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HOST COUNTRY POLICY AS A DETERMINANT OF ENVIRONMENTALLY SUSTAINABLE FOREIGN DIRECT INVESTMENT INFLOWS *

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Abstract. *During the last twenty years, there has been a sharp increase in importance and role of foreign direct investment as a promoter of economic development. In addition to generating the expected development benefits, foreign direct investments offer the possibility of improving the environmental performance of the host country, and thereupon act as a strong support in achieving goals of sustainable development. Respecting the fact that the development effects of foreign direct investment on the host country do not manifest automatically, the aim of this paper is to indicate the main policy mechanism through which developing countries and countries in transition can take advantages of foreign direct investment for achieving environmental improvement and sustainable development.*

Key Words: *host country policy, liberalization, promotion, investment incentives, foreign direct investment for sustainable development.*

INTRODUCTION

The problems of environmental degradation in developing countries as well as in countries in transition are the central problems in the current debates of achieving sustainable development goals.

In the last decades former socialist countries followed non market model of economy that resulted in a huge price deformation and excessive, unsustainable consumption of the natural resources and energy. Centralistic administrative way of price determination along with the subsidies has for the aim to create the basic foundation for developing the extractive and resource intensive heavy industry. Besides, the enterprises have been routed to reaching the quantitative production goals, which has resulted in disregarding the social

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and environmental aspects of production. Having this in mind, the reduction of price deformations by making the conditions for full internalization the environmental and social costs, presents the first step for sustainable consumption of natural resources and reduction of the environmental damage. Eventually, prices would be further adjusted in order to fully reflect environmental and social costs.

Along with the difficulties and limits which they confront on their path to economic development, developing countries and countries in transition confront also the problems of environmental degradation which threaten to undermine their long-term development prospects. Long-term inobservance about the consumption of non-renewable natural resources is the practice that those countries must abandon because it limits the possibilities for future development. In addition, the models of creating income in the urban areas are mostly based on non efficient usage of energy, water and other resources, while the emissions from industry and transportation sector and the other forms of pollution are usually not controlled. All this leads to further increase of the environmental problems that will increase the costs of future generations in solving them. The problems of environmental degradations also have a social dimension that manifests in the form of chronic sanitary problems and higher rate of mortality, mainly due to the higher rates of pollution.

These problems are not unique to developing countries and countries in transition. Many developed countries are also facing the need to find ways to address the growing pollution problems and more efficient to confront with numerous environmental challenges. However, the results of numerous studies performed in developed countries show that these countries have made significant progress in the field of placing harmful environmental practices under control.

During the last two decades, the awareness of the need to resolve many environmental problems has significantly increased in developing countries and countries in transition. Experience confirms that some of them have made significant environmental improvements, but that they are still faced with certain political, institutional and financial constraints in the development of effective environmental management system.

Direct and indirect development benefits of well established foreign direct investment projects on the host country economy are generally well known and empirically validated practice. However, the development benefits of foreign direct investment on the host country economy can not be effected immediately after entry, that is, by some automatic mechanism. This directly indicates that their ultimate realization is uncertain and cannot be expected that they will by the same mechanism generate the desired environmental improvements.

For developing countries and countries in transition, foreign direct investment is an important determinant of development, since it is through it that the transfer of necessary material and intangible resources for development acceleration exert. However, the development needs of these countries, under the conditions when finding ways to achieve sustainable development is imposed as an imperative, get a new dimension and put a request to create such policies towards foreign direct investment that will affect stimulatively not only the inflow, but also the maximum expression of the positive environmental effects and contribute to efficient use of foreign direct investment for the purpose of sustainable development.

Having this in mind, in further work the attention will be focused on explaining the mechanisms through which developing countries and countries in transition as host countries can exploit the potential of foreign direct investment to improve the condition in the field of environment and achieving sustainable development goals. In this context, the question of choosing the adequate policy towards foreign direct investment is imposed as a question of paramount importance. In other words, the question is what kind of policy should the competent authorities in developing countries and countries in transition lead in order to absorb environmental benefits, minimize the environmental risks and maximize the contribution of foreign direct investment to sustainable development.

