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ABOUT SOME FEATURES OF THE INVESTMENT CYCLE IN MODERN CONDITIONS

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ANNOTATION

The article presents an interpretation of the essence of the investment cycle based on the recurrent approach, highlighting its relationships with the aggregate system processes within the macroeconomic cycle. Based on the study, the authors note that in modern conditions, the issues of theoretical and methodological research of the investment cycle are relevant to systematize quantitative and qualitative indicators of its dynamics in order to increase the economic efficiency of investment in general.

KEY WORDS: *nature of cycles, cycles in the economy, investment cycle, investment plan, investment process, investment efficiency, recurrence, recurrence theory.*

INTRODUCTION

Cycles in the economy (economic cycle), unlike seasonal fluctuations, arise and disappear suddenly; their amplitudes, causes, periods, start and end times are unknown in advance.

Modern economic science knows more than 1380 different types of cycles [1]. Every economic process "has an inherent focus on the future" [2]. Therefore, economic cyclicality, including investment, is one of the most important economic problems; it has a direct or indirect impact on all economic entities.

In modern conditions, the issues of theoretical and methodological research of the investment cycle to systematize indicators of its dynamics in order to increase the economic efficiency of investment investments continue to remain relevant.

Based on the above interpretation, it can be noted that the investment cycle, as an independent type of cycle, has the following traditional characteristics:

-Recurrence in time (periodicity);
- Sequential change of states (multiphase structure).

At the same time, its distinctive feature is the providing nature in digital, innovative, technological production processes, designed to provide functionality at all levels of the economic system in accordance with the theory of recurrence. To highlight dependencies, it is necessary to clarify the concept of "recurrence" in the study of the features of the investment cycle as a whole. In this context, it should be noted that accurate risk measurement is more likely to be achieved in artificially constructed systems.

LITERATURE REVIEW

In theory, risk should mean a quantity that can be measured. Back in the 20s of the 20th century, one of the founders of riskology, F. Knight, interpreted the category "risk" as cycles in economics, in this case the term "risk", freely used in everyday speech and in economic discussions, is, according to Knight, "immeasurable uncertainty", a kind the opportunity to say something about the unfavorability of an event leading to economic losses [2].

The influence of investment support for economic development has been considered by many scientists in various aspects. Thus, D. Keynes [3] analyzed the determinants of investment: interest rates, marginal efficiency of investment, R. Harrod [4] introduces the concepts of "normal ensured growth rate", corresponding to the state of sustainable development, and special or special ensured growth rates deviating from it, corresponding to different

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phases of the business cycle, or determined by other circumstances, in which what is important, first of all, is the thesis that the ensured growth rate does not remain stable, it changes depending on the dynamics of income and the propensity to save, the provisions substantiated by him in his final study on the theory of economic dynamics help to better understand the nature of the dynamic processes occurring in the economy, J. Schumpeter determined the importance of investments for the development of multi-level systems, which means “a type, direction of development, characterized by a transition from lower to higher, from less perfect to more perfect” [5], A. Aftalion [6] designated time series and the revitalizing economic effect from the introduction of investments in the renewal of fixed capital, A. Pigou [7] identified the initial impulses of cyclical dynamics in the sphere of capital and investment support for the development of the real sector of the economy, N.D. Kondratiev [8] determined the relationships between short, medium and long cycles, and believed that during the upward wave of each major technological cycle, medium cycles (which include investment cycles) are characterized by short depressions, intensity of climbs and vice versa, etc [9].

Based on the highlighted features, in modern conditions, the issues of theoretical and methodological research of the investment cycle to systematize quantitative and qualitative indicators of its dynamics in order to increase the economic efficiency of investment as a whole continue to be relevant.

The purpose and objectives of this study is to identify the features of the investment cycle in modern macroeconomic conditions.

This study used methods of structural and factor analysis, grouping, comparison, measurement, and abstraction.

Research results. The concept of a cycle applies to all levels of investment decisions, as similar concepts apply to all levels:

- Investment plans, which define a wide range of priority tasks in a certain sector (subsector);
- Investment programs (projects).

There are four stages in the investment cycle (Fig. 1).

