

**INVESTMENTS IN HUMAN CAPITAL –  
BASIS OF EFFICIENT VENTURE BUSINESS**

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**The actuality of the subject.** Human capital is the most important factor in the development of the economy, which in the long run gives a significant return on investment in it. It includes knowledge, education, skills, intelligence, creative thinking, health, labor mobility, etc.

Many developed countries have long recognized the essential role of human capital in the development of the economy, as a consequence of which there is a significant share of contributions to its formation and development, the provision of conditions for reproduction, the high level of competitiveness of their economies.

**The analysis of the land research and publications.** The concept of human capital in the modern form was formed mainly under the influence of the works of such economists as T. Schultz [2], G. Becker [1], J. Kendrick [7], O.Yu. Vorozhbit [4], N.V. Quail [12], Yu.A. Korchagin [8-9], O.V. Levchuk [10] and others. In the conditions of contradictory approaches to the concept of «human capital» and investment in it create prerequisites for further research, indicating the relevance of the topic and predetermined the choice of research direction.

**The aim of the article.** The purpose of the study is to study the issue of investing in human capital to create conditions for innovative economic development.

**The presentation of the basic material.** Initially, human capital was understood only by a combination of investments in a person, which increases his ability to work – education and professional skills. In the future, the concept has expanded. According to the World Bank, it includes consumer spending – household spending on food, clothing, housing, education, health care, culture, as well as government spending on these goals [1, 3].

Human capital in the broadest sense is an intensive productive factor of economic development, the development of society and the family, which

includes an educated part of labor resources, knowledge, tools of intellectual and managerial work, the environment of living and work, which ensure the efficient and rational functioning of human capital as productive development factor.

The theory of human capital is of particular relevance in modern conditions, when the knowledge and professionalism of the personnel is a determining factor in the economic growth of both enterprises and the country as a whole. Numerous studies have shown that currently the share of human capital in the national wealth of developed countries (US, Japan, Sweden, etc.) is 2-3 times higher than the share of physical capital, while there is a tendency for further growth of this indicator. From the beginning of the XXI century. In other countries, in particular, China and India, a similar trend has also emerged, leading to corresponding economic growth. Moreover, according to projected estimates [8], if human capital in these countries continues to increase, by 2020, these countries will take the place of world leaders.

The experience of the United States of America, which is a leader in high technologies, software, education and quality of life, is prominent. The main competitive factor of the United States, undoubtedly, is high-quality human capital.

Today, the US is a leader in fundamental and applied sciences, in high technology and in the economy. It is no coincidence that the venture business was born in this country, and only then their experience began to be used by other leading countries of the world.

The experience of Finland and Sweden, which occupy the leading positions in the world with the development of high technologies, is also exemplary. The economies of these countries are highly competitive in the world market due to the emphasis on human capital development, science, education, innovation and venture business [8-9].

Unfortunately, in Ukraine today, there is no effective innovation infrastructure, and human capital is characterized by a negative dynamics and low productivity of labor.

Human capital is now one of the most important economic resources and the world's leading countries invest heavily in its development. As a rule, the main investor in human capital is the state, which through politics forms the future of the country. In our country, the necessary conditions for the formation and development of human capital have not yet been created. Although, in our opinion, the state should make human capital development a priority in order to ensure the country's competitiveness and national security.

High-quality human capital is the basis for the formation of venture business. The term «venture» comes from the English venture and means risky, risk-related. Venture business is a kind of business focused on the practical use of technical innovations, results of scientific achievements, know-how, not yet tested in practice. Venture business is associated with high risk, so it is often called risky.

Venture business is a form of direct investment in small and medium-sized enterprises engaged in research and development of new knowledge-intensive technologies, which are planned to be applied in practice. Venture funds invest in risky business projects.

For the successful development of venture capital investment, you need:

- long-term state innovation policy and a specific program for co-financing venture business;
- significant investments in the development of human capital is the basis for the creation and efficiency of venture business;
- venture entrepreneurs, who as a rule grow up with venture managers;
- venture managers;
- developed fundamental and applied sciences, capable of discovering, inventing and innovating for venture business;
- modern and advanced system of education;
- competitive environment in the venture business.

The peculiarity of the venture business is the very high intellectual and professional level of venture businessmen and managers. Such professionals are extremely difficult to grow. Their knowledge and experience lie at the intersection of fundamental and applied sciences, innovative management, knowledge of high-tech industries. Therefore, programs and projects for the creation of national venture business should be comprehensive and systematic, solving the problem of full financing, training specialists, creating infrastructure, security systems, etc. [2].

Venture investments can be made in the following forms:

- investing in exchange for the transfer to the investor of a certain share of the company's shares;
- medium-term lending (3-7 years);
- a mixed form of investment, which consists of the two above-mentioned methods.

Institutionalization of venture capital in Ukraine has led to the emergence in the economic practice of such organizational forms of venture capital investment:

- direct investment, that is, the investor directly finances an entrepreneurial project that interests him. This leads to the maximization of risk, but with a successful outcome and to maximize profits;

- joint investment is a form in which investors try to minimize risks by dividing them into several components;
- participation in independent venture funds, which allows to diversify financial risk, which does not require investors significant investments and specific management skills [5, 11].

The difference between the Ukrainian venture capital market is as follows:

- there are virtually no start-up «injections» and investments in innovation (in Ukraine it is mainly investment in the development of companies);
- the main areas of venture investment are construction, processing of agricultural products, retail trade, food industry;
- the participants in the funds are only legal entities (not pension funds, non-insurance companies, not private individuals) [10-12].