THE IMPORTANCE OF HARMONIZATION OF THE POLICY OF LIBERALIZATION REGULATIONS FOR INVESTMENTS WITH ENVIRONMENTAL REGULATIONS WF THE HOST COUNTRY

Globalization and the process of intensive liberalization of investment and trade flows made sustainable development become an imperative, and not a possibility of alternative choice. The gradual elimination of barriers to global capital flows affected stimulation in the direction of strengthening the competition for foreign direct investments between the governments of potential host countries. Governments of potential host countries are now actively involved in the competition for foreign direct investment, either through investment incentives or removing restrictions on the movement of capital flows, because they perceived that foreign direct investment can contribute significantly to sustainable development but only under conditions of the existence of the right policy and institutional framework. International community's support to these efforts is necessary in order to create such political and institutional environment that will not only affect stimulation of the inflow of foreign direct investment, but also contribute to the increase of their inflow and absorb their full economic, environmental and social benefits.

International trade and investment are the factors of essential importance for the integration of developing countries and countries in transition into the global economy. In essence, trade and investment are not the causes of environmental and social problems, although they may act in the direction of worsening these problems unless the government policy and practice of multinational corporations are directed towards neutralizing the possible harmful effects. This statement requires an adequate explanation. On the one hand, liberalization of trade and investment can lead to increased production and consumption of goods intensive in terms of pollution, but also to the expansion of environmentally harmful industrial activity. This can result in excessive exploitation of natural resources, increasing pollution levels and therefore environmental degradation and increasing social problems. However, acting as a channel for the infiltration of modern technology to control and mitigate pollution, trade and investment provide an opportunity for the host country to achieve direct economic benefits (increase the rate of economic growth) and indirect environmental and social advantages of such transfer. Such scenario becomes a reality under the condition of existence of strong environmental regulation in the home country that encourages multinational corporations to undertake technological innovations in order to increase the efficiency of resource consumption and reduction of industrial pollution, which they can use around the world to realize the benefits of economies of scale. Foreign direct investment realize also the positive spillover effects as local companies can imitate technological practice of multinational corporations that are present in their market.

Removing restrictions on the movement of capital flows and the impact of the investment regime liberalization policy on sustainable development of the host country have been provoking numerous debates among advocates of effective environmental protection for a long time. Some environmental interest groups believe that liberalization of investment regimes set up the constraints to the effective environmental regulation. Many theorists sharply criticized the specific regulations that directly threatened the sovereignty of national governments. Others route their investigations towards the identification of those structural factors that undermine national regulatory environmental efforts. Among them a special place belongs to the international investments that in the conditions of liberalization may violate national efforts in regulating the activities of private enterprises.

These findings grew in time into the debate about the interdependence relationship between foreign direct investment and sustainable development. Practical experience has shown that, of all forms of international private flows of capital towards developing countries and countries in transition, only foreign direct investment contributed to the realization of expectations that private capital flows are increasingly surpassing official development assistance in impelling economic growth. Developing countries and countries in transition have a great need for foreign direct investment not only because of the need for additional capital to finance development, but also for the reason that through foreign direct investment the opportunities open up to expand market, facilitate technology transfer and know-how, and encourage the adoption of higher environmental and social responsible standards. However, as Ethan Kapstein and Paul Dubrule point out [8, pg. 9] it is necessary to draw a clear distinction between foreign direct investment for development and foreign direct investment for sustainable development. Foreign direct investment, which is characterized less changing than the other private flows of capital, is considered as a leading driver of economic development. However, it is well know that foreign direct investment are not the "universal receipt for all development problems", for the reason that the benefits that host country realizes through foreign direct investment do not generate automatically. Thereupon, their mere existence in an economy does not give the guaranties that they will contribute to the acceleration of the growth rate. Foreign direct investment may become a central promoter of sustainable development only by the appliance of the adequate host country policy and with efficient management of their inflows and their effects.

Governments in developing countries and countries in transition make a move towards the necessary steps in order to make the investment conditions advantageous. The experience in the evolution of politics for attracting and maximizing the benefits of the foreign direct investment inflow shows that these policies passed through three phases. The first step that host country governments should make in their endeavor to create beneficial regime for foreign direct investment is liberalization of national investment regulations. There are conflicting comprehensions about the importance of the degree of openness of the national economy in determining the inflow of foreign direct investment. For example, "Kravis and Lisey (1982), Culem (1988), Edwards (1990) and Pistoresi (2000) show a great positive impact of openness on inflows of foreign direct investment. Wheler and Mody (1992) noted that the hypothesis is reasonable in the industry, but they came to the conclusion that there is a negative relationship in the electronics sector. Schmits and Berry (1972) came to the conclusion that there is a weak positive relationship between openness and foreign direct investment" [2, pg. 96].

