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An extended abstract of a paper on the subject of:

**POSITIVE AND NEGATIVE FACTORS OF THE INVESTMENT CLIMATE IN UKRAINE**

**Problem setting** The economic development of any country is closely correlated with the attracting of foreign investment. Governments of all countries are trying to create favorable political, legal and social conditions for attracting of foreign investment. The investment climate in Ukraine is extremely unfavorable for foreign investors due to several reasons: low level of protection of investors’ rights and legal interests; negative international investment image of the country etcetera. This has led to the fact that in Ukraine for a long time there is a significant shortage of domestic financial resources, so the problem of attracting foreign investment has been and remains extremely important.

**Recent research and publications analysis** The problems of the attracting of foreign investment and factors of the investment climate in Ukraine were described by many foreign and domestic scientists and researchers, including: Gorbachova Yu. I., Melnyk M. I., Peresada A. A., Reznik N. P. and other. Appreciating the contribution of scientists in this sphere, it should be noted that present Ukraine's investment climate remains unfavorable. There are different approaches to the factors of investment attractiveness of the country in the literature of public administration. In general, most domestic scientists distinguish the following groups of the factors of investment climate: political, legal, economic, social, geopolitical etcetera. Some factors in different sources and theories are valued in different ways: sometimes the effect of the same factor considered in some theories as positive, in others – as negative. Factors of investment climate in different
countries are different. They depend on the level of economic development of country.

The paper objective The objective of the article is analysis of the investment climate based on key indicators of the international rating of «doing business» and rating of «economic freedom» and identification of the positive and negative factors of the investment climate in Ukraine.

The paper main body In the article the special attention is given to international rating of «doing business» and rating of «economic freedom».

I. The rating of «doing business» evaluates conditions of initiating, maintaining and closing a business in most countries. The method of its calculation is based on an estimate of the ten groups of factors. According to the methodology for calculating the index of «doing business» the overall conditions of initiating, maintaining and closing a business has improved in Ukraine thanks of improvement of such indicators: starting a business; dealing with construction permits; registering property; getting credit; paying taxes; trading across borders. The problematic indicators are: getting electricity; protecting minority investors; enforcing contracts; resolving insolvency.

II. The rating of «economic freedom» evaluates the administrative pressure on business in most countries. The method of its calculation is based on an estimate of the ten groups of factors. According to the methodology for calculating the index of «economic freedom» Ukraine is a country with «repressed freedom». The best indicators of «economic freedom» are: business freedom; trade freedom; fiscal freedom; monetary freedom; labor freedom. The worst indicators are: government spending; investment freedom; financial freedom; property rights; freedom from corruption.

Conclusions of the research and prospects for further surveys
Summarizing the results of the research we come to the following conclusions. It was found that there aren’t universally factors of investment attractiveness of the country in the literature of public administration. The analysis of the international rating of
«doing business» and rating of «economic freedom» and their components, allowed us to identify the positive and negative factors of the investment climate in Ukraine.

The positive factors are: starting a business; getting credit; paying taxes; registering property; trade freedom; fiscal freedom. The negative factors are: resolving insolvency; protecting minority investors; getting electricity; enforcing contracts; investment freedom; property rights; freedom from corruption; financial freedom; government spending. The results of the analysis have shown the necessity to develop the positive factors and minimize the negative factors of investment climate for attracting foreign direct investment.