In 2017, in Ukraine, together with the improvement of the business climate, there was a revival of venture capital investment in domestic start-ups. An overview of the Ukrainian Association of Venture and Private Capital (UVCA) showed that the volume of venture investments in the country in 2017 increased threefold – to \$ 259 million - after falling in 2016 to 88 million UAH. At the same time, the number of transactions for the past year has almost not changed and amounted to 89.

Such an increase in the sector of venture capital investments, in the first place, shows confidence in Ukraine among investors, which are mainly international funds. The development of the domestic IT sector is at a high level thanks to the deep knowledge of Ukrainians in programming and engineering. There are more than 200 thousand qualified specialists in Ukraine, and this figure is increasing annually.

Among the peculiarities of venture investment in Ukrainian companies is the need to allocate an average investment, or average check. At present, this indicator in Ukraine is at \$ 3.3 million. For example, in Poland, the average check exceeds \$ 5 million, in Estonia – \$ 800 thousand, in Latvia – almost \$ 3 million.

In 2017, in Ukraine, not only increased volumes of venture agreements, but also intensified private investment - long-term purchase of a significant stake in companies. If several years ago there were 3-4 private investments in the market, then last year they were 14 – worth almost \$ 127 million.

Today there is no doubt that the Ukrainian economy needs to be reoriented to develop and introduce innovations to ensure competitiveness in the market. To do this, you need to implement a number of programs that stimulate innovation. For now, our state does not support innovation at the level at which they are supported by developed countries of the world [6, 12].

In general, with the favorable policy of the state regarding human capital and innovation, the growth of the economy and global competitiveness of our country are possible.

**Output.** In Ukraine, unfortunately, not always recognize a person as an object of capital investments with the property to increase the cost in the production process. But human capital research reorients to the simple use of labor resources to the system of effective human resources management.

We hope that investment in human capital will allow domestic enterprises in the near future to create a unique environment for the formation of new type of employees, able to generate innovative ideas and offer non-standard solutions for business development. Because the increase in the value of individual human capital directly affects the capitalization of intangible assets of the enterprise and in general forms the new quality of the national human capital of the country.

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#### **Анотація.**

**Шудларскі Я., Клемпарський М.М. Інвестиції в людський капітал – основа ефективного венчурного бізнесу.**

*В сучасних умовах домінуючим фактором економічного зростання будь-якої країни є якість людського капіталу, адже найбільш успішними і конкурентоспроможними є країни, які приділяють значну увагу розвитку людського капіталу та інноваційного сектору національної економіки.*

*Економіка нашої країни знаходиться на етапі формування інноваційної економіки, тому важливим є спрямованість державної політики на створення умов для розвитку венчурного бізнесу і підвищення якості людського капіталу.*

*У статті проаналізовано роль людського капіталу в економічному розвитку держави. Визначено, що інвестиції в людський капітал є важливою передумовою ефективності венчурного бізнесу, пов'язаною з отриманням доходів від інвестування в розвиток професійних якостей людини.*

**Ключові слова:** людський капітал, венчурний бізнес, інвестування, венчурне інвестування, розвиток економіки.

#### **Аннотация.**

**Шудларски Я., Клемпарский Н.Н. Инвестиции в человеческий капитал – основа эффективного венчурного бизнеса.**

*В современных условиях доминирующим фактором экономического роста любой страны является качество человеческого капитала, ведь наиболее успешными и конкурентоспособными есть страны, которые уделяют большое внимание развитию человеческого капитала и инновационного сектора национальной экономики.*

*Экономика нашей страны находится на этапе формирования инновационной экономики, поэтому важно направленность государственной политики на создание условий для развития венчурного бизнеса и повышения качества человеческого капитала.*

*В статье проанализирована роль человеческого капитала в экономическом развитии государства. Определено, что инвестиции в человеческий капитал является важной предпосылкой эффективности венчурного бизнеса, связанного с получением доходов от инвестирования в развитие профессиональных качеств человека.*

**Ключевые слова:** *человеческий капитал, венчурный бизнес, инвестирование, венчурное инвестирование, развитие экономики.*

**Abstract.**

**Shudlarsky Y., Klemparskyi M. Investing in human capital is the basis of an efficient venture business.**

*In today's world, the quality of human capital is the dominant factor in the economic growth of any country, because the most successful and competitive countries are the countries that pay much attention to the development of human capital and innovation sector of the national economy.*

*The economy of our country is at the stage of formation of an innovative economy, therefore, the focus of state policy on creating conditions for the development of venture business and improving the quality of human capital is important.*

*The article analyzes the role of human capital in the economic development of the state. It is determined that investments into human capital are an important prerequisite for the efficiency of the venture business, connected with the receipt of income from investing in the development of professional qualities of man.*

**Key words:** *human capital, venture business, investing, venture capital investment, economic development.*

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## **CONCEPT AND SATISFACTION OF INVESTMENT APPROPRIATION AGRICULTURAL ENTERPRISES**

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**The statement of problem.** Satisfaction of the needs of agricultural enterprises in investment resources is a priority task, from the successful solution of which depends on the effectiveness of their operation and development.

Unfortunately, today the agrarian sector of the economy is unprofitable and insufficiently attractive for financial investments, although the growth of the economy as a whole depends on its development. Therefore, the issue of attracting investment and agricultural production should be one of the priorities for the development of the country's economy.