Research shows that the liberalization of policies towards foreign direct investment, as the first stage in the development of policies for attracting and maximizing the benefits of foreign direct investment, is not a sufficient condition to achieve a higher quantum of its inflows. Moreover, it is asserted that the usage of the measures of liberalization to foreign direct investment segregated and without the existence of complementary politics did not yield to increasing the inflows of foreign direct investment towards developing countries and countries in transition. In fact, the effects of the politics of liberalization excel by uncertainty and they are followed by considerable risks owing to non existence of adequately developed market infrastructure and presence of numerous development limitations.

In addition to serving as a source of additional capital to finance investment in the capacity for prevention and control of pollution in developing countries and countries in transition, foreign direct investment is an important instrument for the transfer of environmentally clean technologies to these countries. The effectiveness of foreign direct investment in the implementation of this function is largely determined by the characteristics of the investment environment in the host country. This indicates that developing countries and countries in transition should encourage the creation of favorable investment environment for the transfer of environmentally clean technologies. For this purpose, they should take the following steps: *first*, it is necessary to make the investment conditions more attractive for foreign investors (that is, to carry out liberalization of investment regimes), and *second*, they should focus their efforts on defining such investment rules that regulate and encourage the transfer of environmentally clean technologies. Besides, these countries should develop and implement stronger environmental laws in order to additionally encourage such transfer. Having this in mind, it can be concluded that the best scenario may become reality only under the condition of existence of the right environment for investment. Therefore, developing countries and countries in transition confront with double challenges. *The first ones* relate to setting up political, economic and social climate that will attract and retain the investments. *The second* challenge is focusing the attention on such kind of foreign direct investment that will actuate higher sustainability at lower negative environmental and higher positive social impacts. There is high level of alteration and potential contraposition between these policies. This is due to the reason that not only the quantity, but also the quality of foreign direct investment flows should be the common aim of all policies that are focused on attracting and maximizing the potential positive effects of foreign direct investment on sustainable development.

Inclusion of Environmental Requirements in the Promotion Policy of Foreign Direct Investment

Host country governments play a crucial role in creating the conditions and undertaking those activities that are routed into the development of the new mechanisms for attracting foreign direct investment. As we have shown, simply opening some economy represents the first step, but not adequate condition for attracting the sustainable flows of foreign direct investment and enhancing their quality. Foreign investors anticipate at least the provision of guarantees about legal provisions, host country commitment that they will not be treated in a less favorable manner in comparison with domestic investors and provision of the right for freedom of capital transfer, profits and dividends, provision the guarantees versus expropriation of their assets and explicit resolution of disputes.

It is a great challenge for host country governments, especially for developing countries and countries in transition, to attract the greater flows of incoming foreign direct investment and at the same time to direct them towards activities for sustainable development. It is of crucial importance that these countries provide that foreign direct investment contribute to the sustainable development, paying special attention to the foreign direct investment impact on reaching the environmental, social as well as economic goals. The available evidence indicate that in those countries of Central and Eastern Europe in which governments actively engage in the domain of solving the potential environmental problems great success is achieved in attracting foreign direct investment. There is a great agreement that foreign direct investment represented a very important element in achieving environmental improvements in these countries.

The needs of developing countries and countries in transition for higher inflow of foreign direct investment, as for improving the environmental performance of their economies are large. Settling these needs requires adequate integration of environmental goals in programs for attracting investment. There are basically *three leading factors* that achieve greatest impact on attracting foreign direct investment in a particular host country.

The first factor relates to the product or the host country itself as a potential location for foreign direct investment. "Some aspects of the product such as location, existence of natural resources, and market size are generally beyond the ability of the government to change" [7, pg. 13]. That is, these are the factors that host country can not change. "Other factors such as macroeconomic stability, investment regime, and physical and social infrastructure are more under the influence of government policy" [7, pg. 13].

Another very important factor in attracting foreign direct investment is the price or costs of the investment location and business (cost of land use, infrastructure, costs of taxation and subsidies, and administrative costs of various regulatory procedures) in a particular host country. Basically, the attractiveness of potential host country depends on the supply of such advantages of location that will make its market a more profitable location for manufacturing compared with the production which is implemented in the investor home market. Furthemore, investment environment characterized by predictability and transparency is very strong determinant of the location of foreign direct investment in a particular host country.

