USE OF WORLD EXPERIENCE IN INCREASING INVESTMENT ATTRACTIVENESS OF UKRAINE REGIONS

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***Abstract**. The article is devoted to the research of the issues of using the world experience of increasing investment attractiveness and its adaptation for the regions of Ukraine. The purpose of the study is to use world experience to increase the investment attractiveness of the regions of Ukraine. In scientific articles in the research methods of scientific cognition, comparison, generalization and comparison were used, which allowed to make effective conclusions on the basis of the conducted researches. The experience of formation and development of investment attractiveness of the territory of such European countries as Poland, France, England, Scotland, Ireland, Germany, Sweden is considered. The advantages of these countries in achieving positive results in the development of the investment sphere have been established. The experience of the USA and China is studied, as in terms of economic indicators these countries have a positive experience in forming the investment attractiveness of the territory. The results of generalization of positive world experience in promoting the investment attractiveness of the territory in tabular form are presented. The expediency of using certain elements of the mechanism of public-private partnership of Sweden, Canada, the USA at development of the mechanism of maintenance of investment attractiveness of regions of Ukraine is proved.*

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Introduction. An effective condition for the development of any socio-economic system is the availability of investment as a more important source of economic growth of the state. The problems of Ukrainian society, which are primarily related to the political and economic crisis, as well as military action in eastern Ukraine, create significant obstacles in the process of attracting investment. Ukraine and its regions, having a significant natural resource potential and thus providing high-quality human capital, still face difficulties in attracting investment. The lever to change this situation can be to ensure and stimulate the investment attractiveness of the economy of the territory.

Intensification of investment activities of economic entities allows them to create conditions for innovation, optimization of production processes and production, building and upgrading production capacity, expanding existing and conquering new markets, the implementation of strategic objectives and more. To this end, there is a question aimed at increasing the investment attractiveness of Ukraine and its regions, the implementation of which provides a basis for solving socio-economic problems of the country and creates prospects for its development.

Literature review. The works of foreign classics of economic theory L. Smith, D. Ricardo, J. Keynes, D. Mill, P. Samuelsson, L. Marshall, J. Schumpeter are devoted to the study of theoretical and methodological aspects of the problem of increasing the investment attractiveness of territories at the national and regional levels. K. Campbell et al.

The fundamental foundations of theoretical and methodological and applied research in ensuring the investment attractiveness of territories were laid and later developed by such domestic scientists as I. Blank, L. Gorbatyuk, A. Zagorodniy, P. Zachepylo, I. Ivashchuk, I. Krupka, T. Mayorova , M. Melnyk, A. Peresada, A. Peshko, I. Sazonets, V. Strunina, V. Fedorova and others.

However, despite the existing rather powerful tools to increase the investment attractiveness of territories, the development of a unified methodology for its evaluation and the development of a mechanism of stimulation in modern conditions of development of specific territorial entities are quite relevant and timely. Thus, the study of world experience in increasing the investment attractiveness of the territory allows to identify and propose the most successful projects in the regions of Ukraine.

Aims. The purpose of the study is to use world experience to increase the investment attractiveness of the regions of Ukraine.

Methods. In scientific articles in the research methods of scientific cognition, comparison, generalization and comparison were used, which allowed to make effective conclusions on the basis of the conducted researches.

Results. The study of the experience of formation and development of investment attractiveness of regions is due to the fact that some countries in a short period of time have achieved positive results in the development of investment in the territory of the territory World Bank, Institutional Investor, Euro money, Business Environment Risk Index (BERI), Moody's Investor Service, «The Ekonomist», «Fortune», «Euromoney» and other sources.

The study of the Polish experience is timely and useful for the Ukrainian economy. Note that the management system of Polish regional policy has three levels, ie, implementation takes place at the national, regional and local levels. The same management structure in Ukraine. The regional level of Poland is represented by the administration in the voivodships. Voivodeships, in turn, implement management functions through the implementation of regional development programs, monitoring of the socio-economic situation in the region, infrastructure development, etc. The local level provides for change management, through local governments, by ensuring the effective functioning of regional production and social infrastructure (local transport, utilities, health care, primary education, culture, etc.) (Shevchenko, N.I., 2010). In the context of investment attractiveness, it should be noted that local governments have independence in regulating investment activities. Investments are managed by the State Council for Territorial Development. This allows to increase the level of investment attractiveness of the regions of Poland and promotes the activation of investment resources, which at the same time attracts investors, as well as has a positive impact on the development of strategic directions of the regions.

