

## ECONOMY AND OPERATION OF NATIONAL ECONOMY

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### FORMATION OF STATE OF INVESTMENT POLICY IN THE UKRAINE UNDER THE CONDITIONS OF NEOLIBERAL MODEL OF GLOBALIZATION

In the article the basic are worked out conceptual principles of forming of public investment policy of Ukraine in the conditions of neoliberal model of globalization. The basic problems of modern investment policy are investigational, directions of improvement of conception of public investment policy are worked out taking into account global calls and threats.

**Keywords:** public investment policy, globalization, conception, investments.

**Statement of the problem.** Ukraine's desire to integrate into the global market economy requires increasing investment activity in enterprises of all sectors of the national economy. Due to globalization processes investing today implemented financial and investment schemes, which involved almost all market participants – individuals, corporations, governments and international organizations. As a result not only significantly adjusted investment practices, but somehow discredited traditional investment theory. Increased globalization, internationalization of production trends, trade liberalization makes investment providing the driving force behind global economic development.

**Analysis of recent research and publications.** An important contribution to the study of the problems brought by such scientists, economists, who studied the problem of investment development in the context of globalization, including O. Bilous, A. Halchynskiy, T. Kozlova, Y. Pakhomov, S. Tsyganov, A. Filippenko and others. They proved the basic theoretical and methodological and practical aspects of the formation and development of social infrastructure.

The article aims to develop basic conceptual provisions of state investment policy of Ukraine in the context of globalization.

**The main material.** The investment potential of Ukraine is characterized by high heterogeneity, because the investment policy should be conducted based on the capacity development needs of each region, be sure given the current challenges of globalization. In particular, T. Kozlova singles such manifestations of globalization: the intellectualization of business of a sharp increase in the role of human capital, technological change in structure of dominance in the infrastructure business and production processes of information and communication systems, destruction of private property through increasing significance of intangible factors of production relative devaluation of traditional technology and industrial complexes, forming the upper floor supranational economic pyramid global economy, where key players developed country TNCs and IFIs [1, p. 370-376].

Most important, the approaches presently A. Halchynskiy that considers globalization as a planetary gear that seamlessly combines communication tools interaction, on the one hand,

man and man, and the second – a man and all humanity with nature and biosphere [2, p. 17].

Ukraine has a number of promising industries, including the mining industry, agriculture, chemical industry and metallurgy, which is promising for attracting investment in the context of globalization. Priority areas to attract and maintain strategic investors may be the ones where Ukraine has traditional production, has the necessary resource potential and creates a significant need in the relevant market of products: tractors, combine harvesters, aircraft, rocket, oil and gas extraction, recycling for nuclear power plants, the development of power generation facilities, agricultural products processing, transport infrastructure, production of cars and trucks, the introduction of energy saving technologies.

To substantiate the conceptual foundations of public investment policy of the agricultural sector should result in the analysis of investment sectors Ukraine significance (Table 1).

Today, globalization contributes to the accelerated development of the productive forces, scientific and technological progress increased the intensity of the relationship between the economies. Globalization provides a comprehensive effect in modern terms,

combining factors such as foreign capital, new technologies, integration capabilities and access to global markets, such as the global technology market.

Evaluating the effectiveness of investment in manufacturing increased globalization, it should be noted that, in turn, promotes the development of international relations, stability, foreign relations and foreign policy, strengthening internal production potential, which is a necessary condition for the development of any economy.

The most attractive for foreign investors were high yielding economic activities: financial activities (especially given the rapid development of the credit market), manufacturing, real estate, trade and construction. However, considering the impact of foreign direct investment should note that much of the foreign capital in recent years has focused on the acquisition of existing assets rather than creating new industries that could produce competitive products to domestic enterprises.

In order to improve economic conditions and create a favorable investment climate, it would be appropriate to create in Ukraine a single database for all enterprises (including in the field of SME), which would provide spe-

Table 1

**Investment Analysis relevance industries Ukraine**

		Long-term attractiveness	
		High	Between low and medium
Relative Competitive Advantage	High	Promising sectors that need investment to modernize domestic production capacity	Industries with a high level of maturity, generating significant resources for economic development and national investment
		Metallurgy and processing c.-h. products engineering	Extractive industry (oil, gas, minerals), chemicals
		Investment strategy: achieving leading positions in emerging markets	Investment strategy: the introduction of new technologies ensuring long-term investment
	Between low and medium	Promising sectors that operate in a highly competitive to other major markets	Industries with low competitive advantage that require constant subsidies for income
		Finance, agriculture, food processing, transportation, logistics, power	Tourism, the pharmaceutical industry and medicine, nanotechnology, micro-electronics, information technology and telecommunications
		Investment strategy: reduce dependence on imports of alternative	Investment strategy: state aid, modernization of production to improve competitive advantage

Source: [3]

cific information on investment opportunities in Ukraine with proposals for specific projects and search for potential partners.

It should be remembered that the inflow of foreign investment into the country means accelerating long-term growth is subject to management. Therefore, the government raises the short-term macroeconomic objectives – managing intense foreign currency earnings. The sharp increase in its volume can lead to a rapid increase in loans rise in domestic assets in the future – to stimulate inflation, which confirmed the crisis on global financial markets.