The third and no less important factor which is attributable to a significant role in increasing the attractiveness of the host country as a potential location for foreign direct investment is investment promotion. Promotional activities of the host country are aimed at reducing the information gap, that is on providing information to potential investors, the implementation of proactive measures aimed at the creation of investment (direct contact by mail, phone, organizing visits to industrial centers) and the provision of services to facilitate investment. "Typically, promotional activities aim to capitalize on a country's product (that provide) and price (of location) advantages" [7, pg. 13].

Foreign investors are not perfectly informed nor entirely rational when making investment decisions about the location of investments in the concrete host country. As a result, investment promotion as a second stage in the development of the policy that is aimed at attracting and maximizing the benefits of foreign direct investment plays an important role in creating awareness about the potential location of investment. One general model of foreign direct investment promotion in host country includes the following:

- *opening the economy* for the entry of foreign direct investment. This includes liberalization of investment regime towards foreign direct investment, by reducing the barriers to entry, strengthening standards of treatment for foreign investors and improving the functioning of market;
- *active involvement* of host country governments in attracting foreign direct investment, by marketing their countries via one-stop national investment promotional agency. "Investment agencies at the national and regional levels have proliferated recently as officials have recognised that attracting investment to a country or area needs to be approached as a product to be marketed" [3, pg. 2];
- *targeting of foreign investors*, that is, routed promotional efforts towards attracting such kind of foreign direct investments that are accordant with development priorities of the host country;
- *promoting of the additional investment*.

The last two elements are different from the past wherein they require proactive intervention of the government in giving the support to development of those branches which are based on the host country comparative advantages. Policy makers in the host country are faced with two basic problems in undertaking the specific promotional activities. *The first problem* is determining the comparative advantages and clearly defining the development priorities of the host country. *Secondly*, based on the established advantages and development priorities of the host country, but also in line with business expectations of foreign investors, it is necessary to make a decision on the selection of an adequate program of promotional activities, which will be stimulating enough to attract a greater volume of qualitative foreign direct investment flows. "With regard to "How to Promote", a useful framework formulates a balance of four basic functions of investment promotion: image building, investment generation, investor servicing and policy advocacy. The mix of functions depends on the needs of a country at a particular time, the domestic and international economic environment, and resources and priorities of a government" [7, pg. 14].

However, practice has shown that, regardless of the level of competitiveness of the location, greater inflow of foreign direct investments, especially those in development interests of the host country, will not realize unless the foreign investor does not have a sufficient level of information about the advantages that particular location possesses. Policies that have as an aim promotion of foreign direct investment are necessary to neutralize the *two types of market deficiencies*. *The first market shortage* occurs due to lack of information in the process of investment, which could lead to a situation where the country receives an insufficient volume of foreign direct investment or even the level of foreign direct investment of inadequate quality. *Another kind* of market-conform defects are caused by the private interests of multinational corporations and the interests of the host country. This can lead to manifestation of the negative impact of foreign direct investment on the host country economy or the inability to use the full development potential of foreign direct investment.

Many public officials involved in the promotion of investments are of opinion that environmental requirements have negative impact on decisions of foreign investors and that they influence the redirection of investment flows to other host countries. As the impact of pollution on human health and productivity, especially in developing countries, has become significant, so the awareness of the need for joint solution of economic and environmental problems has increased. Moreover, a large amount of research shows that dedicating a greater attention to addressing the environmental factors does not turn the decisions of foreign investors to other host countries *for various reasons*: "(a) the choice of a location for investment is usually driven by factors other than environment...; (b) investors are more interested in having a clear and uniformly applied environmental regulatory framework so that they can predict their costs and returns...; and (c) poor, local environmental conditions can be a negative for foreign investors when deciding where to base some of their operations, such as regional headquarters" [4, pg. 37].

In the conditions of increasing competition, imposing additional environmental costs on the production abroad implicitly suggests a move towards cheaper investment locations. Alternatively, this leads to accusations of government of the host countries that they systematically lower their environmental standards and take part in the "race to the bottom", and that multinational corporations tend to transfer their environmentally harmful production to low cost investment locations, so- called "pollution havens". However, most of the multinational corporation in making a decision about investment abroad retain, among the others, predictability of environmental regulations. Thereupon, the absence of clear environmental standards or their inadequate application do not represent a motive for investment abroad, but it is an indicator of a high risk for investment.

