

foreign investors. But there is something like a «closed circle». We need foreign investors to build a strong national market of intellectual resources in order to use this «national basis» for becoming a member of the international market of intellectual resources. And we need the national system of intellectual resources to attract foreign investors.

In the conclusion it is necessary to say, that nowadays Ukraine has its market of intellectual resources, but it is far from ideal. It is complicated to establish the intellectual market with ideal characteristics, which will be a considerable part of the international one. But using the mechanisms described above and some other it is quite possible to create Ukrainian market of intellectual resources, which in several years after its establishment will be competitive in the international one.

References

1. Садовська Г. Ф. Проблеми та перспективи участі України в міжнародному ринку інтелектуальної праці / Садовська Г. Ф. // Економіка, фінанси, право. — 2012. — № 10. — С. 11-13.
2. Lesser, W. The Effects of Intellectual Property Rights on Foreign Direct Investments and Imports into Developing Countries in the Post-TRIPs Era / W. Lesser. — Ithaca, NY, 2002. — 118 p.

Ivanova I.,

*2nd course, Faculty of International Legal Relations,
National University «Odessa Academy of Law»*

INVESTMENTS IN HUMAN CAPITAL DEVELOPMENT

One of the most essential events of the XX century was scientific-technical revolution. Since then the world has been changing quite fast. Of course, it influenced economics as well. Companies have started worrying about their human capital development, because human capital has become a factor of production of paramount importance.

In Ukraine human capital development is one of the most actual problems. Every year lots of scientists are leaving Ukraine to work abroad. They want to get higher wages and better living conditions. Some scientists estimated our country loses 200 or even 300 million dollars of GDP annually because of human capital loss.

Earlier human capital was considered to be just physically working power. Thanks to technical development this term became much wider. Human was replaced in the center of economical processes. These

factors stimulated accelerating of branches' development, from one side, and researching of effective investments, from other one.

Human capital formed as a result of investments, set of knowledge, skills and motivations, which reflects a complex of physical, intellectual and psychological qualities of the individual [1].

Human capital has its own peculiarities:

- Income of investments in human capital depends on life-span;
- Human capital can be run-out physically and morally;
- Human capital can be accumulated and increased;
- In case of accumulating of human capital its revenue is limited in increasing and then goes down;
 - In the process of education not just the student's characteristics and qualities are improved, but those of the teacher too;
 - Investments in human capital are just those that are socially expedient and economically necessary;
 - Character and types of investments are influenced by historical, national, cultural peculiarities and traditions;
 - Comparing to other investments these are the most gainful as from the point of view of individual, so from the point of view of the society.

Thus human capital is a complex of characteristics of different qualities. McConnell and Brue divided human capital into three groups:

- Expenses on education, including general and special, formal and informal, education at the workplace;
- Expenses on health service, containing prophylaxis of illnesses, medical service, diet food, improvement of living conditions
- Expenses on mobility, thanks to this the workers migrate from places with lower capacities to more developed places [2].

According to some scientists, investments just create basis for human capital production in the system of education, health service, upgrading their qualification, economical motivations, geographical mobility etc. But it must be not just investments, but also real, conscious and tended activity of the investor. The main role in creating human capital is played by the expenses on labour in self-development and self-improvement. These expenses are always included into general expenses on the whole process of production.

Human capital also has its own advantages and disadvantages. The benefits are:

- Human capital development is basic factor of economical increase;

- Income from investments guarantee high profit in the future;
- Income from investments has long-lasting economic and social effect for the society.

The drawbacks are:

- Essential expenses for the individual and society in general;
- Limited investments in human capital for people from poor families;

- Imperfection of the institutes of the society.

Investments into human capital give the following possibilities:

- Continuity of education allows permanent investments into human capital development;
- Much wider access to interesting and perspective jobs;
- High prestige of profession or satisfaction from this activity in the future.

But also the following risks are to be faced:

- It runs out physically and morally due to time lasting;
- High level of opportunistic behavior expenses.

Based on the statements above, we can conclude that human capital in modern society plays a key role. In most of developed countries all of state programs tend to support scientific researches and technical development.

In 2013 Worldwide Economic Forum made the list of countries according to their level of human capital. The first ten places are occupied by Switzerland, Finland, Singapore, the Netherlands, Sweden, Germany, Norway, Great Britain, Denmark and Canada. All these countries have quite high level of educational and scientific programs and much better living conditions and level of social provision.

As for Ukraine, it won the 63th place of 122, although we possess all conditions to improve this rate. State and private investments can increase the level of human capital in the nearest 10 or even 5 years. So we have to unite economical resources and legislative normative acts to create real worth basis for human capital development.

References

1. Бондаренко Г. И. Человеческий капитал: основные факторы его воспроизводства и развития / И. Г. Бондаренко. — Ростов-на-Дону: Терра, 2005. — С. 12-13.
2. Макконнелл К. Р., Брю С. Л. Экономикс: принципы, проблемы и политика: Т. 2. / К. Р. Макконнелл, С. Л. Брю. — М.: Республика, 1992. — С. 171.