The territorial structure of France also has three levels (as Ukraine and Poland), namely the region, department, commune. France's investment activities are regulated by the National Bank and the Ministry of Economy, Finance and Budget. Separately, the Ministry of Economy, Finance and Budget has a Treasury Foreign Investment Service (Office D3), which is responsible for declaring foreign investment, collecting data on investors and their investment goals (Shevchenko, N.I., 2010). Due to the decentralization of power, French local communities have great powers, including in investment processes, as evidenced by the vast majority of taxes to local budgets, as well as unlimited freedom to use investment loans. In addition to local authorities, investment is taken care of by institutions such as the National Agency for the Establishment of New Enterprises, the National Agency for Research Promotion and the Agency for Economic Development.

The formed investment potential of the regions of France contributes to the creation of greater opportunities for the development of the territory, increasing investment attractiveness, which in turn allows to form an effective regional policy taking into account the coherence of the interests of all investment entities.

The experience of England is positive for the regions of Ukraine, because at the present stage of development they face the problem of the land market and foreign investment in this sector. The fact is that English law has the Law "On Industry" dated 1975, which states that "… the government may prohibit the purchase by foreign investors of important manufacturing enterprises, if it is contrary to the interests of the state… (Euro money’s Country Risk Rankings, 2017). The creation of such restrictive measures will help support national interests, achieve the set goals and allow Ukraine to resolve debates about foreign investors who may become landowners in the future, create additional jobs, a healthy competitive environment, and replenish local budgets through taxes.

In addition, in England, in order to intensify investment activities, the European Investment Bank provides soft loans on favorable terms up to 50% of fixed capital investments. Regional agencies and development corporations play an important role in shaping the effective investment policy of the British regions. For example, the Scottish and Welsh Development Agencies, the London Dock Development Corporation and the River Meiser. These agencies provide objectivity, thoroughness in the study of regional problems, assess the benefits of the regions and develop measures to balance investments in regional development, which in turn contributes to their further prosperity (Euro money’s Country Risk Rankings, 2017).

Scotland's experience in improving the investment climate is linked to the development of economic clustering processes. The creation of integrated enterprises and training for them is carried out through the creation of networks of local companies (the Local Enterprise Companies - LECs), which coordinate the formation of economic infrastructure, including administrative, accounting, real estate services, marketing, investment programs, land protection (Main economic in dicators from Organization for economic cooperation and developmentnt, 2012).

A feature of the functioning of investment policy in Ireland is the intensification of the development of specific industries. According to the European Business Association, as of December 2019, more than two-thirds of Ireland's industrial output is produced by foreign firms. Foreign investment has allowed to achieve high rates of economic growth (European Business Association: Investment Attractiveness Index of Ukraine, 2019).

As a positive experience of investment attractiveness consider Germany. Despite the fact that Germany has a difference in territorial organization and its subordination, the essence of which is the functioning of the German regions as separate states that have sovereignty and are not legally subordinate to the federation. The powers of the federation give them the opportunity to perform a wide range of management functions, which are enshrined in law, Art. 109 of the Constitution of Germany. Each region has its own constitution, democratically elected territorial parliament (landtag), territorial administration - the government. Each region has its own legislation, which does not contradict the federal, as well as its own citizenship, but the main thing is the citizenship of Germany. There is a federal constitutional court to resolve possible conflicts between the center and the regions. Thus there is a dual division of power.

In addition, it has been established that in Germany there are no regulatory restrictions on the movement of foreign capital, the volume and nature of foreign exchange transactions, as well as on the financing of foreign companies in the local debt capital market. The regulation of foreign investments is carried out on the basis of the Law "On Foreign Economic Relations" of 1961 and the Law "On Loans" subsidized in 1976 (Zoltán Kalcsú, 2019).

Increasing the investment attractiveness of the territory in Sweden was due to investment in education and science. In the second half of the last century, the government paid special attention to the training of engineers. The availability of qualified engineers has largely determined the growth of Swedish companies, industry and the economy as a whole. An important role was also played by a focused public procurement strategy that boosted demand and encouraged companies to invest more in research and development (R&D, in our R&D terminology). The so-called "development pairs" were formed in the country, which included the leading company in the industry and the relevant ministry (state agency) (Balassa B., 1965). Their active interaction contributed to the formation of industrial clusters, which still function successfully today.

