

Methodological Issues in Determining the Attractiveness of the Investment Environment

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ABSTRACT

The role of the regions, the integrated activities carried out there, the conditions created for entrepreneurship, and the development of institutional structures that ensure competitiveness are of particular importance in the economic development of the country. The annual growth of the gross regional product ensures an increase in the income of the population employed in the economy, an increase in the profits of companies and in the funds flowing into the state budget. An increase in income, in turn, leads to an increase in demand for goods and services. Economists have proved in their studies through econometric analysis that the wealth generated in the regions is directly linked to the growth of a country's economy.

Introduction

An increase in national income at a rate exceeding natural population growth naturally leads to an increase in per capita income. In particular, the conditions created for small business and private enterprise in our country, the economic policy pursued on the basis of the principle of equity, and the timely and correct implementation of regional investment programmes lead to an increase in new jobs. in the economy and, consequently, in social and economic development.

LITERATURE REVIEW

The economist O.A. Bijakov, taking a constructive approach to the research carried out in this area, tried to reveal the essence of the issue from the scientific-theoretical and scientific-

methodological points of view. According to his research and conclusions, the factors of production in the post-industrial type of society development lose their spatial significance and become less territorially connected to each other, in this process the economic space begins to perform an integrated function. This shows the fifth independent element of production after the fourth element of the factor of production mentioned by J. Schumpeter. O. A. Bijakov's concept of "spatial potential" was developed by a number of scientists: [1,2]. O. L. Tarana, E. N. Akerman, A. A. Mikhailchuk and A. Yu. Trifonov and presented their theoretical views. In their opinion, as the economic meaning of spatial potential is emphasized, the region should be analyzed in the form of quasi-state and quasi-firm, relying on the traditional economic sciences, that is macroeconomic and microeconomic algorithms.[3]

RESULTS AND DISCUSSION

High rates of savings and investment alone will not be sufficient to ensure such economic growth. In order to ensure economic growth, the direction of foreign direct investment, investment in human capital, knowledge development related to the creation of high technology and technology, and the integrated solution of effective use of advanced scientific achievements must be taken into account. and technical achievements. It is known that as the amount of disposable income increases, the share of consumption in its content decreases; on the contrary, the share of savings increases. This situation can be explained by D. M. Keynes' "fundamental psychological law" as follows: "...the fundamental psychological law, which we must believe, is based on our good study and knowledge of human nature, as well as on a careful analysis of people's pasts. experience, is that people whose income is rising, they tend to increase their consumption, but not to the extent that their income has risen"[4]

The investment environment is a category of objects reflecting a set of conditions actually existing for investors at any given time. However, in today's environment, the investment environment is formed only under the influence of public authorities. Certainly, the world experience, including the experience of companies and firms established with foreign investment and which have achieved high economic performance, should be used more extensively when carrying out this work. National peculiarities should also be taken into account in this process. Government efficiency is one of the factors determining the investment climate. On this basis, it can be noted that each country attracting capital has a specific system of investment. This system includes a system of foreign investment acceptance and an investment environment consisting of a legal framework and institutions. The system of foreign capital admission acts as an integral part of the investment environment and is organised independently of it. Because it is capable of changing the investment environment. The foreign investment reception system allows the host country to facilitate the entry of foreign capital into the national economy, the investment environment assesses the situation of optimal growth of incoming capital in the country..[5] "Foreign investment is investment made from one country into the territory of another country, with exports ". Global experience shows that economic development in a country can be achieved by increasing its investment attractiveness. The laws of the Republic of Uzbekistan "On Investment Activity" and "On Foreign Investments" do not define the term "investment attractiveness" related to the category of investments. In this connection, the development of a definition of the term "investment attractiveness" is now considered to be an objective necessity. In practice, when assessing investment attractiveness, the state of an investment object is evaluated according to various criteria that maximise the level of income (profit)[6].At that, the country, region, economic network, the system of indicators assessing the investment

attractiveness of an enterprise and methods of calculation differ from each other. Based on the above, we can conclude that there is commonality in the research and conclusions made by foreign and domestic scientists concerning the concepts of "investment", "foreign investment" and "investment attractiveness", and the main elements of these definitions. compatible.

The rankings published by the World Bank include the administrative procedures established by the government for starting and doing business, including key factors related to a country's economic potential (market size, labour costs, etc.), as well as potential investors.[7]

Table 1.

Ratings showing the attractiveness of countries and the investment climate for investors

Rating	Rating organizations	Parameters to be evaluated	Source of information
Inactivity index of countries	World Economic Forum	Socio-economic parameters of countries	Statistical and legal information, questionnaires from experts
Running a business	World Bank	Legal environment for doing business	Internal system of information collection and analysis
Global Competitiveness Index	Fund for Peace	Risks to people living in the country and companies operating in the country	Statistical information and questionnaires from company managers

Investment risk is determined based on a comprehensive, in-depth analysis of the investment environment. Investment climate and risk levels are inversely related to each other. That is, the more favorable the investment environment, the lower the entrepreneurial risk of the investor, and this increases the influx of investors. Conversely, if the investment environment is unfavorable, the level of risk is high. This leads to an increase in spending on the part of the recipient of the investment.[8,9,]

CONCLUSION

The investment attractiveness of a country depends on a number of factors, namely political, economic, social, cultural, institutional and geographical factors. Based on these factors, investors decide whether or not to invest in a country.[10]

My proposal in this regard can realize the potential if the country's investment appeal is increased.

- creates inter-company communication allowing communication with foreign investors;
- raises the economic culture, including the culture of entrepreneurship, to an international level;
- professionals working in the region for the first time will absorb best practices and gradually spread them to enterprises outside the region;
- the country's infrastructure becomes more efficient;
- a competitive effect is created in the country, i.e. enterprises in the region force enterprises located outside the region to compete with them;
- Gives an 'Entrepreneurial Quality Effect'.

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