Theoretical Analysis Content and Essence of the Concept of "Investment"

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Abstract: **The article attempts to consider the concept and essence of investment from an economic and legal point of view, which made it possible to identify economic and legal features that create an opportunity to distinguish this complex and ambiguous phenomenon from related ones. The author classified the wording of the author's definitions, such as investment as capital, which has a designated purpose (obtaining certain benefits), and investment activity as a process of placing this capital, which has a designated purpose.**
Keywords: Investments, factors, GDP, economics, investment activity.

I. INTRODUCTION

The volume of foreign direct investment attracted to developing countries has been stable, growing by 2% to $ 706 billion, and there is a significant gap between the regions. Emerging Asia is the largest region in the inflow of foreign direct investment, and in 2018, investment grew by 4% to $ 512 billion. The COVID-19 crisis has led to a sharp decline in direct investment. International direct investment flows are expected to decline by 40 percent by 2020, reaching $ 1.54 trillion in 2019. USD. This requires taking into account factors such as the specifics of the regions and opportunities in increasing the efficiency of investment in the context of globalization, the establishment and proper distribution of territorial distribution.

Its application in the formation of an optimal portfolio of securities, risk and return levels, financial activities based on fuzzy logic, calculation of option price for the purchase of shares research is underway to determine its effectiveness.

II. LITERATURE REVIEW

Samuel Bjorklund, Tobias Ulin, T. Cochonen, Howard B Demuth, Mark H Beale, P.Samuelson [3], G.Alexander, D.J. Bailey [5] lawrence on investment valuation analysis, financial time series forecasting and portfolio optimization issues and evaluation of investment projects J. Gitman, Michael D. Djonk, and K. R. McConnell conducted the research.

Problems of investment were investigated by local economists, it can be seen in the works of such scientists as S.S. Gulomov, T. Shodiev, A.N. Kravchenko, Yo.Abdullaev, R.H. Alimov, B.T.Salimov, N.M.Mahmudov, B.T.Baykhonov, Sh.I.Mustafakulov, Tursunov B. [16], Yuldashev N.[17].

III. ANALYSIS AND RESULTS

The content of the concept of "investment" can be attributed to the most debated issues in the legal and economic literature, which is associated with several points.

First, in economic theory, as well as in the theory of civil and business law, there is no uniform approach to understanding this term. So, A.G.Bogatyrev wrote that the difficulty of developing the legal essence of investments is caused, as in the economic literature, by the complexity of these concepts and the presence of several types and forms of capital and investment [6].

Secondly, legislation1 and law enforcement practice on this issue are also not stable and unambiguous. As a result, the existing legal regulation can hardly be considered satisfactory.

The term "investment" primarily refers to the number of economic concepts, which are the most important institutions of economic activity that characterize the current state of a developed economy.[18]

In the economic literature, this term is perhaps one of the most ambiguous. For example, in macroeconomics, investments usually include only those investments that lead to an increase in gross domestic product, and hence the real sector of the economy.

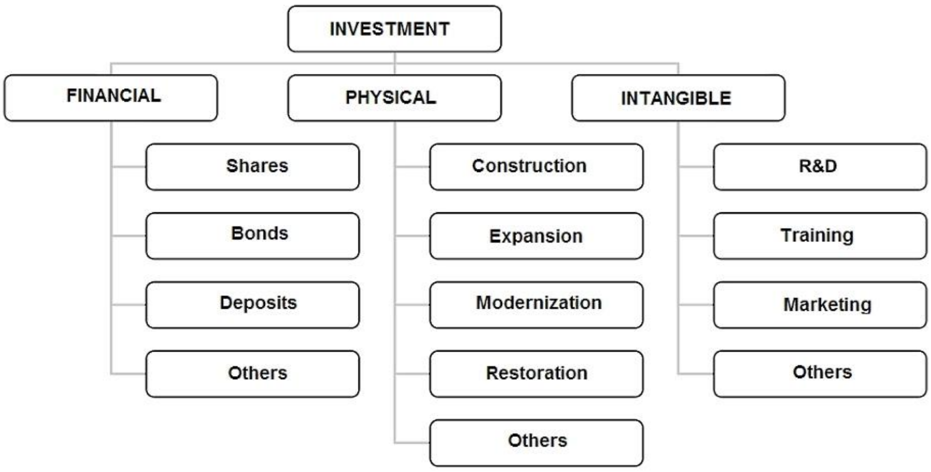

Figure 1.: Main types of investments.[19]

According to J. Keynes, investments can be defined as an increase in the value of capital property, regardless of whether the latter consists of fixed, circulating or liquid capital [7].

E.J.Dolan and D.E.Lindsay understand investment as an increase in the volume of capital functioning in the economic system, ie, an increase in the supply of productive resources carried out by people [8].

