keywords: profitability, projects, investment climate, investment mechanism.

RESUMEN:

Las inversiones actuales son las condiciones necesarias para reanudar y mantener el crecimiento económico y, por lo tanto, mejorar la vida de las personas. La actividad más importante en el sector de inversión es la promoción de la inversión extranjera en las regiones. El volumen de inversión extranjera en diferentes regiones de Rusia depende de su clima de inversión y la secuencia de las reformas de mercado, el estado de la infraestructura industrial, financiera y de negocios de la región.

Palabras clave: rentabilidad, proyectos, clima de inversión, mecanismo de inversión

1. Introduction

In the broadest sense, investments provide the mechanism needed to Finance the growth and development of the economy.

Investment is any instrument in which to put the money, hoping to retain or increase their

value and (or) provide a positive amount of income. Free money – no investment, as the value of cash can be “eaten” by inflation, and they can't provide any income. If the same amount of money to put into a savings account in the Bank, they can be considered investments because the account guarantees a certain income.

There are various forms of investment, which differ on a number of factors: securities and real estate; debt securities; shares and options; with a lower or higher risk; for short or long term; direct and indirect.

In assessing the investment climate are usually applied output parameters – inflow and outflow of capital, inflation and interest rates, the share of savings in GDP, as well as input parameters that characterize the potential for the development of investment and risk of their implementation (Tikhonova, 2005).

Due to the large number of factors affecting the investment climate, you can rate it on various criteria (Karepova et al., 2015). The most important is: natural resources and the environment, the quality of labour resources, level of development and availability of infrastructure, political stability and predictability, the probability of occurrence of force majeure, macroeconomic stability, state budget, balance of payments, public debt, including external, the quality of governance, the policies of Central and local authorities, legislation, completeness and quality of regulation of economic life, the degree of liberalization, the rule of law and the rule of law, crime and corruption, protection of property rights, the level of corporate governance, the duty of performance by the partners of the contracts, the quality of the tax system and the level of tax burden, the quality of the banking system and other financial institutions, access to credit, openness, rules for trade with foreign countries, administrative, technical, informational and other entry barriers to the market, the level of monopolization of the economy.

In general, all factors of the investment climate can be divided into two large groups – is the potential and level of risk. To the potential can be attributed to factors such as: natural resources, infrastructure development, security of state etc. And to risk include: inflation, currency convertibility, level of corruption etc.

2. Literature review

Investment decisions are among the most difficult according to the procedure of choice. They are based on a multivariate, multi-criteria evaluation of a number of factors and trends, often acting in different directions.

The territorial aspect of investments, their confinement to a certain country, region, territory is not in doubt, since it is the regional features that determine the nature, direction, and dynamics of investments. Obviously, an investor is interested in investing in regions with a low level of risk and high level of profitability. Regions with an unfavorable investment climate need to create such conditions that would allow to attract the required amount of investment.

Therefore, assessing the investment attractiveness of the territory is the most important aspect of making any investment decision. From its correctness, the consequences for both the investor and the economy of the region and the country as a whole depend.

Getting the volume of investments required by the economy is the main condition, without which it is impossible to achieve a dynamic and stable growth of this indicator. In order to attract investment, it is necessary to ensure favorable investment conditions. In this connection, the question arises of the formation and assessment of the investment climate of the regions, which is possible with effective management of the investment process.

A study of this problem is devoted to the work of many domestic scientists - economists: V.M. Anilin, I.A. Blank, T.G. Glushkova, N.D. Guskova, N.V. Igorshin, A.B. Idrisov, N.I. Klimova, V.V. Kosov, I. Roizman, A.G. Shakhnazarov, A.D. Sheremet, O.Yu. Shibalkin and others.

Journals “Expert” and “Komersant” pay special attention to the assessment of the investment climate in the regions of the Russian Federation, publishing respective ratings

annually.

Various aspects of investment appraisal, investment attractiveness, potential, risk, activity are presented by the works of foreign scientists: Set B. Barnes, G. Birman., L.J. Gitman, J. Downes, M.D. Jonck, R.N. Holt, P.M. Havranek, S. Schmidt.