✓ ***strategic planning*** *(industry priorities are assessed and determined, ending with the selection of a specific project for implementation);* ***development of an investment plan*** *(alternative options are analyzed, ending with the preparation of a detailed project plan);*

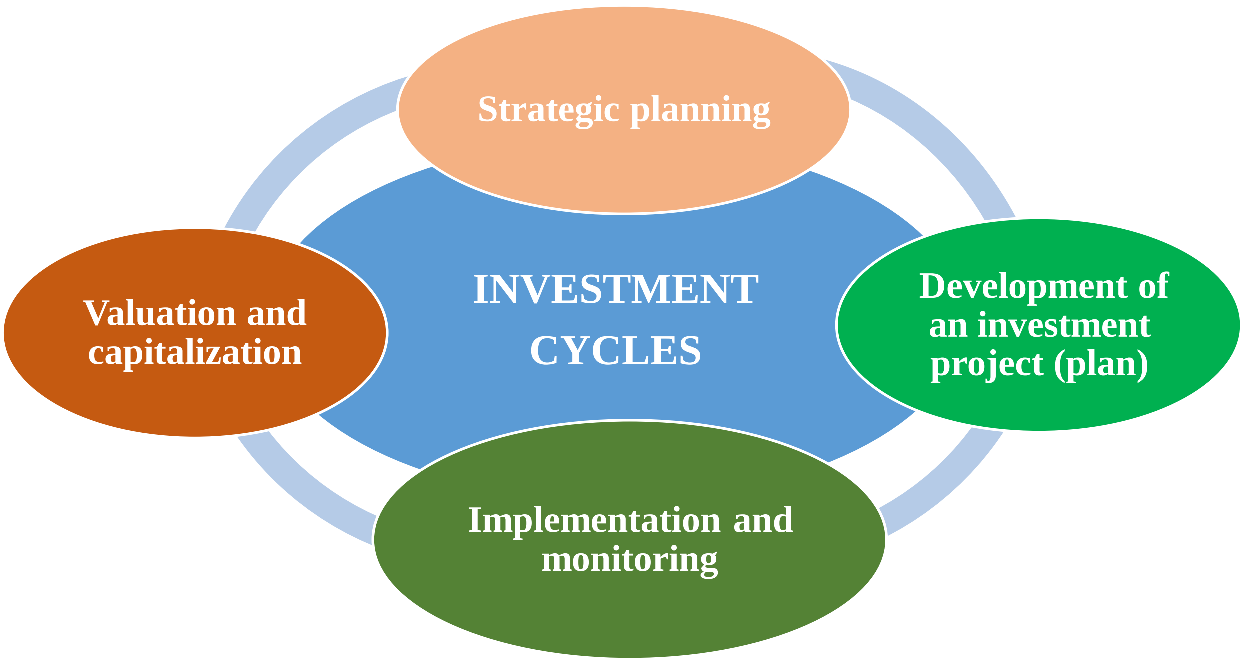

Fig.1. Stages of the Investment Cycle [10]

✓ ***implementation and monitoring*** *(work is carried out, monitoring is carried out and progress towards achieving set goals is reported, necessary adjustments are made);*

✓ ***valuation and capitalization*** *(the experience of project implementation is analyzed and evaluated in order to obtain information for expanding the scale of activities and long-term plans and projects.*

In various economic subjects or theories, these stages are divided into smaller steps, but the general range of tasks to be solved and their sequence are preserved. remain approximately the same.

In this case, to highlight the dependencies, it is necessary to clarify the concept of "recurrence" in the study of the features of the investment cycle [11].

In relation to economics, the first mention of the term "recurrence" was made in the article by E.N. Lobanova, where this category is designated as the main feature of industrial cycles (a more detailed interpretation of the term was not available) [12].

Such general provisions required a more detailed study of recurrent dependencies in the economy and the determination of its essential features.

In the aspect of cyclic dynamics, recurrence is essentially inherent in intercyclic and interphase dependencies [13].