Pierre Masset, a French specialist in economic and mathematical methods, wrote that investment is the act of exchanging the satisfaction of today's need for the expected satisfaction of it in the future with the help of investment goods.

In the legal literature, attempts have been made to systematize the views on the nature of investment existing in the economic literature. Thus, LG Kropotov distinguishes the following groups [9].

The first group, according to the author, are scientists who define investment as an investment of capital (for example, E. F. Borisov, P. I. Vakhrin, A. V. Vorontsovsky).

The second group consists of scientists who explain the concept of investment in terms of spending, while indicating that we are talking about spending money today for the sake of obtaining future benefits (for example, W. F. Sharp, G. D. Alexander, J. W. Bailey).

The third group defines investments through objects that are used in the process of entrepreneurial activity (G. I. Ivanov, A. G. Ivasenko).

The doctrine notes that the practice of legal regulation of investment processes is carried out in such a way that the concept of "investment" is determined each time by a specific normative act pursuing one or another goal of regulation. As a result, various legal models of the concept of "investment" appear.

However, we believe that such a division is rather arbitrary, since with a different set of "economic interpretations" of this concept, the common thing in them is the inclusion of the concept of "capital".

The above does not mean the identity of these concepts, otherwise there is no need to introduce an additional concept of "investment". As Wu Okkam pointed out: "Entities should not be multiplied beyond necessity."

Therefore, each of the listed economists' points to the essential, from his point of view, features that make it possible to identify capital as an investment.

The concept of "capital" (French, English capital from Latin Capitalis - 'main') in a broad sense covers everything that is capable of generating income, or resources created by people for the production of goods and services [10].

Consequently, the third group of authors, considering objects used in the process of entrepreneurial activity as investments, in fact, is also talking about a kind of capital.

Regarding the concept of "costs", the following should be noted. In their most general form, they can be defined as the donation of a certain resource, that is, reduction or use to achieve the set goals [11, p. 299-300].

In other words, expenses are the same capital (a certain part of it, a certain resource), but aimed at achieving the set goals.

Meanwhile, "capital" included in the concept of "investment" is not just "capital", but "capital" with a purpose, which consists in obtaining certain benefits (for example, its increment).

However, it can be argued that in this case "essence multiplication" is allowed. Since the concept of "capital" (French, English capital from Latin capitalis - 'main') in a broad sense covers everything that can generate income, or resources created by people for the production of goods and services [10].

Consequently, the concept of "capital" initially includes the ability to generate income, or, in other words, the receipt of certain benefits.

The answer to this is the following. The attribute of capital "the ability to generate income" is not equivalent to the attribute "purposeful purpose in obtaining certain benefits."

First, the feature “the ability to generate income” is immanent, that is, the absence of this feature means the absence of the very concept of “capital”. The second feature, on the contrary, does not belong to the number of immanent ones, therefore its presence or absence will only indicate the admissibility or inadmissibility of attributing "specific capital" to investments, and not attributing the phenomenon to capital. The latter is due to the fact that the sign “intended purpose” is introduced to the capital from the outside, that is, the “owner” of the capital independently decides that a certain part of his capital is to be invested in one or another investment project.

Secondly, the first indicator assumes the hypothetical ability of capital to generate income. For example, a certain capital may, in principle, not bring any income, therefore, the main thing is the presence of the opportunity itself, which may not be realized. The second feature, on the contrary, does not have this characteristic, since the intended purpose can hardly be described from the point of view of implementation.

It seems that this approach allows us to consider investments as capital with a designated purpose (obtaining certain benefits), and investment activity as a process of placing such capital.

It is necessary to distinguish legal concepts from the economic concept’s "investment" and "investment activity".

OM Antipova writes that within the meaning of this definition, the generic concept for investment was the concept of property and intellectual values. As an additional feature that distinguishes investments from other property and intellectual values, according to the author, the direction of their investments is indicated - objects of entrepreneurial and other types of activity, while the activity in which the investments were made was separated from other types of activity according to its result - the formation of profit (income) or the achievement of social effect [11].

Analyzing these definitions, it can be noted that investments are objects that have a monetary value and are invested in objects of entrepreneurial and (or) other activities in order to make a profit and (or) achieve another useful effect.

However, if we look at the signs of foreign investment, we can see a lot in common with domestic investments: for example, investments are directed to objects of entrepreneurial activity, the forms of investments must have a monetary value.

This contradiction, on the one hand, is quite understandable, since each of these laws regulates special types of investment activities and therefore has its own specifics. At the same time, it seems expedient to consolidate homogeneous concepts in the legislation, since this would allow considering the normative array regulating the investment process as a whole, presenting general principles and goals in it.