However, despite the increased interest in assessing the investment climate, demonstrated by the availability of various methods aimed at measuring the level of investment attractiveness, many aspects of this problem have not been sufficiently developed.

The constant development of the economic system determines the need for continuous improvement of assessment methods, requires consideration of new factors and the development of new methods for managing the investment climate in the regions. To the insufficiently studied questions of assessing the investment climate in the regions, one should include: approaches to the definition of the basic concepts used in the assessment system, methods for selecting factors that determine the attractiveness of the investment climate, sound methods for assessing the investment climate and other.

3. Materials and methods

Object and subject of research. The object of the study are investment processes that take place both at the level of individual regions of the Russian Federation and in the Russian Federation as a whole.

The subject of the study are theoretical and methodological issues of assessing the investment climate in the regions in the process of making managerial decisions to regulate the flow of investment financial resources, as well as organizational and economic relations arising in investment activities.

Theoretical and methodological basis of the research are the results of research of domestic and foreign scientists in the field of theory and practice of investment activity, regulatory legal acts of federal and regional legislative and executive bodies.

Methodical - the base of the research includes methods of system theory, probability theory, concepts and principles of investment management and macroeconomics, methods of comparative technical and economic analysis, methods of correlation, regression analysis, methods of expert assessments,

Information base of the research. The data of the Federal State Statistics Service of the Russian Federation, as well as data presented in the works of domestic and foreign researchers, forecasts of economic development of Russia until 2020 by the Ministry of Economic Development and Trade of the Russian Federation were used as an information base:

As a primary source of information in analyzing the current state of the investment climate in the regions of the Russian Federation, the reports of the economic, financial, legal press, as well as analytical and statistical surveys of the development of the regions of the Russian Federation were considered.

The scientific novelty of the work is to develop methodological and practical recommendations for the formation and assessment of the investment climate, based on the dynamic interaction of investment attractiveness and investment activity in the regions.

4. Discussion

4.1. Investment climate as a generalized characteristic of a set of prerequisites that predetermine the attractiveness and expediency of investing

The investment climate is a generalized characteristic of the aggregate of social, economic, organizational, legal, political, sociocultural prerequisites that predetermine the attractiveness and expediency of investing in one or another economic system (the economy of the country, region, corporation) (Gritsyna & Kurnysheva, 2016).

Most economists treat the content of this concept equally, but with a concretization of its structure, methods of assessing the opinions of scientists differ substantially. We can distinguish three most characteristic approaches to the assessment of the investment climate (Grokholsky, 2016).

The first one is narrowed. It is based on an assessment of the dynamics of the gross domestic product, the national income and the output of industrial products; the dynamics of the distribution of national income, the proportions of accumulation and consumption; the course of privatization processes; the state of legislative regulation of investment activity; development of individual investment markets, including stock and money markets.

The second is advanced, factor. It is based on the assessment of a set of factors that affect the investment climate. Among them:

- feature of the economic potential (the security of the region's resources, bioclimatic potential, available land for industrial investments, the level of energy and labour resources, development of scientific and technical potential and infrastructure);
- general business conditions (environmental safety, the development of material production sectors, the volumes of incomplete construction, the degree of deterioration of the basic production assets, development of the construction base);
- maturity of the market environment in the region (development of market infrastructure, impact of privatization on investment activity, inflation and its impact on investment activity, the involvement of the population in the investment process, the development of the competitive environment of enterprise, the capacity of the local market, the intensity of inter-enterprise linkages, export opportunities, foreign capital);
- political factors (degree of public confidence in the regional authorities, relations between the Federal center and regional authorities, the level of social stability, state-religious relations) (Novikov, 2013);
- social and socio-cultural (living standards of the population, living conditions, the development of medical care, the prevalence of alcoholism and drug abuse, crime, the level of real wages, the impact of migration on the investment process, the population's attitude to domestic and foreign entrepreneurs, the working conditions for foreign specialists);
- organizational-legal (the government's attitude to foreign investors, compliance with legislation authorities, the level of promptness in making decisions on the registration of enterprises, accessibility of information, the level of professionalism of the local administration, the effectiveness of law enforcement activities, conditions of movement of goods, capital and labour, business skills and ethics local businesses);
- financial (budget revenues, as well as the availability of extra-budgetary funds per capita, availability of financial resources from the Federal and regional budgets, the availability of credit in foreign currency, the level of Bank interest, the development of interbank cooperation, the Bank loans per 1000 population, the share of long-term loans and deposits per capita, the share of unprofitable enterprises).

