

**State Organization «Institute of Market and Economic&Ecological Researches  
of the National Academy of Sciences of Ukraine»**

**Summary of scientific novelty  
based on the results of research on the fundamental additional  
departmental topic of scientific and research work, headed by a young scientist,  
3.1.8.72/B "Development of the investment system of Ukraine on the principles  
of reducing capital outflow"  
(№0120U101900, performance period: March-December 2020)**

The work was carried out based on the results of the report at the meeting of the Presidium of the National Academy of Sciences of Ukraine (February 27, 2019) and in accordance with the Order of the Presidium of the NAS of Ukraine dated February 24, 2020 No. 125

The scientific novelty of the most significant results of the study is as follows:

**Within scientific&methodological aspects:**

- *an approach to assessing the* significance of various types of financial capital exports for the economies of the world is proposed, which involves calculating indicators of legal and semi-legal capital export, which made it possible to discover the following pattern (using the example of 11 countries of the world): 1) the outflow of capital through officially non-prohibited channels is the most significant and poses a threat to the economic security of countries with a weak institutional environment in the field of investment and the presence of markets with significant capacity capable of producing large volumes of gross product, which can then be exported abroad; 2) semi-legal and illegal capital export is most widespread in countries located in places of high concentration of transit routes of active cross-border cooperation or in close proximity to locations with a high level of crime, and the factor of the presence of effective institutional support for strategic investment does not play a significant role.

- *a methodology for studying* the development of the country's investment system has been formed by: formulating relevant definitions of categories of the investment system and capital outflow generated by semantic system analysis measures; establishing a target guideline for regulation - reducing the volume of unproductive capital outflow and ensuring the maximum possible reproduction and reinvestment of financial resources invested in the national economy (which corresponds to modern world trends, the needs of productive forces and the provisions of the global investment policy of developed countries); applying general and special principles for the development of a modern investment system (reproducibility, prevention of unproductive losses, resource diversification, sustainability and viability, relevance of regulatory measures, balance of economic,

social and budgetary interests); formation of methodological approaches to calculating the volume of unproductive outflow of financial capital based on relevant balance of payments indicators, to determining the degree of significance of unproductive outflow of capital for the economic system using key macro indicators, to assessing the effectiveness of implementing regulatory policy measures from the perspective of balancing interests.

- *A methodological approach* to assess the impact of deindustrialization of the national economy on the processes of reproduction of investment resources and the outflow of financial capital by calculating the ratio of average prices of imported and exported products in the context of groups of counterparty countries with high, low and medium levels of industrialization, which allowed us to confirm the hypothesis of financial capital being washed abroad under the condition of dominance in foreign trade of exports of raw materials with low added value and price, and imports of products with high price and added value, and to identify the pattern of excess of average prices per unit of imported products over export products in the national economy, using the example of food products, from 2 to 16 times depending on the degree of industrialization of the counterparty country has been developed;

- *a theoretical basis for studying* the issues of migration of investment resources abroad was formed by identifying two relevant groups of the phenomenon of export of financial capital on the basis of legality (legal method of official, but unproductive export of capital and illegal methods of export), which, in accordance with global research trends, allowed us to justify the inexpediency of distinguishing in the study of illegal criminal and non-criminal types of export of financial resources and to concentrate on the most significant phenomenon of unproductive outflow of capital;

- *The scientific principles* of regulating the development of the country's investment system have been determined by establishing a target priority - stimulating the attraction of strategic investments, their reproduction and reducing the outflow, and developing mechanisms for economic, tax, financial, organizational, administrative and informational support for capital reinvestment, the theory of the application of which is empirically substantiated using the developed toolkit for assessing the financial return on reinvested capital in economic, social and budgetary dimensions.

#### **Within scientific and practical level:**

- *a methodological toolkit* to assess the degree of investment orientation of economic development in the national economy based on constructing a step function of the dependence of gross value added and gross national product on quantitative

changes in capital investments, experimental studies using which have revealed the pattern of an almost twofold decrease in the investment component in value added and gross national product in the economy of Ukraine during the studied period from 2006 to 2020 has been developed;

- *scientific principles* for assessing the unproductive outflow of financial capital from the country's economy are proposed by introducing a methodological approach based on the principles of rationality, relevance and universal comparability, the essence of which is to use indicators calculated using officially available balance of payments data (with the effectiveness of their impact on the accuracy of the final calculation result being significantly higher than the labor costs for their processing) in the form of the sums of net balances on current transactions, on capital transactions, balances on direct and portfolio investment accounts, balances on foreign reinsurance accounts, and the negative value of the item "errors and omissions", which allowed calculating the volumes of unproductive capital outflow using the example of 11 countries of the world and confirming the hypothesis of a significant impact on the phenomenon under study of the state of institutional support for strategic investment in the country's economy;

- *a methodological approach to assessing* the impact of financial capital movements on the state of the country's investment and economic system has been developed, which consists in calculating indicators of the ratio of capital outflow volumes to GDP and capital investments of the country, as well as in building an econometric model of the dependence of changes in capital outflow on GDP dynamics, which, according to the results of empirical research, made it possible to identify the presence of a strong correlation between these arguments and confirm the hypothesis that in the absence of effective institutional support for strategic investment and capital reproduction in sectors of the national economy, growth in gross product leads to surpluses of investment resources that are exported abroad;

- *an approach to assessing* the significance of various types of financial capital exports for the economies of the world is proposed, which involves calculating indicators of legal and semi-legal capital export, which made it possible to discover the following pattern (using the example of 11 countries of the world): 1) the outflow of capital through officially non-prohibited channels is the most significant and poses a threat to the economic security of countries with a weak institutional environment in the field of investment and the presence of markets with significant capacity capable of producing large volumes of gross product, which can then be exported abroad; 2) semi-legal and illegal capital export is most widespread in countries located in places of high concentration of transit routes of active cross-border

cooperation or in close proximity to locations with a high level of crime, and the factor of the presence of effective institutional support for strategic investment does not play a significant role.

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