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## **INFLUENCE OF THE SHADOWED ECONOMY ON INVESTMENT PROCES OF COUNTRY**

**Annotation.** In the article influence of the shadowing of economy is considered on intensity of investment process in Ukraine. Maintenance of concept of investment attractiveness was investigated. The comparative analysis of statistical and calculation data which characterize an investment process is conducted, effectiveness of activity industrial a sector and dynamics of friendly to the shadowing of economic activity of processes.

**Keywords:** shadow economy, investment attractiveness, investment climate, economic security.

**Raising of problem.** For today the economy of Ukraine functions in difficult terms, predefined a system crisis in key industries of industry. One of basic pre-conditions for its overcoming there is creation of favorable environment for development of small, middle and large business, appearance of businessmen, able to realize resource potential of country which will stimulate the wave of investments in the real sector. In same queue, not only the level of financial-economical and technological development but also stability of social-economical and political position depends on efficiency of their mastering and use.

Without regard to considerable resource potential, Ukraine from the point of view of world public remains as not enough attractive object for opening and development of business. In particular, after rating of Doingbusiness on 2014 among 189 countries Ukraine occupies 112 places, improving a result on 25 positions as compared to the last year's rating (what was made on 185 countries) [20].

A problem of increasing of investment attractiveness of Ukraine is complex because needs changes in legislative and institutional spheres. However much minimization of influence of effects of shadow economy (for example, corruptions, destabilizations of the financial

system, stability of national currency, and others like that) has a not less value on forming of investment climate of Ukraine, which, from one side, turns away attention of external investors in behalf of countries with a higher level the observances of legality in private and public sectors and from other party, creates large enough investment risks for residents and barrier of development of operating enterprises. Thus, the question of increasing of negative influence of shadow economy, in thereby on an investment climate, remains actual and for today.

**Analysis of the last sources and publications.** Shadow economy as one of comings to a head problems of the Ukrainian state accompanies it from the beginning of having of independence, that is why this theme has been investigated deeply for today. In particular, it is necessary to mark labors of such research workers as O. Bandurka, Z. Varnaliy, V. Geets, Y. Zhalilo, V. Lipkan, I. Mazur, M. Melnik, V. Muntiyan, O. Turchinov, S. Sazanov, V. Senchagov, devoted to the study of essence of shadow economy, factors of its origin and development, influence on social-economical life of society.

Among the last researches it is necessary to mark the contribution of O. Pidkholmno and O. Gluschenko in research of influence of illegal enterprise on development of the financial

system of Ukraine [12], O. Ribchak – in studying of features of development of shadow economy in Ukraine [14], M. Fominoy and others – in understanding of interconnection between a shadow economy and corruption, features of their development, practice of foreign countries, in prevention of these phenomena [6] M. Kravchenko – in researching of influence of shadow economy on economical security of region [7], E. Samoylenko – in studying of the structure and influence of shadow economy on economic development of the state [15], I. Slinka – in the development of directions of declining of level of shadow economy in a region [16].

Due to contribution of the predecessors, it must be mentioned that a problem of influence of shadow economy on the investment attractiveness of the state and region, which is remembered, usually, superficially, is out of view of majority of researchers. The exception is works of O. Trufanova, D. Trufanova [18], N. Kraus [8] and others, in which this question is the object of research. Thus, a requirement in research of burning problem is predetermined insignificant quantity of the special researches, devoted to the estimation of influence of shadow economy on forming of investment climate.

**The purpose** of the article is finding of maintenance and structure of influences of shadow economy on the investment attractiveness of the state.

**Presentation of of basic material of research.** In economic literature many approaches was formed a for interpretation of essence of investment attractiveness of country. So, from subjective points of view (expectations of proprietor of capital), an investment attractiveness is examined as the generalized description of advantages and disadvantages of in vesting's objects. During its realization the subjective estimation of macroeconomic situation which is folded in a that or other country is conducted. An investment attractiveness is determined by the level of achievement of compromise between interests of investors and recipient of investments. Its level rises at rapid achievement of consensus between subjects of innovative investment process [9, s. 50].

Main essence of investment attractiveness consists in realization of strategy of having of

maximal income from invested capital. Therefore for today, at development and acceptance of investment decisions, a foreign investor leans on researching of competitiveness of regional economy, namely pays regard to regions which are more attractive [19, s. 60].

An investment attractiveness is determined as a system or connection of different objective features, means and possibilities which draw in an aggregate potential solvent demand on an investment in this region [11, s. 40-47].

It is necessary to mark that besides clearness and understanding of constituents of concept of investment attractiveness, the above-mentioned determinations do not allow to examine it as an object of administrative influence, because don't expose the problem of determination of priority of those or other factors on the basis of which a decision about investments is made or about their influence on the value of final estimation of index of investment attractiveness. In this connection, for achievement of the aim of the article it is important to consider the constituents of index (factors) of investment attractiveness and trace their connection (dependence) with the effects of shadow economy.