The third approach is risky. Supporters of this approach as components of the investment climate, consider two main options: investment potential and investment risks; investment risks and socio-economic potential. Sometimes it only takes into account the risks (of credit).

Evaluation of investment attractiveness of the territory is an important aspect of making any investment decision. The more complex the situation in the region, the more experience and intuition of an investor should be based on the results of expert assessment of the investment climate. While investment decisions are among the most complex. They are based on multivariate, multi-criteria assessment of factors and trends are often mixed.

The basis of comparison of investment attractiveness of territories was based on the expert scale, which included the following characteristics of each country: legislative conditions for foreign and national investors, the possibility of capital outflow, the stability of the national currency, political situation, inflation, the possibility of using the national capital (Gritsyn & Kornysheva, 2016).

This set of indicators was not sufficiently detailed to adequately reflect the whole complex of conditions taken into account by investors. Therefore, further development of techniques for comparative evaluation of investment attractiveness of different countries has gone the way of the extension and complexity of the system evaluated parameters and the introduction of quantitative (statistical) indicators. Often used the following parameters and indicators: the type of economic systems; macroeconomic indicators (GDP, structure of economy etc); natural resource endowments; the state of the infrastructure; the conditions for the development of foreign trade; state involvement in the economy (Kobersy et al., 2017).

The emergence in the late 80-ies of the group of countries with economies in transition and the specific terms of the investments required the development of special methodical approaches. In the early 90-ies in respect of these countries a number of expert groups (consulting firm "PlanEcon", magazines "Fortune" and "Multinational Businesses", etc.) independently from each other were prepared by simplified methods of comparative evaluation of investment attractiveness. They took into account not only the conditions but also the results of investment, the proximity of the country to global economic centers, the extent of institutional change, democratic tradition, the state and prospects of the reforms, the quality of labor resources. Currently, comprehensive rankings of investment attractiveness of countries is regularly published by the leading economic magazine "Euromoney", "Fortune", "The Economist".

The most famous and frequently cited integrated assessment of investment attractiveness of countries is the ranking of the magazine "Euromoney" on which twice a year (March and September) the evaluation of investment risk and reliability of countries. Is used for this purpose, nine groups of indicators: economic performance; political risk; state indebtedness; ability to service debt; creditworthiness; availability of Bank lending; the availability of short-term financing; the availability of long-term loan capital; the probability of occurrence of force majeure.

As for the regions, the experts of the rating service EA-Ratings (strategic partner of Standard & Poor's), followed by analysts of the journal "Expert" all the factors credit risk on debt obligations of the constituent entities of the Russian Federation are divided into:

- sovereign,
- economic,
- financial,
- promissory,
- administrative.

Russia is a country so sharp inter-regional economic, social and political contrasts that prospective investor with sufficient information about the investment climate can select the region with the best investment conditions. Such information must be contained in the regional rankings of investment attractiveness (investment climate). Unfortunately, despite the fact that in some regions the situation is better than in Russia as a whole, it is not accepted to the credit rating of the state was higher than national rating. Therefore, the international image of Russia heavily affected the ability of regions to attract investments (Royzman, Grishina & Shakhnazarov, 2003).

4.2. Uneven development of investment processes in the Russian regions

The significant growth of the Russian economy triggered the active development of the regional cities of the Russian Federation. And so today they have also become attractive not only for Russian investors and for foreign. The growth of regional markets has become commercial property. Actively carried out development of warehouse real estate. At a moderate pace develops office properties. The investment return of regional projects for a few basis points above the yield that can be obtained in Moscow and St. Petersburg, due to a higher level of risk (Gorokholinsky, 2016).