Foreign investments have been invested in the economy of Ukraine, mainly aimed at supporting and expanding existing production rather than innovation of processes. This is evidenced by the distribution of investments in accordance with the structure of the industrial potential of Ukraine for technological structures (Table 2).

About 75% of all investment funds aimed at the production of low technological level (third way), while their modernization and technical re-equipment was sent to more than 80% of total investments of this type. Only less than 0.5% of investments were utilized by enterprises belonging to the VI technological mode and use the latest technology.

Lack of investment in new high-tech production (the production of V and VI technological mode in Ukraine was allocated less than 5% of total investments) also resulted in the inability of domestic producers to respond to growing domestic consumer demand. The result was a sharp increase in imports of consumer goods.

Economic growth in Ukraine is mostly a renewable and extensive. For production used the existing capacities of traditional sectors,

while new high-tech industries are not created. This is due to the predominance of the structure of sources of equity investment enterprises, while loans despite a gradual increase in their share in the structure of investment sources, and could not provide for the creation, of new types of production, and the stock market as a potential source of capital for start-ups and remained underdeveloped.

The main areas of competitive advantages of the internal market in Ukraine could be the following:

- “Green” agriculture;
- Intellectual production;
- Transit function.

Promote the development of these areas will not only realize the competitive advantages of the internal market of Ukraine, but also have a significant cumulative effect on the development of other sectors of the economy that will realize the competitive advantages of our country on the international market.

State investment policy of Ukraine should aim at sustainable development of the national economy on the basis of investment and innovation, food security, increase export potential, consistent application of WTO mechanisms to protect the domestic market, creating conditions for the full development of infrastructure elements. Signs modern national economy is the lack of investment resources needed for restructuring the industry, there are problems attracting external funding, especially foreign investment. Accordingly, the current state of the economy requires a systematic approach, based on a need basis and develops the concept of the formation of public investment policy of the industry.

In terms of macroeconomic instability and unsystematic changes is particularly important

Table 2  
**Reproductive structure of industrial potential of Ukraine for technological structure (% of total)**

technological structure	Industrial production	Funding scientific and technological development	Innovative costs	Investments	Investments in modernization and technical re-
III	57,59	6,86	29,55	74,67	82,51
IV	38,18	69,47	61,16	20,38	10,88
V	4,19	23,55	8,64	4,52	6,56
VI	0,04	0,12	0,64	0,43	0,04

Source: [4, p. 69]

optimally chosen conceptual approach to study areas of public investment policy. The concept should take into account the rules that dictate the authorities, to determine the main directions of change in the regulatory legislation of the country. In the overall structure of concepts defined goals and objectives for their achievements, gear performance and actual amounts of funding. Thus, in order to create the concept of public investment policy should be to develop system management tools that can quickly respond to possible changes in the situation in the society. In particular, S. Raevskii believes that the development and implementation of the concept based on such aspects as assessment of the level and characteristics of the socio-economic development, developing scenarios restructuring the economy, as well as strategies to adapt to the new system of inter-relationships and interdependencies, choosing rationale and perspective directions of development of the regions and industries that depend on developed scenarios that take into account regional specialization of production [5, p. 18].

Concept of investment should include an overview of the strategic goals and priorities, economic policy and its key trends, means of implementing those goals. So concept of public investment policy should unit directed the formation of qualitatively new economic structure that provides effective methods to mobilize national investment policy. This would provide the structural balance of technology that helps overcome imbalances in the development of inter-sectoral and inter-regional economic complexes and individual industries.

Strategic planning should be a systematic process that is initiated and maintained, above all, political power and economic societies. Strategic planning today stands as a function of the strategic project management and is one of the main instruments of government. Also, the development strategy of the state and the regions should not be an administrative regulation, directive, which must above. It must be agreed between the executive, commercial organizations and various NGOs and multi-vector to be the agreement on implementation of specific measures to improve the efficiency of joint activities in various areas of social and economic development. Mentioned in the strategy goals and objectives should be strategically

more important for the region's population than the authorities.

The Ministry of Economy is concentrating its activities in two areas: support for an enabling environment for investment, which involves the minimization of risk and the development of legislation to ensure the stable operation of both domestic and foreign investors on the analysis, forecasting, and catalysing investment resources from all possible sources of real.

Conclusions and recommendations for further research. In a globalized and dynamic speed of information is necessary to investigate how to implement information management process of investment. Information that may be available to help identify problems, improvement of working methods, the introduction of new technology, lower costs and maintain facilities, good positioning, good cooperation with other actors in the economy and creating an attractive investment environment in the workplace. Since this factor influence today formulated primarily only in conjunction with others, the prospect for further research is to develop information provision of financial resources and the contractual relationship that requires analysis of the current state enterprises and their environment.

Thus, the concept of the investment priorities of the national economy are:

- Development of state investment and innovation policies and strategies at national and regional levels aimed at development of advanced technological modes;
- Creation of organizational-economic mechanism of functioning of industries for investment and innovation base;
- Strengthening the role of civil organizations in enhancing investment and innovation;
- Improving training in the field of investment and innovation that will improve the investment activities of organizations and commercialization of research results.

We believe that it is at the state level, it is possible to provide a comprehensive, long-term, dynamic planning of investment of national economic development under globalization. This approach will provide a comprehensive and systematic process to create favorable conditions for foreign and domestic investors, facilitate the objective of increasing investment in the national economy.

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