As for doctrinal definitions, they are very diverse by analogy with economic definitions. However, they can be conditionally reduced to the following approaches, to which other statements made in connection with the discussion of the named topic adjoin to one degree or another.

The essence of the first approach is that investment is a kind of good. For example, N.G.Doronina and N. G. Semilyutina understand by investment any instrument in which money can be placed, hoping to preserve or multiply their value and (or) provide a positive amount of income [12].

T.A. Serebryakova believes that investments are property in respect of which the state has established guarantees, privileges and immunities resulting from the mechanism of state protection of the investor, transferred (transferred) by the state, an individual or legal entity to citizens, organizations, foreign states for the purpose of extracting profit, achievement of another effect recognized by the current legislation as socially useful.

According to SP Moroz, the concept of "investment" can be viewed in a broad and narrow sense. In a broad sense, these are any types of property (material) and intellectual (intangible) values, as well as rights to them, invested in objects of entrepreneurial and other activities in order to obtain benefits. [13]

In economics, it is understood as everything that is able to satisfy the everyday life needs of people, to bring people benefit. Note that the term “good” in this case covers both objects of civil rights and values that are not such for making a profit (income) and (or) achieving a positive social effect. In the narrow sense, these are own, borrowed or attracted funds invested by an investor in order to generate profit (income) and aimed at creating material or spiritual benefits.

The second approach is that investments are actions. In particular, V. V. Gushchin and A. A. Ovchinnikov indicate that investments are actions of a subject (ie, an investor) at the disposal of objects of civil law belonging to him [14].

In other words, we can say that investments in accordance with this approach are a kind of legal facts.

Finally, the third approach assumes that investment is a specific kind of relationship. So, OM Antipova writes that the semantic center of this concept is the relationship itself, associated with the investment of assets [11].

A similar position can be found in L. G. Kropotov, who believes that investments are property relations aimed at making a profit and (or) achieving another useful effect, based on equality, autonomy of will and property independence of participants, regulated by the norms of civil law. [4]

IV. DISCUSSION OF RESULTS

Let's consider these positions in more detail. The first thing that attracts attention is the presence of terminological imprecision in some approaches.

For example, if investment is a certain type of relationship, then what is the need for this concept in legislation and doctrine, since both in doctrine and in legislation a certain group of relations regulated by the rule of law is usually denoted by legal relationships.

As a result, there are two concepts denoting the same phenomenon. The consequence of this will be the confusion of terminology and the leveling of the own content of the concept of "investment".

In other words, the concept of "investment activity" is defined through the concept of "investment". Let's replace the term "investment" with its definition - it turns out that investment activity is an investment and implementation of actions of a subject (ie, an investor) at the disposal of civil law objects belonging to him in order to obtain profit and / or achieve a socially useful effect. As a result, there is a mixture of the listed

In addition, the arguments of the authors, substantiating the need to understand investments through the category of relations, are not convincing enough either. For example, L. G. Kropotov writes: "As soon as economic theory and economic relations actively operate with such a category and consider it as one of the elements of market relations, the allocation of such a legal institution is permissible." Further, the author points out that the reason for distinguishing the category of investments in law is the need to ensure a connection between economics and law. [4]

The legal literature has advanced the following arguments against this approach:

1) this approach does not allow to separate investments from other property;

2) this definition is not a feature of investment as an economic phenomenon, since from an economic point of view, investment is an investment process;

3) the property becomes an investment from the moment it is involved in the investment process;

4) the investor's goal is different from others. [fourteen].

These arguments can be answered as follows:

1) it is possible to delimit investments from other property according to the purpose of their investment;

2) in the scientific economic literature, the understanding of investments through a process is not generally recognized (W. F. Sharp understands them as costs);

3) this argument is very interesting, but here difficulties arise with the moment of involving the property in the investment process, as well as with the ensuing problems of qualifying transactions as investment ones and, accordingly, the application of the norms of investment legislation.

Let us emphasize that a process is a complex activity that consists of factual and legal actions. Elements of the investment process cannot always qualify as independent investments, therefore, when linking the appearance of investments only with the moment of their involvement in the investment process, individual elements (operations) of the process will not fall under the concept of "investment". [4]

Typically, the term “investment potential” is applied to countries, regions, industries, firms, and other business entities. In addition, many economic literatures rarely describe the investment potential of certain assets, financial market instruments, individual financial and commodity markets. In essence, the “Investment Potential” category reflects investments in long-term assets, including investments in securities to generate income or achieve other national economic outcomes.

It should be noted that some economists understand “investment potential” as “allowing to achieve a synergistic effect through the use of a set of investment resources regulated according to a certain rule”.