First, a foreign company may be hindered to the regional markets of real estate of Russia, absence of the so-called administrative resource, therefore, for a foreign investor it is

advisable to have a Russian partner to enter into regional projects. Second, the high shortage of qualified personnel in the regions may hamper the implementation of the project. Thirdly, the capacity of regional markets is considerably lower capacity in Moscow and St. Petersburg markets.

All regions have the same economic, but different geographical space (Chub, 2014).

- any industry has potential limitless opportunities for geographical concentration;
- all the factors that lead to geographical variations can be divided into shared, existing in all sectors and regions, and specific operating in some specific industries and regions. Each group is divided into regional factors determining the distribution of productive forces with zero or low mobility only in certain places and sintering, contributing to a concentration of mobile factors of production in some of these places; the natural, which like "inheritance" and the socio-cultural, constantly reproducible.

At different quantitative levels of resources, due to the geographical division of labour, the regions are in competition with each other for attracting mobile factors of production, which in the long run, specify the parameters and the scale of the investment potential of the territory (Makushkin et al., 2016). At the regional level the volume of attracted factors largely depends not on the comparative and absolute advantages, inherited like a "gift".

From the point of view of the methodology of spatial theories of the basis of the absolute regional advantages are: the quantity and quality of labor resources, the production factor "land", used for development, processing, and placement; geographical location on the global transport routes.

At the level of a particular region, the absolute benefits are available only to a very limited number of industries, resulting in local areas may not in the long term to attract and retain a large population and differentiated capital. The high mobility of capital creates for regions with absolute advantage, the possibility of a cumulative process of uneven development, which, on the one hand, may occur at a more rapid rate of accumulation of economic income, on the other – a deeper phase of depression, from which the territory cannot go out at all.

Usually the first sign of decline in investment capacity is the departure of highly qualified personnel due to the scope of work for remaining in their original locations. The departure of qualified personnel reduces the tax base of local budgets, which leads to a deterioration of the situation of several social groups that receive their incomes from the budget. The decrease in total welfare is almost always accompanied by a "flight" of capital, which gives a regressive process cumulative. We can draw one important conclusion: economic prosperity and decline of regions is self-developing process, reinforcing the uneven regional development.

Distribution of the regions in the overall rating of investment potential shows that the largest contribution to its formation are contributing factors accumulated from many years of economic activity: infrastructure-developed areas, innovative capacity and intellectual potential of the population. In addition to these generally accepted economic leaders like Sverdlovsk, Samara, Moscow, Kemerovo, Nizhny Novgorod region, Tatarstan, Moscow, Saint Petersburg, etc., in the top twenty included, maybe not so obvious economically powerful, but rather a region in Central Russia, Belgorod, Vladimir, Voronezh, Ryazan, Tula, involves the leaders of the Kaliningrad and Yaroslavl region.

Highlighted five potential poles of investment growth, concentrated in European Russia and the Urals, North-West, headed by the Saint Petersburg, Central Russia, led by Moscow and the Moscow region, Volga region (Samara and Saratov regions), Southern (Krasnodar region and Rostov region) and the Urals (Sverdlovsk and Chelyabinsk regions).

For foreign investors compared with domestic somewhat more attractive are Moscow, Ryazan, Vladimir, Volgograd, Voronezh, Saratov and Kemerovo region.

On the East potential hotbed of investment activity in the first place can become of the Novosibirsk region, the Altai, Krasnoyarsk and Khabarovsk region. Finally, in the North-West, the most favorable investment climate, have Leningrad, Kaliningrad region and Saint-Petersburg (Basenko, 2016).

4.3. Different types of market mechanism investment in the Russian regions

The most important factor in the development of the investment process in the region is the activity of public authorities in creating investment attractiveness of the region.

The investment attractiveness of the region it is understood the volume of investment that can be attracted to the region due to its inherent investment potential and level of investment risk in it. The higher the investment potential of the region and the lower the risk of investment activities in it, the higher the investment attractiveness of the as a consequence, higher investment activity in the region (Shkurkin et al., 2017).

Management of investment attractiveness of the region implies purposeful action of regional authorities on the criteria to increase reliability and efficiency of investments, ensuring transparency of activities at all levels, protectionism in relation to efficient investors.