In addition, a very important factor in the sustainable investment attractiveness of Sweden was the state policy for the development of innovation. Thus, due to the intensification of the actions of public authorities and the Agency for Economic Cooperation and Development (OECD) for the period from 1981 to 2001, Sweden moved from fifth place in the ranking of countries investing in research and technological development (r & d) to second position. Importantly, 75% of investments were made by private companies, not the state.

Thanks to the coordinated actions of the Ministry of Education, Research and Culture and the Ministry of Industry, a Strategy, Innovative Sweden (Innovative Sverige) was developed in 2004, outlining the main directions of the government's innovation activities, which are still relevant today (Komaromi, 2018):

1) development of knowledge base for innovation development;

2) development of innovative entrepreneurship;

3) government contributions to the innovation sphere;

4) development of people in an innovative environment.

This approach allowed to form the investment attractiveness of the territory, which had a positive impact on the quality of life and economic development of the state as a whole.

A similar vector in the direction of formation of investment attractiveness in Canada. During 2009-2019, the Government of Canada focused on providing benefits to research and development companies. The program of tax benefits for research and experimental development provides companies with a direct and complete write-off of most costs, as well as tax credits of 20 - 35% (Index rating of investment attractiveness of countries, 2020).

After analyzing the experience of the United States, it was found that the creation of favorable investment attractiveness of the states is defined as one of the key areas of activity of territorial authorities, where special attention is paid to economic and organizational support of foreign investment. As of 2018-2019, there were about 10,000 economic development programs at the local government level, which provide broad non-financial benefits for foreign investors. As part of activities to stimulate the economic development of local governments, 25 states have created about 1,500 so-called business zones, in which foreign investors enjoy wide benefits. All government methods of creating investment attractiveness states can be divided into the following groups (Rostow W.W.):

- direct financial incentives (granting loans, grants, loans and credits by state governments);
- fiscal measures (introduction of various taxes on business activities);
- tax benefits and special methods (tax deductions, discounts, and tax credits).

From a methodological point of view, the formation of investment attractiveness of the states is based on an integrated approach, which involves focusing on the interrelated changes of different groups of investment conditions (institutional, financial, infrastructural). The practical implementation of an integrated approach is primarily related to the testing of the mechanism of public-private partnership, which allows to improve investment attractiveness through:

- creation of structural elements of the new economy based on the integration of business organizations of the real and financial sectors of the economy, on the one hand, and research structures of higher education, on the other;
- pooling the financial resources of the state and private investors and directing them, above all, to the development of the innovative component of the territories (Born horst Fabian, 2013).

The Chinese government has decided to make attracting foreign investment a priority in economic policy. To this end, the first "special economic zones" were established in China (in the provinces of Guangdong and Fuyang). These zones differed not only in the liberal tax regime, but also in significantly easing administrative barriers to starting a new business. Hong Kong and Taiwanese investments in the Chinese economy have also played an important role in the success of economic zones.

Examining China's investment strategies for the last period (2009-2019), we can conclude that the country's investment policy is based on a gradualist approach, which involves a gradual, step-by-step, but large-scale capture of commodity markets for further growth of the national economy.

The results of generalization of positive world experience in promoting the investment attractiveness of the territory are shown in Table 1.

Discussion. The study of the experience of formation and development of investment attractiveness of such European countries as Poland, France, England, Scotland, Ireland, Germany, Sweden is due to the fact that they have achieved positive results in the investment sphere, thereby improving the socio-economic development of the country. As the United States and China are leaders in economic indicators, and have the most powerful economies in the world, their experience was generalized.

Conclusion. According to the results of the study, investment processes in most countries are managed on the ground (in the regions), and the responsibility rests with various agencies, whose activities are coordinated by the state, and in some cases not coordinated at all.

It is proved that some elements of the mechanism of public-private partnership of Sweden, Canada, USA should be used in developing the mechanism of investment attractiveness of the regions of Ukraine, as it (mechanism) contributes to the creation of structural elements of the new economy. development of the innovative component of a separate territory.