The word “potential” comes from the Russian translation of the term “potential,” which is derived from Latin (rotational) and means power, might. In the Dictionary of Foreign Languages, the word is briefly defined as "a set of tools, opportunities available in a field."

Investment potential takes into account macroeconomic characteristics, the saturation of the region with production factors, consumer demand and other parameters. Investment potential consists of a set of investment resources, including material, technical, financial and intangible assets, including ownership of industrial and mining facilities, collection of information in the field of socio-economic, market relations, accumulated experience and more.

In foreign encyclopedias, potential is defined as "the resources, resources, resources available and mobilized to achieve a specific goal, implement a plan, solve a problem; the capabilities of an individual, society, state in a particular area." It is important to study the problems of investing in the economy, because investment affects all processes taking place in the economy, that is, it serves as a tool to ensure scientific and technological progress, increase key macro- and micro-indicators of the economy.

The economic situation and development of the country depends on the state of the regional economy, and the increase in the level of economic development of the regions, in turn, depends on the investments attracted to the regions.

Investment will lead to the growth of key indicators of the regions and the country's economy.

Investment potential is an independent concept in the system of investment modules, and from our point of view it is a source characteristic. Investment resources can be used to varying degrees depending on the attractiveness of the industry and facilities.

The analysis of the main supports of state regulation of investments showed that many tools have different effects on the investment attractiveness of investment resources and facilities. Therefore, it is necessary to distinguish between investment potential and investment attractiveness in economic analysis and economic policy.

Investment decisions focus not only on investment potential, but also on the investment climate and investment risk. But it is the analysis of investment potential that will be crucial in investment opportunities.

The structure of the region's investment potential is shaped by private factors, and components such as production, raw materials, financial and infrastructural and institutional capacity are the most important for assessing the region's investment potential.

To interpret them more broadly:

production potential represents the efficiency of production activities in the region, a set of factors of production that can be involved in the investment process for the reproduction of capital;

raw material potential - the availability of natural resources and material resources, which are the basis for economic development of the region, as well as participation in the process of capital processing;

financial capacity - the availability of a set of financial resources, taxes and other cash inflows accumulated in the form of monetary capital that can be used to make investments;

Infrastructural potential - the existing production and social infrastructure is provided with normal conditions for the operation of the investment process;

Institutional capacity is the level of development of organizational and legal mechanisms in the region, as well as the fact that the tools of a developed market economy contribute to the functioning of investment processes. This is because the infrastructure potential is interrelated with the institutional capacity and is a combination of production and social infrastructure capable of creating the necessary conditions for the normal functioning of the investment process.

Of course, the mentioned potential structure is not an exhaustive list of factors that make up the investment potential of the region. In addition, the more factors are considered and analyzed, the better and more accurate the overall assessment of the region’s investment potential will be.

The factor approach is the most optimal as a methodological basis for the study and management of the regional investment process, according to which groups of natural, industrial, scientific, technical, institutional, human, organizational, informational factors participate as an interconnected system as a driving force.

The appropriate combination of factors objectively provides a synergy of positive socio-economic and other impacts resulting from the investment. The investment potential of the region is formed under the influence of various factors. Western economists often highlight the following factors when assessing investment potential.

The level of economic development of the region is the result of the development of reproductive processes in the system of universal and social labor integration. To determine the level of economic development of a region, first of all, the method of retrospective analysis of the most important socio-economic indicators should be applied.

The purpose of retrospective analysis is to identify the characteristics of productive forces that allow them to take advantage of important conditions and advantages for the expansion of economic opportunities, based on the assessment of the development path and economic situation in the region in the new market conditions.

Convention on the Settlement of Investment Disputes between States and Individuals or Legal Entities of Other States (concluded in Washington on March 18, 1965) [15].

In other words, the state allocates a certain set of objects (goods) that are invested in various types of activity for a specific purpose, and subordinates the relations arising with these objects to a separate legal regulation, depending on the characteristics of its (particular state) economic development. Therefore, for example, various types of investment activities may be encouraged in the legal order.

Summing up, we can conclude that investment as a legal concept is a benefit or a set of benefits that are invested in objects of entrepreneurial and (or) other activities in order to make a profit and (or) achieve another useful effect.

V. CONCLUSIONS

In short, the assessment of investment potential in the regions is a comprehensive process that takes into account not only economic but also social conditions, assessing the complex potential of the region, the causes of disproportionate development of regions in the distribution of foreign and, most importantly, targeted investment. should identify the factors that affect large differences in the income of the population. The analysis also provides good results in assessing the business response to government action and the resulting changes in investment dynamics and production efficiency. As a result, by applying different methods of analysis, we will be able to identify opportunities to formulate positive economic policies to increase the active impact of government regulatory mechanisms on investments in order to stimulate economic growth in the regional economy.

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