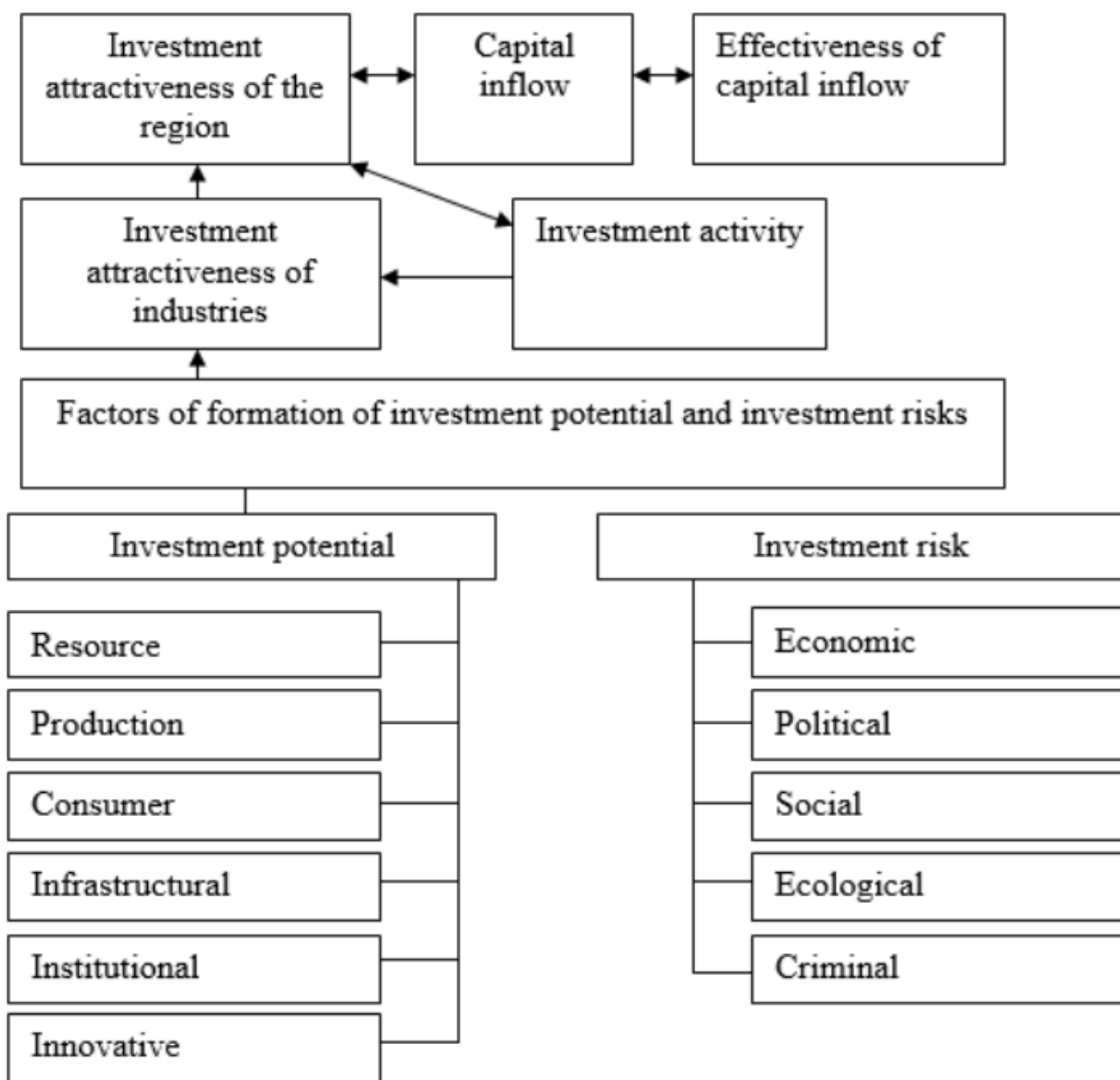
After studying the components and mechanism of formation of the investment climate, we can display in the form of a schematic algorithm of forming of investment attractiveness of the region (Figure 1).

The purpose of state management of investment processes in the regions of the Russian Federation are: the increase in investment activity; reduction of risks in investing in the region's economy; improve the regulatory legal base of investment activity.