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Table 1

The results of generalization of positive world experience in promoting the investment attractiveness of the territory

№	Country	Institutionalization of the management process investment attractiveness of the regions	It is recommended to borrow
1	Poland	Local governments have independence in regulating investment activities. Investments are handled by the Polish Information and Investment Agency on behalf of the government. Revenues from investment activities of the regions remain in local budgets.	Investment incentives for investors: tax benefits, cash grants for investment and job creation. "Investment Support Programs of the Polish Economy 2011-2020" for investments in: automotive, aviation, electronic, biotechnology sectors, as well as in the sectors of food industry, research and development. Special economic zones are exempt from income tax and real estate rent.
2	France	Local governments have unlimited powers in investment processes. In addition to local authorities, investment is handled by the National Agency for the Establishment of New Enterprises, the National Agency for Research Promotion, and the country's Economic Development Agency.	Clustering of economic space. Using the experience of innovation in strategic sectors: sustainable development of the carbon-free and renewable energy sector, the creation of fourth-generation nuclear reactors, long-term urban development and transport development.
3	England	Regional agencies and development corporations play an important role in shaping the effective investment policy of the British regions.	The main provisions of the Law "On Industry" for the settlement of land issues. Providing loans to investors on preferential terms up to 50% of fixed capital investments.
4	Scotland	The National Economic Council ensures the implementation of investment policy at the state level. It reports to the Regional Economic Council and the Council of Regional Ministers, which perform the function of monitoring the decisions taken in each region to ensure compliance with national priorities.	Clustering of economic space. Training for integrated enterprise specialists. Creating a network of local companies for the development of economic infrastructure of the territory, including administrative, accounting assistance, real estate services, marketing, development of investment programs, land protection.
5	Ireland	Investment control is controlled by the Industrial Development Agency of Ireland.	Attracting foreign investment on the basis of tax policy (setting preferential tax rates), constantly informing foreign investors about changes in the economic sphere, attracting investments in high-tech industries, opening branches, industries and headquarters of leading global corporations.
6	Germany	The investment sector of the German economy has a high specificity due to the special role of banks in it, so investment activity is controlled by the German Federal Office for the Supervision of Credit Institutions. Regulation of investment activity is carried out on the basis of the Law "On External Economic Relations" and the Law "On Loans".	In Germany, there are no regulatory restrictions on the movement of foreign capital, the volume and nature of foreign exchange transactions, as well as on the financing of foreign companies in the local debt capital market. However, this idea should be implemented a little later, when the Ukrainian government manages to fight corruption and foreign investment reaches the level of Germany.

№	Country	Institutionalization of the management process investment attractiveness of the regions	It is recommended to borrow
7	Sweden	Foreign investment is regulated in accordance with the Swedish Foreign Affiliates Act, which requires any owner to register with the Environmental Protection Agency, the Tax Agency and, in the case of foreign residence, the Swedish Migration Service. To facilitate the inflow of foreign investment, the Swedish government has set up a Swedish Investment and Export Promotion Team, as well as a Foreign Credit Council.	The mechanism of investment infusions in education and science. Features of formation of industrial clusters. The main provisions of state policy for the development of innovation.
8	Canada	On the basis of the Parliamentary Law on Export Development in Canada, the Export Development Corporation was established, which reports to Parliament and its activities are managed by the Ministry of International Trade of Canada. The main functions for attracting investments are assigned to the Investment Bureau.	Mechanism for providing benefits to companies conducting research and development. The main provisions of the Program of tax benefits for research and experimental development.
9	USA	Regulation of foreign investment is carried out within the general regulation of foreign economic activity in accordance with the Comprehensive Law on Trade and Competition. This law gives, in particular, the right of the President of the United States to prohibit or stop mergers, the acquisition of assets, if there are grounds to believe that there is a threat to national security. Each state has special international trade units that attract foreign capital. Also, each state has its own business zone, which has benefits for investors.	Borrow economic and organizational support to attract foreign investment, namely: direct financial incentives (loans, grants, loans and credits by state governments); fiscal measures (introduction of various taxes on business activities); tax benefits and special methods (tax deductions, discounts, and tax credits). Borrow the methodological basis, namely a comprehensive approach that provides a focus on interrelated changes in different groups of conditions of investment activity (institutional, financial, infrastructural). Use the components of the mechanism of public-private partnership.
10	China	The Asian model of public investment policy is based on the close relationship between the state and private investors. At the state level, the functions of investment attractiveness management are assigned to the Ministry of Industry and Trade. At the regional level, the State Investment Corporation of China.	Commercialization of the use of foreign exchange reserves. The state-owned Chinese Investment Corporation, whose capital is formed by transferring $ 200 billion to it. from the country's foreign exchange reserves, and the capitalization mechanism provides for the issuance by the Ministry of Finance of the PRC of a special ten-year bond loan of 1.55 trillion. yuan and the use of these funds to repurchase the specified part of the national currency reserves.