O. Fedorchak

THE BASIC APPROACHES TO SCIENTIFIC DETERMINATION OF THE INVESTMENT CLIMATE

Problem setting: The investment climate in Ukraine is extremely unfavorable for foreign investors due to the several reasons: the military aggression by the Russian Federation; the lack of purposeful strategy to attract foreign capital into the domestic economy; low level of protection of rights and legal interests of investors; negative international investment image of the country. This has led to the fact that in Ukraine for a long time there is a significant shortage of domestic financial resources has been in Ukraine for a long time, so the problem of attracting foreign investment has been and remains extremely important.

Recent research and publications analysis: The problems of investments and investment climate were described by many foreign and domestic scientists and researchers, including: Blank I., Vlasyuk O., Gavrilyuk O., Karpinski B., Kubakh T., Mayorova T., Malko K., Melnyk M., Navrotska N., Novak I., Onischenko O., Orobchuk M., Peresada A., Tereshchenko V., Fedorenko V., Chemerys O., Sharp W. and others. Appreciating the contribution of scientists in this sphere, it should be noted that present Ukraine's investment climate remains unfavorable.

Paper objective: The objective of the article is an analysis and synthesis of existing approaches to the interpretation of the category of investment climate that will make it possible to deepen essence of that definition.

Paper main body: Today there are different approaches to the meaning of investment climate. Analysis of the scientific literature gave an opportunity to distinguish the most typical approaches to the interpretation of investment climate.

1. Factor approach. Representatives of this approach consider the investment climate as a set of factors, or a set of conditions for investment activity, such as: political, legal, economic, social, financial, regulatory, geographic, cultural, organizational and other.
2. Risk approach. Representatives of this approach consider the investment climate as investment attractiveness and investment risk. The estimate of the investment climate is based on the comparison of risk and profitability of investments. Ensuring of maximum profit is one of the most important features that attract investors.

3. Territorial approach. Representatives of this approach describe the investment climate at micro and macro level – at the level of the state, region, industry, individual enterprise and project.

4. Integrated approach. Representatives of this approach consider the investment climate as ensuring equal conditions for investment activity for domestic and foreign investors.

5. System approach. Representatives of this approach consider the investment climate as a certain system, which consists of many elements that give a synergetic effect in their total interaction.

6. Balanced approach. Representatives of this approach describe the investment in tangible and intangible assets (real investments) and the investment in securities (financial investments).

7. Rating approach. Representatives of this approach make an assessment of the investment climate on basis of the rating of the country made by authoritative international expert agencies.

8. Dynamic approach. Representatives of this approach consider that the investment climate is characterized by high dynamism and changing, that has both positive and negative sides.

9. Cyclical approach. Representatives of this approach consider that the investment climate is associated with cycles of recession and upswing of economy.

10. Public-management approach. Representatives of this approach emphasize the active participation of the state for forming investment climate.

Conclusions: Summarizing the results of the research we come to the following conclusions:
1. The conception of investment climate is not explored fully. Today there are different approaches to the meaning of investment climate.

2. We proposed to systematize the existing approaches to the definition of investment climate. We have distinguished the following groups: 1) factor approach; 2) risk approach; 3) territorial approach; 4) integrated approach; 5) systemic approach; 6) balanced approach; 7) rating approach; 8) dynamic approach; 9) cyclical approach; 10) public-management approach.

3. Politics and actions of public authorities should play the key role in the formation of an attractive investment climate. Institutional mechanism of development of the investment climate has not formed yet. This mechanism should provide active actions of the state to create favorable conditions for investment at micro and macro level for foreign and domestic investors.

**Further researches:** In the future researches we plan to investigate the institutional mechanism of development of the investment climate in Ukraine.