Actions of the regional administration aimed at improving the investment climate in the region and, as a consequence, increase its investment attractiveness, involve the solution of complex specific tasks (Chub, 2014).

Figure 1

Algorithm of forming of investment attractiveness of the region



Source: Prepared by the authors

The task of the administration of constituent entities of the Russian Federation, aimed at improving the investment climate in the region, include the following (Basenko, 2016):

- analysis have the region's investment potential and possibilities of its increase;
- analysis of the level of regional investment risk and the search for ways of its reduction, including by improving the regulatory legal base of investment activity in the region;
- development in the field of a modern Institute of the state order as a measure of the investment-financial support for the development of priority industries and territories;
- improving the mechanisms of regulating the activities of financial-credit institutions and formation of regional market infrastructure that supports the regional investment process (specialized banks, investment, leasing and insurance companies, pension, mutual funds and other specialized funds, etc.);
- the development of the concept of entrepreneurship in the region as one of the main factors of increase of investment activity;
- the formation and solution of the list of services that the public authorities and local government bodies can provide the regional investment market (so-called design service);
- ensuring information transparency of the investment process through a regional

advertising and information campaigns in the media (in particular the establishment of regional information networks, specializing in information and analytical support of the regional investment process, organization and participation in investment exhibitions, presentations and seminars);

- the formation of a stable image of the region as a reliable recipient of investment etc.

To improve the efficiency of management of investment process at the regional level, the relevant issue is the creation and improvement of the organizational mechanism of management of investment process. Under an institutional framework understood as a set of principles and practices of management and organizational structures, coordinating the investment process and relevant legal provisions, taking into account the specifics of the region.

An institutional mechanism needs to define the principles, methods and order of planning of investment activity, as well as the structure and powers of the bodies responsible for coordinating investment processes on the territory of constituent entities of the Russian Federation.

The practical implementation of the outlined strategic and tactical tasks in the presence of the generated assumptions are obviously possible in case of regional investment policy will be based on the following principles:

- focus, i.e. the focus of regional investment policy on the implementation of the goals and objectives of the overall socio-economic policy of the region;
- priority to solve the most pressing problems of socio-economic development of the region;
- balance the interests of all potential participants in the investment process (state and private interests, mixed public-private funding of efficient projects);
- equity investors in obtaining state support for the uniformity of public procedures; publicity and transparency of procedures of formation and mechanisms of realization of regional investment policy;
- openness and accessibility of information for all investors;
- of clarity and simplicity of procedures the relationship between investors and authorities; mutual responsibility of the authorities and investors; the immutability of the decisions taken;
- balance to maximize the opportunities and benefits of a regional authority as a business entity;
- investment orientation of the budget policy under conditions of reasonable sufficiency on the other directions of expenditure;
- flexibility based on the need to take account of changes in the investment environment and providing a mechanism of rapid adaptation of a regional investment policy to the new conditions with the strictest observance of interests of subjects of investment process;
- of objectivity and priority of economic efficiency in their decisions.

State support investment activities should be based on the principles:

- mutual responsibility of bodies of state power of regions and investors;
- of maturity, repayment, payment of interest and return;
- balance public and private interests;
- objectivity and economic feasibility of decisions;
- the immutability of the decisions taken;
- equity investors;
- openness and availability to all investors of information necessary for the implementation of investment projects.

State support of investment activities carried out in the forms (Chub, 2014):

- the provision of tax concessions stipulated by Federal and regional legislation;
- deferral or installment for payment of tax or fee, tax credit, investment tax credit in the manner and on the terms established by current legislation.;
- granting privileges on a rent for use of property located in a regional property;
- financial support in the form of budget credit in the implementation of investment projects

- on a repayment, urgent and paid basis at the expense of the Fund;
- granting on a competitive basis, the investment credit at the expense of the authorized banks in accordance with the decision of the regional competitive Commission;
- the provision of guarantees from the public authorities.

The system of state bodies of management of investment activity in the constituent entities of the Russian Federation includes Legislative Assembly of the region (province), the Governor, the administration, the Department of economic development and external relations, industry management departments and committees of the oblast information and analytical center.