An initial point is vision of investment attractiveness as a double-base structure which consists of [1, s. 2-7]:

- investment potential, which is determined economic, social and naturally geographical by factors;
- noncommercial investment risks, which determined by external in relation to an investor macroeconomic, by a political and social economical situation on territory.

Investigation of conformities to law of forming of investment potential of the economic system has certain features. At first, it is necessary to take into account, on that every element (level) of the economic system, owning an own investment climate, influences on forming of investment climate other the elements (level). However much an investment climate of the economic system of certain level is the aggregate of investment climates of its constituents of lower level. Secondly, the investment climate of every element of the economic system is characterized the own set of indexes which characterize it investment attractiveness. Therefore the key moment of this research is a selection

of indexes which can high-quality characterize the dynamics of investment attractiveness of Ukraine in modern economic terms.

Taking into account a scale and complexity of pointed problem, which needs independent fundamental research, separate indexes which allow to form the general picture of basic tendencies of investment process are considered in this work only (in an industrial production):

- statistical data, which generally characterize the development of industrial potential of the state, and also investment attractiveness, for internal and external investors;
- analytical data which characterize organizational and legal principles of conduct of business in Ukraine.

Information allow to describe the place of domestic producer in the system of international division of labor about an export from Ukraine, stated below (table. 1):

Most export industries of the Ukrainian industrial complex is metallurgy, extractive industry, engineer and plant-grower, which in an aggregate are 64,6% domestic export for 2013. In compare to before crisis time in 2008 analogical index was higher and was 69,5% at

that a volume of export was 3642,4 million dol. USA greater, than for the last year.

Such situation has fully appropriate explanation – investment activity of domestic enterprises, directed on modernization of old equipment and mastering of innovative productions is very low, what information of Government service of statistics of Ukraine testify to [10]. For the last seven years part of enterprises which conduct innovative activity is within the limits of 12,8%-17,4% from the general amount of enterprises. For analyzing period it is possible to select three periods of vibrations of innovative activity – from 2007 to on 2009 part of enterprises diminished on 14,2% to 12,8%, from 2009 to on 2012 – grew from 13,8% to 17,4%, and in 2013 diminished to 16,8%.

The data specify that to the innovative process in Ukraine is attracted insignificant enterprises which probably, function in perspective, or the monopolized industries of industry, and carried out, in accordance with the necessity of certain amount of concrete subjects of manage, on what disproportion of charges specifies on innovative activity. In particular, most was a sum in 2011, when specific gravity of innovative enterprises was 16,2%, and in 2012, when them it was

Table 1

**Commodity structure of export, million dol. THE USA**

<b>Names of goods as for UKTZED</b>	<b>2008</b>	<b>% to total sum</b>	<b>2013</b>	<b>% to total sum</b>
the Unprecious metals and wares from them	27594,0	41,2	17570,7	27,8
<i>Ferrous metals</i>	22954,6	34,3	14319,3	22,6
<i>Items from ferrous metals</i>	3533,1	5,3	2589,8	4,1
the Mineral products of	7046,1	10,5	7494,9	11,8
<i>ore, slag and ash</i>	2153,6	3,2	3917,5	6,2
Machines, equipment and mechanisms; electrotechnical equipment	6341,1	9,5	6975,0	11,0
Plant's products	5577,4	8,3	8875,9	14,0
<i>seed and garden-stuffs of oil plants</i>	1426,2	2,1	2048,1	3,2
<i>grain-crops</i>	3703,8	5,5	6371,3	10,1
Chemical products and industries concerned with it	5045,3	7,5	4327,3	6,8
<i>inorganic chemistry</i>	1603,6	2,4	1744,3	2,8
<i>fertilize</i>	1996,5	3,0	1171,1	1,8
Means of transport, aircraft and shipping	4321,3	6,5	3344,0	5,3
Totally	66954,4	100,0	63312,0	100,0

Source: it is built on the basis of working of information [3]

17,4%, wastes were less than result in 2008, when about 13% enterprises were attracted in innovative activity. Ratio of spends for innovative activity to the total sum of investments for proper period confirms such tendency. However, if in 2011 this correlation was the greatest with an index 5,5%, at 2013 is the lowest with an index 3,9%.

On a background the decline of volumes of export after 2013 as compared to 2007 an anxious tendency is a decline of specific gravity of innovative products in the general volume of the made products in Ukraine: from 6,7% to 3,3% accordingly.

**Conclusions.** To our opinion, the inconsistency of actions of regulative organs specifies on that the state until now takes it easy to solve

problem of corruption in the vitally important spheres of organization and conduct of competitive business. Registration procedures, considerable tax pressure, are artificially complicated obviously, and also the unprofitable terms of realization of export-import operations reduce the personal interest of internal and external proprietors of capital in investments, directed on modernization of material and technical base directed on modernization of material and technical base of an industrial sector and opening of innovative productions. The prospects of subsequent researches are in researching of influence of effects of shadow economy on the structure of factors of forming of investment climate of the state.

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