This could mean
firstly, that each cycle at all stages of the evolution of the world economy was mediated by the nature of the previous cycle, and it, in turn, influenced the subsequent cyclical development;

secondly, the presence of direct and reverse influence of cycles of different nature - thus, shorter cycles are subject in their dynamics to progressive or regressive trends of longer (intercyclical recurrence) cycles;

thirdly, each phase within the next cycle also contains "hereditary" features of the previous one and determines the adequate features of the subsequent one (interphase recurrence).

At the same time, Y.V. Yakovtsa notes that such cyclical genetic inheritance is characteristic of all phenomena and processes in the economy [14]. The parallels and generalizations presented above made it possible to define recurrence as the relationship of multilateral dependence of each phase of the economic cycle on states bordering it, as well as each type of cycle in the general development system as a whole. Moreover, it is the latter dependencies that are less studied by economic science.

One of the main results of studying general economic patterns is evidence of the "interweaving" of systemic (short-, medium-, long-term) cycles. Moreover, it is the longer cycles that determine the overall amplitude and duration of short and medium cycles.

Based on the above, it can be argued that the investment cycle is a type of cycle that has traditional standard characteristics with stable recurrent dependencies with information, innovation, technological, production cycles at all levels of the economic system, such as:

- Repeatability over time (periodicity);
- Sequential change of states (four-phase structure).

In this case, recurrent dependencies between basic processes are most clearly observed during periods of transformation of economic systems.

Based on the identified dependencies, the following general features of the investment cycle in modern conditions can be identified [15]:

- Increasing the market value of an economic entity based on an increase in intangible assets;
- Capitalization of labor resources through investments in training, health, career growth, development of innovative abilities;
- Integration of capital, which involves increasing the share of participation of foreign companies and banks in the development of the national economy;
- The formation of excess profits to a greater extent in the managerial and intellectual activities of economic entities, less in the production sphere for all types of economic activities;

So, an interpretation of the essence of the investment cycle is presented based on the recurrent approach, its relationships with the total system processes within the macroeconomic cycle are highlighted. In this context, it is possible to identify general and specific features of the investment cycle in the context of the transformation of the economy as a whole.

CONCLUSIONS

In the practice of implementing investment activities, a special place is occupied by specific adherence to certain stages, but without providing for any of them, you may encounter corresponding problems. As a result of the study, it is possible to provide a rational and justified distribution of the stages of the life cycle of the investment process into certain phases, which include the corresponding stages.

Thus, the investment cycle is an independent type of cycle that has traditional characteristics: repetition over time (periodicity) and a sequential change of states (four-phase structure).

Among the general features of the investment cycle in modern conditions are:

- Accumulation of the market value of an economic entity based on the volume of increase in assets;
- High level of capital integration, implying an increase in the share of participation of transit companies and banks of a number of countries in the development of national economics;
- Formation of excess profits, to a greater extent in the intellectual and managerial activities of economic entities, and to a lesser extent in the production sector in particular;
- For the development of venture investments, an integrated approach is required, including improving the legislative framework, reducing restrictions on the investment strategies of market institutions, increasing the number of co-investment and guarantee schemes, in order to create a reliable environment for “exit”, including the inevitable increase in professional competencies participants;
- Direct relationship between attracting capital and intensifying innovation activities;
- Strengthening the social significance of investing at all levels of the economic system;
- Change in proportions in investment sources, etc.

The highlighted features of investment are more related to ensuring adaptation within the modern period of development; in this context, acceleration can be based on the priority of transformation processes and targets for economic development, as well as a combination of motivational interests of investment subjects, primarily in partnership between government authorities and entrepreneurs.

The most important directions for further research within the framework of this study are the following:

- Development of a methodology and technique for analyzing the modern investment cycle, taking into account the features within the modern macroeconomic cycle;
- Building a model for managing investment processes, taking into account the specifics of investing to ensure the transformation of society and the economy to the market as a whole.

Highlighting the features of investment processes within the framework of the transformation of society and the economy to the market has, in our opinion, great practical significance.

In this context, the efficiency and management of the investment cycle is largely determined by the quality of investments. At the same time, the role and importance of government bodies and large corporations in catalyzing development processes may become a priority for long-term investment policy at different levels. It may be based on the goals, functional responsibilities of each individual subject, as well as their priorities.

Taken together, all this will make it possible to specify both the directions and mechanisms of effective investment policy in the future.

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