Legislative Assembly of the region develops investment legislation that establishes the powers of the authorities of the region, and also performs overall control of the development of the investment process.

Information-analytical center. The main aim of the IAC is to participate in information and analytical support of activities of regional authorities and management, all regional authorities, the media and the scientific community of the region of prompt and reliable information on social, economic and political processes in the region.

To create an attractive image is required to inform potential investors about existing investment opportunities by conducting promotional campaigns in the media, the organization and participation in investment exhibitions, presentations and seminars at home and abroad.

Information support is a necessary element of working with international investors, especially in cases where the host country there is a change in General economic or regulatory conditions for investment activities. The quality of information plays an important role in economic development, as:

- completeness and availability of information determines the level of competitiveness of the market and affects the efficiency of resource allocation agents, the assessment of the risks and the level of required return;
- the development of modern means of communication has caused the explosive growth of available information. The critical importance of currency of information, credibility of the information source and the level of costs for obtaining data in the correct format.

Information security management mechanism of regional investment strategy includes the following activities:

- the creation of a unified information space of governments in a region to ensure the prompt and effective management of investment processes;
- development of program technical and information-analytical environment for government at all levels with the information necessary for informed decision-making;
- the creation of a specialized information-analytical center for processing information on subjects of regional investment system and the state of the investment climate in the region. This center should include the collection of information resources in the region, providing the interaction of all participants of implementation of the strategy; a unified system of reference for the regional and territorial registers, registers, registers;
- professional information support of business and industrial structures of the region through information-analytical center;
- provide a basis for effective and quick monitoring at all levels of investment processes in the region;
- measures for promotion of investment knowledge and investment information through the Federal, regional and international media, including electronic;
- the creation and implementation of a special comprehensive program "Investment Atlas of the region" to ensure the transparency of information about the region, its investment market, to promote the creation of a common regional investment space.

Widespread in the world practice of creation of the specialized public and semi-public agencies responsible for interaction with foreign investors. Such agencies operate in some 100 countries. Agencies perform three basic functions:

- the creation of a favorable image of the region in the eyes of potential investors;
- the implementation of investment targeting;
- providing investors with services related to the implementation of the investment.

This Agency was created in Russia on the initiative of the Advisory Council on foreign investment - the Russian center of assistance to foreign investors.

At the same time, there are such organizations that with their own resources, not on government funding, perform the functions of attracting investment. So construction activities of the Interregional Fund for strategic initiatives and development Agencies and investment attraction. Target investment attraction is implemented by defining a range of companies, investments which are considered as the most important for the economic development of the region and establish direct contacts with them in order to interest prospects for investment. It is highly desirable the establishment of a regional information network with investors need information.

Informing potential investors about existing investment opportunities can only be done after proper identification of these opportunities, both at the level of the region and the entire state.

The creation of a favorable image of Russia is impossible without the development of a clear, consistent and transparent national economic policy and policies to stimulate investment activity. Relentless adherence to this policy will be the best advertising image of the Rostov region among potential investors.

The proposed institutional mechanism institutional role in the investment planning given the forecast plan (program), which must annually be approved by the administration. In the system of strategic program priorities, the most important place belongs to the policy of attracting investments as the main tool for regional economic development. The main objective of the investment policy is creating most favourable conditions for an active flow of investment capital into the economy.

Investment policy should be carried out in two directions:

1. The involvement of private, corporate, domestic capital and foreign direct investment, which have become the main source of modernization of the region's economy. Provides for the creation of attractive conditions for investors, administrative barriers. The basic principles of the investment policy is determined:

- creating an effective environment for accelerated development of the market of services market of goods and capital assets based on the basic laws of a competitive market economy, including the maximum free pricing and possible market self-regulation, equal treatment for all investors;
- the interaction of authorities and business entities that guide investment in the development of the region in the framework of the current legislation with a maximum separation of the functions of the state as a participant or organizer of the investment market;
- the implementation of a secure and predictable legal regime for business activities of domestic and foreign investors, ensuring the stability of economic conditions for investment;
- publicity and transparency of the ongoing investment policy, openness and availability to all investors of information necessary for the implementation of investment activities;
- the presumption of good faith of all participants in the investment market; equality of investors and unified public procedures;
- balance of state, social, political and economic interests of all participants in the investment market;
- mutual responsibility and unconditional implementation of commitments from both the Executive authorities and other participants in the investment process.