These risks can be reduced by integration of predictable environmental standards within the scope of investment promotion which will have stimulating effects on investment flows. It is well known that foreign investors choose a location for investment in accordance with the motives for investment and expected profitability specific locations, which depends *par excellence* on the size of the market and potential market growth, availability and costs of labor and natural resources. Even in the absence of effective environmental programs in the host countries, it is recognized that companies that operate in the global market are faced with a number of pressures to improve their environmental performance. Despite the fact that environmental costs can play an important role in some sectors, they not represent major factors of competitiveness of most industries. It is interesting to point out that in the World Bank publication about the indicators of competitiveness, environmental regulation is not included as a relevant factor, while ten major countries have developed environmental programs according to the level of competitiveness. One study found that multinational corporations following the high environmental standards in all economies in which they operated reached higher market value than their competitors.

THE ROLE OF INVESTMENT INCENTIVES IN DETERMINING ENVIRONMENTALLY SUSTAINABLE BEHAVIOR OF FOREIGN DIRECT INVESTORS

Numerous analysis of the experiences of those host countries that successfully attract and realize development benefits from the inflow of foreign direct investment, especially export-oriented, had shown that investment incentives as an integral element of the policy towards foreign direct investment became a determinant of particular importance in making investment decisions. Namely, changing attitude of the host country towards foreign direct investment from the begining of 90's of the 20th century was followed by the adopting of the policy of liberalization of regulations for foreign direct investment, that is an open door policy for foreign investors. However, along with liberalization policies, the governments of host countries take some proactive measures to facilitate the operations of foreign investors and collection of development benefits. "On the expectation that MNCs will raise employment, exports, or tax revenue, or that some of the knowledge brought by the foreign companies may spill over to the host country private sector, many governments have also introduced various forms of investment incentives, to encourage foreign owned companies to invest in their jurisdiction" [1, pg. 165].

The appliance of investment incentives can be authorized by the following reasons:

a) investment incentives can neutralize market deficiencies in order to reach the full value of the benefits that arise from economics of scale, creating the knowledge and improving the qualification level of work force. Thus, giving the incentives is approved in the case when is necessary to eliminate the gap between the private and social investment returns;
b) in dynamic conditions of growth and development, giving the incentives is approved in order to redress deficiencies on the market with the aim to absorb the gains which can arise over time owing to decreasing the costs per unit of production and learning by doing;
c) the appliance of the incentives is approved in order to compensate investors in the case of the usage of the government measures of intervention or in the case when foreign investors defray the additional costs of operating;
d) investment incentives may serve as a tool for achieving numerous development goals.

Although there is not veracious statistical data about the quantity of investment incentives, the study that was performed by UNCTAD (1996) shows that host country governments begin to intensify those activities at the mid-80's of the 20th century. Practical researches show that investment incentives play just a limited role in determination of the international models of foreign direct investment location. Variation in the inflow of foreign direct investment between countries can be explained by operation of the following factors such as market characteristics, relative cost of production and availability of resources. It is certain that international investment incentives play a marginal role in making a decision about location of foreign direct investment of multinational corporations. For example, if enterprises have at disposal the choice between two or more similar alternative investment location, incentives may perform the impact on making the terminate decision of location. This shows to be particularly true in the case of giving financial incentives (such as permissions, or the other form of subsidies) seeing that they reduce the initial costs of investment and reduce the risk that accompany concrete project of foreign direct investment. The basic question is: Are the costs that the host country is exposed to at giving the incentives, either in the form of permissions, subsidies or reduced taxes, justified? Do investment incentives bring the benefits that are at least equal to the costs to which the host country is exposed?

Seeing from an environmental point of view, investment incentives realize the negative effects in two ways. *First*, if incentives artificially increase the production of specific goods it can lead to rising the level of pollution. As Pierce (2003) quotes "there is a *prima facie* case for which it is assumed that the subsidies encourage greater production to be environmentally harmful to the host country" [5, pg. 17]. Of course, not all investment incentives contribute to increasing production, but only certain kind of investment. For example, subsidies could prove extremely environmentally harmful if they artificially increase the production of companies that are subsidized. It is obvious that this effect will be greater if the industry that subsidizes produces harmful environmental effects. *Second*, subsidies can be indiscriminately assigned that can result in their location to those projects of foreign direct investment that are themselves environmentally harmful.

Fiscal driving of capital import in most developing countries and countries in transition engrosses today the principal role among the mechanisms for stimulating greater inflow of foreign direct investment. However, numerous researches indicate that fiscal policy and investment that are being given to foreign investors, besides revealing some efficiency in increasing the inflow of foreign direct investment, can generate negative environmental effects on the host country.

The concept of sustainable development accentuates the need for adjustment of the economic, social and environmental dimension of human welfare. There are fiscal aspects that differ by importance within these three dimensions. Some of them accentuate responsibility of developing countries, while some of them indicate the responsibility of developed countries and foreign investors in achieving sustainable development. Usually, developing countries undertake such measures that are related to the usage of targeted taxes or fiscal incentives in order to stimulate particular behavior that influences economic, social and environmental sustainability positively.

The level of taxation seldom plays definitive role in determining the location for foreign direct investment. What is more important for foreign investors is *stability, transparency, efficiency and objectivity of fiscal system*. Thus, it is a real challenge for developing countries and countries in transition to create strong political and institutional fiscal framework that will advocate their efforts in attracting higher flows of foreign direct investment, assure achieving the benefits and maintain sustainable shapes of development.

In developing countries and countries in transition stable fiscal system and favorable fiscal environment present vital prerequisite for attracting foreign direct investment. However, the creation of such fiscal environment that serves in reaching the interests of foreign investors does not mean that these countries should accept the low level of taxation. Besides, fiscal incentives can play an important role in stimulating foreign direct investment, as well as inflict a huge damage to host country because they realize one-sided effects. For these reasons, seeing from a sustainable development aspect, the fiscal system should be characterized by transparency in making administrative decisions, stability in fiscal regulations, that is the existence of any level of certainty for fiscal payers, and existence of efficient jurisdiction.

Multinational corporations as bearers of foreign direct investment reach significant participation in realization of the sustainable development policy including the area of taxation. Thereupon, the usage of host country policy measures which would stimulate environmentally responsible fiscal behavior of multinational corporations is necessary. Host country has at its disposal two measures in order to stimulate environmentally responsible fiscal behavior of multinational corporations. *First*, through careful assessment of environmental costs and benefits of particular foreign direct project from fiscal administration in the country in which the investment is planned. *Second*, undertaking the measures from host country by which the awareness of fiscal dimension of sustainable development will increase.

CONCLUSION

Practice has shown that "foreign direct investment has a huge impact potential on economic and environmental performances of the host country, not only directly, by using the modern and environmentally clean technologies and by diffusion of modern eco-efficient management and know-how, but also indirectly, by serving as an example whose practice can also be maintained by other investors... However, provided that exertion of potential positive environmental effects of foreign direct investments is determined by the operation of the multiple factors, special attention should be paid to the regulation of foreign direct investments in such a way that sustainable economic development is maintained. The reason being that, without effective management at international, national, and corporative level, and in conditions when there is no adequate regulatory structure, foreign direct investments may intensify environmental damage and limit the efforts of the host country in reaching the goals of sustainable development" [6, pg. 184].

All available facts confirm the key role of the host country government in creating conditions for achieving the full environmental benefits and avoidance of environmental risks and the dangers of foreign direct investment. Besides liberalization of investment regime, developing and implementation of stronger environmental laws that specifically stimulate transfer of environmentally clean technologies through foreign direct investment, host country government should engage in creating a tax system that favors the achievement of the objectives of sustainable development. In other words, the fiscal system should be created in a manner which assures realization of promising economic, social and environmental outcome. Although investment incentives play only a marginal role in attracting foreign direct investment, it can be concluded that their use should be only in the short term and exactly directed towards such kind of foreign direct investments and those areas that are of major importance for the achievement of sustainable development.

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POLITIKA ZEMLJE DOMAĆINA KAO DETERMINANTA PRILIVA EKOLOŠKI ODRŽIVIH STRANIH DIREKTNIH INVESTICIJA

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U toku poslednjih dvadeset godina došlo je do naglog povećanja značaja i uloge stranih direktnih investicija kao promotora privrednog razvoja. Pored generisanja očekivanih razvojnih koristi, strane direktne investicije nude mogućnost poboljšanja ekoloških performansi zemlje domaćina i usled toga, deluju kao snažna podrška u ostvarivanju ciljeva održivog razvoja. S obzirom na činjenicu da se razvojni efekti stranih direktnih investicija na zemlju domaćina ne manifestuju automatski, cilj ovog rada je da ukaže na osnovne političke mehanizme preko kojih zemlje u razvoju i zemlje u tranziciji mogu iskoristiti prednosti stranih direktnih investicija za ostvarivanje ekoloških poboljšanja i održivog razvoja.

Ključne reči: *politike zemlje domaćina, liberalizacija, promocija, investicione olakšice, strane direktne investicije za održiv razvoj.*