In order to overcome the administrative barriers for investors and entrepreneurs provides a system of support for the principle of "single window", the simplification of procedures for obtaining permits for construction of facilities, including the rental and sale of land, to optimize the time of passage of documents on the harmonization of investment projects.

Determined the formation of a single regional investment system involving regions and cities in the region, training of qualified personnel for work with investors.

2. Maximizing the effectiveness of investment budget funds, priority, transparency, careful assessment of support objects.

Public investment is envisaged on the basis of program-target mechanisms (mostly current expenditure), ensuring economic and social efficiency, and at the expense of the development budget of constituent entities of the Russian Federation in the form of: budget investments, state guarantees, budget loans on conditions of repayment, interest payment and urgency.

Proposed in this paper, the mechanism of management of investment processes in the region helps increase the economic efficiency of management of investment processes on the territory of constituent entities of the Russian Federation.

5. Conclusions

In order to maintain investment activity in the economy must be:

- first, for the purposes of calculating tax on profit of organizations legislation to establish the possibility of recognizing the costs of investors for the construction or financing of objects of transport, social and utilities infrastructure, as well as engineering services for state or municipal needs;
- second, to develop measures of tax stimulation of increase of efficiency of production.

To stabilize the economy and improve the investment climate requires the adoption of a number of drastic measures aimed at solving the task of attracting foreign investment:

- achieving national reconciliation between the various power structures, social groups, political parties and other public organizations;
- accelerating the work of the State Duma on the Civil code and criminal legislation aimed at creating a civilized country in the non-criminal market;
- the radicalization of the fight against crime;
- deceleration of inflation all known in world practice measures with the exception of non-payment of workers' salaries;
- the revision of tax legislation in the direction of simplify and encourage production of;
- mobilization of free funds of enterprises and population in investment needs by raising interest rates on deposits;
- the introduction of the construction system of payment objects for the final construction products;
- the launch of a statutory bankruptcy mechanism;
- providing tax benefits to banks, domestic and foreign investors going on a long-term investment in order to fully compensate them for losses from slow turnover of capital in comparison with other directions of their activity;
- the adoption of laws on concessions and free economic zones;
- the establishment of a system of admission of foreign capital, including broad and competitive network of state institutes, commercial banks and insurance companies, insures foreign capital against political and commercial risks;
- the establishment in the shortest possible time a National system of monitoring the investment climate in Russia;
- the development and adoption of the program of strengthening of the ruble and the transition to full convertibility.

Proposals for the implementation of investment policy at the regional level. The analysis of scientific publications on the problem of formation of investment policy allows us to formulate a number of key directions of its implementation at the regional level:

- the formation of a favorable investment climate;
- search of sources of financing of structural transformations;
- enhancing the role of own sources of financing of investment projects by companies;
- strengthening of the control of regional authorities over the use of funds from the regional

budget allocated for investment;

- reduction of investment risks, etc.

Important value has an investment policy taking into account the specific conditions and the desire of regions to use their comparative advantages to attract domestic and foreign investors.

Using the above tools, in our opinion, will allow not only to form a favorable investment climate and implement investment policy, which needs to be directed at finding the most effective sources of funding and to support businesses and maximize production, natural and scientific potential.

Long-term recovery of the Russian economy on a modern technological level is only possible in one case – in case of emergency, the investment process, because truism says: without investment there is no economic growth.

The transition to regulated market relations will radically change the investment policy of the state to strengthen its influence on the investment process through financial and credit instruments, i.e. through taxes, tax incentives, accelerated depreciation norms and its index, accounting rate of Bank interest, subsidies from the budget of vital sectors of the economy.

An effective investment policy should cover both public investment and the creation of a favorable investment climate for private investors. Without investment it is impossible to implement the task of economic restructuring, improve the technical level of production and competitiveness of domestic products both on the domestic and world markets.

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Revista ESPACIOS. ISSN 0798 1015

Vol. 39 (Nº 31) Year 2018

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